

Town of Kiawah Island

Town Council Retreat

Agenda & Materials



February 2, 2023



TOWN OF KIAWAH ISLAND
2023 Council Strategic Planning Retreat
Kiawah Town Hall
Room: Meeting Room
February 2, 2023
8:00 am – 4:30 pm

AGENDA

Thursday, February 2

Continental Breakfast provided 8:00 am

Call to Order: 8:00 am

Opening Comments:

Mayor Labriola

The 2023 Town Council Retreat will focus on the five goals identified in the Town's Mission Statement

- A. To ensure the protection of the residential character of the community
- B. To ensure the protection of the Island's Natural Environment
- C. To support the economic viability of Resort and other community-based enterprises
- D. To ensure transparency of all Town Council Actions and Decisions
- E. To ensure the fiscal integrity of the Town's finances

Community Engagement

- Open discussion (opportunity to hear concerns from the community).

Open Discussion Priorities (2023): Mayor and Council Members

- Open discussion for Council members

Lunch provided 12:30 – 1:00 pm

Planning Department Priorities (2023): John Taylor, Planning Manager

Priorities:

- To Discuss KiawahNext, the process of updating the Town's Comprehensive Plan
- To Introduce a review and update of the Town's Land Use Planning and Zoning Ordinance and analysis of executed development agreements
- To Discuss development and design standard amendments
- To Discuss Regional Planning and Coordination
- To Discuss the Implementation Phase of The Marsh Management Plan

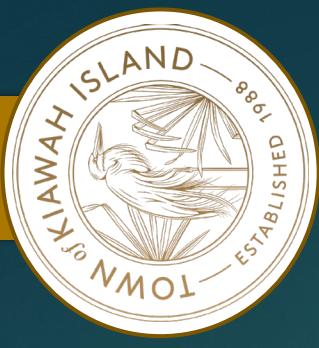
Finance Department Priorities (2023): Dorota Szubert, Finance Director

Priorities:

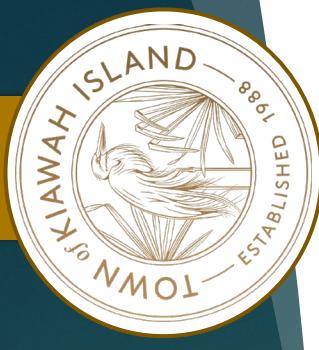
- Prepare a 5–7-year financial plan with contingencies, including the possible impact of hurricane or flooding or any event closing operations on the Island.
- Monitor and refine financial policies to enhance the Town's financial resiliency.
- Manage the Town's financial and administrative resources in an efficient manner and promote accountability for resource usage.
- Maximize the effective and efficient use of banking and merchant services

Wrap up

4:30 pm



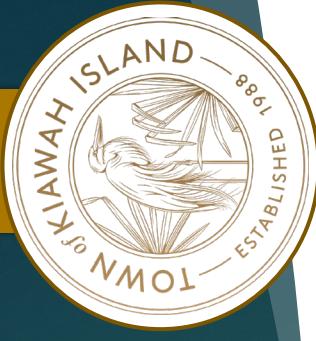
2023 Council Retreat
PLANNING



Planning Department

- John Taylor, Jr. Planning Manager
 - Planner I – Community Planner
- Extension of the Planning & Zoning functions:
 - Planning Commission
 - Board of Zoning Appeals

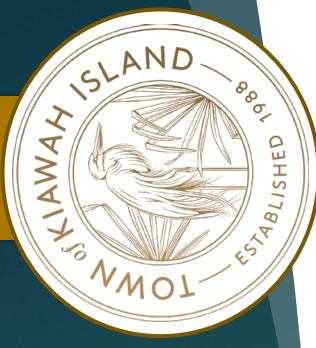
Overall Responsibilities



Short Term (Day to Day)

- Zoning Administration
- Project Review and Permitting
- Subdivision Review
- Planning Commission and Board of Zoning Appeals
- Long Range Planning
- Comprehensive Plan and Special Plans
- Development Agreements
- Regional Planning (Johns Island, Seabrook Island, Charleston County, CHATS, etc.)
- Liaison, Commissions & Task Forces (Johns Island, SC Beach Advocates)

Overarching Themes

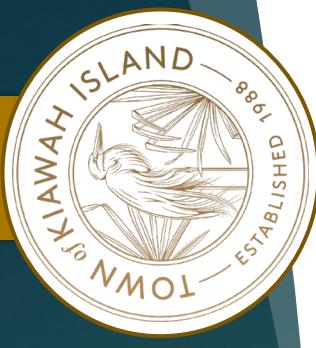


► “KiawahNext”

(What measures ensure Kiawah's quality of life is sustained through changing conditions?)

As Kiawah continues to mature as a community (35th Town Anniversary), the current time is always the best time to understand and reevaluate how Kiawah as a community will look and feel in its next phase. The vision must be more than “We Don’t Want To Become Hilton Head” but how do we capture Kiawah’s identity and ensure that identity traverses time under changing conditions.

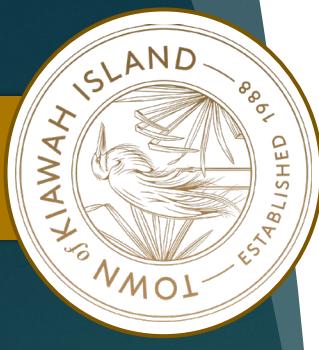
Overarching Themes



► “Beyond the Gates”

(How does Kiawah interact and influence decisions beyond Kiawah?)

The pressures of development and infrastructure surrounding Kiawah must continue to be a priority for the Town. As Kiawah enters more of redevelopment stage with less and less undeveloped properties and as more growth happens in the region, development and infrastructure pressure is increased along the Betsy Kerrison Parkway corridor and on the edge of Town limits. What are the mechanisms and forums for interacting and influencing decisions beyond the gates of Kiawah?



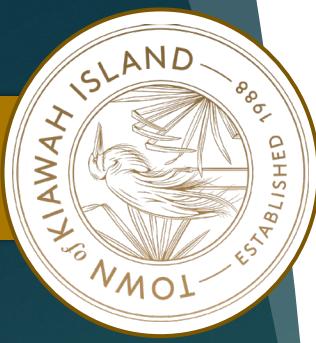
Overarching Themes

► “A Resilient Kiawah”

(What are the next steps in defining the culture of resiliency across Kiawah?)

Kiawah has committed resources to understanding how the community may become more resilient. The Town must continue momentum in implementing measures and leading in this arena to encourage the Maze of K's and near peers to do the same.

Major Goals



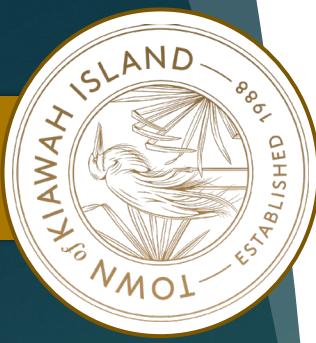
► **KiawahNext Plan**

- Capture community wide engagement with the update of the Town's Comprehensive Plan for the identity and vision of Kiawah.
- Ensure Designing with Nature is the bedrock of Kiawah development patterns

► **Land Use Planning and Zoning Ordinance Review & Update**

- Upon completion of the Comprehensive Plan update, complete a review/audit of the Town's Land Use Planning and Zoning Ordinance to reflect consistency with our KiawahNext Plan and benchmarks or exceeds other communities.

Initiatives



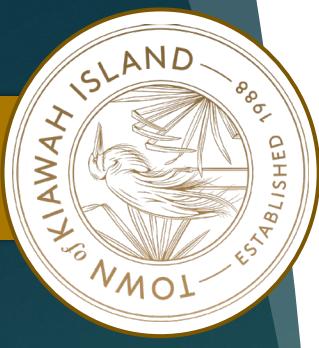
► **Development Agreements Analysis**

- Provide summary of remaining entitlements for executed D.A. with KIGR
- Complete an assessment to ensure all D.A. requirements have been satisfied with the sunsetting of the executed D.A. with KP
- Update 2022 analysis of remaining entitlements within executed D.A. with KP

► **Regional Planning / Charleston County Coordination**

- Continue outreach and engagement regarding the Main Road Corridor project
- Introduce Betsy Kerrison Parkway Overlay District with Chas. County

Initiatives

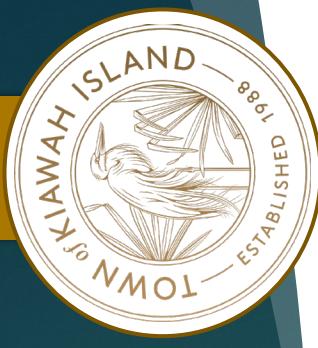


► **Development and Design Standard Amendments**

- Develop a Sign Ordinance
- Develop a Tree Protection Ordinance

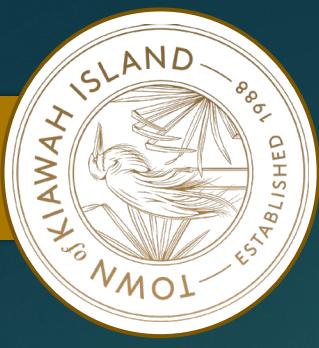
► **Implementation Phase of Comprehensive Marsh Management Plan**

- Formulate the structure of the Kiawah Island Inter-Entity Executive Committee
- Develop strategy for Phase I Implementation of recommendations



Challenges

- **Coordination of Maze of K's**
 - Focused and targeted coordination between entities internally and externally
- **Community Education and Involvement**
 - Aligning the community to sophisticated topics and governmental structure
 - Involvement before and beyond concerns



TOWN OF
Kiawah Island[®]

ESTABLISHED
1988

2023 Council Retreat

FINANCE

Priorities for Finance Department

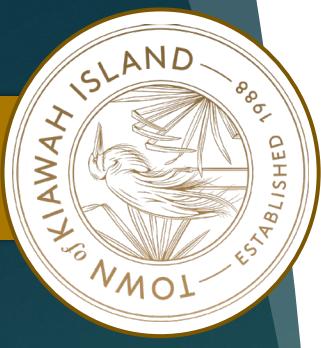


1. Prepare a 5-year financial plan with contingencies, including the possible impact of hurricane or flooding or any event closing operations on the Island.

- It stimulates discussion and engenders a long-term perspective for decision makers
- It can be used as a tool to prevent financial challenges
- It stimulates long-term and strategic thinking
- It helps to assess expenditure commitments, revenue trends, financial risks and affordability of new services, programs and capital investments
- It is useful for communications with

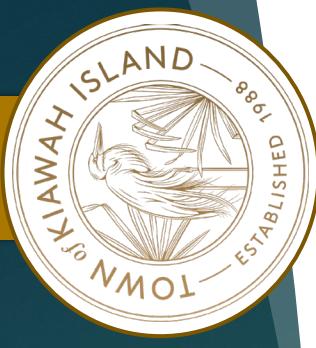
Historical Information

Revenues and Expenditures



		FY2017	FY2018	FY2019	FY2020	FY2021
Revenues	Building Permits	\$ 1,055,022	\$ 1,156,999	\$ 1,030,508	\$ 869,009	\$ 1,237,867
	Building Permits/Special Projects	191,407	180,514	220,338	-	322,100
	Business Licenses	2,290,018	2,502,770	2,525,128	-	2,987,564
	STR Application Fees	-	-	-	400,000	399,035
	Franchisee Fees	765,815	793,197	857,732	867,100	964,496
	Local Option Tax	530,338	548,248	585,738	548,356	760,172
	State A.TAX	1,664,086	1,632,897	1,713,500	1,457,958	2,802,651
	Local A.TAX	1,088,825	953,452	967,051	851,050	1,384,691
	County A.TAX	477,000	422,000	484,000	354,000	484,000
	Hospitality Tax	518,182	560,182	576,884	468,407	667,602
	Solid Waste Fee	362,710	356,420	596,352	596,087	631,445
	Interest	45,952	210,255	361,789	361,789	39,087
	Other	291,699	209,189	292,637	179,462	104,178
	One Time	-	42,072	102,440	179,872	-
	Total Revenue	9,271,054	9,568,195	10,324,097	9,486,025	12,784,888
Expenses	Personnel Cost	1,492,165	1,498,948	1,514,871	1,702,802	1,755,568
	Public Safety/Payroll and Related	621,467	622,367	505,544	458,490	430,561
	Public Safety/CCSO Contract	-	-	60,422	670,630	384,217
	STR Code Enforcement	269,869	299,165	-	144,289	299,018
	Beach Patrol	-	-	-	334,453	325,699
	Utilities & Supplies	197,033	184,177	175,920	188,178	232,497
	Communications	47,601	52,023	50,046	51,585	59,797
	Waste Management	933,828	987,072	1,040,707	1,022,496	1,084,601
	Insurance	70,294	102,918	107,781	117,745	138,781
	Professional Services	105,524	112,869	121,815	164,439	152,464
	Consultants	94,662	106,964	118,524	475,463	170,224
	Maintenance	391,981	449,940	470,686	475,463	435,592
	Travel & Training	41,439	35,926	25,421	29,273	33,697
	Rentals	36,973	52,433	33,730	36,575	38,458
	Tourism & Recreations	1,398,804	1,624,171	1,687,853	900,134	1,603,269
	Contributions	164,370	148,211	150,000	151,054	150,023
	Other	404,920	204,436	118,054	270,642	252,574
	Capital Outlay	2,470,233	703,818	515,464	2,045,185	883,094
	Debt Service	76,790	370,969	366,507	366,854	2,020,181
	Unbudgeted	627,347	253,600	49,514	765,046	-
	Total Expenses	9,445,290	7,810,007	7,431,824	10,234,897	10,450,225
	Excess of revenues over (under) Expenses	\$ (174,236)	\$ 1,758,188	\$ 2,892,273	\$ (748,872)	\$ 2,334,663

Priorities for Finance Department



2. Monitor and refine financial policies to enhance the Town's financial resiliency.

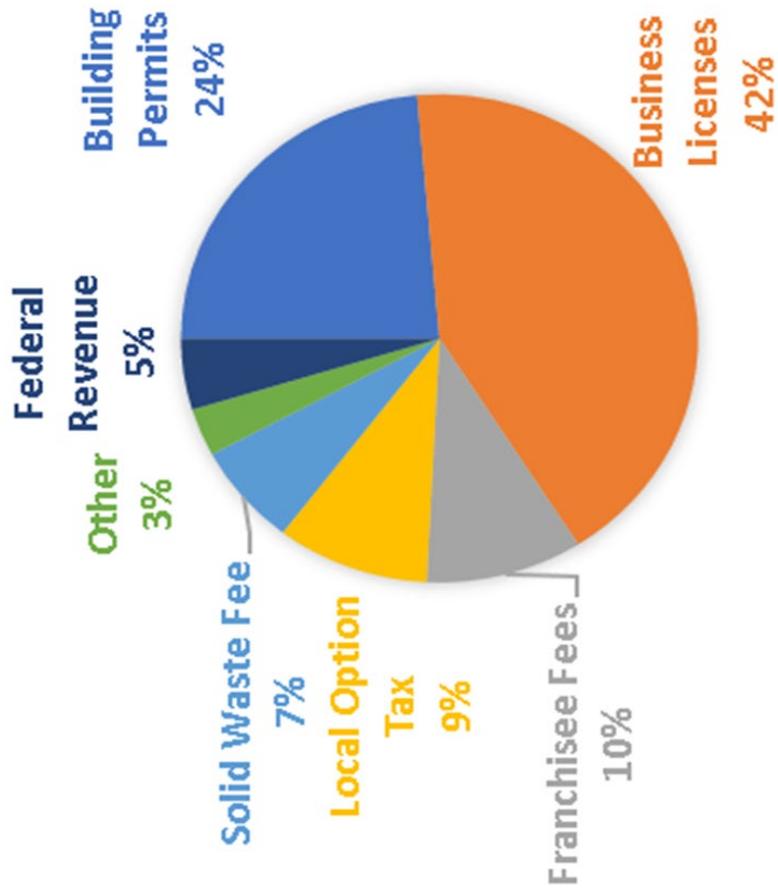
- Unrestricted General Fund balance, designated for fiscal stability. The Town will maintain a fund balance of not less than 30% of the combined budgeted expenditures of the General Fund. As of the end of last fiscal year the GF fund balance was 231%, or approximately 2.5 years of operating expenditures.
- Emergency Fund. 20% of revenues derived from LATAX and HTAX are transferred to emergency fund and designated to potential disaster recovery caused by natural disaster.
- Capital Improvement Fund. 20% of revenues derived from LATAX and HTAX are transferred to capital improvement fund to be used for capital improvements and beach renourishment. This forecast is a baseline, where future revenues and expenditures are estimated based on the Town's current sources of revenue and level of service.



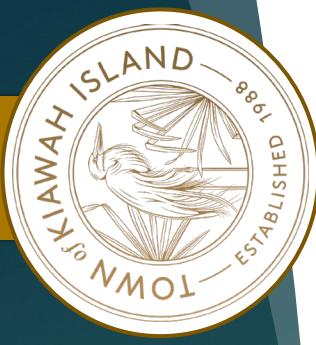
Town Revenues

General Fund is the Town's main operating fund that is supported by the following major revenue sources. The chart below shows GF actual revenues for FY2022.

GENERAL FUND



Town Revenues



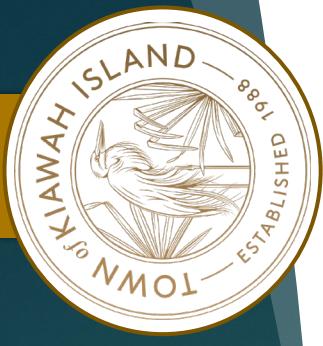
- **Building Permits** - The Town collects fees for providing pre-construction plan reviews, issuing permits for construction work, and conducting all inspection services. The fees are based on the total valuation of the projects. This revenue source has been strong; however, it will face a slow down due to gradual build out on the Island. The five-year average for the new construction permits is approximately \$10,000 and for renovation projects is \$750. With 665 remaining undeveloped lots on the Island, we anticipate about 450 new homes being built in the next five years and about 400 renovations per year. There are also few special projects in the pipeline, such as Beachwalker Commons, Beachwalker Lot 1 and Night Heron Phase 2, that the scope and timing is not defined yet, however, for the purpose of the projections, the estimates are based on the projects of the similar scale.
- **Business License Revenue**- The Town issues and collects business license fees to anyone doing business within the limits of the Town. The fee is based on the type of business and its gross receipts. Last year, the Town has issued 1,840 standard business licenses with the average cost of \$1,400 per license and about 1,400 short term rental licenses with the average cost of \$320 per license. The Town also collected approximately \$400,000 in short term rental application fees and \$500,000 in Municipal Association of SC Collection Program from insurance companies. For the projections we are assuming a 3% annual increase based on the historical trends and averaged increases for the goods and services, and lodging prices.

Town Revenues

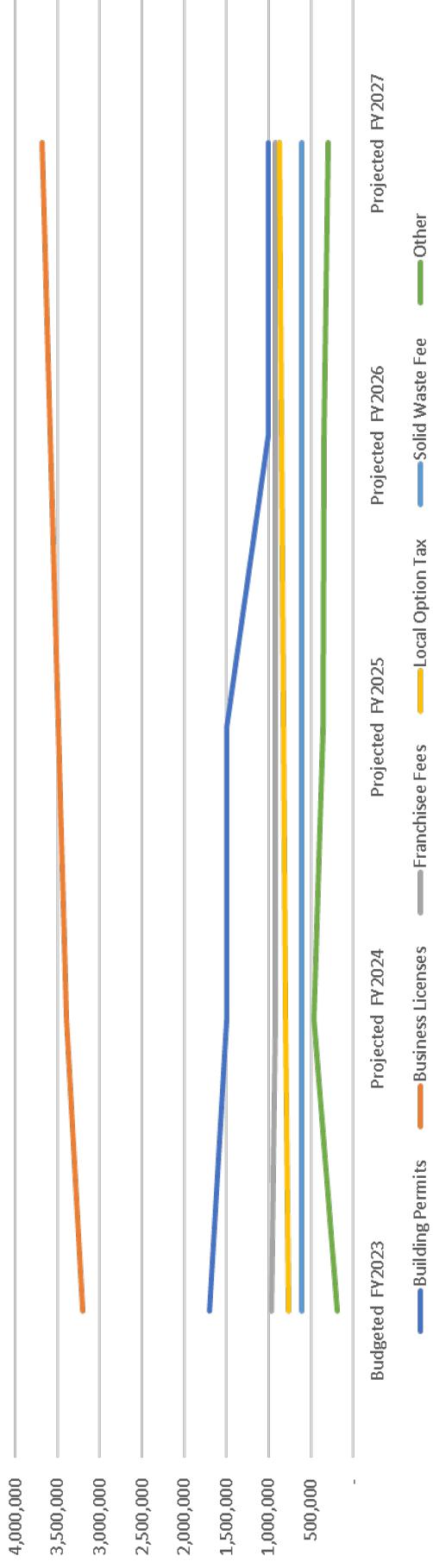


- **Franchise Fees-** The Town has agreements that specify the fees collected from sources below: The projections assume no changes in the agreements and return to FY2022 actuals for beach franchise fees.
- **Franchise Fees/Electric-** The Town has an agreement with Berkley Electric Cooperative Inc. (BEC) to provide electricity to customers within the corporate limits of the Town. The agreement requires BEC to pay the Town 3% of their total revenues from the preceding calendar year from all retail electrical accounts within corporate limits of the Town. The Town has a right to increase the fee to 5%.
- **Franchise Fee/Beach-** The Town has entered into agreement with Island Beach Services for the right to use the beach to rent beach items, such as chairs and umbrellas. The agreement guarantees the receipt of \$300K or 30% of the franchisee's gross receipts, whichever is greater.
- **Franchise Fees/Other-** The Town has entered in the agreements with telecommunication and cable companies for the right to use the public rights of way within its municipal boundaries for the purpose of constructing, maintaining and operating facilities thereon. The agreement requires the companies to pay 3% of their service revenue. The Town has a right to increase the fee to 5%.
- **Solid Waste Collection Fee-** The Town assesses a fee for the collection and disposal of residential garbage, recycling, and yard debris to the owners of developed properties. The Town provides the curbside service for their residents free of charge, adds a minimum fee for extra service and passes the full cost to the rental property owners. This revenue source is assumed with no change; however, the Town Council has a discretion to change the fees at any time.
- **Interest Income.** All the funds receive investment interest on reserves and fund balances. The Town's portfolio is managed under State guidelines, the Town's investment policy and invested in the South Carolina Investment Pool. The investment income projection utilizes the Federal Reserve rates forecast and is anticipated to increase substantially after recent years of extremely low rates.

Town Revenues



GENERAL FUND REVENUES PROJECTIONS

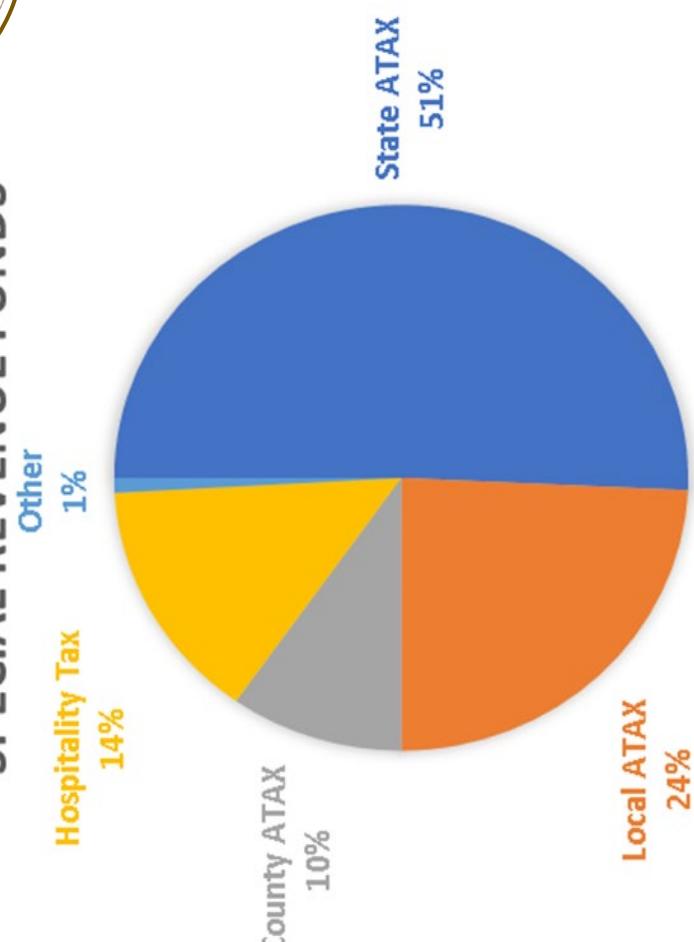




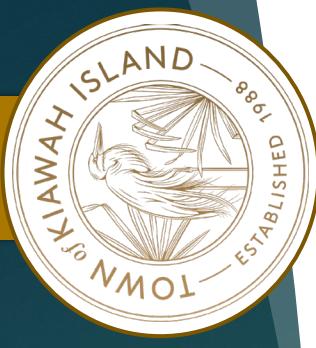
Town Revenues

Special Revenue Funds are supported mainly from charges (13%) of the rental of rooms, lodgings and sleeping accommodations for guests and hospitality taxes. The following chart shows actual Special Funds revenue sources for FY2022.

SPECIAL REVENUE FUNDS



Town Revenues

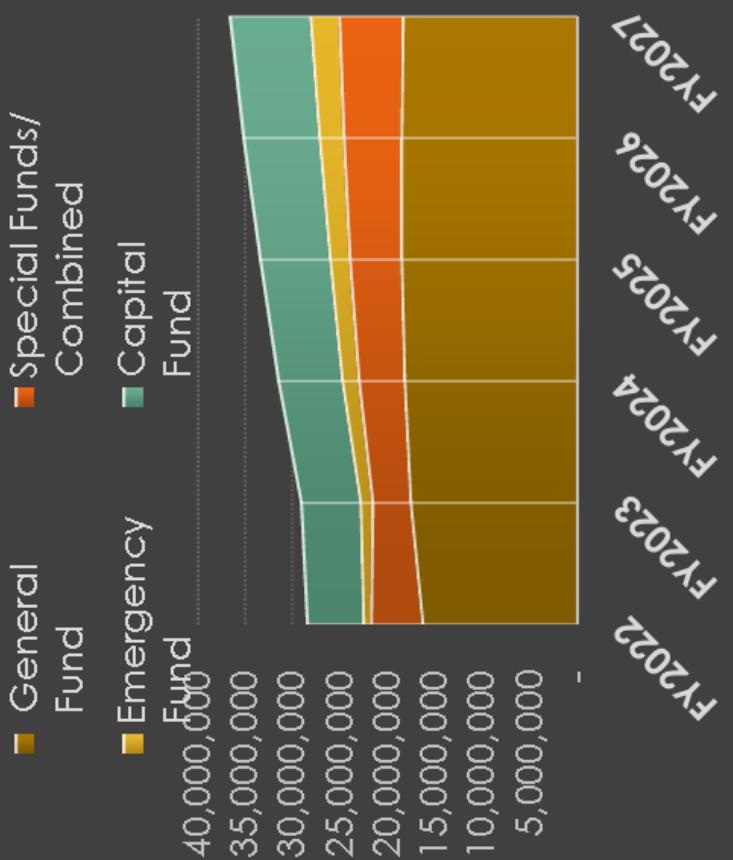


- **State Accommodation Tax-** South Carolina state law allows the State to impose 2% accommodation tax. The state distributes about 85% of the amount it collects to the municipalities. Revenues from this tax must be spent on advertising and promotion of tourism and tourism related activities except for the first \$25K plus 5% of the remaining total revenues which is allocated to GF and is not restricted. This revenue has also a time restriction and needs to be spent within 2 years of receipt.
- **County Accommodation Tax Revenue-** Charleston County levies 2% accommodation tax, of which portion is later disbursed to the municipalities where they were earned. The Town has been receiving 16% to 20% of the fees collected, contingent on the use of the money on capital projects or services that will promote tourism in Charleston County.
- **Local Accommodation Tax-** As allowed by South Carolina law, the Town levies 1% municipal local accommodation tax. These fees are remitted to the Town by the City of Charleston monthly. Revenues from this tax must be spent exclusively for things such tourism and cultural facilities, beach access, roads providing access to tourist destinations.
- **Hospitality Tax-** Hospitality tax is paid by the consumer or patrons of the restaurants, grocery stores, convenience stores, and any other establishments that sell prepared food and beverages; 1% tax is remitted to the Town.

Financial Forecast

	Budgeted FY2022	Actual FY2022	Budgeted FY2023	Projected FY2024	Projected FY2025	Projected FY2026	Projected FY2027
	\$ 900,000	\$ 1,900,907	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,000,000	\$ 1,000,000
Revenues:							
Building Permits	\$ 100,000	\$ 305,197	\$ 600,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Business Licenses	\$ 2,295,000	\$ 3,527,142	\$ 2,800,000	\$ 3,000,000	\$ 3,000,000	\$ 3,182,700	\$ 3,278,181
STR Application Fees	\$ 400,000	\$ 431,308	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Franchisee Fees	\$ 80,000	\$ 916,492	\$ 970,000	\$ 920,000	\$ 920,000	\$ 920,000	\$ 920,000
Local Option Tax	\$ 597,453	\$ 894,993	\$ 768,382	\$ 800,000	\$ 824,000	\$ 848,720	\$ 874,182
State ATAX	\$ 1,617,505	\$ 1,713,262	\$ 2,100,000	\$ 2,500,000	\$ 2,575,000	\$ 2,652,250	\$ 2,731,818
Local ATAX	\$ 1,519,444	\$ 1,050,000	\$ 1,250,000	\$ 1,287,500	\$ 1,287,500	\$ 1,326,125	\$ 1,365,909
County ATAX	\$ 200,000	\$ 609,937	\$ 420,000	\$ 600,000	\$ 615,000	\$ 630,450	\$ 646,364
Hospitality Tax	\$ 576,894	\$ 898,462	\$ 600,000	\$ 824,000	\$ 848,720	\$ 874,182	\$ 874,182
Solid Waste Fee	\$ 610,000	\$ 631,445	\$ 610,000	\$ 610,000	\$ 610,000	\$ 610,000	\$ 610,000
Interest	\$ 34,000	\$ 59,828	\$ 35,000	\$ 800,000	\$ 550,000	\$ 500,000	\$ 400,000
Other	\$ 160,000	\$ 143,123	\$ 187,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
One Time - ARP Funding	\$ -	\$ 440,343	\$ 440,343	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 9,337,234	15,451,884	12,080,725	13,220,000	13,235,500	12,958,965	13,140,634
Expenses*:							
Salaries	\$ 1,390,994	\$ 1,634,773	\$ 1,901,847	\$ 1,953,864	\$ 2,051,557	\$ 2,154,135	\$ 2,261,842
Overtime	\$ 3,867	\$ 2,374	\$ 4,400	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Benefits	\$ 437,968	\$ 509,216	\$ 634,830	\$ 666,572	\$ 698,801	\$ 734,896	\$ 771,640
Payroll Tax	\$ 131,063	\$ 132,351	\$ 174,879	\$ 183,623	\$ 192,804	\$ 202,445	\$ 212,567
Personnel Cost	\$ 1,963,891	\$ 2,278,714	\$ 2,715,957	\$ 2,809,059	\$ 2,949,262	\$ 3,096,476	\$ 3,251,049
Public Safety/Payroll and Related	\$ 439,631	\$ 358,195	\$ 511,202	\$ 620,000	\$ 646,000	\$ 673,300	\$ 601,965
Public Safety/CCSO Contract	\$ 356,624	\$ 345,950	\$ 441,832	\$ 441,832	\$ 373,559	\$ 379,432	\$ 397,763
STR Code Enforcement	\$ 288,580	\$ 288,580	\$ 288,580	\$ 380,000	\$ 390,000	\$ 390,000	\$ 390,000
Beach Patrol	\$ 327,674	\$ 437,456	\$ 564,000	\$ 584,000	\$ 684,000	\$ 684,000	\$ 684,000
Utilities & Supplies	\$ 251,400	\$ 251,360	\$ 248,000	\$ 260,000	\$ 262,500	\$ 275,625	\$ 289,406
Communications	\$ 68,320	\$ 72,837	\$ 76,360	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Waste Management	\$ 1,053,000	\$ 1,074,548	\$ 1,203,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Insurance	\$ 150,824	\$ 154,868	\$ 180,046	\$ 172,768	\$ 208,050	\$ 229,955	\$ 252,951
Professional Services	\$ 141,000	\$ 193,021	\$ 146,900	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Consultants	\$ 211,000	\$ 210,800	\$ 345,665	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Maintenance	\$ 471,800	\$ 442,984	\$ 528,390	\$ 510,000	\$ 635,500	\$ 662,755	\$ 690,389
Travel & Training	\$ 54,000	\$ 50,549	\$ 112,270	\$ 65,000	\$ 68,250	\$ 71,663	\$ 75,246
Rentals	\$ 45,000	\$ 41,477	\$ 45,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Tourism & Recreation	\$ 2,032,293	\$ 2,152,442	\$ 2,001,200	\$ 2,000,000	\$ 2,000,000	\$ 2,300,000	\$ 2,400,000
Contributions	\$ 200,000	\$ 198,771	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Other	\$ 341,434	\$ 167,175	\$ 404,920	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Capital Outlay							
Buildings	\$ 150,000	\$ 276,984	\$ 150,000	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ 100,000	\$ 330,000	\$ 900,000	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ 90,000	\$ 99,491	\$ 120,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Other	\$ 40,000	\$ 78,749	\$ 70,000	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 8,776,462	9,705,930	\$ 11,465,980	\$ 10,724,937	\$ 11,308,122	\$ 11,252,725	\$ 11,622,769
Revenue Less Expenses	\$ 560,772	\$ 5,745,954	\$ 614,745	\$ 2,495,063	\$ 1,927,378	\$ 1,706,240	\$ 1,517,855

Fund Balance Projections



Fund Balance Projections

Budget Calendar FY2023-2024

24-Feb-23	Department budgets due to Town Administrator for initial review
27-Feb-23	Ways & Means regular scheduled meeting - Budget discussion-Revenues
3-Mar-23	Budgets due to Finance Department for budget integration
27-Mar-23	Ways & Means regular scheduled meeting - Budget discussion-Expenditures
Mid-April 23	State ATAX Committee meets & makes recommendation
24-Apr-23	Ways & Means recommendations to Town Council for approval
2-May-23	Public hearing & first Budget reading at Town Council meeting

Priorities for Finance Department

- 3. Manage the Town's financial and administrative resources in an efficient manner and promote accountability for resource usage
- 4. Maximize the effective and efficient use of banking and merchant services
 - Banking RFP

3. Internal Communication Channels Guide

- In 2022, LHG provided both internal + external communications recommendations and plans for the Town.
- This chart addresses communications with residents and stakeholders and further defines aspects such as audiences, tone and spokespersons.
- LHG also analyzed + provided recommendations for each communications channel, including all social media accounts, weekly e-blast, website, podcast and Town Notes.

Internal Communication Channels Guide

The Town of Kiawah Island's communications staff manages or monitors multiple channels of communication across various platforms. The lists below categorizes the channels, defines the Town's role and outlines how it should best utilize each communication method.

NAME	CHANNEL TYPE(S)	FREQUENCY	TARGET AUDIENCE	OBJECTIVE	HOW TO UTILIZE (recommendations)
E-Newsletters	Email	Weekly	Town of Kiawah Island constituents; all property owners	Provide constituents with regular updates on a variety of topics that affect their home and community, including maintenance, Town rulings/decisions, safety, events, reminders, notices for service and major projects.	Content should be relevant to majority of residents
KiawahIsland.org	Website	N/A	Town of Kiawah Island constituents; all property owners; visitors; business owners	Aggregates all relevant Town resources for residents, visitors and businesses	Should be reviewed and updated quarterly
Sharing With The Community: A Podcast from the Town of Kiawah Island Town Notes	Podcast Newsletter	12/year Quarterly	Town of Kiawah Island constituents; all property owners	Provide more in-depth information with important context on selected topics Keep property owners informed of current events, activities, and Town Council actions	Can be used to proactively address community ahead of a major action or ruling

COMMUNICATIONS GUIDEBOOK, SNAPSHOT