

WAYS & MEANS COMMITTEE MEETING

Municipal Center Council Chambers

January 10, 2024, 10:00 am

Minutes

I. Call to Order: *Chairman Heidingsfelder called the meeting to order at 10:00 am.*

II. Pledge of Allegiance

III. Roll Call:

Present at Meeting: Michael Heidingsfelder, Chairman
John D. Labriola, Mayor
Russell Berner, Committee Member
Brad Belt, Committee Member

Also Present: Stephanie Tillerson, Town Administrator
Dorota Szubert, Finance Director
Craig Harris, Public Safety Director

IV. Approval of Minutes:

A. Ways and Means Committee Meeting of November 28, 2023

Committee Member Belt made a motion to approve the minutes of the Ways and Means Committee meeting of November 28, 2023. Committee Member Berner seconded the motion.

With the correction of typographical errors, the motion was unanimously approved.

B. Special Call Ways and Means Committee Meeting of December 19, 2023

Committee Member Belt made a motion to approve the minutes of the Special Call Ways and Means Committee meeting of December 19, 2023. Committee Member Berner seconded the motion, and it was unanimously approved.

V. Citizens' Comments (Agenda Items Only):

None

VI. Old Business:

None

VII. New Business:

A. Review and Recommendation to Town Council for Approval of the 2024 Off-Duty Deputy Contract with the Charleson County Sherrif's Office

Mr. Harris stated the Town has contracted with the Charleston County Sheriff's Office (CCSO) for off-duty deputy coverage since 1993. In 1995, the Town completed a study to enhance the security service to increase the staffing and hours from 6 to 10 hours to have full coverage. Between 2016 and 2018, the Town Administrator and the former Charleston County Sheriff's Office executive staff began meeting to enhance the permanent deputy contract for 24/7 7 am to 7 pm coverage. In June 2023, that contract was terminated by the sheriff.

The proposed off-duty contract is for two deputies for each of three daily shifts and two additional deputies from 8:00 am to 4:00 pm on weekends commencing on the Friday before Memorial Day and through Labor Day.

Mr. Harris reviewed the deputy breakdown prepared by Ms. Szubert from 2015 through 2023 as follows:

- 2015/ 2016 58 deputies
- 2016/2017 50 deputies
- 2017/2018 39 deputies
- 2018/2019 29 deputies
- 2019/2020 26 deputies
- 2020/2021 24 deputies
- 2021/2022 22 deputies
- 2022/2023 18 deputies

Mr. Harris stated the decrease in the number of off-duty deputies can be attributed to the increase in the turnover rate in law enforcement. He also noted that 2019/2020 saw the election of the new sheriff, which caused a drastic change as well.

When looking at the number of days served, Chairman Heidingsfelder asked if there was a similar ratio or an even more extreme ratio. Mr. Harris stated that in a summary of the first shift for 2016, there were 7865 annual hours; in 2022, there were 409 hours, and in 2023, there were 421 hours. The extreme drop in the first shift hours was due to the implementation of the permanent deputy contract. Chairman Heidingsfelder noted that not only did the number of deputies willing to work drop by 50%, but the hours went down even more dramatically.

Mr. Harris stated that, in summary, for the second shift in 2022, there were 3968 hours, and in 2023, there were 3665 hours. As a comparison, Ms. Tillerson pointed out that in 2016, there were 10,035 hours, and in the current fiscal year, there are 3600 hours. Mr. Harris noted that there was a significant drop in the hours during the change of power because in 2020, there were 5056 hours, and the numbers have dropped since then. Chairman Heidingsfelder again noted that not only has the Town lost 50% of officers who are willing to work off duty, but their ability to serve us has dropped by roughly 70% in the second and third shifts.

Committee Member Berner clarified that some days do not have coverage. Ms. Tillerson clarified that there are shifts where the Town's enhanced service coverage deputies are not present on the island. Mr. Harris added that it also does not mean that no deputies are patrolling the district.

In response to Committee Member Belt's question, Ms. Tillerson stated that the CCSO coordinator tries to fill the schedule with off-duty deputies, but if no one applies, there is no one to fill the shift.

Committee Member Berner made a motion to recommend to the Town Council the approval of the 2024 Off-Duty Deputy contract with CCSO. Committee Member Belt seconded the motion.

Committee Member Berner stated the earlier discussion pointed out a significant shortfall of hours, but the contract provides for 43 hours per week per deputy. Ms. Tillerson clarified that the hours in the contract are all based on the availability of off-duty deputies to fill the shifts. Committee Members engaged in an in-depth discussion of the contract wording, clarification on how shifts are filled, whether an increase in the hourly rate would increase deputy coverage, and whether the Town's rate is competitive in the market.

Chairman Heidingsfelder proposed moving forward with the approval of the contract recommendation and tasking the staff with providing more benchmarking data to bring back to the committee before making a decision on a rate increase.

Following the discussion, the motion to recommend approval of the 2024 CCSO contract was unanimously approved.

VIII. Chairman's Report:
None

IX. Treasurer's Report:
B. Monthly Budget Report

Ms. Szubert presented the Town's Balance Sheet as of December 31, 2023, and the Budget to Actual Report for the first six months. The Budget to Actual Report is compiled on a modified accrual basis, and all the funds are consolidated.

As of December 31, 2023, the Town's governmental funds combined have an ending fund balance of approximately \$36.2 million, an increase of approximately \$1.6 million from June 30, 2023. Of this amount, approximately 56%, or \$20 million, is available for spending at the Town's discretion (unassigned fund balance). Approximately 8.2 million is in a Capital Fund designated for future capital projects, such as Beach Renourishment and emergency funding. Approximately 2 million of the balance is State Accommodation Taxes, which have a two-year (2) year restriction. The remainder is restricted funds for tourism-related expenditures.

Overall, for the first six months, the Town's consolidated revenues of \$6.7 million are 22%, or \$1.5 million higher when compared to YTD for the last fiscal year, FY2023, and are at 46% of the total budgeted revenues for the current year. Overall, the revenues are within the budget, with the Building Permits from Special Projects and Interest Income expected to carry positive variance throughout the year. She noted there was a \$5 million placeholder for the Beachwalker project that was invested, but the interest income was not budgeted.

Committee members engaged in a discussion of finding appropriate ways to spend some of the restricted funds. To a great extent, SATAX fund allocations have been very narrow, but there are other areas where the Town can clearly justify that they serve tourism and Kiawah guests and could cover some of the costs.

With 50% of the year lapsed, the expenditures of \$5.1 million are 4% or 213,000 higher than for fiscal year FY2023 and 30% of the current year budget. The majority of the expenditures are reasonable and in line with the budget, with the exception of the following categories:

1. Personnel costs are higher than budgeted due to approval after budget adoption of two new positions and the administrator's salary increase. Respectively, the benefits and payroll taxes are higher.
2. Public Safety /Deputies cost is lower than budgeted. The original budget has a placeholder for a contract with another entity for deputies' coverage on the first shift. However, this has not been fulfilled.
3. Professional services cost is higher than budgeted due to an increase in the Town's attorney retainer and an increase in legal engagements outside of the contract.
4. Consultants cost is higher than budgeted due to the approval after budget adoption of additional engagements for site review consultants, Beachwalker survey, feasibility study for Kiawah River public access, and HR services.

5. Other costs will be higher than budgeted due to the approval after budget adoption of recycling.

C. FY 2023-2024 Budget Mid-Year Review

Ms. Szubert presented the mid-year review of the FY 2023-2024 Budget, noting there were a number of items, approximately \$300,000 in expenditures, that were approved after the budget adoption, along with additional requests for consideration.

Budgeted Revenues:

- Adopted: \$14,595,007
 - Proposed Amended: \$15,579,189*
 - Change: 6%, or \$984,182
- *An increase in Building Permits revenue from one-time special projects and Interest Income

Budgeted Expenditures:

- Adopted: \$16,842,074
 - Proposed Amended: \$16,909,561**
 - Change: -0.4%, or -\$67,487
- ** The detailed approved and proposed changes are listed below.

Items approved after budget adoption:

1. Two (2) new positions: wildlife outreach specialist and community services officer, and a salary increase for the town administrator.
2. An increase in the town's attorney retainer and hourly rate.
3. Engagement of additional consulting services for site reviews, Beachwalker survey, Kiawah River bridge public access feasibility study, and HR services.
4. Purchase of recycling educational stickers.

New Requests:

1. One new position for the Communication Department - Video production specialist
 - Compensation \$52,000 (\$65,000 with taxes and benefits)
 - Responsibilities:
 - Coordinates, edits, produces, and provides video/audio support for the Town's podcast.
 - Responsible for livestreaming various Town meetings, which can involve some after-hours.
 - Produces and edits various videos for the Town's efforts and campaigns.
 - Interviews and shoots non-professional talent on camera and edits video for digital platforms
 - Develops video concepts, messages, scripts, and video production schedules and collaborates closely with internal clients and external stakeholders to facilitate the creation of multimedia visual content.
 - Suggests content ideas to assist staff in achieving desired outcomes from video projects.
 - Maintains the Town's YouTube Channel
 - Photographs internal and external Town events and maintains a photo archive.
 - Attends special events as needed and films footage for videos.
 - Creates, writes, and posts digital content consistent with the Town's branding and mission.
 - Assists with posting videos and photography to social media pages and the Town's website as needed.
 - Assists with graphic design projects as needed.
 - Provides flexible support to the Communications Department as required, assisting with various tasks and initiatives to ensure the team's overall success.
2. Planner with landscape architect/arborist credentials
 - Compensation \$60,000 to 74,000 (\$75,000 to \$93.5,000 with taxes and benefits)
 - Responsibilities:
 - Reviews landscape and related plans in conjunction with permits and planned developments for compliance with code and required conditions of approval.
 - Reviews Tree Surveys and Mitigation plans and calculates mitigation in conjunction with construction permits, mass grading, subdivision, and planned development submittals.
 - Conducts field inspections for permits in relation to landscape installation and all tree removal/clearing violation notices.

- Answers tree removal and landscaping code questions for developers, contractors, and the general public.
- Assists the Planning Manager and other staff in providing technical expertise.
- Presents violations of tree removals, land clearing activities, and landscape code violations.
- Process Tree Preservation Board applications.
- Assists with zoning administration of applicable codes.
- Assist with Planning Department environmental planning-related initiatives.

3. Third-party commercial building inspector

- Compensation range - \$58,500 to \$65,000.

➤ Responsibilities:

- Performs daily field inspections on various commercial and residential projects.
- Ability to communicate all technical aspects of the inspection process clearly and concisely to the public in a way that can be comprehended by both the professional and the layperson.
- Ability to interpret the various building codes, town ordinances, and state statutes and apply them equitably.
- Maintain inspection reports by performing daily entries into permitting software systems.
- Will be a participating member of the town's damage assessment team.

4. Work with Evergreen to complete our 2024 classification, compensation, and benefits study - \$22,000. Through a competitive bid, Evergreen was awarded the RFP in early 2021. They completed the last study in 2021.

5. Equipment and supplies for new hires - \$10,000.

6. Reduction in public safety/deputies cost to adjust for the actual level of coverage - \$387,000.

7. Construction of dumpster pad at the Town Hall - \$37,000.

Ms. Szubert stated that with the fulfillment of all the requests, the ending balance would result in a deficit of 1.3 million compared to an originally budgeted deficit of 2.2 million, but also reminded there is a 5 million placeholder.

Committee Member Belt made a motion to approve the budget amendment as presented. Committee Member Berner seconded the motion, and it was unanimously approved

X. Citizens' Comments:

Alex Fernandez – 418 Snowy Egret

Mr. Fernandez commented on the discussion of the hourly wage for the deputies, stating that the Community Association encountered a similar situation with high turnover and difficulty in hiring, which was resolved with the implementation of a gas allowance program.

Mr. Fernandez commented on the budget comparisons that were made and suggested a comparison to a seasonal budget rather than an annual budget. He also noted that the Town's website does not include any financials except for the annual audit, so property owners have no access to financial information. Chairman Heidingsfelder stated that Ms. Szubert prepares a monthly budget report that is posted on the website. Mr. Fernandez asked to consider an easier link to find the financials.

Larry Wolohan – 406 Snowy Egret

Mr. Wolohan stated that for a period of approximately six months, the receipts and payments had not been published and asked if they had been corrected. Ms. Tillerson clarified that it could have been when the website was down while being updated. Mr. Wolohan stated that facts are facts. The Town, in his view, has to be better at providing transparency. Ms. Szubert stated that the receipts and the payments to the Town are not published anywhere and are only shown overall in the financial statements. How much businesses are paying the Town is not public knowledge, and posting that information would not be appropriate.

Mr. Wolohan stated that in addition to the \$5 Million placeholder for the property, he remembered other placeholders and requested that when preparing this year's budget, placeholders be flagged as a separate item so they can be tracked.

Mr. Wolohan commented on the SATAX funding discussion, stating that he had been pressing the Community Association to apply for STATX funding from the Town for well over a year, and they have a legal opinion that says there is a risk, as mentioned.

Mr. Wolohan stated Kiawah has not had the same level of policing in the last six months that we have had previously. He understood there are reasons for that, but if you don't give someone a pay raise for three years, they're not going to come to work.

XI. Committee Member's Comments:

None

XII. Adjournment:

Chairman Heidingsfelder adjourned the meeting at 12:58 pm.

Submitted by,



Petra S. Reynolds, Town Clerk

Approved by,



Michael Heidingsfelder, Chairman

03/08/2024

Date