

**WAYS & MEANS COMMITTEE MEETING**  
**Budget Workshop**  
**Kiawah Island Municipal Center**  
**Council Chambers**  
**April 29, 2014; 9:00 AM**

**AGENDA**

**I. Call to Order:** *Mr. Labriola called the meeting to order at 9:05 am.*

**II. Pledge of Allegiance**

**III. FOIA:** Notice of this meeting has been published and posted in accordance with the Freedom of Information Act and the requirements of the Town of Kiawah Island.

**IV. Roll Call:**

**Present:**                   **John D. Labriola, Mayor Pro Tempore**  
                                  **Charles R. Lipuma, Mayor**  
                                  **Mary Q. Johnson**  
                                  **Lauren N. Patch**  
                                  **Richard E. Murphy**

**Also Present:**           **Tumiko Rucker, Town Administrator**  
                                  **Ken Gunnells, Town Treasurer**  
                                  **Petra Reynolds, Town Clerk**

**V. Approval of Minutes:**

A. Minutes of the Ways & Means Committee Meeting of April 22, 2014

*Mayor Lipuma motioned to approve the minutes of the April 22, 2014 Ways and Means Committee Meeting. The motion was seconded by Mr. Patch and the minutes were approved unanimously as amended*

**VI. Citizens' Presentations or Comments:**

**Wendy Kulick – 38 Marsh Edge Lane**

Mrs. Kulick stated that in reviewing the budget, she had a few questions that she wanted to point out and that may be answered in the discussion. She stated that;

1. She did not see a placeholder for the consultant to be chosen for the recent Emergency Service RFP,
2. She noted an expenditure of 175,000 on Town Hall and inquired if it signified that the Town was no longer looking for land to build a new building or if it was a placeholder,
3. She could not find legal fees or monies for bonds or other expenses associated with the possible purchase of the utility.

4. She questioned if the increase in salaries was mostly for the reallocation of funds to cover the expense of the extra deputies required for Freshfields.

**VII. Old Business:**

None

**VIII. New Business:**

- A. SATAX Application Recommendations
- B. Establishment of an Arts & Cultural Events Fund

Mr. Labriola indicated that there are documents of note involved in the budget;

- 1) Ordinance 2014-07. The ordinance, when approved will adopt the budget and includes the establishment of an Arts and Cultural Events Fund.
- 2) A narrative document prepared by Mr. Gunnells that is an explanation of material changes.
- 3) The SATAX fund reconciliation.

Mr. Labriola stated that in the SATAX process there was an overriding issue to restructure the use of STAX funds to not include salaries of performers. He indicated that a number of meetings were held to discuss the question of how others dealt with the issue. Mr. Labriola indicated that after contacting a number of municipalities around the state it was discovered that they set up a process to specifically fund events with performers.

Mr. Labriola explained that even though Council had the final approval, the recommendation of the SATAX Committee had to be submitted to the State. He stated that after the solicitation of the applications had already begun their submission criteria could not be changed. Mr. Labriola, along with staff and the SATAX Committee Chairman, decided that during funding deliberations, the Committee would receive suggested changes relative to the sources of funds and the uses of funds. Mr. Labriola stated that the suggest changes had three objectives;

1. To make sure the Town is in compliance with State statute,
2. To make sure to fully utilize SATAX revenues received by the Town,
3. To preserve the flourishing Arts and Cultural reputation of the Town.

Mr. Labriola stated the process had begun to move the uses of funds to where they can be fully funded by the sources of funds. He explained this by referring to the SATAX summary sheet detail schedule. Mr. Labriola explained that the items allocated met the SATAX statutory criteria and that the other events were shifted to the newly established Arts and Cultural Fund along with the budget of the Arts Council.

Mayor Lipuma stated that, in the future, requests would include detailed criteria as to what would be acceptable for funding. Mr. Gunnells stated that it was suggested by SATAX Committee that prior to solicitation of funding requests, there be a training session for applicants to understand State requirements.

**C. FY2015 Draft Budget Review**

Ms. Rucker reviewed with the Committee Members the process by which the budget was created. She stated the budget requests submitted by staff were reviewed and discussed for a

better understanding of variances or new items. The requests are combined to create a draft budget that is reviewed by the Ways and Means Chairman and the Mayor for presentation to the Ways and Means Committee and Town Council.

### **1. Program Descriptions, Object Code Summary and Total Expenditures**

Ms. Rucker indicated that this year's budget is approximately 7.4 million in estimated revenues, over approximately 6.3 million in expenditures. She noted that this would be an increase of over a million dollars in the fund balance for the upcoming fiscal year 2015.

Ms. Rucker stated that there are total of eight funds that comprise the revenues and expenditures.

### **2. General Fund (inclusive of notable changes)**

Ms. Rucker explained that the General Fund is the "operations fund" of local government where the bulk of the activity occurs and noted that this year's budget included many notable changes outlined on the cover sheet; *Fiscal Year Budget Explanation of Material Changes*. She reviewed the material changes, and General Fund line items, giving a detailed explanation of the revenue and expense changes or variances. Ms. Rucker and Mr. Gunnells answered questions and discussed items asked by Ways and Means Committee Members.

### **3. State Accommodations Tax Fund**

Committee Members engaged in an in-depth discussion of the Town's application request for \$75,000 for a satellite Visitors' Bureau office to be located at Freshfields. The allocation of the funding was recommended by the SATAX Committee.

Ms. Rucker expressed the view that the satellite office would not only guide visitors that check into the hotel and rentals, but also provide a police presence. The space would afford deputies working on the Island an opportunity to rest and complete paperwork.

Mrs. Johnson indicated that she did not see a need for a Visitors' Bureau office at Freshfields. She felt that the proposed location was not suitable and was opposed to the funding of the request.

*Mr. Murphy made a motion to accept the SATAX Committee recommendation and recommend approval to Council, the allocation of \$75,000 for a satellite Visitors' Bureau location at Freshfields. Mr. Patch seconded the motion.*

Following discussion, *Committee members voted 4 to 1 to approve the motion. Mrs. Johnson voted No.*

*Mr. Patch made a motion to accept the SATAX Committee recommendation and recommend approval to Council, the allocation of \$420,000 to the Kiawah Island Golf Resort. Mayor Lipuma seconded the motion. The motion was unanimously passed.*

*Mr. Patch made a motion to accept the SATAX Committee recommendation and recommend approval to Council, the allocation of \$59,000 to Freshfields. Mr. Murphy seconded the motion. The motion was unanimously passed.*

*Mr. Patch made a motion to accept the SATAX Committee recommendation and recommend approval to Council, the allocation of \$596,000 to the Town of Kiawah. Mayor Lipuma seconded the motion. The motion was unanimously passed.*

#### **4. County Accommodations Tax Fund**

Ms. Rucker reviewed the County Accommodations Tax Fund line items, giving a detailed explanation of the changes or variances and answering any member questions.

*Mr. Patch made a motion to recommend to Town Council the approval of the County Accommodations Tax Fund. The motion was seconded by Mayor Lipuma. The motion was unanimously passed.*

#### **5. Local Accommodations Tax Fund**

Ms. Rucker reviewed the Local Accommodations Tax Fund line items, giving a detailed explanation of the changes or variances and answering any member questions. She stated with the earlier discussion, it is recommended that a line item be added to expenditures in the amount of \$200,000 for engineering studies.

*Mr. Murphy made a motion to recommend to Town Council the approval of the Local Accommodations Tax Fund as amended. The motion was seconded by Mr. Patch. The motion was unanimously passed.*

#### **6. Hospitality Fund**

Ms. Rucker reviewed the Hospitality Fund line items, giving a detailed explanation of the changes or variances and answering any member questions.

*Mayor Lipuma made a motion to recommend to Town Council the approval of the Hospitality Fund. The motion was seconded by Mr. Patch. The motion was unanimously passed.*

#### **7. Beverage Permit Fund**

Ms. Rucker reviewed the Beverage Permit Fund line items, giving a detailed explanation of the changes or variances and answering any member questions.

*Mr. Patch made a motion to recommend to Town Council the approval of the Beverage Permit Fund. The motion was seconded by Mr. Murphy. The motion was unanimously passed.*

#### **8. Victims Assistance Fund**

Ms. Rucker reviewed the Hospitality Fund line items, giving a detailed explanation of the changes or variances and answering any member questions.

*Mr. Patch made a motion to recommend to Town Council the approval of the Victims Assistance Fund. The motion was seconded by Mr. Murphy. The motion was unanimously passed.*

## **9. Arts and Cultural Fund**

Mr. Labriola and Ms. Rucker reviewed the Arts and Cultural Fund line items, giving a detailed explanation of the changes or variances and answering any member questions or comments.

Mayor Lipuma raised the question if the Committee should consider a cap on the budget amount for this fund and suggested that a group of people look into this budget category and how it should be managed. Committee members discussed how to develop a process and a cap.

*Mr. Patch made a motion the budget cap for the Arts and Cultural Events is set at \$250,000. The motion was seconded by Mayor Lipuma.*

Following further discussion, *Mrs. Johnson made a motion to amend Mr. Patch's motion to an amount of \$300,000. The motion was seconded by Mayor Lipuma. The motion was passed by 3 to 2 vote, Mr. Patch and Mr. Murphy voting No.*

Committee members discussed if the reallocation of funding would also include the budgeted amount for Arts Council events.

*Mayor Lipuma made a motion that the \$118,000 Arts Council be retained. The motion was seconded by Mrs. Johnson. The motion was unanimously passed.*

Committee members discussed the process by which to distribute the remaining balance of \$182,000. Mr. Patch suggested the Arts Council review the events and make amount recommendations for consideration by Ways and Means Committee.

*Mayor Lipuma made a motion that the Arts Council creates recommendations for the reallocation of event funding. The motion was seconded by Mrs. Johnson. The motion was unanimously passed.*

Mr. Labriola noted that the SATAX Committee felt very strongly that the funding of \$15,377 for the Community Association's Pocket Guide be funded.

## **10. Capital Budget Fund**

Mr. Labriola reviewed the Capital Budget Fund.

*Mr. Patch made a motion to recommend to Town Council the approval of the Capital Budget Fund. The motion was seconded by Mayor Lipuma.*

Committee members discussed the issue of the installation of curbing, landscaping or other safety measure along Parkway that would address safety and damage issues.

Following further discussion, *the motion was unanimously passed.*

**IX. Chairman's Report**

None

**X. Treasurer's Report**

None

**XI. Citizen Comments**

**Wendy Kulick – 38 Marsh Edge Lane**

Mrs. Kulick indicated that she would submit her questions to Mr. Gunnells. She noted several areas where line items had an increase of decrease of 20% or more and were not highlighted in the Committee discussion.

**XII. Committee Member's Comments**

**Mayor Lipuma** stated that there would be coffee and cookies celebration of the dedication plaque commemorating the annexation of Freshfields Village. The presentation will be held preceding the Town Council Meeting on May 6<sup>th</sup> at 1:30 pm.

*Mr. Murphy motioned to discuss a contractual matter related to the acquisition of the Kiawah Island Utility and to receive legal advice on the same and to discuss the acquisition of real property and to receive legal advice on the same. The motion was seconded by Mayor Lipuma, and carried unanimously.*

**XIII Executive Session:**

A. To discuss a contractual matter related to the acquisition of the Kiawah Island Utility and to receive legal advice on the same.


B. To discuss the acquisition of real property and to receive legal advice on the same.

Returning from executive session, Mayor Lipuma stated that the two agenda items were discussed and that no decisions were made and no votes were taken.

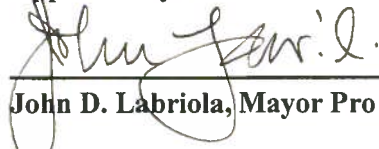
**XIV. Adjournment**

*Mr. Labriola made a motion to adjourn the meeting at 12:37 pm. Mr. Gunnells seconded the motion and it passed unanimously.*

**Submitted by,**

  
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**Petra S. Reynolds, Town Clerk**

**Approved by,**

  
\_\_\_\_\_  
**John D. Labriola, Mayor Pro Tempore**

6-4-2014  
**Date**