

WAYS & MEANS COMMITTEE MEETING

Budget Workshop

Kiawah Island Municipal Center

Council Chambers

April 19, 2016; 9:00 AM

MINUTES

- I. **Call to Order:** *Mr. Labriola called the meeting to order at 9:00 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 Johnson – By Phone
 - John Wilson
 - Craig Weaver
 - Also Present:
 - Stephanie Tillerson, Town Administrator
 - Dorota Szubert, Town Treasurer
 - Petra Reynolds, Town Clerk
- V. **New Business:**
 - A. FY2016-2017 Draft Budget Review

Mr. Labriola commented on the budget prepared by Mrs. Szubert and Ms. Tillerson stating they worked very hard to prepare a budget that was constructive, conclusive, and accurate. He stated there were items of note within the budget, items not included in budget and debt service which will be addressed during discussion.

Ms. Tillerson began the discussion by presenting to members a narrative of some of the items to be reviewed and/or discussed during the meeting. The objective of the meeting was to prepare for the budget recommendations that would be made at a next week's Ways and Means Committee meeting. Ms. Tillerson explained the layout of the presented budget included a budget summary sheet and breakdown by department in the event detailed discussion is required. It also included a General Fund summary along with a breakdown by fund.

Ms. Tillerson indicated that one of the items for discussion was the recommendations made by the SATAX Committee to include items that did not receive full funding. Also for discussion would be SATAX Committee recommendation for the consideration of the development of a smartphone APP, the Conservancy, the event "Party in the Park" and the Town's Organizational Chart.

Mrs. Szubert reviewed the balances of the General Fund balances and highlighted items she felt were significance. Members discussed revenues from SATAX, SAFEbuilt, Building Permitting, Business Licenses, and the auditing of business licenses focusing on business licenses for rentals. Mr. Weaver suggested Mrs. Szubert bring to the June Ways & Means Committee meeting a proposal on a comprehensive plan to audit business license revenue during the next fiscal year.

Mrs. Szubert discussed expenses associated with payroll, salaries increased and the addition of two new employees, a business licensing/permitting clerk and a communications specialist. Mr. Wilson asked for more detailed justification on the need for an employee for communications stating his reservation on hiring more employees. He suggested the use of temporary help a marketing firm when the need arises. Members discussed the budgeted six percent in merit raise increases and made the determination that a three percent increase would be sufficient.

Mr. Labriola gave a brief background on SATAX funding and the current recommendations from the SATAX Committee. He explained the Committee did not full fund several applications and left funds that were not allocated. Members engaged in an in-depth discussion of deputy salaries, the amount to be allocated from SATAX funding for Beach Patrol and Deputies salaries. Discussion also questioned if Council is allowed to designate an amount of funding to be deducted from the total funding prior to the SATAX Committee meeting.

Mrs. Szubert spoke to the Town's contribution to employee 401k accounts. She stated that currently the maximum is capped at \$1,000.00 and requested an increase to \$1,500.00. Council agreed on the recommendation for the cap be increased to \$2,000.00.

Ms. Tillerson pointed out the purchase of a new Town vehicle for code enforcement was in the FY16-17 budget. She noted that \$90,000.00 was budgeted in the current year for the purchase of three vehicles for Building Services.

Committee members discussed proposed budget items of the future engagement of a consultant for repaving of the Parkway and the replacement of the Wildlife amphibious vehicle.

Committee members engaged in an in-depth discussion of department budget items;

Administration Department - included current staff, increases in salaries, the cost of employee benefits and deputies' salaries. Members made suggestions on additional items to be included in the budget.

Conservation Department – the lack of a beach re-nourishment line item, Ms. Szubert stated money is put aside in the Capital Budget annually, maintenance of the three Wildlife vehicles, the Environmental Committee budget.

Mr. Labriola discussed the Town's funding of the Conservancy. He expressed his concern with the Conservancy submitting multiple funding requests. Mr. Jordan explained the history of the process that was used between the Town and the Conservancy in the exchange of funds for project purchases. Committee members engaged in an in-depth discussion of Conservancy funding, Wildlife research and education projects done in partnership with the Conservancy and a funding approval process which should begin with presentation to the Environmental Committee for recommendation. Mr. Labriola suggested, before the next Ways and Means Committee meeting, staff meet with representatives of the Conservancy to discuss a possible means to resolve some of the funding and accounting issues.

Mr. Labriola highlighted some of the items discussed which required further consideration;

- Deputies' salaries; amount of budget and amount offset from SATAX
- Mapping of expenditure accounts in revenue funds to allocation in department or other account
- Conservation; leave as is, or alter budget base on expense study

Financial Department – software expenses, continuing search for an efficient means to transfer historical financial data from QS1 used primarily in the processing of business licenses

Communications Department –

Mr. Labriola stated the SATAX Committee did not fund the application from the Community Association for printing of the Island maps. The Committee made a recommendation for Council to use excess funding not allocated to engage a consultant to create a GPS mapping of the Island in a software app. He noted a placeholder would have to put in the budget if the recommendation is accepted or if the printing of the maps is accepted. Mrs. Johnson pointed that even though the Town funds the printing, the map is a Community Association project with the Conservancy, and the development of an app should be their project. Funding for the printing of the maps was later allocated to the Local ATAX Fund.

Public Safety Department – allocation amount from SATAX funding to deputies' salaries

Code Enforcement and Permit, Inspect & Planning – new employees, additional equipment for new hires, and lease/buy analysis for replacement of Code Enforcement vehicle and vehicles for Building Services.

Operations Department – decrease in operations cost due to expected sale of Town Hall, Town portion of the KICA signage change and projected expense carryover,

new Municipal Center signage, accounting of Town cell phones, iPads, cost of data plans and telephone lines.

Roads and Bridges – bridge reappraisal due every five years

Capital Outlay – financing of new Municipal Center, and debt service.

Committee members engaged in an in-depth discussion of all funds;

State Accommodations Tax Fund –

Mr. Labriola briefly reviewed the recommendations from the SATAX Committee which left an unallocated amount of \$96,000.00. Members considered the SATAX Committee recommendation to create an app and the possible funding of the Kiawah Partner’s event “Party in the Park” from an Accommodations Tax Funds.

Members engaged in an individual discussion of each of the funding amounts. The following funding changes were made for consideration at next Ways and Means Committee meeting for recommendation to Town Council;

Project	2016 Application Request	SATAX Committee Recommended	Ways & Means Committee Recommended	Recommended to Other Funds
Charleston County Sherriff Deputies	\$ 501,464	\$ 361,000	\$ 423,000	
Beach Patrol	\$ 194,220	\$ 143,000	\$ 195,000	
Public Access Events	\$ 420,000	\$ 420,000	\$ 420,000	
The Wildside Guest Pocket Guide	\$ 15,000			local atax \$15,000
Kiawah Island Motoring Retreat	\$ 90,000	\$ 28,000	\$ 28,000	local atax \$62,000
Marketing & Advertising Promoting Tourism	\$ 50,000	\$ 40,000	\$ 25,000	
Freshfields Events Promotion	\$ 15,000	\$ 12,000	\$ 9,000	
Alligator Documentary and Symposium	\$ 35,000			
	\$ 1,320,684	\$ 1,004,000	\$ 1,100,000	

Mr. Weaver suggested the Kiawah Island Motoring Retreat make a presentation to the Ways and Means Committee with an overview of the recent event. It was suggested Kiawah Partners also make a presentation to the Committee on their funding request.

County Accommodation Tax Fund – historically fund has been allocated 50% OF the costs related to maintenance and operations of Town Hall and beautification of the Island.

Local Accommodation Tax Fund – allocated the cost of deputies’ salaries, and Beach Patrol. Funds transferred to Cultural Events Fund and Capital Fund.

Hospitality Tax Fund – possible funding source for “Party in the Park”, if approved.

Beverage Permits Fund - funds transferred to Cultural Events Fund.

Arts and Cultural Events Fund – expenditures for Kiawah Arts Council and Cultural Events

VI. Citizen Comments:

Wendy Kulick – 38 Marsh Edge Lane

Mrs. Kulick suggested funding to provide temporary assistance to the Town Clerk when necessary.

Mrs. Kulick asked if there was any answer to the earlier question of if Seabrook paid for deputy coverage.

Mr. Labriola clarified the question was not pursued.

Mrs. Kulick indicated in previous discussion of Human Recourses (HR) being placed under the purview of the Ways and Means Committee. She asked if it would that require a change to the Ways and Means Committee Charter since the charter is now financial.

Ms. Tillerson clarified that HR is under Ways and Means from a budget stand point (Salaries not policies). If the entire concept of HR would be placed under the Ways and Means; then, the charter would be adjusted.

Mrs. Kulick contradicted the statement made in earlier discussion that the purpose of “Party in the Park” was to sell real estate.

Conservancy contributions.....Mrs. Kulick noted that the remaining assets of KPOG, \$46,000.00 were given to the conservancy for a “to be determined project”. She did not know if that would impact the amount contributed by the Town.

Mrs. Kulick pointed out the Development Agreement with KRA, now Partners, expires in January of 2018. She stated that if there was anything the Town need to address that may impact the Development Agreement and suggested the Town create a committee or organized group to address any issues that could be revisited before the expiration. She suggested if future improvements have to be made to the Parkway the Town seek financial support from the Partners.

She questioned if there had been any consideration given to what the Town would to do with the additional land after the completion of the New Municipal Center.

Mrs. Kulick commented on the number of changes enacted by the Town since the discovery of financial improprieties and thanked Mrs. Szubert for setting up the budget as she had requested for many years.

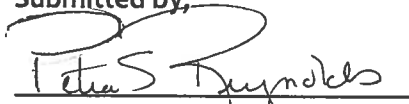
Mrs. Kulick stated that even though policies and procedures have been place, she felt a public acknowledgement on behalf of the Mayor and Council that they were at fault for not supervising staff more effectively would go a long way to mend some of the resident concerns.

VII. **Committee Member's Comments:**
None

VIII. **Adjournment:**

Mayor Lipuma made a motion to adjourn the meeting at 3:03 pm. The motion was seconded by Mr. Weaver and unanimously approved.

Submitted by,



Petra S. Reynolds, Town Clerk

Approved by,



John D. Labriola, Mayor Pro Tempore

5.31.16

Date