

## WAYS & MEANS COMMITTEE MEETING

Kiawah Island Municipal Center

Council Chambers

August 30, 2016; 2:00 PM

### MINUTES

I. **Call to Order:** *Mr. Labriola called the meeting to order at 2:00 pm.*

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  
John Wilson  
Craig Weaver

Also Present: Dorota Szubert, Town Treasurer  
Petra Reynolds, Town Clerk

V. **Approval of Minutes:**

A. Ways & Means Committee Meeting of July 26, 2016

*Mr. Weaver made a motion to approve the minutes of the July 26, 2016 Ways and Means Committee Meeting. The motion was seconded by Mayor Lipuma and the minutes were unanimously approved as amended.*

VI. **Citizens' Comments: (Agenda Items only)**

None

VII. **Old Business:**

None

VIII. **New Business:**

A. **Approval of Municipal Center Change Order**

Mr. Labriola gave a brief background of the new Municipal Center change order which approved the design of the tap into the main water line. He indicated the design had been completed and the current change order was discussed by the Municipal Center Committee (MCC), along with representatives of LS3P, Thomas Construction, and Cedrus. Following an in-depth discussion, the change order was recommended by the MCC and if approved by the Ways and Means Committee would not require recommendation to Town Council for approval.

Mr. Art Titus stated that during the course of construction it was discovered that the water main was under the road pavement rather than at the center of the shoulder as shown on the

original plans. He reviewed the research done with St. John's Water Company to evaluate the cause of the additional cost associated with the installation of the water line and if additional due diligence should have been taken to locate the water line rather than relying on the information available. He reviewed in detail the challenges and process required to make the connection and the milling and paving required by the County once the connection is completed.

Members discussed the change order, if there would have been a cost savings had the mistake been discovered prior to going out for bid and if there were any duplicate costs in the original bid which could provide a credit.

***Mr. Labriola made a motion to approve the change order in the amount of 35,101.00. The motion was seconded by Mayor Lipuma and was unanimously passed.***

**B. Request to Approve Financing with Bank of South Carolina for New Municipal Center**

Mr. Wilson introduced Mr. Jeremy Cook, Bond Attorney with Haynsworth Sinkler Boyd. Mr. Wilson explained that during the bonding process it was discovered there was need to rebid the financing for the New Municipal Center. The Request for Proposals (RFP) was updated, property advertised and also sent to a list of banks. Four proposals were received by the Town, with the Bank of South Carolina submitting a 1.34% rate for a nine-year term and included very generous terms. Mr. Wilson stated that cost savings in interest when compared to the offer from Wells Fargo will be \$135,000.00 over the course of the loan. He also noted there would not be an up-front fee and payment of bank counsel as required in the Wells Fargo terms.

***Mr. Wilson made a motion to recommend to Town Council the approval of the financing of \$3,000,000.00 with the Bank of South Carolina at a rate of 1.34%. The motion was seconded by Mr. Weaver.***

***After further discussion the motion was unanimously passed.***

**C. Selection of Janitorial Services Contractor**

Mr. Lameo stated the Town has the current contract for Janitorial Services with Perkins Cleaning Services. The five-year contract which included an initial three years and two, one-year extensions would be expiring at the end of October. An RFP was prepared by staff outlining a scope of work, and requested a separate bid for the New Municipal Centers, based on diagram of the layout. The RPF was advertised, and sent to six perspective local companies. Three responses were received with Pelican Services submitting the lowest bid at \$540.00 per month.

	<b>Town Hall</b>	<b>New Building</b>
Pelican Cleaning Services	\$ 520.00 monthly	\$1085.00 monthly
Jan-Pro Cleaning Systems	\$1795.00 monthly	\$2150.00 monthly
Perkins Cleaning Services	\$1992.81 monthly	\$2416.66 monthly

Mrs. Johnson noted that no company information was included with two of the bids. Mr. Lameo indicated there was not a requirement for detailed company information in the RFP. He stated that current references were checked for Pelican and Jan-Pro, both receiving high praise and satisfaction with their work. He requested the contract be awarded to Pelican Cleaning Services for the remaining time The Town occupies this building and amend said contract when the new building is completed.

***Mrs. Johnson made a motion to select and recommend approval of a cleaning service for the current Town Hall separately from the New Municipal Center. The motion was seconded by Mayor Lipuma and unanimously approved.***

Members discussed the areas which are included in the scope of work and agreed the cleaning services contract would be a monthly, and open-ended. Also discussed was the lack of company information included in the low bid proposal.

***Mrs. Johnson made a motion to recommend to Town Council the approval of the Proposal from Pelican Cleaning to provide the cleaning services for the current Town Hall in the amount of \$520.00 monthly in an open-ended contract expiring when Town moves to its new facility. The motion was seconded by Mayor Lipuma.***

Members asked Mr. Robinson, President of Pelican Cleaning, questions on his business, employees, equipment, and cleaning chemicals he uses in providing services.

***Following the discussion Mr. Labriola called the question on the motion to recommend to Town Council the approval of the proposal from Pelican Cleaning. The motion was unanimously approved.***

Mr. Weaver expressed his concern with the proposal submitted by the previous vendor. He noted the length the vendor has been providing services to the Town, the lack of current references, the vendor not showing as actively in the “cleaning business” and multiple businesses with same home address. He stated while making inquiries it had come to light that the current vendor was selected under somewhat suspicious circumstances. He asked that the complete bidding and contract process be reviewed to make sure checks and balances are in place to prevent future irregularities.

**IX. Chairman’s Report:  
None**

**X. Treasurer’s Report:  
A. July 2016 Budget to Actuals**

Mrs. Szubert presented the July Budget to Actuals noting there was only one month in the report. She pointed out that historically this is the slow time for business licensing and while

slow at this time of the year and income revenues for hospitality and local option taxes will be received in the next month.

Members discussed the structure of the reporting and received an update on taxes still owed to the Town by the County. Mrs. Szubert stated after several collection calls a number of businesses have submitted their amended local option tax returns and are awaiting processing by the SC Department of Revenue for payment in the amount of \$157,000.00 to the Town.

Mr. Wilson stated that with all the activity which occurs on a month-to-month basis, it makes more sense for a quarterly report to be presented to Ways and Means. Mr. Weaver agreed to quarterly reports with any substantial event or variance being reported monthly.

Mrs. Szubert stated budget to actuals for each department were distributed to the department heads and reviewed at the monthly staff meetings. She added the fieldwork for the audit had been completed. Mr. Wilson stated the Audit Committee would be meeting next Tuesday for the exit interview with the auditors with the presentation of the audit at the October Town Council meeting.

Mr. Weaver asked for the status of the business license audit. Mrs. Szubert indicated she would be moving forward on the project once the annual financial audit was completed.

**XI. Citizen Comments:**

**Wendy Kulick – 38 Marsh Edge Lane**

Mrs. Kulick questioned Mrs. Szubert on the reason for the overage variance figure under Environmental Services Revenue on the Budget to Actuals she presented.

**Mrs. Szubert indicated the figure was projected on historical date of solid waste revenue and the variance was a timing issue.**

Mrs. Kulick stated earlier comments made by Mr. Weaver and Mrs. Johnson on references were on point. As a follow-up, she stated a reference, good, bad or indifferent, is only as good as, and as valid, as knowing the person from whom the reference comes from.

**XII. Committee Member's Comments:**

**John Wilson** - No additional comments

**Mayor Lipuma** - No additional comments

**Mrs. Johnson** - No additional comments

Mr. Weaver stated the Beach Patrol contract was expiring soon and rather than extend the current contract the decision was made to create an RFP (Request for Proposals) which would be reviewed by the Community Association and the Resort prior to its release. Bids would then be approved by the Ways and Means Committee and Town Council.

**XIII. Adjournment:**

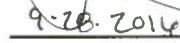
*Mayor Lipuma made a motion to adjourn the meeting at 3:20 pm. The motion was seconded by Mr. Wilson and unanimously approved.*

Submitted by,

  
\_\_\_\_\_  
Petra S. Reynolds, Town Clerk

Approved by,

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

  
\_\_\_\_\_  
Date