

WAYS & MEANS COMMITTEE MEETING

Kiawah Island Municipal Center

Council Chambers

May 24, 2016; 2:00 PM

Minutes

I. Call to Order:

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: Dennis Rhoad, Town Attorney
Stephanie Tillerson, Town Administrator
Dorota Szubert, Town Treasurer
Petra Reynolds, Town Clerk

v. Approval of Minutes:

A. Ways & Means Budget Workshop of April 19, 2016

Mr. Wilson made a motion to approve the minutes of the April 19, 2016 Ways and Means Committee Meeting. The motion was seconded by Mrs. Johnson and the minutes were unanimously approved.

B. Ways & Means Committee Meeting of April 26, 2016

Mayor Lipuma made a motion to approve the minutes of the April 26, 2016 Ways and Means Committee Meeting. The motion was seconded by Mr. Johnson and the minutes were unanimously approved.

Mr. Labriola made a motion to amend the agenda to include under the Executive Session an Item B. To review and receive legal advice on the Purchase/Sale Agreement and Lease with the Kiawah Island Community Association. The motion was seconded by Mayor Lipuma and unanimously passed.

VI. Citizens' Comments: (Agenda Items only)

Wendy Kulick – 38 Marsh Edge Lane

Mrs. Kulick again expressed her concern with the Town sponsoring “Party in the Park”. She stated the event put on by the Partners was designed to sell real estate and funding the event could set a dangerous precedent.

Dennis McGill – 100 Pleasant Valley Drive

Mr. McGill called attention to the Town Municipal Code which indicated only Council could decide and approve raises and hoped the discussions which will transpire during today’s Executive Session would be brought forward at the next regular Council meeting.

VII. Old Business:

None

VIII. New Business:

A. Request to Approve financing with Wells Fargo for New Municipal Center

Mr. Wilson stated the Town released an RFP (Request for Proposals) to secure financing for the New Municipal Center. Of the two respondents, Wells Fargo and SunTrust, Wells Fargo gave the better rate and flexible terms. He gave an overview of the proposal from Wells Fargo and indicated when the proposal is accepted a fixed rate will be locked in.

Mr. Wilson made a motion to recommend to Town Council to accept the terms of the proposal from Wells Fargo for financing of the new Municipal Center in the amount of \$3,000,000.00 with specifics to be determined during the documentation process. Mayor Lipuma seconded the motion.

Members discussed Mr. Labriola’s request for clarification on the documentation and closing process and Mr. Weaver’s question on the debt service coverage.

After further discussion the motion and unanimously passed.

B. Request to approve the purchase or lease of three (3) Tacoma pickup trucks for the Building Department in the FY15-16 Budget

C. Request to approve the purchase or lease of one (1) Tundra pickup truck for the Code Enforcement Department in the FY 16-17 Budget

Ms. Tillerson reviewed the need for the acquiring the new vehicles for Building Services and for the Code Enforcement Department. She indicated the reason for staying in the Toyota line was to keep consistency with the current Town and Community Association’s fleet of vehicles. She stated staff had begun working with Charleston County Procurement Office (Fred Anderson Toyota of Charleston; Hendrick Toyota of North Charleston) and National Auto Fleet Group in seeking bid proposals for three (3) 2016 Toyota Tacomas and one (1) Toyota Tundra.

Mr. Wilson expressed his concern with limiting the vehicle search to only Toyotas and suggested staff extended its research to include other comparable vehicles. The suggestion was also made to make inquiries on how other Island entities are handling their vehicle fleet. Mr. Weaver added

that the Town should not be overbuying and only purchasing vehicles suitably equipped for the job they are to be used for.

Committee members engaged in an in-depth discussion of the purchase/lease option. Ms. Tillerson indicated due to the salt water environment on the Island she felt the lease option would not be feasible for the vehicles regularly on the beach. Members agreed to approve the expenditure of the trucks with a comparison of other vehicles and vehicle options to be done and presented at the next Town Council meeting along with the Administrator's recommendation.

Mayor Lipuma made a motion to recommend to Town Council the purchase of three vehicles and to expand its research to include other vehicle manufactures to ensure the most favorable quotes and to include the purchase of a Toyota Tundra. The motion was seconded by Mrs. Johnson.

D. Request Decision On:

Mr. Labriola indicated during the budgeting process four items were identified as needing further evaluation and/or discussion for a decision to finalize the budget;

1) Charitable Contributions

Mr. Labriola stated that a prior Council developed a methodology to calculate what could the amount of the Charitable Contributions could be. The Town would allocate up to 30%, or an amount not to exceed \$200,000, from the change in the fund balance of the General Fund as of June 30 each year. When looking at this fiscal year there would be a reduction of revenues due to several large, one-time expenses. Mr. Labriola stated without those expenses 30% of the increase would have been \$175,000.00.

Mr. Labriola made a motion to keep the line item of \$150,000.00 for Charitable Contributions in the FY 16-17 budget. The motion was seconded by Mayor Lipuma.

Following further discussion the motion was unanimously passed.

2) Party in the Park

Mr. Labriola stated at the last meeting an amount of \$50,000.00 was placed in the budget for the request to fund the "Party in the Park" event. He noted there had been several meetings at which residents expressed their concern with funding the event.

Mr. Weaver made a motion to reduce the line item for funding to Party in the Park to zero. Mr. Wilson seconded the motion.

Members discussed if the event would meet the requirements to qualify for one of the Accommodations Tax Funds. They found no community support for funding the event and that both the Community Association and the Resort have indicated they would not be contributing any funding.

Following further discussion the motion to delete the \$50,000.00 line item was unanimously passed.

3) Two New Positions

a. Communications Assistant

Ms. Tillerson described the proposal to add a Communications Assistant to work under Mrs. Braswell-Edgerton. She explained the need for the Town to be more proactive in its Communications and has asked Mrs. Braswell-Edgerton to take on a fulltime position as a Communications Specialist. Putting Mrs. Braswell-Edgerton in this role would put more of a demand on her time which is already filled with her job as the Administrative Assistant, preparation of Town Notes and the biweekly E-blast, liaison to the Arts and Cultural Events Council which includes the managing the budgeting process, preparing contracts, and the marketing and promotion if its events.

Mr. Wilson expressed his concern with the addition of a full time staff member to work for a Town Committee. Members discussed the every expanding demands that have been placed on Mrs. Braswell-Edgerton time and the necessity to hire someone in a support position.

Mrs. Johnson made a motion to recommend to Town Council to accept the proposal to include in the budget the addition of a Communications Assistant. The motion was seconded by Mayor Lipuma.

Following further discussion the motion was passed by a 4-1 vote. Mr. Wilson voting No.

b. Business License/Permit Clerk

Ms. Tillerson described the proposal for additional staff to work under Support Services and would be cross trained in Business Licensing and Permitting. This would provide support for the Permitting Clerk, Ms. Johnson, whose position would then moved to Building Services. The addition of a staff member would also free Mr. Martin, a Code Enforcement Officer, who is at the present time processing business licenses and permits, to return to his Code Enforcement duties.

Mayor Lipuma made a motion to recommend to Town Council to accept the proposal to include in the budget the addition of a Business License/Permit Clerk. The motion was seconded Mrs. Johnson.

Mr. Weaver expressed his concern with the addition of a staff member and requested a better understand of the roles of staff in the Support Services as well as the Building Services Departments. Mrs. Johnson, along with Ms. Tillerson, offered an explanation of the process by which staff were assigned the tasks they are doing now.

Following further discussion the motion was passed by a 4-1 vote. Mr. Weaver voting No.

4) Organizational Chart

Ms. Tillerson presented the Town's Organizational Chart which will be approved as part of the Fiscal Year 16-17 Budget.

Mr. Wilson called attention to the Planner block that was vacant and stated the Planner was hired and working with Charleston County. Mrs. Johnson requested the Administrative Assistant Block be removed because the addition of this staff has not been discussed and it is not in the budget. She also called attention to the block for Mr. Weaver that indicated him was a Liaison to a Communications Committee that no longer existed.

Mrs. Szubert reviewed the changes made from the first reading of the budget.

IX. Chairman's Report:

Mr. Labriola expressed his concern with the approval of the Fiscal Year 16-17 Budget before reviewing projections of expenses and revenues over the next three years. He asked Mrs. Szubert to prepare for review prior to the second reading of the budget at the Town Council meeting.

X. Treasurer's Report:

Mrs. Szubert presented the current budget to actuals and reviewed some of the items that are under and budget and projected a \$1,000,000.00 favorable variance for this fiscal year.

XI. Citizen Comments:

Wendy Kulick – 38 Marsh Edge Lane

Mrs. Kulick questioned how many staff members would be affected by the proposed changes in the overtime payment of salaried personnel.

Ms. Tillerson indicated that there may be one person.

Mrs. Kulick again asked for consideration for funding to provide help for the Town Clerk.

Dennis McGill – 100 Pleasant Valley Drive

Mr. McGill requested the \$500.00 bonus that was given to staff last year be ratified publicly by Council. He also requested the new retainer agreement with the attorney be ratified during a public meeting and that members keep in mind those staff member who received overpayments when considering this year's merit increases.

Mr. McGill requested clarification on payment of \$30,000.00 and \$12,000.00 made to the Charleston Symphony Orchestra and from what funds they were allocated.

Mr. Johnson stated the \$35,000.00 or \$30,000.00 was payment for the Cultural Event performance and the \$12,000.00 was awarded from Charitable Contributions for music education in schools.

Mr. McGill inquired if there was a notification on the status of the complaint against Rucker and Gunnells.

Mr. Rhoad stated he has been contacted by the FBI Investigator Durr who had been waiting for several months to receive bank records. Town Officials would be contacted to clarify the credit card authority for the individuals and the investigation should be completed within the next 30 to 60 days with a recommendation then being made to the US Attorney's Office.

Cathy Pumphrey– 525 Bufflehead

Mrs. Pumphrey commented on Mr. Labriola's request for three year projections and suggested the consideration of a five year which would make it easier to amortize vehicles and other expenses into the future.

XII. Committee Member's Comments:

Mr. Weaver questioned Mrs. Szubert about the comprehensive plan to audit business license revenue during the next fiscal year and if she would be presenting it at the June Ways and Means Committee meeting. Mrs. Szubert indicated it would be ready for presentation at the June meeting.

Mayor Lipuma reported on Charleston County preparing a referendum for a half cent sales tax increase called "Complete the Penny". He stated that Charleston Mayor Tecklenberg is pushing for the completion of I-526 as is the Johns Island Task Force and the Johns Island Community Association. Mr. Paul Roberts, along with Mr. Wilson have been providing information traffic models and projected traffic counts with/without a Johns Island Parkway and with/without I-526.

Mayor Lipuma stated an item not addressed was a need for a road across Johns Island. He presented a letter which included the signature of the Mayor Ciancio of Seabrook to be sent to Charleston County Council members which makes that point. He indicated he and Mayor Ciancio have scheduled a meeting with Mayor Tecklenberg in early June to discuss this issue.

Mr. Wilson made a motion to move into Executive Session to discuss Annual Performance Appraisal for each employee and to review and Receive Legal advice on the Purchase/Sale Agreement and Lease with the Kiawah Island Community Association. The motion was seconded by Mayor Lipuma and was unanimously passed.

XIII. Executive Session:

- A. To discuss Annual Performance Appraisal for each employee
- B. To Review and Receive Legal advice on the Purchase/Sale Agreement and Lease with the Kiawah Island Community Association

XIV. New Business (continued):

- E. Request to approve Annual Performance Appraisals

Mayor Lipuma made a motion to come out of Executive Session and return to Regular Session. The motion was seconded by Mr. Wilson and was unanimously passed.

Mr. Labriola stated that no decisions were made that would bind the Town and any particular course of action.

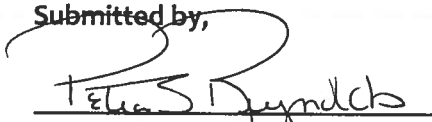
Mr. Labriola stated on the first item of the Annual Performance Appraisal, Ms. Tillerson has completed for each employee. The Committee will be making the recommendation to Town Council to approve the aggregate the performance appraisal number of 2.5% at the Town Council meeting in two weeks.

Mr. Labriola stated on the second item, members received advice from the Attorney on the Purchase/Sale Agreement and Lease with the Community Association. The Committee will be making the recommendation to approve the documents at the Town Council meeting in two weeks.

xv. Adjournment:


Mayor Lipuma made a motion to adjourn the meeting at 3:50 pm. The motion was seconded by Mrs. Johnson and unanimously approved.

Submitted by,



Petra S. Reynolds, Town Clerk

Approved by,



John D. Labriola, Mayor Pro Tempore

Date