

WAYS & MEANS COMMITTEE MEETING

Kiawah Island Municipal Center

Council Chambers

March 27, 2018; 2:00 pm

Minutes

I. **Call to Order:** Mr. Wilson called the meeting to order at 1:00 pm.

II. **Pledge of Allegiance**

Present at the meeting: John R. Wilson, Chairman
Craig Weaver, Mayor
Diana Mezzanotte
Chris Widuch
Jack Koach

Also Present: Stephanie Monroe Tillerson, Town Administrator
Dorota Szubert, Town Treasurer
Petra Reynolds, Town Clerk

III. **Approval of Minutes:**

A. Ways & Means Committee Budget Workshop of February 20, 2018

Mr. Koach made a motion to approve the minutes of the Ways and Means Committee Meeting of February 20, 2018. The motion was seconded by Mr. Widuch and the minutes were passed.

B. Ways & Means Committee Meeting of February 27, 2018

The approval of the February 27, 2018 minutes was deferred to the next Ways and Means Committee Meeting.

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

None

V. **Old Business:**

None

VI. **New Business:**

A. To Consider Recommendation to Town Council for Approval of AirMedCare Contract

Mr. Widuch stated the AirMedCare contract was reviewed and recommended for approval by the Public Safety Committee. He noted that if approved, this would be the third year of providing the helicopter transport service to the island residents.

Mr. McAden reported from April of 2017 to date, there were a total of five flights, one call to Kiawah, which was a non-resident, two calls to Wadmalaw Island, one of which was declined by the patient upon arrival, and two interfacility pediatric transports on Seabrook.

Mr. McAden notified the Committee that AirMedCare Network stopped offering the Business Plan to new subscribers effective January 1, 2018, due to the continued decline in insurance rate reimbursement and the reduction of larger employers in the AirMedCare Network. The Municipal Site Plan Membership falls under the Business Plan, and therefore it was eliminated

as well. However, those with an active Business/Municipal Site membership plan are grandfathered in with the option of renewing. If the contract lapses, the membership plan option the Town is currently participating in will no longer be available. Municipal Site Plan Membership can be renewed for another year at the same cost of \$8,163.00 (annual). Pricing, which is based on the number of eligible households, has not changed from the previous year and is not expected to change until the new census.

Mr. Widuch made a motion to recommend to Town Council the approval of the AirMedCare Contract in the amount of \$8,163.00. The motion was seconded by Mrs. Mezzanotte and was unanimously approved.

B. To Consider Recommendation to Town Council for Approval of the Summit Building Services Contract Amendment

Mr. Lameo stated that in August 2017, the Town entered into a contract with Summit Building Services for janitorial services at our Municipal Building. The initial work schedule was based on twice weekly cleaning services as was in our previous building's service. Upon reaching the mid-year point, of occupying our new building, staff has determined the twice weekly cleaning schedule is not sufficient to maintain the building to our standards. Adding an additional day to the cleaning schedule would allow for a shorter time between cleanings thus maintaining supplies and cleanliness.

Staff is requesting that the Scope of Work in the contract between the Town and Summit Building Services be amended to three-time weekly cleanings that will be performed on Tuesday, Thursday and Saturday. This agreement will amend the present contract by fifty (\$50.00) per week to nine thousand eight hundred fifty-one (\$9,851.00) per annum, paid in monthly installment of \$820.91.

Mr. Widuch made a motion to recommend to Town Council the approval of the Summit Building Services Contract Amendment for an additional weekly cleaning at a cost of \$50.00 per week. The motion was seconded by Mrs. Mezzanotte and was unanimously approved.

C. To Consider Recommendation to Town Council for Approval the proposal from Carolina Waste for Solid Waste Services

Mr. Lameo stated the Town supplies Solid Waste and Recycling Services to its residents and whereas the present contract with Carolina Waste is ending June of 2018, requests for proposals (RFP) were issued in accordance with Town's Procurement Policy. The Town received two complete bids from the following companies:

Carolina Waste Services – Present contractor - Proposed Annual Cost	\$951,743.00
Republic Services – Previous contractor – Proposed Annual Cost	\$2,576,092.00

Mr. Lameo stated that both companies responding have worked for the Town and received favorable references. Finance and Town Staff reviewed and compared the operating costs factors as submitted by both companies in the RFP and is recommending the selection and recommendation to Council of the submitted proposal from Carolina Waste and Recycling, LLC based upon their past service record and the overall cost of the contract.

Mr. Koach made a motion to recommend to Town Council the approval of the proposal from Carolina Waste and Recycling for Solid Waste Services in the amount of \$951,743.00. The motion

was seconded by Mrs. Mezzanotte and was unanimously approved.

D. Review of the FY 2018/2019 Draft Budget

Mrs. Szubert began the discussion by noting some items that which were changed since the previous discussion of Revenues in the FY 2018/2019 Draft Budget.

- ▶ The franchise fee received annually from Berkeley Electric was approximately 100,000.00 less than budgeted. Berkeley was contacted and is recalculating to check for errors.
- ▶ The funds received from State Accommodations Taxes for the first two quarters were approximately \$90,000.00 less than received in the prior year and is inconsistent with the funds received for the local accommodations taxes which show and increase. Both entities have been contacted to review every account to locate any errors.

Mrs. Szubert reviewed the comparison of the current and proposed solid waste rates. She stated the cost to the Town is projected to increase approximately 2% to 3%. Assuming the Town continues the residential subsidy, the increased \$180.00 rate would be applied to all services and the budgeted income would be approximately \$368,000.00.

Members deliberated adjusting the Town's subsidy for all services other than single-family curbside and backdoor services. Members engaged in an in-depth discussion of increasing the rates on rental properties, the cost associated with providing services to villas and HOAs (Home Owner Associations), and the possibility of using the business licensing process to focus on rental properties.

Mrs. Szubert reported that finance staff is pursuing the approximately one hundred open delinquent accounts. Notifications will be sent out that will give two weeks to rectify the account or service will be discontinued and cans will be picked-up.

Mrs. Szubert reviewed the presented Narrative Highlights of Expenditures in the FY 2018/2019 Draft Budget.

- ▶ The personnel cost shows 6%, or approximately \$121,000.00 increase compared to FY2018 projections. This increase is attributable to the following items:
 1. The budget includes funding for 18 regular, full-time, employees (additional Planner position - \$50,000.00). The salaries line item assumes 4%, or \$42,000.00 budget increase to be effective with the pay period beginning July 1, 2018. An additional \$25,000 was budgeted for temporary and seasonal employees.
 2. The budget includes 2% employer increase in SC Retirement System effective July 1, 2018.
 3. This budget includes 7.4% employer increase in Town's health insurance contributions effective January 1, 2019.
 4. This budget includes continuous funding for law enforcement coverage on the Island. The hybrid model is being proposed and will provide coverage on the first shift with CCSO (Charleston County Sheriff's Office) deputies and off duty deputies will provide coverage on second shift. The third shift could be eliminated if switch to a 12-hour shifts. The total cost will be 92%, or approximately \$577,000.00 increase compared to FY2018 projections.

Mrs. Szubert reviewed and discussed the presented Police Coverage Scenario. The scenario displays the startup cost (includes vehicles, equipment, uniforms, etc.) of \$1,111,845.00 to hire four full-time CCSO deputies in the first year with the additional coverage of four off-duty deputies, along with a coordinator. Over two years an additional four deputies would be hired each year ultimately having full-

time coverage provided solely by CCSO in three years.

- ▶ Utilities (electricity and water) are estimated 41%, or approximately \$46,000.00 higher than FY2018 projections.
- ▶ General Supplies show an increase of 5% or approximately \$4,000.00.
- ▶ Minor Assets show a 46%, or approximately \$14,000.00 decrease compared to FY2018 projections.
- ▶ Communication cost shows an increase of 10%, or approximately \$5,000.00.
- ▶ Insurance cost shows an increase of 12%, or approximately \$13,000.00 attributable to the Insurance Reserve Fund premium increase.
- ▶ Professional Services show an increase of 17%, or approximately \$27,000.00 and include the following:
 1. \$85,000 for Town Attorney (\$5,000.00 projected increase)
 2. \$60,000.00 for the proposed third-party inspector
 3. \$32,000.00 for annual audit
- ▶ Consultant cost has decreased 15%, or approximately \$15,000.00. Under the line item Consultants, funding was budgeted for various services including:
 1. \$15,000 for miscellaneous legal and consulting services
 2. \$50,000 for engineering for ongoing road repairs
 3. \$5,000 for stenographers for BZA
 4. \$15,000 for offsite retention documents management
 5. \$1,000 for wildlife survey assistance.
- ▶ Maintenance cost shows 10%, or approximately \$43,000.00 increase when compared to FY2018 projections. This increase is mostly attributable to requests for additional landscaping maintenance and upkeep at the new Town Hall.
- ▶ Travel & Training shows 8%, or approximately \$4,000.00 increase when compared to FY2018 projections.
- ▶ The rental expense shows no change and includes contract with Xerox for copiers and Pitney Bowes for postage machine.
- ▶ Tourism & Recreation shows 1%, or approximately \$22,000.00 increase compared to current year projections. The line item consists of funding for the following items:
 1. \$297,000.00 for Arts & Cultural Events
 2. \$469,700.00 for CVB funding
 3. \$677,000.00 for SATAX applications funding
 4. \$299,165.00 for beach patrol cost
 5. \$80,000.00 for beach monitoring
 6. \$146,000.00 for wildlife and environmental projects and research
 7. \$11,500.00 for misc.
- ▶ The budget reflects requests for the following capital expenditures:
 1. \$100,000.00 for 3 vehicles
 2. \$300,000.00 for road repair/maintenance
 3. \$75,000.00 for business licensing software
 4. \$30,000.00 for interior lift (public works department)

Mrs. Szubert stated that based on the proposed revenues and expenditures it would create a total change of \$1,600,000.00 in revenues in excess over expenditures with \$780,000.00 in General Fund.

Members also discussed the upcoming State Accommodations Tax Committee meeting. The Town's requests may not be fully funded due to a request submitted for the 2021 PGA. The funding recommendations made to the Ways and Means and then to Council for approval will influence the presented budget along with the decisions made on the CCSO deputy model, Solid Waste charges and the potential change to the permitting process discussed today.

- VII. Discussion:
None
- VIII. Chairman's Report:
None
- IX. Treasurer's Report:
None
- X. Citizen Comments:
None
- XI. Committee Member's Comments:
None
- XII. Executive Session:
None
- XIII. Adjournment:

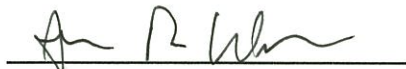
Mr. Widuch made a motion to adjourn the meeting at 3:20pm. The motion was seconded by Mr. Koach and was unanimously approved.

Submitted by,



Petra S. Reynolds, Town Clerk

Approved by,



John R Wilson, Chairman

4/24/18
Date