

# WAYS & MEANS COMMITTEE MEETING

Kiawah Island Municipal Center

Council Chambers

November 26, 2019; 2:00 pm

## Minutes

I. **Call to Order:** Mayor Pro Tem Widuch called the meeting to order at 2:10.

II. **Pledge of Allegiance**

**Present at the meeting:** Chris Widuch, Chairman  
Craig Weaver, Mayor  
Dan Prickett, Committee Member  
Klaus Said, Committee Member  
Maryanne Connelly, Committee Member

**Also Present:** Stephanie Monroe Tillerson, Town Administrator  
Dorota Szubert, Town Treasurer  
Petra Reynolds, Town Clerk  
Stephanie Braswell Edgerton, Communications Manager

III. **Approval of Minutes:**

A. Ways & Means Committee Meeting of October 22, 2019

*Committee Member Prickett made a motion to approve the minutes of October 22, 2019 Ways and Means Committee Meeting. The motion was seconded by Committee Member Said, and the minutes were unanimously approved.*

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

None

II. **Presentation – STR Webpage**

Ms. Edgerton stated that in response to Council recently passing the new Short-Term Rental Ordinance, she drafted several new pages to be incorporated into the Town's existing website. The intention is to have the pages to go live on or before December 16<sup>th</sup>.

Ms. Edgerton presented a PowerPoint of the new menu page, which will allow someone to obtain information as a renter, as a property owner wanting to rent or apply for a license and as a resident wishing to report a problem.

Ms. Edgerton indicated Short-Term Rental Ordinance (STR) pages were developed with the intent to give property owners a streamlined view of the rental process. The pages and links will include ordinance information, rental restrictions, and requirements, along with quick links to resources for both property owners and management companies.

Committee members engaged in an in-depth discussion of the pages and provided feedback on items that they felt needed further clarification or additional information contained within. Ms. Edgerton indicated the link to the new pages, would be promoted through the Town's eBlast and social media page and will be included in the mailings sent to the rental business license renewals.

**III. Old Business:**

None

**IV. New Business:**

**A. Consideration and Recommendation for Approval of Employee Health Insurance Assistance Calendar Year 2020**

Ms. Tillerson stated that the maximum employee's premium and minimum employer's contribution are established by the State under PEBA the S.C. Public Employee Benefit Authority, indicating for 2020 PEBA did not increase the employee-only rates. Historically, Town Council has approved the Town providing a supplement for the employee-only premium for health, dental, and vision insurance with the supplement applying across the categories.

Ms. Tillerson stated that until last year, the Town paid 100% of the premium for coverage and extended this same dollar subsidy to all other categories. Last year, after a discussion of 10/90 and 15/85percent cost-sharing, the Council voted to reduce the employee-only subsidy by \$10. The result of this policy is that employee-only coverage now costs \$10/month, or 2%, of their health insurance. Ms. Tillerson stated that further discussion revealed an intent to, in the future, move toward employees contributing more to the premium for health, dental, and vision insurance.

Chairman Widuch indicated that over the last few years, the supplement of health care premiums had been a topic of debate. He stated that reimbursing the cost of the employee-only with the supplement applying across the categories in his view was not a good policy. He indicated in the private sector the employee pays for a portion of the healthcare cost. Presented to the Committee Members was a breakdown giving the 2020 total premium, PEBA maximum employee's premium, and PEBA minimum employer's contribution cost of insurance coverage for each category, along with the amount of a 10/90 and a 20/80 percent option for each.

Coverage Type	e of Participants	PEBA's Rate Structure			Rate Structure Using Current Town Practice			Rate Structure with 10/90 Cost Sharing			Rate Structure with 20/80 Cost Sharing				
		2020 Total Premium	EE Premium	ER Premium	EE Premium	ER Premium	Funding \$	EE Premium	ER Premium	Funding \$	EE Premium	ER Premium	Funding \$		
Employee	Total 12	545.62	129.44	416.18	10.00	535.62	119.44	54.56	491.06	74.88	109.12	436.50	20.32		
Employee+Spouse	Total 2	1,143.88	332.72	811.16	213.28	930.60	119.44	114.39	1,029.49	218.33	228.78	915.10	103.94		
Employee+ Children	Total 1	875.84	244.30	631.54	124.86	750.98	119.44	87.58	788.26	156.72	175.17	700.67	69.33		
Full Family	Total 3	1,458.14	466.14	1,012.20	390.44	1,157.90	145.70 *	145.81	1,112.51	300.31	291.67	1,166.67	154.47		
							Amount of Funding	\$	2,229	Amount of Funding	\$	2,393	Amount of Funding	\$	964

\* Currently, subsidy for family coverage is \$145.70. Applying \$119.44 will result in over 20%

Chairman Widuch indicated it was his preference to move toward the 20/80 percent option over the next years. Mayor Weaver added that he agreed that there should be cost-sharing but there should also be a systematic approach to setting the rates and applying it to the categories. He also noted the state has consistently required any increase in premium to be borne by the municipality rather than the employee, which could be problematic in the future without a cost-sharing policy.

Ms. Tillerson pointed out he majority of the employees are in the employee-only category and are on the lower income range, and any decision made will have a significant impact on those employees.

Committee Members engaged in a discussion which included of the dollar amount of the proposed increase, considering employer-funded health as compensation, the cost of total employee compensation as compared to other municipalities of a similar size, increasing the value of benefit resources for staff, fairness of the rate structure across the board, and an approach of a basic cost-sharing in a reasonable amount looking at total compensation for those most impacted by the increase.

Chairman Widuch suggested that the categories paying at the 20% level would remain at the current level, the employee and spouse be raised to the 16% to 17% level, and the employee-only be increased to 8% or 6% moving toward the higher contribution levels.

Mayor Weaver stated that prior to the next budget year, cash compensation would be reviewed along with savings plan contributions and other possible benefit concepts.

***Committee Member Prickett made a motion to increase the employee-only contribution rate from \$10.00 to \$25.00, leaving the other categories at the current rate of \$10.00. The motion was seconded by Committee Member Connelly.***

Mayor Weaver proposed that rather than waiting until late in the year, a review of the total compensation, along with other benefits, should be done in totality as part of the budget process to give a better insight on the rationality of further rate increases for the next year.

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

**B. Consideration and Recommendation for Approval to Enter into a Contract with Segra for Internet and Phone Service**

Segra is a provider that will be able to install a fiber line that has a dedicated percentage of bandwidth to be used exclusively for live streaming and uploading. The recommendation was also made to move the Town's voice and internet to Segra. Their service comes highly recommended from Immedion, the Town's Information Technology company, and would provide the Town a built-in 4G LTE failover that would support the internet and phones for uninterrupted service. In the past, there has also been an issue with all the phones in Town Hall being connected to the internet via Comcast. This means that when Comcast goes out, the phones are inoperable until the connection is restored with Comcast.

Mr. Gottshalk indicated that Town Staff requests the Ways & Means committee recommend to Town Council to enter into a five (5) year agreement with Segra as the primary provider for internet, phone, and fiber optic line for Town Hall while maintaining Comcast as the cable provider. Currently, the Town spends an approximate cost of \$1,910 monthly for Comcast services and \$75 monthly to AT&T for failover internet service for a total of approximately \$2,000 in monthly recurring charges.

Segra is proposing that after the fiber optics installation cost of \$550, monthly recurring charges of approximately \$2,140. The charges would include voice, internet, fiber line, along with failover voice and internet. The monthly recurring charges for maintaining cable with Comcast is about \$108 for a total monthly recurring cost of approximately \$2,250.

Committee member Prickett asked if the Segra contract included any form of a performance guarantee in the event the company does not perform as expected. Ms. Tillerson indicated that she would review the agreement for a non-performance, buy-out option or exit clause prior to the Town Council meeting.

***Committee Member Connelly made a motion to recommend to Town Council enter into a contract with Segra for Internet and Phone Service, with the stipulation that staff provide feedback on if the contract will include a performance guarantee or buy-out option. The motion was seconded by Committee Member Said and was unanimously passed.***

C. Consideration and Recommendation for Approval for Code Enforcement Services and a Short-Term Rental Compliance Clerk

Ms. Tillerson indicated that discussion of Short-Term Rentals (STR) and increase of code enforcement efforts began in January at the Town Council Retreat. The approval of the amended STR ordinance expanded or added compliance requirements that would be best accomplished by the addition of STR code enforcement officers and an STR compliance clerk. She indicated that currently, the two code enforcement officers on staff are charged with violations of the Town's Municipal Code, and the administrative process is handled through the finance department.

Ms. Tillerson stated that a small workgroup considered several staffing scenarios that would be required to implement the requirements of the amended STR ordinance effectively. The conclusion was reached the best cost-effective option was to contract for additional Code Enforcement Services to concentrate on STR enforcement along with additional staff in the finance department to focus on the administrative side of compliance with the STR ordinance. This staff member would be accountable for routinely reviewing STR platforms for compliance, assist with the processing of STR business licenses, assist with accommodation taxes audits, along with other roles and responsibilities related to STRs assigned by the Town Treasurer.

Ms. Tillerson requested the recommendation to Town Council to enter into a contract for STR Code Enforcement assistance with Island Beach Services, LLC, for a term of three (3) years at an annual rate of \$288,580; and the Town hire an STR Compliance Clerk with the initial salary plus benefits not to exceed \$59,000. The cost for the enforcement and compliance staff will be funded from the new STR business licenses fees with any shortfall coming from a restricted fund.

Mayor Weaver indicated he was supportive of using an outside firm, but with the uncertainties of how long and how many staff may be required, he had apprehensions with the length of the contract along with the annual cost, even considering the expenditure for vehicles.

Committee Members discussed the contractor using Town vehicles, the comments made at the STR debate, amending the terms or staffing of the contract. Chairman Widuch asked for Island Beach Services (IBS) to work with Town Staff over the next week on the suggestions made by the Committee Members. Ms. Tillerson questioned if IBS would be open to a discussion to a one (1) year contract with two (2) one year extensions for a total of three (3) years.

***Committee Member Said made a motion to recommend to Town Council the approval to enter into a contract with Island Beach Services for Short-Term Rental Code Enforcement Services, with the stipulation that additional conversations will take place and a final recommendation made to Town Council; and approval to hire an STR Compliance Clerk with the initial salary plus benefits not to exceed \$59,000. The motion was seconded by Council Member Prickett and was unanimously passed.***

D. Consideration and Recommendation to Amend the Carolina Waste Services Contract to Reflect the CPI adjustment and include Performance Requirements

Mr. Gottshalk stated that it had been the responsibility of the Town to provide the community with solid waste services to include regular household trash, recycle, and yard debris weekly and quarterly hazardous waste collections throughout the year. The Town has a contract with Carolina Waste to perform these services to the community, as well as other services requested by the Town.

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

None

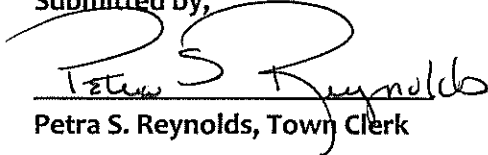
**VIII. Executive Session:**

None

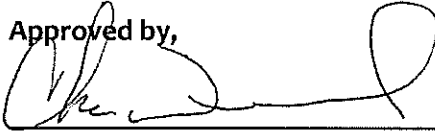
**IX. Adjournment:**

*Committee Member Prickett motioned to adjourn the meeting at 3:56 pm. The motion was seconded by Committee Member Connelly and carried unanimously.*

Submitted by,

  
Petra S. Reynolds, Town Clerk

Approved by,

  
Chris Widuch, Chairman

2-27-2020  
Date