

# WAYS & MEANS COMMITTEE MEETING

Kiawah Island Municipal Center

Council Chambers

October 22, 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  
Mike Sullivan, McCormick Taylor

III. **Approval of Minutes:**

A. Ways & Means Committee Meeting of August 27, 2019

***Committee Member Prickett made a motion to approve the minutes of August 27, 2019 Ways and Means Committee Meeting. The motion was seconded by Committee Member Said, and the minutes were unanimously approved.***

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

None

V. **Old Business:**

None

VI. **New Business:**

A. To Consider Recommendation to Town Council for Approval of the McCormick Taylor Kiawah Island Parkway Conceptual Plan and Estimated Costs

Mayor Weaver stated that as part of the refurbishing and repaving project of the Kiawah Island Parkway, there were two potential undertakings which were added to the project to address issues with raising the elevation of the Parkway and curbing to address the continuous issues with vehicles destroying landscaping alongside the road. He indicated that in working with McCormick Taylor, the Public Works Committee (PWC) had made the recommendation to not raise elevation, nor elevate the roadway. The presentation from McCormick Taylor will give an overview of the information presented to the PWC and led to their recommendation.

Mr. Sullivan, with McCormick Taylor, reviewed a PowerPoint presentation depicting an aerial view of the Parkway project limits and the condition of the roadway along with the areas in which vehicles run off destroying the edges of the roadway. He stated that part of the proposal was the recommendation to elevate the roadway at Mingo Point, widening the road with turn lanes to access the parking area for the upcoming PGA event, the recommendation for paved shoulders along with other options available.

Discussion with the Public Works Committee recommended the use of a synthetic grid in selected areas a lower cost option to the paved shoulder.

Scenario	2' Paved Shoulders	Curb and Gutter	Synthetic Grid
Estimated Cost	\$636,151 \$48/ft	\$1,070,342 \$81/ft	\$659,100 \$6.50/s.f.
Pros	Relatively simple to construct and maintain  Least amount of impacts of the three options	Added barrier between road and bike/ped path	Lower Cost  Aesthetically appealing
Cons	Not as aesthetically appealing  Reduces buffer between road and bike/ped path	Would cause the bike/ped path to be relocated  Would cause utility relocations (additional cost)  Higher construction and maintenance cost	Does not allow for landscaping between road and bike/ped path

In considering the elevation of the roadway Mr. Sullivan stated that three scenarios were developed. He explained MHHW (MEAN HIGHER HIGH WATER) as nuisance or hightide flooding, and for the purposes of the scenario, the project was calculated at 2.88 feet. The scenarios will also assume 2.5 feet of sea-level rise as a worst-case scenario over the next twenty years, along with assuming a 4.5-foot storm surge.

- Scenario 1 - Nuisance flooding at high tide plus sea-level rise for the year 2040 (2.88 feet MHHW + 2.5 ft SLR = 5.38 feet) showed water does encroach on the shoulders in some areas, but the Parkway will accommodate two-traffic.
- Scenario 2 - Storm surge at high tide (2.88 feet MHHW + 4.5 feet of storm surge = 7.38 feet) showed water would be on the road for much of the Parkway.
- Scenario 3 - Storm surge at high tide plus sea-level rise for 2040 (2.88 feet MHHW + 4.5 feet of storm surge + 2.5 feet SLR = 9.88 feet) showed most of the Parkway would be underwater.

Mr. Sullivan stated that the PWC did not want to consider Scenarios 2 and 3 because; People should not be on the road during the storm peak, and there is not a spot fix, the entire parkway elevation would need to be raised. He noted that the estimated cost of raising the entire length of the Parkway two feet was approximately \$9.6 million.

The proposal for consideration and recommended by the PWC includes resurfacing the length of the Parkway at its current elevation from the Roundabout to Beachwalker Drive, the addition of turn lanes adjacent to the parking area near Freshfields, and the addition of synthetic grid at selected locations to protect roadside shoulders. The preliminary estimated cost is \$2.2 million.

Mayor Weaver discussed the curbing options and the logic which directed the PWC recommendations. Committee members agreed with the proposal to use a synthetic grid.

Mayor Weaver reviewed the presented scenarios stating that the cost was the influencing factor. He indicated that the PWC is not recommending the elevation of the Parkway. The PWC members took in consideration that, even with Sea Level Rise, the perception is that the roadway would be functional for a significant portion of the time over the next twenty years, or the lifespan of the roadway, there was not a cost-benefit in doing the elevation in conjunction with the repaving, and there could be a benefit in waiting to see what the Community Association were planning for future roadwork and future improvements would be made on surrounding roads.

**Mayor Weaver made a motion to recommend to Town Council the approval of the McCormick Taylor Kiawah Island Parkway Conceptual Plan and Estimated Costs, not including the road elevation and curbing as part of the Parkway repaving project. The motion was seconded by Committee Member Said.**

Ms. Tillerson stated the proposed project cost of \$2.2 million does include the turn lanes requested by the Resort. Their cost is estimated at approximately \$400,000.00, but the final cost and decision will not be secured until after the bidding process scheduled for mid to late November 2019.

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

**B. To Consider Recommendation to Town Council for Approval of the Contract with Outdoor Spatial Design for the Kiawah Island Parkway Landscape Design**

Ms. Tillerson gave a brief overview of the Parkway landscape improvement project and stated that funding of \$50,000.00 had been included in this budget asked Mr. Jordan, project manager, to go into greater detail.

Mr. Jordan stated an RFP (Request for Proposals) for the design of the Parkway landscape was released in August with the Town receiving eight submittals. A Selection Committee met on September 17<sup>th</sup>, reviewed the submittals, narrowed the candidates to three firms. Following those interviews, the proposal from Outdoor Spatial Design with a cost of \$49,200.00 was selected and recommended for approval.

Ms. Tillerson stated the Selection Committee included representatives from the Town, ARB, KICA, and the Environmental Committee. After a meeting, Outdoor Spatial Design is mindful of the date of the upcoming PGA, has reached out to McCormick Taylor to obtain some base elevations and surveys. The goal is to bring to the Ways and Means Committee, two design and cost proposals at the November meeting.

***Committee Member Prickett made a motion to recommend to Town Council the approval of the Contract with Outdoor Spatial Design for the Kiawah Island Parkway Landscape Design. The motion was seconded by Mayor Weaver and was unanimously passed.***

**C. To Consider Recommendation to Town Council for Approval of the Proposal with Three + One**

Ms. Szubert stated that Three + One is a firm dedicated to the analysis of cash, liquidity, and management practices for municipalities, cities, counties, and special districts. They are dedicated to finding new revenue sources from current cash holdings through better management, optimizing bank fees to strengthen the relationships with the financial and banking institutions using proprietary algorithms to produce data-driven analysis and time horizon evaluations that are applied to generate maximum value on the current cash deposits.

Ms. Szubert explained that Three + One guarantees a five to one benefit, which means that the Town would pay a \$9,900.00 fee only if Three + One's initial recommendation report shows a five to one (\$49,900.00) benefit. If the additional investment income is not found over the initial one-year period, the one-time fee is waived with no continuation of service and no risk involved. Three + One will update their analysis on a quarterly basis with a liquidity monitoring and reporting fee of .025 basis points.

***Mayor Weaver made a motion to recommend to Town Council the approval of the Proposal with Three + One. The motion was seconded by Committee Member Prickett and was unanimously passed.***

**D. To Consider Recommendation to Town Council for Approval of the Town Attorney Contract for Joseph Wilson**

***Committee Member Prickett made a motion to recommend to Town Council the approval of the Contract with Outdoor Spatial Design for the Kiawah Island Parkway Landscape Design. The motion was seconded by Mayor Weaver.***

Ms. Tillerson indicated that an RFQ (Request for Qualifications) had been released with the Town receiving six responses. She stated that the Selection Committee included Chairman Widuch, former Councilmember Koach, and Committee Member Prickett. The Selection Committee reviewed the submissions and selected two candidates to interview. The Selection Committee then recommended the engagement of Mr. Joseph Wilson with Pierce, Sloan, Wilson, Kennedy & Early, LLC.

Committee Member Prickett added that critical to the Selection Committee's decision to recommend Mr. Wilson was his experience with Folly Beach. Mr. Wilson has current experience with many of the vital issues that are of interest to the Town going forward.

Ms. Tillerson added that if approved, the contract would not take effect until January 1, 2020.

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

**E. To Recommend Approval of the Town Administrator Amended Contract for Stephanie Monroe Tillerson**

Mayor Weaver stated the current two-year contract for M. Tillerson is set to expire on November 1, 2019. It contains a clause that would allow it to be extended for an additional two years if neither party serves notice of non-renewal, with no notice given by either party the contract will renew.

Mayor Weaver also indicated the contract includes a direct compensation clause that provides that on an annual basis during the term of the contract Ms. Tillerson's performance will be evaluated for a potential compensation adjustment. This year Mayor Weaver, as part of the agreement, recommended an increase of \$9,000.00, from the current \$120,500.00 to \$129,500.00, an increase of 7 ½%. The recommended increase was motivated by not only Ms. Tillerson's performance but also the desire to maintain a competitive compensation level with other Town Administrators in the State.

***Mayor Weaver made a motion for the approval of the renewal and amendment of Town Administrator Contract for Stephanie Monroe Tillerson to take effect November 1, 2019, and includes a salary increase of 7½% to \$129,500.00. The motion was seconded by Committee Member Prickett.***

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

**VII. Chairman's Report:**  
None

**VIII. Treasurer's Report:**

**A. Budget Report for the First Quarter ended 9/31/2019**

Ms. Szubert presented the Town's Balance Sheet as of September 30, 2019, and Budget to Actual Report for the first quarter. The Budget to Actual Report is compiled on a cash basis, and all the funds are consolidated. The Town's governmental funds combined have ending fund balance of approximately \$20.9M, a decrease of approximately \$388,000.00 from June 30, 2019. Of this amount approximately 47% or \$9.9M is an unassigned fund balance and is available for spending at the Town's discretion along with an amount of almost \$4M is the Capital Fund balance, which is reserved for future projects. The balance is Special Funds designated for tourist-related projects.

Ms. Szubert indicated that overall, for the first three months, the Town's revenues appear in line with the expectations. Consolidated revenues of \$1.8M were approximately \$40,000.00 or 2% lower than budgeted. This variance is attributable to the timing of the monthly collection of the Local Option, Accommodation, and Hospitality Taxes.

Ms. Szubert indicated that at the end of September, expenditures to date appear in line with the expectations. Approximately \$2.1M, or 26% of total budgeted expenses and approximately \$186,000.00 greater than budgeted for the first three months. The negative variance is mostly attributable to the cleanup cost after hurricane Dorian in the amount of approximately \$415,000.00, that not being the final cost. The negative variance is partially offset by the positive variances in other expense categories; the main variance is not having been bill for the expenses associated with the contract with Charleston County for the deputies.

Mr. Gottshalk gave an update on the cleanup cost after hurricane Dorian. He stated that expenses to date the Town's known costs are at \$694,000.00. He noted that the last expense to be incurred is for the hauling of the chipped debris and is estimated at \$65,000.00 bringing the estimated total debris clean-up cost to \$760,000.00.

Ms. Tillerson stated the majority of the expense is on private property (inside the gate) and is not eligible for reimbursable through FEMA (Federal Emergency Management Agency). The public expense for the Parkway from the roundabout to the front gate along with Beachwalker Drive, approximately \$100,000.00, is eligible and can be submitted to FEMA for reimbursement. Currently, the rate of compensation through FEMA is 70% to 75% of the total eligible costs, with the state having the option to reimburse the additional 25%.

Ms. Szubert added a percentage of the total expenses qualify to be paid out of the Special Fund.

Mayor Weaver, along with Chairman Widuch, discussed the issues with the MOUs (Memorandum of Understanding) that are in place with the major stakeholders. While the intent is sound, the implementation is problematic. Both were agreeable to suggestion that the MOUs be reviewed.

Ms. Szubert stated the draft of the financials had been completed and reviewed by the Audit Committee. The final report of the clean audit will be presented by Mauldin & Jenkins at the November Town Council meeting.

**IX. Citizen Comments:**

**Wendy Kulick – 38 Marsh Edge Lane**

Ms. Kulick asks Council as it considers the second reading of the Short-Term Rental ordinance that the ordinance deals only with renters. Not the issues that may or may not be caused by homeowners, relatives or friends of homeowners staying at their homes. She indicated that in her opinion the many requests for data be provided what led the Town has made the recommendations stem from the question of how many complaints received and followed up on by the Town have from rental properties and how many from homeowners. She noted that that information should be considered before any significant changes are made.

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

None

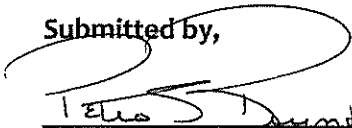
**XI. Executive Session:**

None

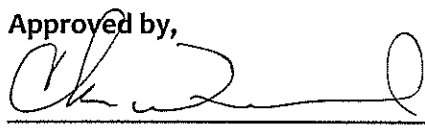
**XII. Adjournment:**

***Committee Member Prickett motioned to adjourn the meeting at 3:21 pm. The motion was seconded by Mayor Weaver and carried unanimously.***

Submitted by,

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

Approved by,

  
\_\_\_\_\_  
Chris Widuch, Chairman

1-2-20  
Date