

WAYS & MEANS COMMITTEE MEETING

Kiawah Island Municipal Center

Council Chambers

October 25, 2021; 3:00 pm

Minutes

- I. Call to Order: *Chairman Prickett called the meeting to order at 3:00 pm.*
- II. Pledge of Allegiance
- III. Roll Call:

Present at the meeting: Dan Prickett, *Chairman*
John D. Labriola, *Mayor*
Maryanne Connelly, *Committee Member*
John Moffitt, *Committee Member*
Dr. Scott Parker, *Committee Member*

Also Present: Stephanie Tillerson, *Town Administrator*
Dorota Szubert, *Town Treasurer*
Petra Reynolds, *Town Clerk*
Jim Jordan, *Town Biologist*
Brian Gottshalk, *Public Works Manager*

- IV. Approval of Minutes:
 - A. Ways and Means Committee Meeting of August 25, 2021

Committee Member Parker made a motion to approve the minutes of the August 25, 2021 Ways and Means Committee meeting. Committee Member seconded the motion and was unanimously passed.

- V. Citizens' Comments: (Agenda Items only)
None

- VI. Old Business:
None

- VII. New Business:

- A. Review and Recommendation to Town Council for Approval of the contract with Kucera International for Aerial Photography and Lidar

Mr. Jordan stated the Town had conducted high-resolution aerial photography of the island periodically since 2000, with the last photography done in 2018. The current aerial photography used by Town Staff is out of date. Over the last four years, many new developments and homes have been completed, and the beach has shifted dramatically. Updated photography will allow Town Staff to update a variety of mapping.

Mr. Jordan explained that Lidar (light detection and ranging) is a laser mounted on the aerial photography plane that emits pulses to determine precise elevation points in an area. The data points are analyzed to produce a detailed elevation model of the contours of the island. Staff discussions with the Community Association, Conservancy, and Kucera representatives concluded

that the addition of Lidar to the aerial photography scope of work would provide considerable benefit to the entities and the community.

Mr. Jordan stated that \$35,000.00 was budgeted for the cost of aerial photography. The additional costs included higher resolution photography that would provide better detail and the cost of the Lidar. He indicated he had a firm commitment from the Community Association to contribute one-third of the total cost and a verbal commitment from the Conservancy. The total cost of the Kucera proposal is \$84,000.00, and the cost to the Town will be \$28,300.00.

Committee Member Parker made a motion to recommend to Town Council the approval of the contract with Kucera International for Aerial Photography and Lidar. Committee Member Moffitt seconded the motion, and it was unanimously passed.

B. Review and Recommendation to Town Council for Approval of the proposal for Municipal Center Landscape Installation

Mr. Gottshalk explained that when a Town Council approves a project, a Request for Proposals (RFP) is created and released by email, posting on the Town’s website, and advertising in a newspaper or business opportunity outlets. A selection committee then evaluates sealed bids that are received by the deadline for a recommendation.

Mr. Gottshalk stated that Town Council approved contracting with Outdoor Spatial Design (OSD) to design a plan to improve the landscape at the Municipal Complex to mitigate safety hazards in the form of blind curves and sight obstructions as well as replacing dead and dying plant material.

The Town received three bid proposals:

Artigues Landscape and Maintenance, LLC:	\$59,951.55
The Greenery of Charleston:	\$75,365.69
Jarema Landscapes, LTD:	\$91,777.00

A selection committee reviewed bid proposals, and Artigues Landscape and Maintenance was the unanimous choice for the recommendation.

Committee Member Parker made a motion to recommend to Town Council the approval of the proposal from Artigues Landscape and Maintenance, LLC for Municipal Center Landscape Installation. Committee Member Moffitt seconded the motion, and it was unanimously passed.

C. Review and Recommendation to Town Council for Approval of the proposal for Landscape Maintenance

Mr. Gottshalk stated in the Spring of 2021, the Town completed a landscape improvement project along the Kiawah Island Parkway. This installation project was fulfilled by Artigues Landscape and Maintenance, LLC, and was awarded the contract to maintain the landscape along the Parkway and Beachwalker Drive, which expires December 31, 2021. An RFP was created to reflect the new maintenance plan for the Parkway, Municipal Center, and Beachwalker Drive.

The Town received two proposals for this maintenance contract:

Artigues Landscape and Maintenance, LLC:	\$188,650.00
The Greenery of Charleston:	\$190,200.00

A selection committee reviewed bid proposals, and Artigues Landscape and Maintenance was the unanimous choice for the recommendation.

At the request of Committee Members, Mr. Gottshalk went through a comparison of the proposal from Artigues to the previous contract with the Greenery. Committee Member Parker also reminded that Artigues has agreed to provide an extended warranty in perpetuity as long as they hold the maintenance contract.

Committee Member Connelly made a motion to recommend to Town Council the approval of the proposal for Artigues Landscape and Maintenance, LLC for Landscape Maintenance. Committee Member Parker seconded the motion, and it was unanimously passed.

D. Review and Approval of New Business License Fees

Ms. Szubert stated that fees for business licenses account for approximately 30% of the Town’s revenues. In September 2020, the SC Business License Tax Standardization Act, Act 176, was signed into law by the General Assembly. This new law requires South Carolina’s cities and towns to standardize their business license practices before January 1, 2022.

Ms. Szubert provided a presentation highlighting the required changes; The first step was to convert the business license year from May 1 to April 30, then standardize the class schedule to the latest (2017) edition of the NAICS codes. The last required step is rebalancing business license rates to ensure revenue neutrality during the 2022 business licenses cycle. To comply with the new law, the Town needs to change the current rate schedule. The Municipal Association provided a spreadsheet to assist with the rate conversion process to maintain the current revenues. Adopting the proposed schedule would eliminate any future questions and document the less than 1% change the state guidelines recommend.

Class	Current Rates			Proposed Rates			Difference
	Base	Rate per \$1,000	Current Revenue	Base	Rate per \$1,000	Projected Revenue	
Class 1	55.00	2.00	328,051	50.00	1.95	270,240	(57,811)
Class 2	60.00	2.05	753	55.00	2.15	10,934	10,181
Class 3	65.00	2.10	11,622	60.00	2.35	142,397	130,776
Class 4	73.00	2.10	231,402	65.00	2.55	180,428	(50,973)
Class 5	75.00	2.45	1,294	70.00	2.75	75,239	73,945
Class 6	80.00	2.70	5,225	75.00	2.95	-	(5,225)
Class 7	85.00	3.05	604,417	80.00	3.15	526,430	(77,987)
Class 8.1	70.00	2.40	679,695	70.00	2.40	673,883	(5,812)
			1,862,458			1,879,552	17,094

Committee Members discussed the proposed changes. Ms. Szubert pointed out that the proposed changes will provide more consistency in the base rate increments as well as compliance with required standardization. She also reminded members that the rates could be reviewed and adjusted annually,

Ms. Szubert stated that the new rate schedule would be part of the ordinance to repeal and replace the existing Business License Ordinance presented to Town Council for its first reading at the November meeting.

Ms. Szubert stated the Office of Revenue and Fiscal Affairs would host the state portal on which all businesses can apply for a license for multiple jurisdictions. She explained that a license could be obtained in the state or in the Town’s portal. Still, short-term rental and contractors will be

encouraged to use the Town's portal due to the special reporting and additional documentation required and reviewed by the Town.

Ms. Szubert stated that once the ordinances are approved, the Town will notify stakeholders of the changes.

Committee Member Parker made a motion to approve the new Business License rates. Committee Member Connelly seconded the motion, and it was unanimously passed.

VIII. Chairman's Report:

None

IX. Treasurer's Report:

A. Budget Report for the First Three Months Ended 9/30/2021

Ms. Szubert presented the Town's Balance Sheet as of September 30, 2021, 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.

As of September 30, 2021, the Town's governmental funds combined have an ending fund balance of approximately \$24M, an increase of approximately \$1.1M from June 30, 2021. Of this amount, approximately 55%, or \$13.2M, is an unassigned fund balance and available for spending at the Town's discretion.

Overall, for the first three months, the Town's revenues are slightly higher than budgeted. Current year revenue projections were based on FY2019 (pre-pandemic) actual collections. Consolidated revenues of \$2.6M are approximately \$543K or 26% more than budgeted and \$738K, or 39% higher than collections in the quarter ended 9/30/2018. The positive variance is attributable to continuous high tourism activity on the Island and a higher than anticipated number of construction and renovations projects.

Overall, with 25% of the year lapsed at the end of September, expenditures are reasonable and in line with the budget. Total expenditures to date are approximately \$1.5M, or 17% of total budgeted expenditures. The majority of the variances relate to the timing of the billing by the vendors.

Discussion included how the funds received from the American Rescue Plan and the contribution to the MUSC (Medical University of South Carolina) project will be shown in the reporting. The funds from County Accommodation Taxes that were withheld last year have been received.

X. Citizen Comments:

None

XI. Committee Member's Comments:

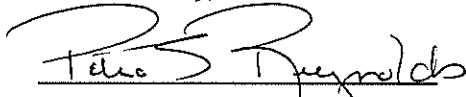
Committee Member Connelly stated that this year's audit results would be presented at the November Town Council meeting. The Audit Committee met to review the results and found no issues. She also thanked Ms. Szubert and her team for the comprehensive and accurate work they do.

Mayor Labriola stated that the Budget at a Glance document provided was well done and a wealth of information.

XII. Adjournment:

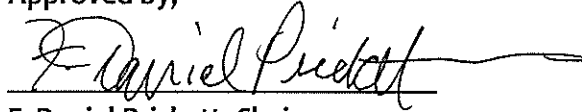
Mayor Labriola made a motion to adjourn the meeting at 4:00 pm. Committee Member Connelly seconded the motion and was unanimously passed.

Submitted by,



Petra S. Reynolds, Town Clerk

Approved by,



F. Daniel Prickett, Chairman

1-11-22

Date