

WAYS & MEANS COMMITTEE MEETING
Municipal Center Council Chambers
April 2, 2024, 10:00 am

Minutes

- I. **Call to Order:** *Mayor Pro Tem Heidingsfelder called the meeting to order at 10:00 am.*
- II. **Pledge of Allegiance**
- III. **Roll Call:**

Present at the Meeting: Michael Heidingsfelder, *Chairman*
Russell Berner, *Committee Member*
Brad Belt, *Committee Member*
Madeleine Kaye, *Committee Member*

Also Present: Stephanie Tillerson, *Town Administrator*
Dorota Szubert, *Finance Director*
Brian Gottshalk, *Public Works Manager*
Micheal Nardelli, *Assistant Public Works*
Daniel Vincent, *Planner One*
Michael Gamble, *Wildlife Department*
Sha'Ante Graham, *Communications*

- IV. **Approval of Minutes:**
 - A. Minutes of the Ways and Means Committee Meeting of March 5, 2024

Committee Member Kaye made a motion to approve the minutes of the March 5, 2024, Ways and Means Committee meeting. Committee Member Berner seconded the motion.

Following the notation of typographical errors forwarded to the Town Clerk, the motion was unanimously approved.

- V. **Presentation:**
 - A. MUSC Update - Tom Crawford

Mr. Tom Crawford, the Assistant Chief Operating Officer of MUSC Health, presented an update on the development of a freestanding emergency department and a medical office building. He highlighted the project's commitment to providing 24/7/365 emergency services for the Sea Islands community. He addressed that the relocation of the project to a new site across Seabrook Road was due to issues with the original parcel of land. He discussed working with Kiawah Partners, thanking them for their leadership and donation of the site at Seafields, along with the challenges and solutions related to construction, permitting, and needing help with the signage to ensure the visibility of the emergency department. He was hopeful to begin moving dirt in the month of June with the goal of having a topping-out ceremony in the fall of 2024 and completion in late 2025.

Mr. Crawford detailed the emergency department's services, including helicopter access for rapid transport to level-one trauma centers and the types of specialties available in the medical office building, which will depend on community demand.

In response to Committee Member Belt's questions, Mr. Crawford stated there were ongoing discussions with the Town of Seabrook to resolve the issue with access off of Seabrook Island Road

and that the facility's size has been reduced from the initial plan but assured the community that this would not compromise the emergency department's functionality. He indicated that the size of the medical office building increased significantly, raising construction costs and the need to operate the medical office building more efficiently by possibly scheduling different specialties at different times to serve the community better. Mr. Crawford also indicated he was open to exploring additional opportunities for expanding services based on community demand and sees the project as a new operational paradigm for future clinics.

VI. Citizens' Comments (Agenda Items Only):

None

VII. Old Business:

A. Review and Recommendation to Town Council for the Approval of the Revised Proposal From EAS Professionals for Beachwalker Drive/Kiawah Island Parkway Consulting, Engineering, and Inspection Services

Mr. Gottshalk stated the proposal for Consulting Engineering and Inspection (CE&I) services on the project at the intersection of Beachwalker Drive and Kiawah Island Parkway was presented at the last meeting. Initially, the sole bid received was \$55,750, which was considered high, and committee members requested to look into other options. After negotiation, the bidder, EAS Professionals, agreed to a not-to-exceed price of \$40,000 for the same scope of work. Despite reaching out to other firms, no additional bids were received due to staffing or time constraints.

Committee Member Belt made a motion to recommend to the Town Council the approval of the Revised Proposal From EAS Professionals for Beachwalker Drive/Kiawah Island Parkway Consulting, Engineering, and Inspection Services. Committee Member Kaye seconded the motion.

Committee Members discussed the new bid's value, industry standards, and the capabilities of other firms like Kimley Horn regarding material testing. The committee was informed that Kimberly Horn's local branch lacked the staff for material testing, but other branches could perform such tasks. The revised bid represents a savings of approximately \$15,750.00.

Following the discussion, the motion to recommend the Town Council approve the bid from EAS Professionals was unanimously approved.

VIII. New Business:

A. Review and Recommendation to the Town Council for the Approval of the Fiscal Year 2024/2025 Charitable Grants Funding Amounts

The meeting focused on reviewing and recommending Charitable Grant funding amounts for the fiscal year 2024-2025 to the Town Council. The Committee Members discussed the process for evaluating the applications they received, considering the two options for proceeding: reviewing each application individually or deciding as a group. Ms. Tillerson stated that a third option would be to allow staff to present their recommendations based on their evaluation of each applicant.

Committee Member Berner made a motion to recommend to the Town Council the approval of the FY 2024-2025 Charitable Grant staff recommend funding amounts. Committee Member Kaye seconded the motion.

During the discussion, Committee Member Berner highlighted the importance of adhering to the Town's guidelines, which require grants to support initiatives related to hunger, housing, and health. He noted that there were applicants that he felt did not fall within one of the three

categories. Chairman Heidingsfelder stated that these guidelines were reaffirmed last year after considering and ultimately deciding against including additional topics like environmental issues. The Committee decided to proceed by having staff present their recommendations for each charity and suggested funding amounts in a segmented approach, allowing for discussion and decision-making in stages.

Mr. Vincent stated that staff will briefly describe each charity along with a funding recommendation. He began by stating that the 2024 contribution requests for 18 applicants total \$208,813.00, with available funds of \$200,000.00 and staff recommendations totaling \$198,813.00.

Team 1, consisting of Ms. Reynolds and Mr. Vincent, reviewed funding recommendations for the first six charities, including Amore Healing Kitchens, Backpack Buddies, Seabrook Island, Barrier Island Free Medical Clinic, Bridges of Hope, Camp High Hopes, and Charleston Area Senior Citizens, recommending full funding for each based on their respective requests.

Concerns were raised about Camp High Hopes' alignment with the grant guidelines due to its religious mission statement and educational focus, which seemed inconsistent with housing, hunger, and health criteria. Questions about the late submission of Camp High Hopes' application were clarified, confirming it was not late. A representative from Camp High Hopes was invited to address the Council's concerns.

Mary Hill, representing Camp High Hope, clarified that although the camp is an outreach ministry of their church and aligns with its mission, it is not considered a religious organization. She stated that the summer camp focused on addressing deficiencies in reading and math and providing STEM (Science, Technology, Engineering, and Arts) activities for children, especially during the summer, to prevent learning loss. The camp charges a minimal fee and offers discounts for families with multiple children.

Concerns were raised about the camp fitting the criteria for support, but the explanations provided clarified the camp's educational focus and its separation from the church's mission, making some members more comfortable with supporting it. Additionally, Ms. Healy, also with Camp High Hope, stated that the camp provides nutritional support and engages children in safe and nurturing activities.

Chairman Heidingsfelder stated that the application for Charleston Area Senior Citizen Services, which aims to provide meals to seniors, did not stipulate that the funding would be used specifically on Johns and Wadmalaw Islands.

Ms. Cook, the Executive Director of Charleston Area Senior Citizen Services, indicated that the grant was specifically written to cover the clients on Johns and Wadmalaw Islands and ensure that the grant money would be used for its intended purpose.

Members agreed to approve the six staff funding recommendations from Team 1.

Team 2, consisting of Mr. Nardelli and Mr. Gamble, reviewed funding recommendations for the next six charities, including Charleston Area Therapeutic Riding, Feeding the Multitude, Kiawah Women's Foundation, Low Country Food Bank, New Webster JIP Food Pantry, and Operation Home. Based on their respective requests, Team 2 recommended full funding for each.

Members agreed to approve the staff grant recommendations, including those for food programs and critical home repairs from Team 2. Chairman Heidingsfelder stated he would abstain from voting on the Low Country Food Bank grant applications to avoid creating a conflict of interest.

Team Three, consisting of Ms. Szubert and Ms. Graham, reviewed the last six grant applicants, which included Operation Sight, Our Lady of Mercy Community Outreach, Sea Islands Blessing Basket, St. James Bethel AME Church, and the Paraclete Foundation of Holy Spirit Catholic Church, with grants ranging from \$5,000 to \$30,000.

These organizations focus on community needs such as vision restoration, community empowerment, food distribution, home repairs, and grocery support for low-income families on Johns and Wadmalaw Islands. The application from the First Serve Foundation, an after-school tennis program, was submitted under the health focus. However, they did not recommend funding, despite it having an educational component, due to the grant being allocated to the purchase of iPads and hot spots not aligning with the three Hs, despite some Committee Members expressing interest in reconsidering this decision due to the health benefits of tennis and its direct correlation to academic success. Following the discussion, Members decided to stay with the staff's recommendation for not funding.

Members agreed to approve the staff grant recommendations from Team 3.

Following the presentations and discussions, the motion to recommend to the Town Council the approval of the FY 2024-2025 Charitable Grant staff recommend funding amounts was unanimously passed.

B. Review and Recommendation to the Town Council for the Approval of Solid Waste Fees

Ms. Szubert stated that the recommendation for the approval of solid waste fees was discussed at the last meeting, but the request was tabled with members requesting an exploration of other options. A new approach to solid waste collection fees was proposed, aiming to apply the cost of curbside service (\$288) to all services, with a \$25 administrative fee deduction. This change would result in the town contributing an additional \$215,000 annually to garbage collection, totaling \$640,000. The proposal also noted that rental properties and businesses would bear the full cost of their waste collection, and the Town covers garbage collection on the beach and some public solid waste stations, costing about \$100,000 and \$153,000, respectively.

Committee Member Berner made a motion to recommend to the Town Council the approval of the proposed solid waste fees. Committee Member Kaye seconded the motion.

Chairman Heidingsfelder pointed out that the proposed fees would deviate from prior Councils' decision to provide a 50% discount benefit to those requesting extra services, moving to provide a 100% discount benefit minus the administrative cost.

Members discussed Ms. Szubert's scenarios, clarifying the costs for each service with the benefit applied and simplifying the rate structure to avoid community confusion.

Following the discussion, the motion was unanimously approved.

C. Review and Recommendation to the Town Council for the Approval of the AirMedCare Network Contract Renewal

Members reviewed and recommended the renewal of the AirMedCare network contract. Ms. Tillerson stated that the contract to provide air medical transport benefits has been provided to the community since 2016 and comes as a recommendation from the Public Safety Committee.

Committee Member Belt made a motion to recommend to the Town Council the approval of the AirMedCare Network contract renewal. Committee Member Kaye seconded the motion.

Members emphasized the importance of communicating the benefits of this service and the option for residents to obtain nationwide coverage through membership.

Following the discussion, the motion was unanimously approved.

D. Review and Recommendation to the Town Council for the Approval of the Proposal for the Installation of the Electric Vehicle (EV) Charging Stations

Chairman Heidingsfelder stated the proposal was one of the outcomes of the Kiawah Grows Green initiative. Mr. Nardelli and Mr. Gottshalk worked very hard on the very complex topic. Mr. Nardelli, now recognized as an expert on EV charging stations, led the effort in analyzing and recommending options and considering various vendors and service providers. The Council has yet to decide on pricing for the use of the stations, different rates for property owners versus guests, and operation hours due to safety concerns. These issues were to be addressed at the Town Council retreat, now postponed to May, but the aim is to have the installations completed before July 4th. The current focus is on deciding to purchase and install the equipment.

Mr. Nardelli introduced a proposal for installing electric vehicle (EV) charging stations. A community-wide EV survey conducted in 2023 highlighted the public's desire for charging stations in addition to their residences, and the Town, owning property with the necessary infrastructure, also saw this as an opportunity to address the need for additional parking.

Mr. Nardelli reviewed the steps in the project, which included picking the locations, deciding on a suitable EV charging manufacturer, and selecting an electrical installation company. Blink EV Charging was chosen as the vendor for their technology and services, including the Series Seven Level 2 Chargers. After a bidding process, several bids were received - Loop Electric, Apex Solar, and Subaru Solutions were considered for installation based on their reputations. Apex Solar provided the lowest bid for installation.

Staff is requesting the recommendation for the approval to purchase two (2) Series Seven Plus charging stations for \$14,300.00 and for Apex Sola Tel, LLC to complete the installation for \$88,590.00. After a \$25,000.00 grant from Berkeley Electric Cooperative, the total project cost will be \$77,890.00.

Committee Member Belt made a motion to recommend to the Town Council the approval of the Proposal for the Installation of Electric Vehicle (EV) Charging Stations. Committee Member Berner seconded the motion.

Committee Member Berner raised concerns about flood elevation, insurance costs, security, and operational hours. The goal is to avoid creating an ongoing operating loss for the Town.

Ms. Charlotte Waters from Blink Charging provided insights into the system's capabilities, pricing options, and integration with existing fleet management systems. The discussion covered the potential to set different rates for Town fleet vehicles, residents, and service providers and the flexibility to adjust access and pricing.

Plans are to debate and decide on the specific usage and pricing strategies at a May retreat.

Additionally, there was a discussion about the Town's current electric vehicle (EV) fleet percentage of 5% and future goal of 30%, the demand for EV charging among residents, with 280 electric vehicles on the island, and the preferred location for the charging stations was at Town Hall.

Following the discussion, the motion to recommend the approval of the Proposal for the Installation of Electric Vehicle (EV) Charging Stations was unanimously approved.

E. Review and Recommendation to the Town Council for the Approval of the Proposal from Artigues for Landscape Enhancements on Kiawah Island Parkway

Mr. Gottschalk stated that in April of last year, the Town Council approved a contract with Outdoor Spatial Design (OSD) for landscape design services in various areas of the town property. Part of the proposal was to create a design improvement plan for a portion of the Kiawah Island Parkway from the roundabout to the first Freshfields entrance excluded from the original parkway landscape project.

OSD completed the design for this area and submitted the plans to our landscape contractor, Artigues, so that they could put together pricing for this work. Artigues submitted a price of \$124,500.00 for the planting enhancements, site prep, and any necessary modifications to irrigation that the new design will require, which falls within the pre-approved budget and is deemed competitive. The enhancements aim to bring the Parkway's appearance up to standard with other areas.

Committee Member Belt made a motion to recommend to the Town Council the approval of the Proposal from Artigues for Landscape enhancement on the Kiawah Island Parkway. Committee Member Kaye seconded the motion.

During the discussion, Members expressed concerns about the cost and necessity of a landscaping project involving the addition of dwarf palms and breeze grass along a certain stretch, questioning its value compared to its high cost of \$124,000.00. The discussion shifted towards potentially reallocating funds to address issues on the leisure trail, which had been affected by recent rain events. Water stood on the trail, forcing people onto the road, suggesting that fixing the drainage or elevating the trail might be a more pressing need.

Following the discussion, the motion to approve the landscaping project was disapproved by a 4-0 vote.

F. Review and Recommendation to the Town Council for the Truck Rental for Solid Waste Services

Mr. Gottschalk stated that the new solid waste contractor, Trident Waste, after negotiations with the current contractor, Carolina Waste, would begin as of May 1, 2024, rather than July 1, 2024. This required Trident to rent a truck for a month at \$12,900.00 because their equipment would not be ready by the new start date.

Committee Member Berner made a motion to discuss recommending to the Town Council the truck rental for solid waste services. Committee Kaye seconded the motion.

During the discussion, concerns were raised about potentially double-paying for the truck rental through the contract rates, which were supposed to cover equipment costs.

Chairman Heidingsfelder made a motion to recommend to the Town Council the approval of the truck rental cost, conditional on ensuring that the Town would only pay the fair difference of the

rental cost not already covered by the contract rates. Committee Kaye seconded the motion, and it was unanimously approved.

IX. Chairman’s Report:

None

X. Treasurer’s Report:

A. Fiscal Year 2024-2025 Budget Discussion – Expenditures

Ms. Szubert began the discussion of the upcoming budget by highlighting significant increases in expenditures compared to the current year and adjustments needed to accommodate these changes. Key points included a 26% increase in overall expenditures, amounting to \$33.1 million more than the current year's projections and \$3.7 million more than the previous fiscal year. Major contributors to this increase were identified, including the addition of new staff positions, with a particular emphasis on a proposed new revenue auditor position in the finance department expected to generate additional revenue through compliance checks on business licenses. The budget also accounted for salary adjustments, retirement fund increases, and a significant rise in insurance and waste management costs due to new contracts. Additionally, there were notable increases in costs related to power, employment hours, and tourism and recreation, including funds allocated for arts, cultural initiatives, and environmental conservation efforts. Capital expenditures were discussed, with plans for Town extension, vehicle replacements, and the introduction of electric vehicle charging stations. Despite these increases, the budget presentation concluded with an overview of the general fund deficit, which would require balancing from reserves. However, she reassured the committee that the Town would still end the fiscal year with a healthy fund balance.

During the discussion, concerns were raised about the projected 40% increase in labor costs over three years (2023-2025), attributed mainly to staff growth and inflation impacting salaries and benefits. A request for additional headcount, including a revenue auditor and two interns, was discussed, emphasizing the need for approval and budget inclusion. The conversation also touched on the importance of transparently addressing the general fund deficit, potentially funded by reserves and the strategic allocation of capital requests. Members agreed on the necessity of a holistic review of the Town staff size and priorities, possibly during a retreat, to ensure alignment with community needs and financial sustainability. Additionally, discussions included the annual traffic count's cost and frequency, suggesting a possible reduction in scope or frequency to save funds, pausing the Kiawah River Bridge Access design project, and the need for two new Town vehicles.

B. Monthly Budget Report

Ms. Szubert presented the Town’s Budget to Actual Report for the first eight months ended 2/29/2024. The Budget to Actual Report is compiled on a cash basis, and all the funds are consolidated. The original budget was amended on February 6, 2024, to adjust the totals to the current projections.

Overall, for the first eight months, the Town’s consolidated revenues of \$10.4 million are 17%, or \$1.8 million, higher than YTD for the last fiscal year, FY2023, and are 67% of the total amended budgeted revenues for the current year. Overall, the revenues are within the budget, with the Building Permits from Special Projects and Interest Income higher than originally budgeted and amended for the estimated increase.

With almost 70% of the year lapsed, the expenditures of \$6.6 million are 1% or 35,000 higher than for fiscal year FY2023 and 39% of the current year budget. The majority of the expenditures are reasonable and in line with the amended budget, with the exception of the non-budgeted cost of \$38,000 for the recent storm cleanup.

XI. Citizens' Comments:

None

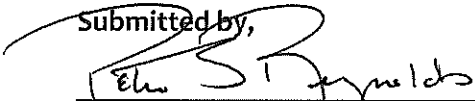
XII. Committee Member's Comments:

None

XIII. Adjournment:

Committee Member Belt made a motion to adjourn the meeting at 12:34 pm. Committee Member Berner seconded the motion, and it was unanimously approved.

Submitted by,


Petra S. Reynolds, Town Clerk

6-18-2024
Date