

WAYS & MEANS COMMITTEE MEETING
Municipal Center Council Chambers
July 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*
Brad Belt, *Mayor*
Luke Farrell, *Committee Member*

Also Present: Stephanie Tillerson, *Town Administrator*
Dorota Szubert, *Finance Director*
Brian Gottshalk, *Public Works Manager*
Michael Nardelli, *Public Works Assistant*

IV. **Approval of Minutes:**

A. Minutes of the Ways and Means Committee Meeting of June 4, 2024

Mayor Belt made a motion to approve the minutes of the June 4, 2024, Ways and Means Committee meeting. Committee Member Farrell seconded the motion, and it was unanimously approved.

V. **Citizens' Comments (Agenda Items Only):**

None

VI. **Old Business:**

None

VII. **New Business:**

A. Review and Recommendation to the Town Council for the Purchase of Compostable Dog Waste Bags and Dispensers for the Beach

Mr. Gottshalk stated that the Town has historically offered dog waste bags to residents, visitors, and guests at dispensers attached to the trash boxes located at each of the public walkovers. However, the December nor'easter destroyed the trash boxes along with the dog waste dispensers on the beach.

In line with the current goals and mission of the Kiawah Island Goes Green Committee, Town Staff looked into replacing dog waste bags with compostable dog waste bags.

The location of these dog bag stations will be on each of the public boardwalks along the beach for a total of 38 stations with a container full of 600 bags per station. The total product cost of 38 Dog Bag Stations is \$6,306.86. To properly fill all the Dog Bag Stations, it would be most cost-effective to order a pallet of 80 cases for \$64.99, for a total of \$5199.20.

Town Staff requests the Ways and Means Committee to recommend to the Town Council the approval of the purchase of the 38 dog bag stations for \$6306 and the dog bags in bulk for a total of \$5199.20. If approved, 70% will be funded from restricted funds and 30% from the general fund

Mayor Belt made a motion to recommend to the Town Council the approval of the purchase of compostable dog waste bags and dispensers for the beach. Committee Member Farrell seconded the motion.

Committee Member Farrell posed questions on the installation, the cost, how long it will take, and where the bags are stored. Mr. Gottshalk stated that he and Mr. Nardelli would be installing and maintaining the stations. Once ordered, delivery is expected within seven to ten days, and the stations will be installed in one to two days. He indicated that the majority of the inventory will be stored in the garage. Beach Patrol has agreed to help fill stations when necessary, so they typically keep cases in their trucks.

In response to Committee Member Heidingsfelder's questions, Mr. Gottshalk stated that the pallet of bags should last over the summer and into the fall and that the station would be installed at each trash can rack.

Mayor Belt asked Mr. Gottshalk to discuss the incidents of bags disappearing in bulk in a relatively short period of time. Mr. Gottshalk stated that historically, that has not been an issue over the past few summers, but has seen stations filled with 200 bags, and three days later, it's empty, suggesting that people are taking them in bulk for their personal use. He noted it was almost an impossible effort to enforce how many people bags people were taking. At this time, I did not know if it was extreme enough to think about not having bags on the beach, but he could more closely monitor how often the stations were filled this summer. Also discussed was that the dispensers would be removed with the trash enclosures prior to a storm.

Following further discussion, the motion was unanimously approved.

B. Review and Recommendation of the Proposal for HVAC Maintenance Services

Mr. Nardelli stated that the Town desires quarterly and annual Preventative Maintenance (PM) services to maintain the proper operation of the HVAC system and its components located at the Town Hall. This contract shall be in effect for three (3) years with two (2) one-year extensions.

The Town publicly posted the RFP on the Post and Courier and on the Town's website. The bids received are as follows:

Daikin Applied -	\$16,900
Holy City Heating & Air -	\$20,000
W.B. Guimarin & Co -	\$6,945

Town staff thoroughly reviewed all submitted bids and discussed the reviews, scope of work, and experience. After this discussion, the staff agreed to recommend Daikin Applied to the Ways and Means Committee for approval. The staff is recommending Daikin Applied largely due to the fact that our HVAC unit at Town Hall is a Daikin brand unit. These units require specific qualifications and training to be able to service and fix, which not all HVAC technicians possess. With Daikin Applied, we know we will have a certified technician available to work on our system.

Our concern with the low bidder, W.B. Guimarin & Co., is that their bid is the annual cost of the filters alone. This means that no funds are available for other aspects of the scope of work.

Town staff is requesting that the Ways and Means committee recommend to the Town Council that Daikin Applied be authorized to perform PM services for the municipal building's HVAC equipment. If approved, the contract would be funded through the General Fund.

Committee Member Farrell made a motion to recommend to the Town Council the approval of the Proposal from Daikin Applied for HVAC Maintenance Services. Mayor Belt seconded the motion.

Mayor Belt recommended that the Ways and Means Committee recommend to the Town Council approval of a contract with Dakin subject to contract changes that are being negotiated with Dakin and the Town Attorney.

Committee Member Heidingsfelder discussed the cost of the previous contract and said that the cost of refrigerant and the specification of the type of filter to be used should be included in the contract.

Following further discussion, the motion as amended was unanimously approved.

C. Review and Discussion of Modifying Section 4-321 (Appendix A) Business License Rate Schedule

Ms. Schubert began the discussion by giving an overview of business licenses, rates, and revenues. Town ordinance designates that every person engaged in or intending to engage in a business on the island is required to have a business license. The business license fees are determined by the type of business, the IRS-determined classification, the rates of the classification, and whether the business is designated as a resident or non-resident. Business License Revenues are approximately 25% of Total Revenue.

The current ordinance requires doubled rates for non-residents who have no fixed principal place of business within the municipality. However, the Town has continued the practice of charging double rates for businesses that have no fixed place of business outside the county, not the municipality. As only 4% of the license holders, excluding short-term rentals, have a physical office in the Kiawah municipality, the Town has always used the determination; if the office is outside the county to charge double rates.

Town staff requests that the Ways and Means Committee recommend to the Town Council amending the current ordinance to conform with current practice and amending the definition of non-residents in “Appendix A” of the current ordinance “to businesses having no fixed principal place of business within the County.”

Committee Members acknowledged the need to align current practices with the ordinance but debated the need to change the current policy, which would discourage vendors from coming to Kiawah and increase the cost for residents.

Committee Member Farrell Made a motion to recommend to the Town Council the approval of modifying Section 4-321 (Appendix A) Business License Rate Schedule. Mayor Belt seconded the motion, and it was unanimously approved.

VIII. Chairman’s Report:

None

IX. Treasurer’s Report:

A. Monthly Budget Report

Ms. Szubert presented the Town’s Budget-to-Actual Report for the first eleven months. The 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.

For the first eleven months, the Town’s consolidated revenues of \$14.7 million are 9%, or \$1.4 million higher when compared to year-to-date for the last fiscal, FY2023, and are at 95% of the total

amended budgeted revenues for the current year. Overall, revenues are in line with budget, with Building Permits, Business Licenses, Interest Income, and Miscellaneous Income exceeding the budget. The Miscellaneous Income includes a one-time reimbursement from CCSO of \$161,000 for the vehicles and equipment book value, \$33,000, a one-time restitution payment from the former treasurer, and a \$15,000 legal expenses reimbursement.

At 92% of the year elapsed, expenditures totaling \$10.2 million are 5% or \$521,000 higher than for fiscal year FY2023 and account for 61%, or 86% excluding the \$5 million placeholder, of the current year's budget. The majority of the expenditures are reasonable and in line with the amended budget, with the exception of the following line items that will carry the negative variance throughout the year:

1. Waste management attributable to the earlier initiation of the contract with Trident.
2. Professional services
3. Charitable Contributions due to Town Council approval of an additional application.
4. Non-budgeted cost for storm cleanup.

X. Citizens' Comments:

None

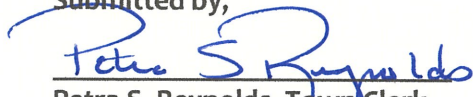
XI. Committee Member's Comments:

None

XII. Adjournment:

Committee Member Farrell made a motion to adjourn the meeting at 10:43 am. Mayor Belt seconded the motion, and it was unanimously approved.

Submitted by,


Petra S. Reynolds, Town Clerk

11/8/2024
Date