

WAYS & MEANS COMMITTEE MEETING
Municipal Center Council Chambers
April 1, 2025, 10:00 am

Minutes

I. Call to Order: *Chairman Farrell called the meeting to order at 10:00 am.*

II. Roll Call:

Present at the Meeting: Luke Farrell, *Chairman*
Brad Belt, *Mayor*
Lance Spencer, *Committee Member*

Also Present: Stephanie Tillerson, *Town Administrator*
Dorota Szubert, *Finance Director*
Keith Davis, *AirMedCare Network*

III. Approval of Minutes:

A. Minutes of the Ways and Means Committee Meeting of March 4, 2025

Chairman Farrell inquired whether there were any edits or additions to the Ways and Means Committee meeting minutes held on March 4, 2025. No edits or additions were made, so the minutes were approved as presented.

IV. Citizens' Comments (Agenda Items Only):

None

V. Old Business:

A. Fiscal Year 2025-2026 Budget Discussion

The Ways & Means Committee Members discussed potential cost savings by using cell phones instead of radios for communication with emergency services.

Ms. Tillerson stated that the radios allow scanning of more than just Kiawah. If cell phones can achieve the functional objective of communicating with the sheriff's office, fire department, and dispatch, then cost savings in transitioning from radio to cell phone communication should be explored. She mentioned a meeting with the Barrier Island Ocean Rescue to ensure all Beach Patrol and code enforcement could communicate effectively with other services if they switch to cell phone service.

Mayor Belt stated that even when considering the necessary electronics involved, he felt that the cost would be well under \$12,000, noting that the cost of a top-end cell phone versus this radio is potentially fairly substantial. Chairman Farrell agreed with cost savings but emphasized the importance of keeping the same operational effectiveness.

Committee Member Spencer and Ms. Szubert clarified that the cell phones provided by FirstNet are inexpensive and have a \$45 monthly service fee, with no capital cost. Members agreed that this sounded like a better solution and will receive further information over the next month.

Budget Allocation and Capital Reserves

Ms. Szubert stated that an overview of the budget was provided at the last Ways and Means Committee meeting. With the members having had a chance to take a closer look, she would answer any questions they had.

Chairman Farrell began by questioning the rationale behind funding capital costs from the operating budget instead of the capital budget.

The Members discussed funding capital projects from operating reserves versus a capital budget. Mayor Belt explained that up to now, the Town has taken a very conservative approach to budgeting to build up reserves. Budget surpluses have allowed the funding of capital projects from operating revenues.

Ms. Szubert added that the Town reports on an accrual modified basis, in which capital expenditures are shown on the financial statement, similar to cash expenditures. She also mentioned her intent to conduct a reserve study to establish or define reserve levels.

Mayor Belt discussed utilizing the accumulated reserves for projects that benefit the community, such as acquiring property for conservation purposes and capital projects such as repaving the Parkway and Beachwalker Drive. He also mentioned the capital project of adding a new civic and cultural center wing to the building, noting it could be paid out of State Accommodations Tax (SATAX) funds.

Chairman Farrell suggested having better control and discipline in terms of the movement of funds for capital projects, and that documenting money movements may provide better transparency, and proposed a 10-year capital expenditure plan to improve visibility and planning. Mayor Belt mentioned that the requirement for a capital improvement plan is part of the comprehensive plan, also discussing the Town's unique financial position.

Accommodation Tax Allocations

Chairman Farrell inquired about the philosophical approach to allocating salary expenditures from the Local Accommodation Tax (LATAX) Fund. Ms. Szubert explained the Town's past policy of partially funding the Public Safety Director's salary and Arts Council expenses from LATAX funds. The current policy will fund 100% of Arts and Cultural Events expenses from SATAX funds and the Public Safety Director's salary from the General Fund. Mayor Belt further clarified that salaries can be partially funded from accommodations taxes if those additional costs are directly related to tourist activity. The policy change is more consistent with guidance regarding the allocation of accommodation taxes.

Chairman Farrell asked about transferring LATAX funds to the capital fund and the rationale behind specific allocations. Ms. Szubert explained that any beautification or enhancements on Beachwalker Drive or the Parkway can be justified as being done for the tourist experience and, therefore, can be paid from accommodation taxes. She also explained that the policy established by the Council years ago specified that 20% of Hospitality Tax and LATAX revenues were automatically transferred to capital and emergency funds.

Chairman Farrell questioned moving the allocation of Beach Patrol costs out of the County Accommodation Tax (CATAX) Fund. Ms. Szubert explained that in the past, 70% was allocated from SATAX funds and the remaining 30% from CATAX funds. Currently, the remaining 30% is being allocated from the General Fund.

Mayor Belt indicated that the changes can be characterized as a more expansive view of how dollars can be allocated from some of these funds than has been the case in the past.

Arts Council and Cultural Events Funding

Chairman Farrell questioned an Arts Council line item and a Cultural Events line item in the Arts Council Fund, noting no details for either expense. Ms. Szubert explained the distinction between Arts Council and Cultural events, both under the Arts and Cultural Events Council. In the past, events

bringing visitors to the island were funded from tourism-related revenues, and smaller, more organized events attended primarily by residents were funded from the General Fund. Currently, the full cost of the Arts Council events is allocated to SATAX funds. Mayor Belt added that anyone whose primary home is more than 50 miles away, including non-resident property owners, is considered a visitor under the State Accommodations Tax statute.

VI. New Business:

A. Review and Approval of 2025 AirMedCare Contract Extension

Ms. Tillerson stated that the extension of the Air Med Care contract for 2025 comes as a recommendation from the Public Safety Committee.

Mayor Belt made a motion to approve the 2025 AirMedCare contract extension as recommended by the Public Safety Committee. Committee Member Spencer seconded the motion.

Mayor Belt commended the representative from Air Med Care and staff for working through the contract details. He noted that he was unaware of a strong uptake in Kiawah Island residents taking part in the additional extended coverage. He indicated that the information provided on the Town's website had been confusing as to what you were signing up for and what the cost associated with that was, but recent changes have provided a lot more clarity.

Mr. Davis from AirMedCare Network explained the coverage options, the process for residents to extend their coverage, and the importance of declaring a primary residence for coverage. Also clarified was that under the Town's current Municipal Site Plan, full-time residents and family members living at that address are covered. Any additional family members would have to purchase their own membership to be covered. Part-time residents are covered under the Municipal Site Plan while on the island, but visitors and vacationers are not covered.

Mayor Belt added that there are two components: the first is that the Town provides one level of coverage at no cost to residents, and the second is the opportunity for residents to obtain low-cost nationwide coverage, lower than would otherwise be entailed by full membership costs.

Chairman Farrell and Committee Member Spencer asked questions about the service's coverage details and operational aspects, including the criteria used to dispatch a helicopter evacuation, predetermined landing zones, and transportation to the helicopter.

Following the discussion, the motion to approve the AirMedCare contract extension was unanimously approved.

VII. Chairman's Report:

None

VIII. Treasurer's Report:

A. Monthly Budget Report

Ms. Szubert provided an overview of the Town's Budget-to-Actual Report for the first eight months ending 2/28/2025. The Budget-to-Actual Report is compiled on a modified cash basis, and all the funds are consolidated.

Overall, for the first eight months, the Town's consolidated revenues of \$10.8 million are 4%, or \$424,000 higher when compared to YTD for the last fiscal year, FY2024, and are at 70% of the total budgeted revenues for the current year. Overall, the revenues will be within the budget or exceed the budget with the building permits from the special project that haven't been budgeted, and the number of tourists, more likely, will end the year over budget.

With almost 70% of the year lapsing, the expenditures of \$7.9 million are 20% or \$1.3 million higher than for fiscal year FY2024 and 55% of the current year budget. The majority of the expenditures are reasonable and in line with the budget. Compared to last year, the items that contribute to that negative variance are the personal cost because of the number of full-time equivalents, the deputy cost, and the waste management cost.

Ms. Szubert noted that the Audit Committee would start planning for next year's audit at their upcoming meeting, and a report will be provided at the next Ways and Means Committee meeting.

IX. Citizens' Comments:

None

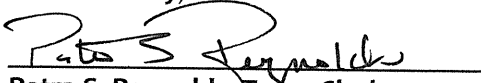
X. Committee Member's Comments:

Committee Member Spencer thanked everyone for their roles in the meeting and the Town's financial management.

XI. Adjournment:

Chairman Farrell adjourned the meeting at 10:52 am.

Submitted by,



Petra S. Reynolds, Town Clerk

5/7/2025
Date