

WAYS & MEANS COMMITTEE MEETING
Municipal Center Council Chambers
December 2, 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*
Brian Gottshalk, *Public Works Manager*

III. Approval of Minutes:

A. Minutes of the Ways and Means Committee Meeting of September 9, 2025

Chairman Farrell inquired whether there were any edits or additions to the Ways and Means Committee meeting minutes of September 9th. With no corrections, the minutes were approved as submitted.

IV. Citizens' Comments (Agenda Items Only):

No citizens' comments were received on agenda items.

V. Old Business:

None

VI. New Business:

A. Review and Recommendation of Ordinance 2025-17 - An Ordinance To Amend Article 4, Finance and Taxation, Chapter 3, Municipal Business Licenses, Section 4-321. – Classification and Rates, Appendix A - Business License Rate Schedule

Chairman Farrell introduced the new business item to review Ordinance 2025-17, which amends the finance and taxation article, which includes the municipal business licenses and rate schedule chapter.

Ms. Szubert began her presentation by stating that this was the second reading of this ordinance, which was presented to the Committee at last month's meeting. She explained that the ordinance contained two key items. First, she detailed the classification changes that require approval of the updated class schedule, which is required by South Carolina law. Every couple of years, the IRS evaluates the business license classes and may make changes to the classes. She specifically noted that the current change, about 1800 businesses, will change classes. The majority are short-term rental and management companies that will go from class 7 to class 8.

Ms. Szubert stated that the revenue implications of those changes would be a drop in business license revenues. At the first reading, the staff recommended not changing the rates, but after speaking with Chairman Farrell, the staff now recommends slightly increasing business license fees to offset potential revenue losses from these classification changes. The proposal shown in Exhibit A would leave the base rate unchanged while increasing the rate per \$1,000 by \$0.10. She noted that assuming businesses report the same revenue as the previous year, this adjustment should allow the Town to break even despite the classification changes.

Chairman Farrell provided additional context, explaining that, after reviewing the revenue drop and the potential for a larger drop depending on what happens with the economy, the rate adjustment was calculated very close to the break-even point, keeping the increase as low as possible while still covering all costs without generating additional revenue. He emphasized the Town was not trying to make extra money, but rather to ensure there was no reduction in revenue.

Mayor Belt made a motion to approve the staff's recommendation and recommend to the Town Council the approval of Ordinance 2025-17, with the updated class schedule and a \$0.10 increase in the rate after \$1,000 in gross receipts. Committee Member Spencer seconded the motion.

Mayor Belt then provided important historical context, noting that at the previous Ways and Means meeting, the Committee had approved the staff's original recommendation not to make any adjustment in the fee rate. However, following discussions between the Chairman and the Finance Director and a better understanding of the potential revenue impact, the Committee was now reconsidering.

Chairman Farrell acknowledged this and added more detail, which included keeping the schedule very simple and very clean, which was very important to our Finance Director, and also to be consistent, so it stayed clean as you got larger and larger, and not punish the smaller organizations, but keep it just a flat rate across the board.

Mayor Belt noted that at the last meeting he accepted the staff's recommendation but pushed back a bit, recognizing that Chairman Farrell had different views on potential revenue impacts. At the time, he didn't feel strongly about the staff recommendation in part because the revenue impact wasn't really material. Still, as a policy matter, he was comfortable going along with the current staff recommendation.

Following the discussion, the motion to recommend the approval of Ordinance 2025-17 was unanimously approved.

Before moving to the next item, Chairman Farrell welcomed Mayor Pro Tem Berner to the meeting.

B. To Consider Approval of the Tree Work Project on Kiawah Island Parkway

Mr. Gottshalk began his presentation by stating that the landscape in the right-of-way along the Kiawah Island Parkway was the Town's responsibility to maintain for safety and aesthetics. He then outlined some of the current issues:

- Trees and canopies currently hang low over the roadway and leisure trail, requiring clearance to mitigate safety issues for motorists and users of the leisure trail.
- Many specimen trees need pruning for health and appearance
- The work would eliminate safety issues and improve the look of the Parkway as travelers travel to and from the island

Mr. Gottshalk detailed the procurement process, which included Town staff developing a scope of work to present to potential bidders. The scope included pruning for safety, tree health, and overall look of the parkway, including vine control on front-facing trees and vegetation. He noted that staff conducted multiple ride-alongs with two interested companies to ensure the full scope of the project was understood and that equal bids would be submitted.

Mr. Gottshalk indicated that Town staff reached out to 3 companies, and two bids were received:

- **Rawson Services Inc.** \$52,875
- **Arbor Care** \$50,750 plus \$2,250/day for traffic control

Mr. Gottshalk indicated that both bids include the same scope of work and that staff recommended Rawson Services, noting they could start immediately, and that their bid included traffic control.

He then requested that the Ways and Means Committee approve the proposal from Rawson Services to perform the work along the Kiawah Island Parkway as described in the scope of work.

Mr. Gottshalk stated that the project would take approximately 10 days, adding an important budget note: 70% of the costs would be covered by Restricted Funds, with 30% by General Funds.

Mr. Gottshalk confirmed that Rawson's bid included traffic control. He also provided additional context, noting that Rawson Services was the contractor that performed the work in and around the roundabout a month or so ago, so they were familiar with the work. They were also the primary contractor for the Kiawah Island Community Association. Mayor Belt added that Rawson also performed the same scope of work along Beachwalker Drive earlier this year.

Chairman Farrell raised a concern that the traffic control was broken out by Arbor Care, but didn't find any mention of traffic control in Rawson's estimate. Mr. Gottshalk confirmed that it was included, but before signing a contract, he would request further explicit confirmation that traffic control is included in their bid.

Chairman Farrell questioned whether Mr. Gottshalk would be using a standard bid contract or theirs. Mayor Belt explained that this is a fairly simple scope of work, not an ongoing contractual or vendor relationship, and the standard form of contract is generally best suited for a large-scale vendor or ongoing contractual relationships.

Mr. Gottshalk added that the Town does have a scope-of-work contract that HSB, the Town's legal team, has reviewed and can implement.

Committee Member Spencer made a motion to approve the proposal from Rawson Services Inc. for \$52,875 to perform tree work along Kiawah Island Parkway. Mayor Belt seconded the motion.

Mayor Belt provided additional context, stating that this is budgeted work, noting a significant budget for landscape maintenance and improvements, and that this was part of an ongoing effort to maintain rights-of-way along public roads, following similar work at the roundabout and on Beachwalker Drive. He explained that this project was more expensive than the Beachwalker Drive work due to its larger scope (2 miles vs. 0.75 miles) and the more extensive treescape, which required more traffic control, much more critical on Kiawah Island Parkway than it was on Beachwalker Drive.

Mayor Belt added that this tree work is on top of the extraordinarily good work that LandOne has done along the leisure trail and right-of-way, clearing much of the underbrush. Kiawah has an extraordinary number of grand trees along Kiawah Island Parkway, particularly live oaks that have been hidden from view and will be a little more prominent and visible.

Mayor Belt suggested a correction or addition that the approval would be contingent on revising the bid documents to clarify that traffic control is included in the bid.

Following the discussion, the motion to approve the proposal from Rawson Services Inc. to perform tree work along Kiawah Island Parkway, contingent upon clarification that traffic control is included in the bid, was unanimously approved.

VII. Chairman's Report:

Chairman Farrell deferred to Ms. Szubert to discuss both the financial audit and the internal controls assessment.

Ms. Szubert began by stating that the Audit Committee met last month to review the initial draft, provided comments that were largely incorporated by the auditors, and would meet the following Monday again for what was hoped to be a final review. An executive summary of the findings would be presented at the next Town Council meeting.

Chairman Farrell provided clarification, noting that most of the suggested changes focused on tone rather than substance, making the presentation more positive.

VIII. Treasurer's Report:

A. Monthly Budget Report

Ms. Szubert presented the Town's Budget to Actual Report for the first four months of the fiscal year. The Budget-to-Actual Report is compiled on a cash basis, and all funds are consolidated.

Overall, for the first four months, the Town's consolidated revenues totaled \$6.4 million, an increase of \$690,000, or 12% compared to the same period in FY2025. This amount represents 37% of the total budgeted revenues for the current year. Revenues are performing in line with expectations. Business license revenue shows positive year-over-year variances, reflecting the Finance department's ongoing efforts to improve licensing compliance.

At 34% of the fiscal year elapsed, total expenditures stand at \$4.2 million, which is \$230,000, or 6% higher than the same period in FY2025. This amount represents 28% of the current year's budget. Overall, expenditures remain consistent with both the approved budget and prior year spending patterns. The only notable exception is the \$232,000 in costs related to flooding recovery, which are subject to insurance reimbursement.

Looking ahead, Ms. Szubert stated that she would work on the midyear budget review this month and present comparisons at the next Ways and Means Committee meeting to determine whether any budget amendments are needed or if there will be any major changes in the future. With the exception of the building extension, she did not foresee any overages in expenditures.

Mayor Pro Tem Berner observed that the administration line item is 69%, which is a large percentage given the time expended, and, while not a large number in total, he questioned what is included in it.

Ms. Szubert indicated that an example was the copier leases. She further explained: "It's not administration like Stephanie's department. It's more of running the building. Not maintenance, but clerical."

IX. Citizens' Comments:

No Citizens' Comments were received.

X. Committee Member's Comments:

Mayor Belt raised an important future item, noting that at some point the Ways and Means Committee would need to address issues related to cost allocation or expenditures associated with the Civic and Cultural Center project, in addition to Ms. Szubert, who is likely to come back in January or February with potential midyear budget adjustments.

XI. Adjournment:

Chairman Farrell adjourned the meeting at 10:23 am.

Submitted by,


Petra S. Reynolds, Town Clerk

1-9-2024
Date