

# WAYS & MEANS COMMITTEE MEETING

Municipal Center Council Chambers

June 3, 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:**

Chairman Farrell inquired whether there were any edits or additions to the Ways and Means Committee meeting minutes held on May 6, 2025. Mayor Belt indicated that his minor corrections to the minutes were provided to the Town Clerk. Chairman Farrell stated that with no other corrections, the minutes were approved.

IV. **Citizens' Comments (Agenda Items Only)**

**Donna Wyndham, Executive Director of the Kiawah Conservancy**

Ms. Wyndham provided comments regarding the State Accommodations Tax (SATAX) allocations, specifically pertaining to the Kiawah Conservancy's bridge marsh restoration project. She stated that she had not been able to attend the SATAX meeting and believed the requested funding had not been fully allocated, so she wanted to address any questions the Committee had.

Ms. Wyndham elaborated on the project's significance and urgency, claiming that rising prices and tariffs had heightened the need for prompt and adequate funding. Ms. Wyndham highlighted the broad vetting the project had undergone by the Sustainability, Sea Level Rise, and the Marsh Management Committees, and asked the Committee to consider full funding to ensure project success.

Chairman Farrell thanked Ms. Wyndham for her comments. He emphasized that while he agreed with the merit and the long partnership with the Conservancy, his concern was with the breadth of the project in terms of statutory SATAX funding guidelines. Chairman Farrell explained his struggle with where to draw boundaries for project funding, questioning how far into the river restoration should be eligible for tourism-related SATAX funds if projects extend "a mile up the river." Other committee members expressed related concerns and raised questions about guidelines and the specifics of how river rather than beach erosion is covered by statute. Ms. Wyndham reiterated the interconnected nature of upriver and bridge erosion processes, explained their approach starts upriver to address underlying causes, and confirmed that statutory language encompasses "erosion" in contexts beyond beaches, including bodies of water relevant to tourism.

Additional discussion ensued regarding the possibility of establishing "no wake zones" to mitigate marsh erosion, as well as prior efforts in this regard. Committee Members noted that staff and the Conservancy were planning a discussion with relevant experts soon, including the possibility of a community-wide campaign about traffic and boat speed impacts. There was also mention of reaching out to Senators for legislative or regulatory support.

V. **Old Business**

None

VI. **New Business**

**A. Review and Recommendation to the Town Council for Approval of the Fiscal Year 2025/2026 SATAX - State Accommodations Tax Funding Recommendation Amounts**

Chairman Farrell provided an extensive background, explaining the scope of applications (15 in total). He reviewed the established process and philosophy regarding SATAX funding, including a discussion of the guidelines and qualifications. The SATAX Committee had analyzed applications and compared philosophies from other similar jurisdictions regarding disbursement. It noted that, while no definitive changes had been made to processes yet, there was an agreement to review the staff's role in pre-assessing the qualifications of applications in the future. Committee attention was given to the proper role and philosophy regarding disbursement priorities, boundaries, public vs. private applicants, and other policy aspects.

Seven applicants were unanimously approved; three were approved with one exception; three did not gain majority support: the baseball field renovation, Heal With Hearts, and the Angel Oak Preserve. Chairman Farrell stressed that decisions not to fund were not based on organizational merit, but rather on a question of alignment with SATAX eligibility and town priorities.

Committee Members held a robust discussion, raising concerns about the current process and whether the committee should continue relying so heavily on committee recommendations without engaging with the substantive materials and presentation content themselves. A member pointed out that past approaches seemed "check the box" and advocated for deeper council review of applications, suggesting the committee's methodology and scoring rationale, including proration, could use improvement, particularly given the significant variation in organizational mission and fit with eligibility requirements.

The discussion turned technical, focusing on legal aspects of eligibility (statutory fit) versus policy priorities for actual funding. This led to conceptual distinctions, such as SATAX funding intended for "things that attract tourists" versus "things tourists do once here." Specific projects, like the baseball field and Angel Oak, were used as examples to illustrate this complexity, and members expressed differing views regarding the projects' direct tourism draw.

Further comments noted that other municipalities tended to allocate more restrictively, with most SATAX allocations going to Town-led efforts or to nonprofits, the latter often with stricter criteria or required co-funding. There was also commentary on Kiawah's atypical history of allocating funds, including allocations to for-profit entities, which is not prohibited by statute but is a matter for policy debate.

The Committee engaged in philosophical and practical considerations regarding the geographic boundaries for eligible projects, particularly when evaluating whether town resources should be allocated towards projects like Angel Oak or other, more distant attractions.

Another concern raised was the effort to connect SATAX allocations more directly with measurable tourism benefits, especially regarding tourism marketing and event support during "shoulder seasons" rather than periods when accommodations are at full capacity. Several members observed the need for a well-articulated policy that would also consider supporting value-added initiatives rather than always aiming only to "increase heads in beds." The group recognized the risk of resource dilution as the number of applications and funding requests increased.

At the end of an extensive discussion, a motion was made to defer final SATAX funding recommendations for one month, allowing executive summaries to be created for all applications. This would enable Council Members to more effectively engage with the materials at the next meeting.

*Chairman Farrell made a motion to defer final recommendation on SATAX funding for one month to allow the preparation and distribution of executive summaries for all applicants. Committee Member Spencer seconded the motion, and it was unanimously approved.*

Chairman Farrell agreed to take the lead in preparing these executive summaries, and members encouraged broad distribution and participation for the follow-up meeting. It was noted that detailed executive summaries would help ensure a more informed and substantive discussion.

**B. Review and Recommendation to the Town Council of the Proposal for On-Call Engineering Services**

Mr. Gottshalk stated that the Town relies heavily on third-party vendors for certain services that cannot be performed by Town staff, and engineering services are among those services. He provided an

explanation of the current process for securing engineering services through a Request for Proposal (RFP) for each project, noting that it was often time-consuming, inefficient, and could impact the project timeline.

The proposal at hand aimed to prequalify six diverse engineering firms, enabling the Town to contract quickly for future needs without having to undergo the full RFP process for every project. The Town staff released a Request for Qualifications (RFQ) to solicit proposals from qualified engineering firms, which was posted publicly and also sent to a number of firms. Fourteen firms submitted for consideration, and after discussion and evaluations by a review team, six were recommended: Alliance Consulting Engineers, Infrastructure Consulting and Engineering, Kimley Horn, McSweeney Engineers, Weston Sampson, and Wolpert. It was emphasized that firms being recommended covered a wide range of specialties, from general civil services to traffic, environmental, and structural engineering.

*Committee Member Spencer made a motion to recommend to the Town Council that the Mayor enter into contract negotiations with the six selected on-call engineering firms. Mayor Belt seconded the motion.*

The Committee discussion included questions about compliance with procurement policy and how task orders would be approved based on monetary thresholds, with clarification that projects exceeding \$20,000 would continue to require Council action. Members confirmed that everyday consulting and minor advisory calls could proceed administratively, but task orders or major projects would trigger traditional review and oversight. There was discussion concerning best fit and past experiences with the suggested firms, as well as cost control and ensuring the right match of firm expertise to specific Town projects. There were some expressed concerns regarding a particular firm due to previous quality and billing issues, as well as the desire to compare proposals and ensure project-specific negotiation to avoid overcharging or boilerplate solutions.

***Following the discussion, the motion was unanimously approved.***

**C. Review and Recommendation to the Town Council for Approval of the purchase of one (1) Toyota Tacoma as a replacement vehicle for the Wildlife Department**

Mr. Gottschalk stated that the Town provides vehicles for those departments whose responsibilities require them to be out in the field or on the island on a regular basis. Indicating that the Wildlife Department had two vehicles at the time, he introduced a request to replace an aging vehicle in the department's fleet, noting that costly mechanical issues with the current vehicle had prompted the request and that timely action was necessary due to budget constraints.

Town staff posted an RFP to solicit quotes for a new Toyota Tacoma with the same specs as the existing Toyota Tacoma. It was posted publicly and sent to some local dealerships. Unfortunately, only two bids were received—American Vetworks (\$56,389) and Findlay Logistics (\$62,992), with notable differences in delivery time. American Vetworks required a delivery time of three to six months, while Findlay Logistics could deliver within a month. Mr. Gottschalk stated that \$35,000 had been budgeted for the purchase, and with a dealer offering \$27,000 for the old truck, the balance of \$992 would be allocated from the General Fund.

***Mayor Belt made a motion to recommend to the Town Council the approval of the purchase of a Toyota Tacoma as a replacement vehicle for the Wildlife Department. Committee Member Spencer seconded the motion.***

Committee Members questioned whether the Tacoma was indeed best suited for Wildlife's unique needs. Mr. Gottschalk outlined the rationale for choosing a Toyota Tacoma, including the maintenance advantages that can be achieved through coordination with the Community Association's master mechanic. Also, he confirmed that Wildlife preferred the compact, rugged model, citing utility and established service patterns.

Further discussion focused on the bid process, with members noting market discrepancies, given that similar models were available locally for significantly less, absent some specified accessories, such as a six-foot bed and lift kit. Members expressed reluctance to recommend purchase from Findlay Logistics at such a premium, advocating instead for flexibility to secure a suitable Tacoma at a not-to-exceed price, potentially with substitutions for some specifications to realize cost savings. Other points included

clarification of decals and marginal expenses for branding, as well as the model year and associated warranty strategy.

*Mayor Belt amended the motion to recommend to the Town Council to authorize the purchase of a new or nearly new (model year 2024 or 2025) Toyota Tacoma, per required specifications or close thereto, at a not-to-exceed price including tax/title of \$52,000, with authorization for staff and the mayor to seek the most expedient and cost-effective acquisition. Committee Member Spencer seconded the motion, and it was unanimously approved.*

**D. Review and Recommendation to the Town Council for Approval of the Proposal from Mauldin & Jenkins for an Internal Controls Assessment**

Ms. Szubert presented on the proposed internal controls audit/assessment by the Mauldin & Jenkins, describing the engagement as complementary to the annual financial audit but focusing more deeply on internal financial, accounting, and related controls. The Governmental Advisory Group was invited to attend last month's Audit Committee meeting to discuss in more detail the Town's goals or expectations, after which they prepared the presented assessment proposal. The assessment, based on the proposal, would run for 16–18 weeks, reviewing and testing key controls to identify areas requiring improvement, but could be modified to include other areas.

Ms. Szubert indicated that a \$35,000 placeholder was included in the budget for the internal control assessment, and concurrent scheduling with the regular financial audit in mid-August would enhance efficiency. She also recognized the Audit Committee's suggestion that the assessment could be expanded at a later time to include HR controls and cyber risks at an additional cost.

*Mayor Belt made a motion to recommend to the Town Council approval of the internal controls assessment engagement with Mauldin & Jenkins, subject to legal and contract review. Committee Member Spencer seconded the motion.*

Chairman Farrell clarified that, while the proposal could be called an audit, its nature at this initial stage was to be an assessment with gap identification and improvement recommendations, rather than a repeat, annual full-scope engagement.

Clarifying questions were raised regarding whether the engagement yielded a formal audit opinion, to which the chairman explained that while it did provide independent verification, it also served as a starting point, with room for expanded, successive work if useful or needed. Members also verified the legal review of terms and conditions, particularly indemnity and governing law, before execution, with assurance that the Town would use its form contract or remove any problematic language from the firm's proposal.

***Following the discussion, the motion was unanimously approved.***

- E. Review and Recommendation to the Town Council for Approval of the Amendment to the Contract with Phillips and Jordan, Inc. for Disaster Debris Removal Services**
- F. Review and Recommendation to the Town Council for Approval of the Amendment to the Contract with Southern Disaster Recovery, LLC for Disaster Debris Removal Services**
- G. Review and Recommendation to the Town Council for Approval of the Amendment to the Contract with Tetra Tech, Inc., Disaster Debris Monitoring Services**

The Committee Members agreed to review these related items collectively, as they serve a common purpose.

*Mayor Belt made a motion to recommend to the Town Council approval of the contract amendments/annual extensions with Phillips & Jordan, Southern Disaster Recovery, and Tetra Tech for disaster debris management and monitoring. Committee Member Spencer seconded the motion.*

Mr. Gottshalk explained the requirement to maintain FEMA-compliant, pre-procured contracts with both debris removal and debris monitoring firms in the event of a declared disaster, ensuring reimbursement eligibility. The town now maintains contracts with two debris removal services (Phillips & Jordan and Southern Disaster Recovery) and one monitoring firm (Tetra Tech) to guarantee prompt response and resource coverage. The amendments at issue were one-year extensions of these pre-existing agreements.

Committee members asked for clarification on general contract structure, FEMA's escalation process tied to national disasters, and local contracting logistics. It was explained that the companies often subcontract locally during emergencies, which helps ensure sufficient response capacity.

FEMA audit and reimbursement reliability was highlighted, especially given recent disaster experiences in other states that resulted in zero or minimal federal reimbursement even when fully compliant. Members acknowledged the uncertainty of FEMA funding and emphasized the need for cautious planning. Staff further explained that while contracts had not yet been executed due to a lack of qualifying disasters, the Town intended to use professionals for these services moving forward to ensure compliance.

Committee Member Spencer inquired about the contracts' provisions for temporary bridge installation, to which staff confirmed that Phillips & Jordan collaborated with a specialized subcontractor for such needs, with full specifications included in the contract for various contingency levels. The extent of the contracts' service menu and cross-jurisdictional support arrangements was discussed.

***Following the discussion, the motion was unanimously approved.***

**VII. Chairman's Report**

Chairman Farrell noted that most of his remarks regarding the SATAX funding strategy and approach had already been made during the discussion.

**VIII. Treasurer's Report**

**A. Monthly Budget Report**

Ms. Szubert presented the financials for the first ten months, reporting that total year-to-date revenues (\$14,400,000) were ahead of both last year and this year's budgeted projection, with a surplus in essentially all categories, most notably building permits and interest income. The interest earnings were substantially over budget, owing to higher-than-anticipated balances and favorable rates. Allowed for context regarding special project revenues from one-time building permits and subsequent partial refunds due to project changes. Expenditures were tracking below budget with no significant overages anticipated. The positive budget trends were expected to continue, influenced in part by the Federal Reserve's rate movement.

**IX. Citizens' Comments**

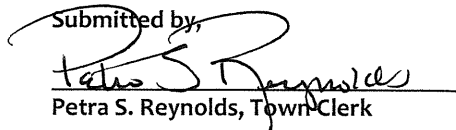
None

**X. Committee Member's Comments**

Chairman Farrell expressed appreciation for the staff and, in particular, for the Audit Committee's work in guiding the internal controls engagement and providing active support and feedback.

**XI. Adjournment**

***Chairman Farrell adjourned the meeting at 11:49 am.***

Submitted by,  
  
Petra S. Reynolds, Town Clerk

7/3/20  
Date