

MAYOR:
Bradley D. Belt

MAYOR PRO TEMPORE:
Russell A. Berner

TOWN ADMINISTRATOR:
Stephanie Tillerson

TOWN ATTORNEY:
Stafford J. McQuillin III



COUNCIL MEMBERS:
E. Luke Farrell
Madeleine Kaye
Lance Spencer

WAYS & MEANS COMMITTEE MEETING
Municipal Center Council Chambers
December 2, 2025, 10:00 am

AGENDA

- I. **Call to Order:**
- II. **Roll Call:**
- III. **Approval of Minutes:**
 - A. Minutes of the Ways and Means Committee Meeting of September 9, 2025 [Tab 1]
- IV. **Citizens' Comments (Agenda Items Only):**
- 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* [Tab 2]
 - B. To Consider Approval of the Tree Work Project on Kiawah Island Parkway [Tab 3]
- VII. **Chairman's Report:**
- VIII. **Treasurer's Report:**
 - A. Monthly Budget Report [Tab 4]
- IX. **Citizens' Comments:**
- X. **Committee Member's Comments:**
- XI. **Adjournment:**



WAYS AND MEANS

Agenda Item

WAYS & MEANS COMMITTEE MEETING
Municipal Center Council Chambers
November 4, 2025, 10:00 am

Minutes

I. **Call to Order:** *In the absence of Chairman Farrell, Mayor Belt called the meeting to order at 10:00 am.*

II. **Roll Call:**

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

Absent: Luke Farrell, *Chairman*

Also Present: Stephanie Tillerson, *Town Administrator*
Dorota Szubert, *Finance Director*
Mayor Pro Tem Berner, *Council Member*

III. **Approval of Minutes:**

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

Mayor Belt indicated that the minutes of the September 9th meeting had been circulated prior to the meeting and asked if there were any edits. Without edits, the minutes were deemed approved

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

No citizens were present to offer comments on agenda items.

V. **Old Business:**

None

VI. **New Business:**

A. To Consider Approval 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 B: Business License Rate Schedule – First Reading

Ms. Szubert presented information about Ordinance 2025-17 regarding business license classifications. Ms. Szubert explained that South Carolina Act 176 requires all municipalities that require business licenses to update their business license schedule every two years in odd-numbered years. The updated schedule was provided as an attachment in Appendix B of the ordinance.

Ms. Szubert noted that the update resulted from analysis done by the IRS based on 2019-2021 tax statistics, which were COVID years. Based on this analysis, there were changes in business classifications under NAICS codes, with many businesses being moved to lower classes. This would affect approximately 1,800 businesses, of which about 85% were short-term rentals and management companies.

With the class changes and current rates, Ms. Szubert estimated about \$65,000 less in revenue collected, though this was characterized as an estimate based on last year's gross receipts reporting. Ms. Szubert provided a comparison of license fees across other jurisdictions, noting that Kiawah's rates were in the middle range compared to those of similar municipalities.

Despite the potential revenue reduction, Ms. Szubert recommended not changing the rates for several reasons:

- The revenue drop calculation was based on the current year's gross receipts, but projections showed increased accommodation taxes and business license revenues.
- The current rate structure was clear and easy to understand, increasing by \$5 for each class.
- The estimated \$65,000 reduction was minimal compared to the \$4,900,000 collected last year in business license revenues.

Mayor Belt clarified that municipalities are required to implement the IRS reclassification but may adjust rates. When questioned about the reason for reclassification, Ms. Szubert explained that the IRS determined certain businesses were less profitable during the COVID years based on nationwide data. However, Ms. Szubert noted that Kiawah's situation was unique, as its beach never closed, and we experienced higher revenues during COVID.

Discussing the implications of the revenue reduction and the potential options, Ms. Szubert mentioned they could change rates only for affected classes, but cautioned that this might appear to be directed at the businesses the IRS deemed less profitable. Alternatively, rates could be changed across the board, such as leaving the base rate unchanged while increasing the incremental charge from \$1.95 to \$2.00, which would bring in approximately \$100,000 in additional revenue.

Council Member Spencer made a motion to recommend to the Town Council that it approve staff's recommendation to implement the required classification changes while maintaining the current rate structure. Mayor Belt seconded the motion.

Mayor Belt stated that Chairman Farrell had some concerns about the staff's recommendation regarding the current and potential future reduction in business license revenues if there is no adjustment in the rates. He felt comfortable moving forward with the recommendation to the Council because the classification change needs to be approved before the end of the year. Still, at second reading, the Council could revisit the rates.

Committee Members engaged in an in-depth discussion of the classification changes. Ms. Szubert noted that while the classification change would result in lower fees for short-term rental companies and property owners, the reduction per business would be minimal, averaging about \$30 based on typical gross receipts.

Following the discussion, the motion was unanimously approved.

B. To Consider Approval of the Contract of Caplea Coe/H3 as Architect of Record for the Design

Mayor Belt noted that this item was not ready for consideration as contract negotiations with Caplea Coe had not been completed.

Council Member Spencer made a motion to amend the agenda to remove Approval of the Contract of Caplea Coe/H3 from new business. Mayor Belt seconded the motion, and it was unanimously approved.

VII. Chairman's Report:

None

VIII. Treasurer's Report:

A. Monthly Budget Report

Ms. Szubert presented the Town's Balance Sheet as of September 30, 2025, and the Budget to Actual Report for the first three months of the fiscal year. The Budget-to-Actual Report is compiled on a cash basis, with all funds consolidated.

As of September 30, 2025, the Town's governmental funds combined have an ending fund balance of \$49.5 million, reflecting an increase of \$1.9 million from June 30, 2025. The total fund balance consists of:

- Unassigned Fund Balance (available for discretionary spending): \$29.1 million (59%)
- Capital and Emergency Reserves: \$11 million (22%)
- Restricted for Tourism-Related Funding: \$9.4 million (19%)

Overall, for the first three months, the Town’s consolidated revenues totaled \$4.3 million, an increase of \$726,000, or 20% compared to the same period in FY2025. This amount represents 24% of the total budgeted revenues for the current year. Revenues are performing in line with expectations. Both business license and building permit revenues show positive variances compared to the same period last year. Higher permit fees primarily drive the increase in building permit revenues. The growth of business license revenues reflects the Finance department’s ongoing efforts to improve licensing compliance.

At 25% of the fiscal year elapsed, total expenditures stand at \$2.4 million, \$46,000, or 2%, higher than the same period in FY2025. This amount represents 16% of the current year's budget. Overall, expenditures remain consistent with both the approved budget and prior year spending patterns. The only notable exception was approximately \$250,000 for flooding, which was covered by insurance with a \$3,000 deductible. Ms. Szubert reported receiving confirmation that insurance reimbursement was in process.

Mayor Belt commented on the extraordinary level of reserves for a municipality of Kiawah's size, noting that municipalities typically do not maintain such substantial fund balances. He suggested a more creative, proactive approach to the balance sheet by strategically investing in goods, services, infrastructure, and amenities that benefit the community, while maintaining sufficient reserves for catastrophic events.

Ms. Szubert mentioned that the financial audit was complete and would be presented at today’s Town Council meeting. The internal control audit was still being finalized and would be presented in December or January.

IX. Citizens’ Comments:

There were no citizen comments.

X. Committee Member’s Comments:

Committee Member Spencer reminded everyone that it was Election Day and encouraged all listeners to vote, despite the election being uncontested.

XI. Adjournment:

Mayor Belt adjourned the meeting at 10:30 am.

Submitted by,

Petra S. Reynolds, Town Clerk

Date



Tab | 2

WAYS AND MEANS

Agenda Item



Memorandum

TO: Chair and Members of Ways and Means Committee

FROM: Dorota Szubert, Finance Director

SUBJECT: Business License Class and Rate Schedule Update

DATE: December 2, 2025

BACKGROUND: South Carolina Act 176 requires all municipalities and county governments that impose a business license tax to update their business license class schedule every odd-numbered year, with the changes taking effect the following year.

The new class schedule, provided in **Appendix B** of the ordinance, incorporates the latest IRS statistical data on business profitability, as approved by the South Carolina Revenue and Fiscal Affairs Office (RFA).

For 2025, municipalities must adopt the updated schedule by December 31, 2025, in preparation for business license renewals covering the May 1, 2026 – April 30, 2027 license year.

ANALYSIS: Approximately 1,800 businesses within the Town will be affected by this update. A detailed breakdown is included in Schedule 1, which provides a rebalancing analysis estimating the potential impact of these class adjustments on Town revenues.

Assuming businesses report the same gross receipts as last year, staff estimates a potential reduction of approximately \$65,000 in business license revenues for 2026. This rebalancing analysis should be viewed as an estimation tool, not an exact forecast.

To offset the potential revenue decrease associated with the updated business license class schedule, staff recommends an increase of \$0.10 in the rate per \$1,000, or fraction thereof, for all business license classes. Based on the rebalancing analysis and assuming businesses report the same gross receipts as last year, this adjustment is expected to approximately offset the projected \$65,000 reduction in FY 2026 business license revenues, resulting in a roughly revenue-neutral impact overall. The recommended rate schedule reflecting this change is included in **Appendix A** of the ordinance.

ACTION REQUESTED: Consider recommending to the Town Council the updated class and rate schedule.

ORDINANCE 2025-17

AN ORDINANCE TO AMEND ARTICLE 4, FINANCE AND TAXATION, CHAPTER 3, MUNICIPAL BUSINESS LICENSES TO UPDATE THE CLASS SCHEDULE AS REQUIRED BY ACT 176 OF 2020.

WHEREAS, the Town of Kiawah is authorized by S.C. Code Section 5-7-30 and Title 6, Chapter 1, Article 3 to impose a business license tax on gross income; and

WHEREAS, by Act No. 176 of 2020, known as the South Carolina Business License Tax Standardization Act and codified at S.C. Code Sections 6-1-400 to -420 (the “Standardization Act”), the South Carolina General Assembly imposed additional requirements and conditions on the administration of business license taxes; and

WHEREAS, the Standardization Act requires that by December 31st of every odd year, each municipality levying a business license tax must adopt, by ordinance, the latest Standardized Business License Class Schedule as recommended by the Municipal Association of South Carolina (the “Association”) and adopted by the Director of the Revenue and Fiscal Affairs Office; and

WHEREAS, following the enactment of the Standardization Act, the Municipality enacted Ordinance No. 2021-14 on December 7, 2021, in order to comply with the requirements of the Standardization Act; and

WHEREAS, the Town of Kiawah Island Town Council now wishes to amend Article 4 - Finance and Taxation, Chapter 3 - Municipal Business Licenses, Section 4-321. – Classifications and Rates to adopt the latest “*Standardized Business License Class Schedule,*” as required by the Standardization Act, and to make other minor amendments as recommended by the Association: and

WHEREAS, the Town of Kiawah Island Town Council now wishes to amend Article 4 - Finance and Taxation, Chapter 3 - Municipal Business Licenses, Section 4-321. – Classifications and Rates to adopt a new “*Business License Rate Schedule.*”

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE COUNCIL OF THE TOWN OF KIAWAH ISLAND, SOUTH CAROLINA, AND IT IS ORDAINED BY THE AUTHORITY OF SAID COUNCIL.

Section 1 Purpose

The purpose of this Ordinance is to amend Article 4 – Finance and Taxation, Chapter 3 – Municipal Business Licenses, Section 4-321. – Classifications and Rates to adopt a new

“Business License Rate Schedule,” and to adopt the latest “Business License Class Schedule by NAICS Code,” as required by the Standardization Act.

Section 2 **Ordinance**

The Town hereby amends Article 4 – Finance and Taxation, Chapter 3 – Municipal Business Licenses, Section 4-321. – Classifications and Rates as follows:

Appendix “A” to the Current Business License Ordinance, the “Business License Rate Schedule,” is hereby amended and restated as set forth on the attached “**Exhibit A**”.

Appendix “B” to the Current Business License Ordinance, the “Business License Class Schedule by NAICS Code,” is hereby amended and restated as set forth on the attached “**Exhibit B**”.

Section 3 **Repealer, Effective Date, and Duration**

All ordinances in conflict with this ordinance are hereby repealed. This ordinance shall be effective with respect to the business license year beginning on May 1, 2026.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF KIAWAH ISLAND ON THIS 2ND DAY OF DECEMBER 2025.

Badley D. Belt, Mayor

ATTEST:

Petra S. Reynolds, Town Clerk

1st Reading - November 4, 2025

2nd Reading - December 2, 2025

APPENDIX A		
BUSINESS LICENSE RATE SCHEDULE		
	Income: \$0 - \$2,000	Income Over \$2,000
Rate Class	Base Rate	Rate per \$1,000 or Fraction Thereof
1	\$50.00	\$2.05
2	\$55.00	\$2.25
3	\$60.00	\$2.45
4	\$65.00	\$2.65
5	\$70.00	\$2.85
6	\$75.00	\$3.05
7	\$80.00	\$3.25
8.1	\$70.00	\$2.50

APPENDIX B

Amendment to Classes 1 – 8 in Appendix B of the Current Business License Ordinance

Classes 1 – 8: Business License Class Schedule by NAICS Codes

NAICS Sector/ Subsector	Industry Sector	Class
11	Agriculture, forestry, hunting and fishing	1
21	Mining	3
22	Utilities	1
31 - 33	Manufacturing	3
42	Wholesale trade	1
44 - 45	Retail trade	1
48 - 49	Transportation and warehousing	2
51	Information	4
52	Finance and insurance	7
53	Real estate and rental and leasing	6
54	Professional, scientific, and technical services	4
55	Management of companies	7
56	Administrative and support and waste management and remediation services	3
61	Educational services	3
62	Health care and social assistance	3
71	Arts, entertainment, and recreation	3
721	Accommodation	1
722	Food services and drinking places	2
81	Other services	3
Class 8	Subclasses	
23	Construction	8.1
482	Rail Transportation	8.2
517111	Wired Telecommunications Carriers	8.3
517112	Wireless Telecommunications Carriers (except Satellite)	8.3
517122	Agents for Wireless Telecommunications Services	8.3
5241	Insurance Carriers	8.4
5242	Insurance Brokers for non-admitted Insurance Carriers	8.4
713120	Amusement Parks and Arcades	8.51
713290	Nonpayout Amusement Machines	8.52
713990	All Other Amusement and Recreational Industries (pool tables)	8.6

2025 Class Schedule is based on a three-year average (2019 - 2021) of IRS statistical data.



WAYS AND MEANS

Agenda Item



Request for Ways and Means Committee Action

TO: Ways and Means Chairman and Committee Members

FROM: Brian Gottshalk, Public Works Director

SUBJECT: Approval for Tree Work Along Kiawah Island Parkway

DATE: 2 December 2025

BACKGROUND:

The landscape in the right-of-way along the Kiawah Island Parkway is the Town's responsibility to maintain for safety and aesthetics. Currently, trees and canopies hang low over the roadway and the leisure trail, requiring clearance to mitigate safety issues for motorists and leisure trail users. Also, a significant number of specimen trees need to be pruned for health and aesthetics. This work will not only eliminate potential safety issues along the parkway but also improve the look and feel of the Kiawah Island Parkway as travelers travel to and from the island.

ANALYSIS:

Town staff developed a scope of work to be presented to potential bidders. The scope included pruning for safety, tree health, and the overall look of the parkway, including vine control on front-facing trees and vegetation. Town 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. Town staff reached out to three companies and received bids back from the following two companies:

Rawson Services, Inc: \$52,875.00
Arbor Care: \$50,750.00 plus \$2,250/day for traffic control

Both bids include the same scope of work, and it is anticipated that the total project will take approximately 10 days to complete. Rawson Services can start this work immediately by breaking it into a couple of days at a time.

ACTION REQUESTED:

Town Staff is requesting that the Ways and Means Committee approve the proposal from Rawson Services, Inc. to perform tree work along the Kiawah Island Parkway as described in the scope of work to the contractor.

BUDGET & FINANCIAL DATA:

If approved, this will be funded through the General Fund, as this was included in the current budget.

ESTIMATE

RAWSON SERVICES INC

3665 Wild Plum Rd
Johns Island, SC 29455

randy.r@rawsonservices.com
+1 (843) 860-1117
rawsonservices.com

Bill to

Town Of Kiawah
4475 Betsy Kerrison Pkwy
Kiawah Island, SC 29455
United States

Ship to

Town Of Kiawah
4475 Betsy Kerrison Pkwy
Kiawah Island, SC 29455
United States

Estimate details

Estimate no.: 1114
Estimate date: 11/02/2025

Sales Rep: Randy Rawson

#	Product or service	Description	Qty	Rate	Amount
1.	Tree Pruning	<p>This is a Proposal not an estimate. Job site. Per drive around with Brian Gottshalk and Randy Rawson. Road and trail clearance pruning, vine front face heading off removal. Kiawah Island Parkway Inbound start before entrance to Freshfields stop at Beach walker. From Beach walker back to just after Fresh Fields entrance. Pruning trail for clearance for walkers and bikers safe clearance. Road clearance prune to heights 14 feet to 15 feet 5 inch's or more in some areas. Prune all Palms on Parkway. Two Magalona trees outbound, remove vines. Work will start between 7:30 A.M This job could be 10 Day project. Could be more or less</p>	1	\$52,875.00	\$52,875.00

Total **\$52,875.00**

Accepted date

Accepted by



Tab | 4

WAYS AND MEANS

Agenda Item



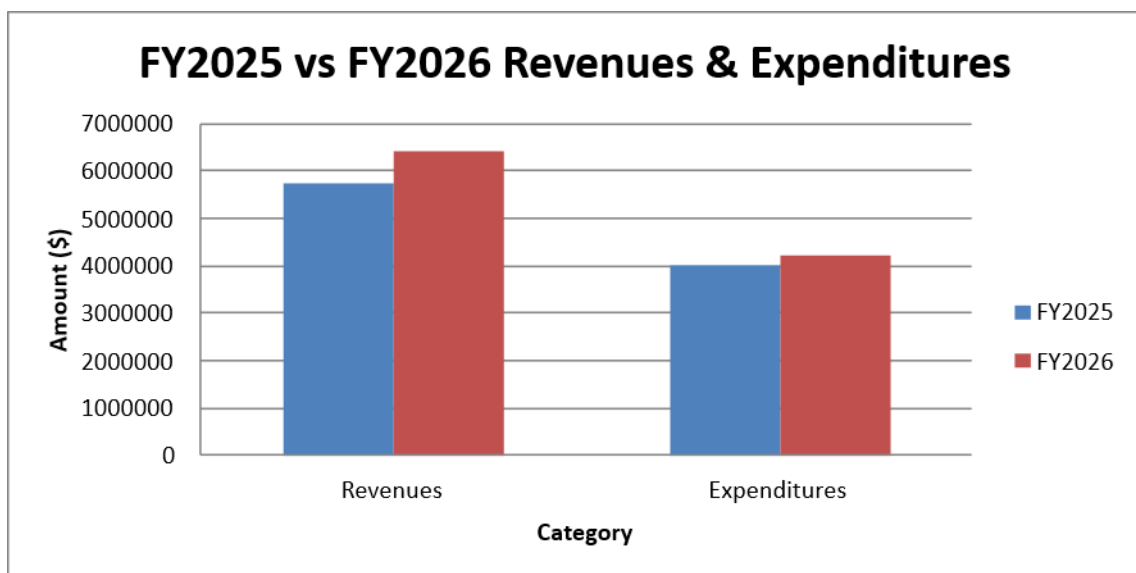
Memorandum

TO: Chair and Members of Ways and Means Committee
FROM: Dorota Szubert, Finance Director
SUBJECT: Budget Report for the First Four Months Ended 10/31/2025
DATE: December 2, 2025

Presented here is 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 \$6.4M, an increase of \$690K, 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 variances compared to last year, reflecting the Finance department's ongoing efforts to improve licensing compliance.

At 34% of the fiscal year elapsed, total expenditures stand at \$4.2M, which is 230K, 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 costs related to the flooding recovery of \$232K, which are subject to insurance reimbursement.



Town of Kiawah Island
 Budget to Actuals
 For the First Four Months Ended 10/31/25
 Modified Cash Basis /Unaudited

	Fiscal 2026				FY2026 VS FY2025		
Revenue:	Y-T-D ACTUALS	TOTAL BUDGET	VARIANCE	% OF BUDGET	FY2024 Y-T-D	\$ VARIANCE	% VARIANCE
Building Permits	\$ 842,194	\$ 1,577,131	\$ (734,937)	53%	\$ 812,057	\$ 30,137	4%
Business Licenses	955,448	3,800,000	(2,844,552)	25%	489,622	465,826	95%
STR Application Fees	7,700	400,000	(392,300)	2%	11,200	(3,500)	-31%
Franchisee Fees	162,005	1,037,300	(875,295)	16%	130,000	32,005	25%
Local Option Tax	320,845	1,000,500	(679,655)	32%	389,502	(68,657)	-18%
State ATAX	1,269,333	3,189,161	(1,919,828)	40%	1,216,918	52,415	-
Local ATAX	662,244	1,681,025	(1,018,781)	39%	563,779	98,465	17%
County ATAX	-	700,000	(700,000)	0%	-	-	-
Hospitality Tax	274,912	991,303	(716,391)	28%	263,955	10,957	4%
Waste Management	1,170,384	1,246,500	(76,116)	94%	1,089,338	81,046	7%
Interest	690,746	1,700,000	(1,009,254)	41%	712,416	(21,670)	-3%
Other	75,102	240,567	(165,465)	31%	61,783	13,319	22%
Total Revenue	6,430,913	17,563,487	(11,132,574)	37%	5,740,570	690,343	12%
Expenses:							
Salaries & Benefits:							
Salaries/Regular Employees	901,424	2,706,554	1,805,130	33%	839,120	(62,304)	-7%
Overtime	1,536	12,000	10,464	13%	1,610	74	5%
Benefits	260,489	890,239	629,750	29%	267,780	7,291	3%
Payroll Tax	112,041	227,279	115,238	49%	85,465	(26,576)	-31%
	1,275,490	3,836,072	2,560,582	33%	1,193,975	(81,515)	-7%
Administration/Operations:							
Administration	80,610	117,520	36,910	69%	71,350	(9,260)	-13%
Events	11,672	55,000	43,328	21%	12,190	518	4%
Insurance	237,585	269,876	32,291	88%	222,951	(14,634)	-7%
Maintenance	236,741	799,000	562,259	30%	246,811	10,070	4%
Minor Assets & Supplies	35,632	143,400	107,768	25%	45,112	9,480	21%
Miscellaneous	7,251	27,000	19,749	27%	15,524	8,273	53%
Office Equipment	15,673	50,000	34,327	31%	13,563	(2,110)	-16%
Professional Services	112,346	580,000	467,654	19%	126,247	13,901	11%
Travel & Training	19,726	83,300	63,574	24%	29,700	9,974	34%
Utilities	47,744	125,000	77,256	39%	48,990	1,246	3%
	804,980	2,323,080	1,518,100	35%	832,438	27,458	3%
Consultants	61,191	556,000	494,809	11%	92,933	31,742	34%
Waste Management	707,749	2,100,000	1,392,251	34%	701,838	(5,911)	-1%
Funded from SATAX *	(23,803)	(78,400)	(54,597)	30%	-	23,803	-
Contracted Public Safety Resources:							
Charleston County Deputies	47,094	767,970	720,876	6%	257,165	210,071	82%
Evening Code Enforcement	129,792	389,376	259,584	33%	129,792	-	0%
Beach Patrol	194,466	584,000	389,534	33%	194,466	-	0%
	371,352	1,741,346	1,369,994	21%	581,423	210,071	36%
Funded from SATAX *	(181,170)	(946,379)	(765,209)	19%	(338,723)	(157,553)	47%
Charitable:							
MUSC Pledge	-	200,000	200,000	0%	-	-	0%
Contributions	-	220,000	220,000	0%	-	-	0%
	-	420,000	420,000	0%	-	-	-
Contingency	-	100,000	100,000	0%	-	-	-
ATAX & HTAX :							
Promotional Fund-CVB	373,299	902,870	529,571	41%	357,576	(15,723)	-
SATAX Town Allocations*	313,532	1,348,779	1,035,247	23%	338,723	25,191	7%
SATAX Other Recipients	131,783	1,558,834	1,427,051	8%	63,153	(68,630)	-109%
Other Uses	89,947	512,000	422,053	18%	109,642	19,695	18%
	908,561	4,322,483	3,413,922	21%	869,094	(39,467)	-5%
Capital Outlay:							
Building	-	300,000	300,000	0%	-	-	-
Infrastructure & Landscape	-	350,000	350,000	0%	-	-	-
Vehicles	70,000	80,000	10,000	88%	23,944	(46,056)	-192%
Other Capital Expenditures	-	10,000	10,000	0%	39,129	39,129	=
	70,000	740,000	670,000	9%	63,073	(6,927)	-11%
Non-Budgeted							
Flood Loss	232,072	-	(232,072)	100%	-	(232,072)	100%
Total Expenses	4,226,422	15,114,202	10,887,780	28%	3,996,051	(230,371)	-6%
Net Changes in Fund Balance	\$ 2,204,491	\$ 2,449,285	\$ (244,794)		\$ 1,744,520	\$ (459,971)	-26%