

# TOWN COUNCIL MEETING

Kiawah Island Municipal Center

Council Chambers

October 6, 2015; 2:00 PM

## Minutes

- I. **Call to Order: Mayor Lipuma called the meeting to order at 2:04 pm.**
- II. **Pledge of Allegiance**
- III. **FOIA:** Notice of this meeting has been published and posted in accordance with the Freedom of Information Act and the requirements of the Town of Kiawah Island.

IV. **Roll Call:**

Present: Charles R. Lipuma, Mayor  
John D. Labriola, Mayor Tempore, by phone  
Mary Q. Johnson  
John Wilson  
Craig Weaver

Also Present: Stephanie Tillerson, Town Administrator  
Dennis Rhoad, Town Attorney  
Petra Reynolds, Town Clerk

V. **Approval of Minutes:**

A. Town Council Executive Session Meeting of August 7, 2015

*Mr. Weaver motioned to approve the minutes of the August 7, 2015 Town Council Executive Session Meeting. The motion was seconded by Mr. Wilson and the minutes were unanimously passed and amended.*

B. Town Council Special Meeting of August 20, 2015

*Mayor Lipuma motioned to approve the minutes of the August 20, 2015 Special Town Council Meeting. The motion was seconded by Mrs. Johnson.*

*Following discussion that the minutes required further revision Mayor Lipuma withdrew the motion to approve the minutes of August 20, 2015 Special Town Council Meeting.*

*Mr. Weaver made a motion to table the approval of minutes of the August 20, 2015 Special Town Council Meeting. The motion was seconded by Mr. Wilson and was unanimously passed.*

Approval of the minutes of the August 20, 2015 Special Town Council Meeting were deferred to the next meeting.

C. Town Council Meeting of September 1, 2015

Approval of the minutes of the September 1, 2015 Town Council Meeting were deferred to the next meeting.

D. Town Council Executive Session Meeting of September 10, 2015

*Mayor Lipuma motioned to approve the minutes of the September 10, 2015 Town Council Executive Session Meeting. The motion was seconded by Mr. Weaver and was unanimously passed.*

E. Town Council Executive Session Meeting of September 17, 2015

*Mr. Wilson motioned to approve the minutes of the September 17, 2015 Town Council Executive Session Meeting. The motion was seconded by Mr. Weaver and was unanimously passed.*

F. Town Council Special Meeting of September 17, 2015

*Mrs. Johnson motioned to approve the minutes of the September 17, 2015 Special Town Council Meeting. The motion was seconded by Mr. Wilson and was unanimously passed as amended.*

**VI. Citizens' Comments:**

**Jimmy Bailey – Kiawah Island Community Association**

Mr. Bailey reported on the current conditions of the roads and drainage system after the flooding on the Island. He reviewed steps taken by the Community Association staff in advance of the flooding as well as efforts made to mitigate as much of the incoming water as possible. He described the condition of the many roads coming to and on the Island. He stated many roads on the Island were impassable throughout most of the weekend stranding residents and visitors. He reported the abnormally high tide and extremely heavy rainfall contributed to the flooding and reviewed the activities incurred by KICA staff during the fourday flooding event.

Mr. Bailey praised KICA staff, many of which stayed on the Island for much of the weekend for their long hours. He thanked Town staff along with Councilman Weaver for their hard work in trying to keep the residents informed. He thanked Mr. Warren and the Resort, Chief Waltz, the firefighters of the St. Johns Fire District, members of the Charleston County Sherriff's Office and KICA Security for their vigilance in looking after residents and taking part in numerous water rescues.

Council Members agreed KICA staff performed admirably with the conditions they encountered. Mayor Lipuma conveyed the latest information on the closure of Bohicket Road with Mr. Weaver adding that Mrs. Braswell-Edgerton would continue to send out updates with current information.

**Chief Coleen Walz - Fire Chief, St John Fire District**

Chief Walz reported on the fire in a large vacant home on Blue Heron Pond Road. A neighbor reported seeing flames from what was thought to be a tree burning, but were instead emanating from the metal roof of the structure. She indicated the residence did not have a residential sprinkler or monitored smoke detection system. Chief Walz stated firefighters were not able to use available apparatus due to a narrow driveway with a body of water on each side. With the extreme circumstances and limited access firefighters struggled to get the fire under control.

Chief Walz then commented on the flooding event in which many firefighters were called to rescue residents that did not heed the warning to stay at home unless absolutely necessary

putting not only their lives but the lives of her firefighters in jeopardy. She pointed the need for a better way to communicate the necessity for residents to follow advisories.

**Wendy Kulick – 38 Marsh Edge Lane**

Mrs. Kulick thanked the Town and KICA employees, the STJFD and individuals who put themselves on the line and made sure the property owners had a constant flow of updated information through CodeRed, the Xchange and the KICA List Serve.

Mrs. Kulick indicated that the Forensic Audit Report released in July covered the years 2013, 2014 and 2015 year to date. She questioned why, at the September 1<sup>st</sup> Council Meeting, Council decided to engage the Forensic Accountant to provide a report for 2012. She asked when the report is expected to be completed and released to the public.

Mrs. Kulick stated that at the August Ways and Means Committee Meeting it was recommended Council establish an Audit Committee. She noted on today's Council Agenda is the appointment of two, highly qualified, resident members but questioned why the Town would appoint members to the committee without first publicizing to the residents the need for members.

Mrs. Kulick noted that at the September 24<sup>th</sup> Municipal Center Committee Meeting a cost overrun was discussed which include the subject that the top two feet of the soil on the property would have to be removed. She questioned if this was not discovered by Jacobs Engineering during the due diligence done by the Town prior to the purchase of the property, and if it was why the Town did not require seller to incur the cost. She also questioned if the issue was not discovered by Jacobs as part of its contract and should they not be held liable.

Mrs. Kulick stated that at the August meeting she questioned the salary amount of the Town Administrator and still questions why the position commands such a high salary with few employees and few public safety entities for the administrator to supervise. She asked for the Town to give an explanation of the salary, how it was determined, and to share the process with the Community.

**Mr. Wilson responded to the audit question by stating that after receiving reports from previous payroll providers the Town noted that even though the bulk of the misappropriation occurred in 2013 and 2014, there may have also been some in 2012. He indicated that with additional payments to employees occurring in 2012, the Forensic Accountant was asked to verify 2012 before any statements were made. He indicated that the audit should be completed fairly soon.**

**Mr. Wilson stated the Audit Committee needed to be put in place prior to the Town's Audit beginning. He indicated the current nominees would launch the Committee with additional volunteers later appointed to fill the four positions.**

**Mayor Lipuma addressed the topic of the Betsy Kerrison Property stating that testing for toxic materials was done by Jacobs as part of the due diligence. He stated that the removal of the two foot of soil is very common on Johns Island. The removal often shows traces of fertilizer which does not indicate toxicity. This issue is determining the capability of the soil to support a building.**

**Art Morgenstern – 164 Marsh Island Drive**

Mr. Morgenstern stated he had requested the engineering portion of the report done by Jacobs Engineering when the Town was considering the purchase of the Utility that was offered by the

Mayor. He indicated that the request was forwarded to Mr. Labriola, who then requested the Town Attorney and the law firm that was involved review and determine if the document could be released. Mr. Morgenstern stated that to this date he had not received a response or a copy of the report and requested an update.

**Mr. Rhoad advised Mr. Morgenstern that the Public Service Commission (PSC) has primary responsibility for private utilities. Any changes Kiawah Island Utility wants to make to its system must have PSC approval and some of the requested information may be available through the PSC. He also stated that he would contact Mr. Labriola and forward any information to Mr. Morgenstern.**

**Dennis McGill – 100 Pleasant Valley Drive**

Mr. McGill addressed his question to Ms. Johnson, asking for clarification on her estimation of the amount it would cost to complete a FOIA request for employee salaries, overtime, etc., how the figures calculated and if the estimation is still valid today.

**Mrs. Johnson responded by stating that the request was made during a time when the Town had no administrator or treasurer. She indicated after confirming with Mr. Wilson, and the Town Attorney, the amount was determined by calculating what time would be expended and rate of pay would have to be paid to the interim accountant to retrieve the information.**

**Diane Lehder – 308 Palm Warbler**

Mrs. Lehder expressed her concern with the removal of 2 foot of the soil across the entire the Betsy Kerrison Property.

**Mayor Lipuma clarified that the removal would only be required where the building stood and stated that soil from the lagoons or retention ponds would be used to elevate the building to grade.**

**Marilyn Larach – 1082 Terrapin Court**

Ms. Larach questioned if during the flood event the Town and KICA were able to communicate with any renters that were on the Island.

**Mr. Weaver explained that there will be a meeting in the future with the Island entities to discuss shortfalls and to determine how to make improvements.**

**VII. Old Business:**

None

**VIII. New Business:**

**A. Audit Committee Charter**

***Mr. Weaver made a motion to approve the Audit Committee Charter. The motion was seconded by Mr. Wilson.***

***Mr. Wilson made a motion to approve the establishment of the Audit Committee. The motion was seconded by Mr. Weaver and unanimously passed.***

***Council members voted unanimously on the motion to approve the Audio Committee Charter.***

**Mayor Lipuma made a motion to nominated Mr. Wilson as Chairman of the Audit Committee. The motion was seconded by Mr. Weaver and unanimously passed.**

**B. Audit Committee Appointments**

**Mr. Wilson made a motion to nominate Andy Capelli and Jim Williams as members of the Audit Committee. The motion was seconded by Mr. Weaver.**

**Following further discussion, members voted unanimously on the motion to approve the appointments.**

**C. Arts Council Appointment**

**Mrs. Johnson made a motion to nominate Van McCollum to the Arts and Cultural Events Council. The motion was seconded by Mr. Wilson and unanimously passed.**

**D. Satellite Phone Purchase**

Mayor Lipuma stated the purchases of the satellite phone as part of the Emergency Management Plan were discussed at the recent Ways and Means Committee Meeting and recommend approve to Town Council.

**Mr. Weaver made a motion to approve the expenditure not to exceed \$2,600.00 for the purchase of two Satellite Phones with batteries from the SatelitePhoneStore.com. The motion was seconded by Mrs. Johnson and unanimously passed.**

**E. Accurate Window Cleaning Contract Amendment**

Mayor Lipuma stated that amendment to Accurate Window Cleaning Contract would provide for a one year extension. Mrs. Johnson called attention to references to "lawn maintenance" that needed to be removed from the original contract.

**Mrs. Johnson made a motion to edit the contract to accurately describe the purpose of the contract; "for the purpose of providing services including pressure washing, gutter cleaning and window cleaning for the Municipal Center, Garage, concrete walks, stairs, and decks" and to remove reference to "lawn maintenance" on page one and page three. The motion was seconded by Mr. Weaver and unanimously passed.**

**Mrs. Johnson made a motion to approve the amendment of a one year extension of the amended Accurate Window Cleaning Contract from November 1, 2015 to October 31, 2016. The motion was seconded by Mr. Weaver and unanimously passed.**

**F. Emergency Services Memorandum of Understanding with Northwoods Retail**

**Mr. Weaver made a motion to approve the Emergency Services Memorandum of Understanding with Northwoods Retail (Freshfields). The motion was seconded by Mr. Wilson and was unanimously passed.**

**G. Town Administrator Employment Agreement**

Mayor Lipuma gave a brief history of the search conducted by the Town for a new Administrator. He stated that Ms. Stephanie Monroe Tillerson was selected for the position. He

presented Ms. Tillerson's two year employment agreement which was structured by Council with the help of the Town's Labor Attorney.

**Mr. Labriola made a motion to approve the Town Administrator's Employment Agreement. The motion was seconded by Mr. Weaver.**

Mrs. Johnson stated, at the Ways and Means Meeting, she conveyed to members a need to interview one or all of the candidates a second time, but was voted down. She indicated new information had been received by the Town which she felt merited further discussion in addition to another vetting of the candidates. She again requested a postponement of the vote on the contract.

**Following further discussion, Mayor Lipuma called the question and asked for a roll call vote on the approval of the Town Administrator's Employment Agreement.**

<b>Roll Call vote:</b>	<b>Labriola</b>	<b>Yes</b>
	<b>Weaver</b>	<b>Yes</b>
	<b>Wilson</b>	<b>Yes</b>
	<b>Mayor Lipuma</b>	<b>Yes</b>
	<b>Johnson</b>	<b>No</b>

**The motion was approved by a 4 to 1 vote.**

#### **H. Status FY 2014/2015 Closing/Audit**

Mr. Wilson stated the closing is moving along with finance staff still working to clean up mistakes and improper bookings. He stated the new auditors, Green, Finney and Horton, have given staff list of items to review prior to the beginning of this year's audit. The onsite work of the audit is schedule to start after Thanksgiving and is expected to take approximately two weeks.

#### **I. Human Resources Committee Discussion**

Mayor Lipuma stated at the previous Ways and Means Committee, members engaged in a discussion of the need for a larger Human Recourse (HR) presence within the Town. Discussion included the suggestion to either expand the Charter of the Ways and Means Committee or the establishment of a HR Committee.

Mayor Lipuma indicated historically the entire HR process was under the purview of the Town Administrator without checks and balances. He would be supportive of a separate committee having oversight and to review and make recommendation on the Town's policies, practices, procedures, and employee manual.

Council Members agreed there was a necessity for oversight by a person or committee to review issues of personnel, financial, wage compensation and policies.

#### **IX. Committee Reports:**

**Mr. Wilson** reported that the *Planning Commission* meeting will review the draft of the 2015 Comprehensive Plan and make their recommendation to Town Council for approval.

**Mayor Lipuma** reported for **Mr. Labriola** that both of them will be meeting separately with the architect to review the current Municipal Center project and what can be done to mitigate some of the current “surprises” which include a zoning change that will have to be made.

**Mrs. Johnson** reviewed the *Arts and Cultural Events Council* upcoming events. She stated that the Environmental Committee will be meeting soon. She indicated that Mr. Rourke, Director of the Charleston County Parks & Recreation Commission, has agreed to present a program at the next meeting.

**Mr. Weaver** called attention to comments made by Chief Walz on the recent fire on the Island and complimented the fire fighters for their response. He indicated that there would be a full investigation of the fire by the homeowner’s insurance company and the St. John’s Fire District (STJFD) to determine the cause. He reviewed the obstacles that were pointed out by Chief Walz and stated these same obstacles or issues are often appear in fires on the Island.

Mr. Weaver noted that as part of the investigation it was discovered the dehumidifiers were suspect. He explained the models used were on recall list from years past and cautioned homeowners to inspect their systems for the type and size of equipment used and to make sure they are maintained properly.

Mr. Weaver reviewed the progress made on the underperformance of EMS service to the Island that was deliberated by the *Public Safety Committee*. He indicated a small group of members volunteered to try to find ways to mitigate the issue. As a result of their efforts, and a county budget increase, Charleston County EMS had placed a Quick Response Vehicle (QRV) maned by a paramedic on the Island during the day.

**X. Mayors Report:**

Mayor Lipuma indicated the beach was a major concern in the wake of the recent flooding events. He reported the Town’s biologists had completed a survey of the beach and were present to update members.

Mr. Jordan reviewed the survey which showed several breaches in the dune, but concluded the beach and its dune system is very healthy so it weathered the events very well. He reported the recent East End project also weathered the storm with no break of the dyke that was constructed.

**XI. Correspondence:**

None

**XII. Citizen Comments:**

**Marilyn Larach – 1082 Terripan Court**

Mrs. Larach asked about the area around Beachwalker Park, where it seemed the Kiawah River was part of the ocean overflowing onto Capt. Sam’s Spit. Mr. Jordan stated that the high tides and rain had caused some erosion of the inlet impacting the Seabrook’s recent project more than the Kiawah side. She also called attention to the Beachwalker Park’s boardwalk. She pointed out many issues and suggested the Environmental Committee study to see if the Town has any options to request a restructure of the boardwalk.

**Dennis McGill – 100 Pleasant Valley Drive**

Mr. McGill commented on the Town's process for approval of its contracts and why the contracts or the recent repayment agreements were not brought before Council for approval.

**Wendy Kulick – 38 Marsh Edge Lane**

Mrs. Kulick noted an earlier comment on meetings to be held with the Municipal Center architects and questioned why they are not held in public. She indicated that it gives the appearance of non-transparency.

**Mayor Lipuma stated that his meeting was to obtain clarification on and that the questions and answers would be brought up at the next Municipal Center Committee Meeting.**

**Mr. Rhoad reviewed what the Freedom of Information Act considers to be a public meeting.**

**XIII. Council Member Comments:**

**Mr. Weaver** commented by thanking staff for their efforts over the last few days. He indicated that there will be meetings with the Community Association and other entities to discuss positives, negatives and what needs to be change for the future. He also reviewed decisions made, some unpopular, and steps that were taken to insure the public safety.

**Mrs. Johnson** thanked KICA, Town staff, and Council especially Mr. Weaver. She commented on how well the entities communicated and worked together to keep residents and guests safe and informed. Mayor Lipuma echoed Mrs. Johnson's comments.

**Mr. Labriola** – no additional comment

**Mr. Wilson** - no additional comment

**Mrs. Johnson made a motion to move into Executive Session to review the status of the McGill law suit and receive legal advice on the same, to review the status of the Salthouse law suits and receive legal advice on the same, and to discuss a contractual matter related to the KICA Municipal Center lease and to receive legal advice on the same. The motion was seconded by Mr. Wilson and was unanimously passed.**

**XIV. Executive Session:**

- A.** To Review the Status of the McGill Law Suit and Receive Legal Advice on the Same.
- B.** To Review the Status of the Salthouse Law Suits and Receive Legal Advice on the Same.
- C.** To discuss a contractual matter related to the KICA Municipal Center lease and to receive legal advice on the same

**Mayor Lipuma made a motion to move from Executive Session back to Regular Session. The Motion was seconded by Mr. Labriola and was unanimously passed.**

Upon returning from Executive Session, Mayor Lipuma stated that on items, A - To review the status of the McGill law suit and receive legal advice on the same and item, C - To discuss a contractual matter related to the KICA Municipal Center lease and to receive legal advice on the same, no votes were taken, no decisions were made or actions taken that would bind the town to a particular course of action.

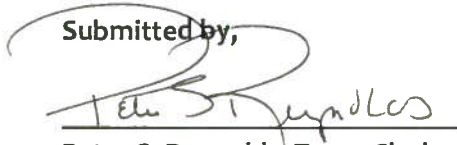
Mayor Lipuma made a motion to further explore a resolution to the Salthouse lawsuits and any resolution will be conducted in public session with a public vote. Mrs. Johnson seconded the motion was unanimously passed.



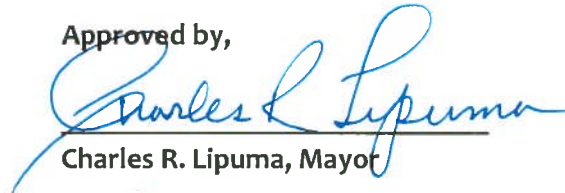
XV. Adjournment:

Mrs. Johnson motioned to adjourn the meeting at 6:26 pm. The motion was seconded by Mr. Weaver and carried unanimously.

Submitted by,

  
Petra S. Reynolds, Town Clerk

Approved by,

  
Charles R. Lipuma, Mayor

12/04/15  
Date