

# TOWN COUNCIL MEETING

Kiawah Island Municipal Center

Council Chambers

March 1, 2016; 2:00 PM

## MINUTES

I. **Call to Order:** Mayor Lipuma called the meeting to order at 2:00 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 Pro-Tempore  
Mary Q. Johnson  
John Wilson  
Craig Weaver

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

V. **Approval of Minutes:**

A. Minutes of the Town Council Retreat of January 20, 2016

The minutes of the January 20<sup>th</sup> Town Council Retreat were deferred to the next Town Council meeting.

B. Minutes of the Town Council Meeting of February 9, 2016

*Mr. Wilson motioned to approve the minutes of the February 9, 2016 Town Council Meeting as amended. The motion was seconded by Mr. Labriola.*

Mrs. Johnson made a correction to the amount that has been requested from the Conservancy.

*Following the discussion the minutes were unanimously passed.*

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

**Wendy Kulick – 38 Marsh Edge Lane**

Mrs. Kulick read a list of questions she prepared;

1. Why were the minutes for the Town Retreat and the February TC meeting not posted on line?
2. Will Council be holding public information meetings to discuss the 2011 and 2012 forensic accountant's reports, as it did for the 2013, 2014 and 2015 reports?
3. Previously, the Town has reported that one employee who was overpaid has not yet signed an agreement to repay monies which were not earned. Has that agreement been signed and has that employee begun repaying the Town? If the answer to this question is no, how is this anything other than insubordination? And if it is insubordination, why has this employee not been disciplined, up to and including termination?

4. *If I read the materials posted online for today's meeting, there was a reference to the Municipal Center meeting the guidelines of the ARB and KICA. Why would either the ARB or KICA have any jurisdiction over property which is not located on Kiawah Island?*
5. *In the past questions have been raised whether Mr. Rhoad has been overpaid as the Town's Attorney. If so, how much was the overpayment? Has all or part of it been repaid by Mr. Rhoad, as he announced he would do if that turned out to be the case?*
6. *When I requested copies of the 2011 & 2012 forensic accountant's reports on February 18, I was told they were not yet available because of a discrepancy, and that I needed to submit a FOIA request to receive them, which I did. I was told they would be sent to me electronically this coming Friday, March 4. Why will it have taken more than two weeks between my request and when I'm told the files will be available to address and correct the discrepancy?*

**Mayor Lipuma responded to Mrs. Kulick's questions by stating;**

**Item 1 – The minutes have not been completed due to the clerk being overwhelmed by a number of other tasks that needed to be finished. The minutes are essentially finished but Council has not had the opportunity to review them.**

**Item 2/6 – There will be a public information meeting held on March 4<sup>th</sup> at 4:00 pm where the Mayor will summarize the finding for the 2011/2012 Audit Report. He stated the delay in the release of the report was due to the discovery of a discrepancy in the 2011 report; therefore, it had to be returned to the forensic accountant for further review and revision.**

**Item 3 – Work on the repayment agreement is still a work in progress.**

**Item 4 – The ARB and KICA does not have any jurisdiction over the new property. The Town does not have signage ordinance; therefore, the Town felt if the new municipal center is built it would be prudent to use signage similar to the signage that exists inside the gate.**

**Item 5 – Mr. Rhoad has made full restitution in the amount of approximately \$26,000.00 to the Town for any overpayment. A signed agreement is available for public inspection.**

**RoniJo Abdella - SAFEbuilt**

Ms. Abdella spoke to the amended contract SAFEbuilt presented to the Town with the hope it will consider continuing to contract its building services through SAFEbuilt.

**VII. Old Business:**

A. None

**VIII. New Business:**

**A. Ordinance 2016-02 – An Ordinance to Amend Article 12, Section 12-62, Zoning Map, the Municipal Code of the Town of Kiawah Island and to Amend the Town of Kiawah Island Comprehensive Plan Land Use Element so as to Adopt a Land Use Planned Development Zoning District (PD-3)– First Reading**

Mayor Lipuma stated a Public Hearing on the proposed Municipal Center Planned Development was held at 1:30 today with two comments made. He indicated the comments were noted and reviewed following the meeting. The first reading would be “title only” with a second reading on March 8<sup>th</sup> after further reviews and revisions are completed.

**Mr. Labriola made a motion to approve the first reading of Ordinance 2016-02 to Amend Article 12, Section 12-62, Zoning Map, the Municipal Code of the Town of Kiawah Island and to Amend the Town of Kiawah Island Comprehensive Plan Land Use Element so as to Adopt a Land Use Planned Development Zoning District (PD-3). The motion was seconded by Mr. Weaver and unanimously passed.**

**B. KICA Offer to Buy Existing Municipal Center**

Mayor Lipuma stated the Town was in receipt of a letter from Mr. Schoenholz, Chairman of the Board of the Kiawah Island Community Association (KICA). The letter was an offer to purchase the current Municipal Center and property if the new Municipal Center Project is approved by Town Council.

Mr. Labriola gave a detailed explanation of the building appraisal done for the Town, the one done for the KICA and the assumptions made to account for the differences in the appraisal outcomes. He presented a letter from the Town’s appraiser in response to its request to summarize, reconcile and provide a detail of the differences in both appraisals. Mr. Labriola reviewed the two fundamental differences are;

1. The interpretation of the lease and what the lease rate would be
2. The interpretation of the comp and what the comp rate would be

Mr. Labriola stated the he and Mr. Wilson met with the members of the KICA board to discuss and agree upon a “fair market value” of the building and property. The KICA board unanimously supports the offer presented.

**Mr. Labriola made a motion to accept the offer provided by the Kiawah Island Community Association to purchase Town Hall and the associated property for \$1,575,000.00; authorize the Mayor, Town Administrator and Council to meet with the Kiawah Island Community Association Board to work out any technical and contractual issues of an agreement as soon as possible; building is sold “As-Is” and a “Cash Sale”; sale is contingent on Council approval of the Municipal Center Project and closing taking place 60 days after a certificate of Occupancy is received by the Town. The motion was seconded by Mr. Weaver.**

Mr. Wilson pointed out it was very important to have a supportable market sales price due to the fact that the Town can not give away assets to a private entity and KICA is a private entity.

**Following further discussion Town Council conducted a Roll Call Vote:**

<b>Mr. Weaver</b>	<b>Yes</b>
<b>Mrs. Johnson</b>	<b>Yes</b>
<b>Mr. Labriola</b>	<b>Yes</b>
<b>Mr. Wilson</b>	<b>Yes</b>
<b>Mayor Lipuma</b>	<b>Yes</b>

**The motion carried by a unanimous vote.**

**C. Municipal Center Project**

Mr. Labriola stated part of the discussion at the Council Retreat was a review of how Council determined the need for a new Municipal Center, purchase property and the progress of the

project to date. He presented a series of projected financial models that include the sale of Town Hall, a draft of a financial RFP to be released if the project is approved, project management and the re-composition of the Municipal Center Committee.

Mr. Labriola provided a detailed discussion of the proposed project budget.

### Proposed Municipal Center Project Budget

<b>Total Construction Cost</b>	<b>\$7,299,990</b>
<b>Project Development Cost:</b>	
Architectural Fees	\$438,000
Interior and Security Design, Civil and Land Planning, Geotechnical and Cost Estimate	\$196,300
<b>Total Project Development</b>	<b>\$634,300</b>
<b>Owners Cost:</b>	
Furniture	\$439,000
Moving and Misc. Expenses	\$250,700
Project Management Contract	\$230,000
<b>Total Owners' Cost</b>	<b>\$919,700</b>
<b>Contingency</b>	<b>\$396,000</b>
<b>PROPOSED PROJECT BUDGET</b>	<b>\$9,250,000</b>

*Mr. Labriola made a motion that Town Council approve the authorization for a proposed project budget for a new Municipal Center to be built on Betsy Kerrison Parkway not to exceed \$9,250,000.00 without Council approval; within the budgeted line items, any movement of funds will require review and approval of Council; total long term debt shall not exceed \$3 million and short term debt shall not exceed \$1.6 million and shall be paid immediately upon sale of Town Hall. The motion was seconded by Mayor Lipuma.*

Following further discussion Town Council conducted a Roll Call Vote:

Mr. Wilson	Yes
Mr. Labriola	Yes
Mrs. Johnson	Yes
Mr. Weaver	No
Mayor Lipuma	Yes

The motion carried by a 4 to 1 vote.

Mr. Labriola presented a review of the project bids received by the four General Contractors stating Thomas Construction Group was the lowest qualified bidder.

Town of Kiawah Island Municipal Center Project Cost 2/22/2016	CD Estimate 2/15/2016	Thomas Construction Bid Cost	HITT Construction Bid Cost	NBM Bid Cost	Vannog Construction Bid Cost
<b>Construction/Hard Cost</b>	<b>\$ 7,791,582</b>	<b>\$ 7,299,997</b>	<b>\$ 7,400,000</b>	<b>\$ 7,572,197</b>	<b>\$ 9,672,631</b>
<b>Project Development/ Soft Cost</b>					
Architectural Fees	438,000	438,000	438,000	438,000	438,000
Interior & Security Design, Civil & Land Planning, Geotechnical & Cost Estimate	196,300	196,300	196,300	196,300	196,300
<b>Total Project Development/ Soft Cost</b>	<b>634,300</b>	<b>634,300</b>	<b>634,300</b>	<b>634,300</b>	<b>634,300</b>
<b>Owner's Project Cost</b>					
Project Management, Furniture Moving, & Other Furniture & Fixtures	300,700 439,000	300,700 439,000	300,700 439,000	300,700 439,000	300,700 439,000
<b>Total Owner's Project Cost</b>	<b>739,700</b>	<b>739,700</b>	<b>739,700</b>	<b>739,700</b>	<b>739,700</b>
<b>Project Contingency-5%</b>	<b>411,529</b>	<b>396,715</b>	<b>401,715</b>	<b>410,325</b>	<b>515,347</b>
<b>MC Total Project Cost</b>	<b>\$ 9,577,111</b>	<b>\$ 9,070,712</b>	<b>\$ 9,175,715</b>	<b>\$ 9,356,522</b>	<b>\$ 11,561,978</b>

**Mr. Labriola made a motion to enter into a contract with Thomas Construction Group, Inc. to be the General Contractor of the Municipal Center project with a bid of \$7.3 million dollars to build a new Municipal Center. The motion was seconded by Mr. Weaver.**

**Following further discussion Town Council conducted a Roll Call Vote:**

<b>Mr. Weaver</b>	<b>Yes</b>
<b>Mrs. Johnson</b>	<b>Yes</b>
<b>Mr. Labriola</b>	<b>Yes</b>
<b>Mr. Wilson</b>	<b>Yes</b>
<b>Mayor Lipuma</b>	<b>Yes</b>

**The motion carried by a unanimous vote.**

Mr. Labriola stated the Financial RFP would be released to qualified lending institutions to provide the financing options for the project.

Mayor Lipuma indicated that three firms have been contacted to submit proposals for a contract project manager or management company. The recommendation should be ready for presentation and consideration at the next Ways and Means Committee meeting.

Mr. Labriola and Ms. Tillerson explained the changes that will be made to the Charter of the Municipal Center Committee. Members discussed the intent for the Committee to move forward to have oversight of the construction project and a defined approval authority.

#### **D. The Greenery Contract Proposal**

Ms. Tillerson stated The Greenery Contract proposal was reviewed and recommended at the February Ways and Means Committee meeting. With the current contract for landscape and maintenance expiring January 2016 an RFP (Request for Proposals) was released in November 2015. The Greenery was the single respondent and complied with the requirements of the RFP.

Ms. Tillerson indicated there were subsequent meetings to answer concerns and complaints. It was discovered that over the term of the previous contract there were a number of additions made and the current proposal is within \$20,000.00 of what is currently being paid. She stated it was the recommendation of staff and Ways and the Means Committee to approve the Greenery's Contract Proposal.

**Mayor Lipuma made a motion to recommend to Town Council the approval of the proposal from The Greenery for landscape and maintenance services in the amount of \$152,350.12 annually. The motion was seconded by Mrs. Johnson and unanimously passed.**

#### **E. Building Services Proposal**

Ms. Tillerson stated during the last twelve (12) months, the Town studied the impact of terminating its relationship with SAFEbuilt and handling all Building Services in-house. The subject matter was thoroughly discussed during the Town Council Strategic Planning meeting held on January 20, 2016, at which time SAFEbuilt was present and gave a presentation. She

reviewed the changes in the rate structures of the previous contracts and the current proposals, the ability to provide replacements for the services and staffing currently provided by SAFEbuilt and revenue projections for the coming year if Building Services are brought in-house.

Ms. Tillerson stated after a thorough review she believes the Town can provide the same level of quality building services to citizens and contractors without any interruption. She requested a recommendation to Town Council for approval of authorization to deliver the required 60 days written notice to terminate the Professional Services Agreement with SAFEbuilt as of June 30, 2016.

***Mayor Lipuma made a motion to recommend to Town Council to accept Ms. Tillerson's recommendation and authorize her to deliver the required 60 days written notice to terminate the Professional Services Agreement with SAFEbuilt. Mr. Wilson seconded the motion and was unanimously passed.***

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

**Mr. Wilson** reported the *Planning Commission* considered the zoning changes to the new Municipal Center site. He indicated the Commission's recommendations were well taken and should be incorporated into the final document.

**Mr. Labriola** stated as the Town proceeds with Municipal Center project he wanted acknowledge the remarkable contributions made by Mr. Warren, Mr. Permar and Mr. Prickett as members of the *Municipal Center Committee*.

**Mrs. Johnson** reviewed upcoming *Arts Council* events for the month of March and reported work on planning the 2016-2017 Arts Council and Cultural events season is ongoing.

Mrs. Johnson reported the *Environmental Committee* will meet on March 8<sup>th</sup>. Some the topics discussed in more detail will be the Wildlife Update that includes;

- **Winter Marsh Sparrow Study**
- **Winter Deer Spotlight Surveys**
- **2015 Beach Condition Report from Coastal Science and Engineering**
- **Dolphin Education Intern**
- **2016 Bobcat GPS Project**

**Mr. Weaver** reported on the St. Johns Fire District's long range strategic plans which include the rebuilding of fire stations and the replacement of apparatus. He indicated Stations 4 and 6 on Kiawah were originally slated to be refurbished and expanded to house additional personnel but further evaluation concluded demolition and new construction would be a more cost effective option.

Mr. Weaver reported the Communications Committee released an RFP for the redesign of the Town's Website. He stated at the last meeting the Committee reviewed the proposals. He indicated the final two firms were being evaluated and a specific recommendation would be presented to Council for consideration.

**X. Town Administrator's Report:**

Mr. Lameo gave an update on the boardwalks along the beach which were damaged during the high tides last year. He stated that of the thirteen privately owned boardwalks identified, the ARB has given approval to repairs on seven of the boardwalks. He stated that those have been or are in the process of being repaired along with the three KICA boardwalks. He noted there still had not been any response to the certified letters or calls and no repairs have been made to the remaining six. Mayor Lipuma inquired if the unresponsive owners could be issued a citation or an order to compel them to make repairs. He authorized Mr. Rhoad, the Town Attorney, to review the Town's Municipal Code and take any action allowed based on the fact the damaged boardwalks are a public safety hazard.

Ms. Tillerson stated a proposal was received from Gary Otter to remove the sailboat stranded on Capitan Sam's Spit in the amount of \$9,900.00. Since it was the lowest bid, and no other feasible options are available to have others pay for the removal, Mr. Otter will be contacted to begin the work as soon as possible.

**XI. Mayors Report:**

Mayor Lipuma expressed his pleasure with today's approval process of the sale of Town Hall and the approval of the new Municipal Center project. He stated he would immediately begin working with the Community Association and the Town Attorney to put together the terms of agreement for the sale.

**XII. Correspondence:**

None

**XIII. Citizen Comments:**

**Diane Lehder – 1082 Palm Warbler**

Mrs. Lehder questioned if Town employees still received a gas subsidy that was put in place when gas prices were so high and, if not, when it was discontinued.

**Mr. Tillerson stated it was not being paid to employees at this time but will research when it was discontinued.**

Mrs. Lehder stated she had been notified there were small surveying flags on the east end of Captains Sam's Spit that went to the water's edge and questioned if there was any knowledge of what was happening.

**Members had no knowledge but would consult Beach Patrol and convey any information.**

Mrs. Lehder confirmed the meeting and release on March 4<sup>th</sup> of the 2011-2012 Audit report and urged Council to delay the meeting or release the report immediately for public review.

**Wendy Kulick – 38 Marsh Edge Lane**

Mrs. Kulick complimented Mr. Labriola specifically, and the members of the Municipal Center Committee on the open, inclusive meetings that were conducted.

1. *When I have asked in the past about receiving answers to questions I and others have raised during TC meetings, I was told there is a file the Town maintains of all questions asked and their responses. I have reviewed questions and responses from January – August 2015. I would suggest two changes to this procedure to ensure the transparency this Council has said it supports:*
  - a. *At the TC meeting following the question(s) being asked, the Town reads its responses and includes them in the meeting materials packet.*
  - b. *Once the website is revised, all Q&A be posted there. This would also eliminate additional demands on the Town Clerk's time when people request to see the answers in person.*
2. *Previously, when copies of the forensic accountant's reports were available, all we had to do was a request a copy and it was e- mailed to us. Now I had to complete a form, NOT required by the State FOIA law I should mention, before this information would be provided. Why is this additional bureaucracy necessary?*

**Dennis McGill – 100 Pleasant Valley Drive**

Mr. McGill commented on the “Correspondence” item on the Town Council agenda. He asked for clarification on what constituted correspondence since he corresponded with the Town on many occasions and did not see them in that item.

Mr. McGill commented that he felt Executive Session item “B - To discuss a personnel matter of employment, disposition of accrued employee benefits, appointment, compensation, promotion, demotion, discipline or release of an employee by a public body” was not specific enough and not transparent.

Mr. McGill questioned why checks written by the Town Treasurer were not submitted for Council consideration and attached to a resolution for approval.

Mayor Lipuma stated correspondence items usually included letters written to the Town an example is thank you letters from applicants for contributions.

**Cheryl Love – 43 Greensward Road**

Ms. Love questioned if there would be any response on Mr. McGill’s comment on Executive Session Item “B”.

**IV. Council Member Comments:**

None

***Mr. Wilson made a motion to move into Executive Session to receive an update and Receive Legal Advice on the 2011-2012 Forensic Audit Report, to discuss a personnel matter of employment, disposition of accrued employee benefits, appointment, compensation, promotion, demotion, discipline or release of an employee by a public body and to receive legal advice on the status of the McGill lawsuit. The motion was seconded by Mr. Weaver and unanimously passed.***

**XV. Executive Session:**

- A. To receive an update and Receive Legal Advice on the 2011-2012 Forensic Audit Report



- B. To discuss a personnel matter of employment, disposition of accrued employee benefits, appointment, compensation, promotion, demotion, discipline or release of an employee by a public body
- C. To receive legal advice on the status of the McGill lawsuit

**Mr. Wilson made a motion to come out of Executive Session and return back to Regular Session. The motion was seconded by Mr. Labriola and unanimously passed.**

Upon returning from Executive Session, Mayor Lipuma stated that no decisions were made or actions taken that would bind the town to a particular course of action.

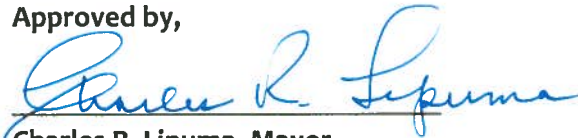
**XVI. Adjournment:**

**Mr. Labriola motioned to adjourn the meeting at 5:16 pm. The motion was seconded by Mr. Wilson and was unanimously approved.**

Respectfully submitted by,

  
Petra S. Reynolds, Town Clerk

Approved by,

  
Charles R. Lipuma, Mayor

04/11/16  
Date