

KIAWAH ISLAND  
**COMMUNITY**  
ASSOCIATION

**BOARD OF DIRECTORS**

**Meeting Minutes**

**May 3, 2021 at 1 p.m.**

**Virtual Meeting**

Board Members Present:

Dave Morley, Chair  
Jerry McGee, Vice Chair  
Alex Fernandez, Treasurer  
Sandy Devine, Secretary  
David DeStefano, Director

Brad McIlvain, Director  
Beth Zampino, Director  
Gaye Stathis, Director  
Townsend Clarkson, Developer Director

Staff Members Present:

Shannon White, Interim COO  
Johnny Wallace, Dir. of Finance/Admin

Leah Burris, Director of Communications  
Emily Jenkins, Communications Specialist

Member Attendees: 99

Recording of Meeting: <https://www.youtube.com/watch?v=eqQamO0MAGg>

Prior to member comments, Dave Morley announced changes to the member comments policy. The board asks that members limit their speaking time to 3 minutes per comment to allow all members to speak in a timely manner.

**1. Member Comments - Pre-Meeting**

- Sandcastle Family Structures – Positive comments (2) expressed about board reviewing this structure, as they do not have lineal family members to bring to the Sandcastle.
- Audience Agenda – Positive comment on new format for the board audience agenda.
- Family Pool – Positive comments (2) on heating of family pool.
- Wildlife – Member comment about visitors feeding alligators, littering & harassing birds.
- Wendy Kulick – Member comments (2) thanking Wendy for her long-time service to the Kiawah community.



May 03, 2021

- Board Minutes – Member comments (3) that board minutes are missing from the website.
  - Sandy Devine – Working on cleaning this up now & establishing process.
- Questions re: lawsuit against KICA & the resignation of COO Jimmy Bailey.
  - Dave Morley – To include in chair’s opening comments

## 2. Call to Order

Chair Dave Morley called the meeting of the Kiawah Island Community Association Board of Directors to order.

## 3. Chair’s Comments

Welcome everyone to the May Public meeting.

- KICA members completed a petition to overturn the vote to expand the board. That petition fell short of the requirements. After the results were made public, a lawsuit was filed on behalf of 3 members as representing the community. On advice of counsel, the board won’t comment on the ongoing lawsuit. Board has Directors & Officers (D&O) Insurance that will cover the expenses after a \$25,000 deductible.
- Jimmy Bailey resigned after 9 years of service. Encourage members to read Jimmy’s farewell letter. He recounted the board dynamics as the reason for his and former board chair, Diana Mezzanote’s resignations. We’ve agreed as a board on a process to learn from these experiences. Once complete, we’ll come back to you with findings. No additional comments on this until that process is complete.
- We’re lucky to have Shannon White as an extremely capable successor to Jimmy. Please welcome her warmly in her new role.
- We’ll make a decision today on heating the family pool & letting Preserve residents choose their landscaping standard. At the board retreat, amenities strategies and governance structures will be discussed. Discuss improving responses to emails received from community members between meetings. Road quality strategy will be presented at our next public board meeting and landscaping quality strategy will be discussed sometime in the fall.
- New item to formal meetings where we discuss a strategic plan item at each meeting. Today’s topic will be Infrastructure.



#### 4. Administrative

##### a. Ratification of E-Vote – Binding of Insurance (Vote)

Shannon White stated that KICA's property insurance was reviewed by the Finance Committee on April 21 with insurance broker Aon. On April 22, the board voted electronically to bind insurance. The insurance needed to be bound by May 1.

Dave Morley called a vote in favor of the binding of KICA's property insurance. **Vote unanimously passed (9-0).**

#### 5. Reports

##### a. COO's Report – Shannon White

- PGA Championship update - Two weeks out.
  - Review of current actions with Land Management plantings & credential mailings.
  - Tony Elder is the PGA point person for KICA. Questions through him and he will be on-island during the championship.
- COVID
  - Last COVID positive employee was in March.
  - 46 Employees have received at least 1 dose of a vaccine. Incentive program to encourage employees to get vaccinated.
  - Assess COVID protocols regularly. We've been meeting with other entities, reviewing state and town guidelines. Contracted with MUSC Back-2-Business program for their recommendations.
- Employee Vacancies
  - Continuing to struggle to fill positions, like many area entities and overall Charleston community. 11 FT open positions.
  - Recreation - final interviews with three outstanding candidates and we have made an offer to one candidate. Currently in negotiations. Hope to have in place by the Memorial Day holiday.

##### b. Treasurer's Report – Alex Fernandez

- Financial statements for the quarter. Positive variance of 6%. Sounds small but that's \$800,000. Principally, generated by the real estate sales. \$680,000 over budget on transaction fees.



- Commercial access fees: the amount of activity, new construction on the island. These fees are way up \$229,000.
- Expenses are down 15% or \$460,000. \$250,000 is payroll, with those open positions.
- Financials aren't up on the website. We've got to get those up 20 days after close of the month and we're not meeting that. We're looking at the format to make that easier for Johnny and his staff to produce. More information in 30-60 days.
- Finance Committee meeting. We dug into insurance issues and made recommendations. Long list of goals. Review all financial policies. Meetings are once a month for the next few months - last Wednesday of every month.
- Next meeting is investment policy - May 26 at 10 a.m.
- Auditors - present auditor firm has been with KICA since 2002. I believe we need a new set of eyes on our financials. Close to 20 years of the same firm has been doing this job. The annual audit is the board's only tool to ensure that the financials reflect the best actual result as well as our balance sheet.

**Motion.** Alex Fernandez made a motion to proceed with a Request for Proposal for auditing companies in 2021 and to exclude the present auditing firm. Motion was seconded by Brad McIlvain.

#### **Discussion**

The board discussed the Finance Committee's (FC) role. The FC did not take a vote on recommending this motion to the board. Alex noted that this is a board rather than a FC decision. Beth would have liked to have heard the FC's thoughts and what specific issues were driving this. Brad pointed out that the issue had been mentioned at the last FC meeting and that Alex had discovered a copy and paste error in KICA's audit in relation to the mortgage, where conditions changed and were not updated. Alex stated that the auditing firm was rebid in 2017, but KICA remained with the same firm. Townsend recommended that in the future, the Finance Committee, which is responsible for the budget and coordinating with the auditors, discuss financial motions to the board. Dave Morley agreed, pointing out that the FC has people with a lot of audit experience and understanding and the board could benefit from their expertise.



Dave Morley called a vote in favor of the putting KICA's auditing services out to bid.  
**Vote unanimously passed (9-0).**

## 6. New Business:

### a. Family Pool Heating (VOTE)

The board asked staff to work on a solution for heating the family pool and the costs associated. Expenses: total project \$144,500. (Electrical feed- \$30,000; site work - \$14,500; pump platform 40,000; landscape screening \$6,000; pumps and piping \$54,000.) There is a 20% contingency on each line item as work will not start immediately. Intent is to extend the swim season through the shoulder season (4 months), not to heat through the winter. Estimated heating cost is \$4,500-5,000 per month. The work has already been bid out. Electrical work would occur over the summer. Start project after Labor Day.

**Motion** - Alex Fernandez motioned to proceed with the proposal of heating the family pool at The Sandcastle as outlined. The motion was seconded by David DeStefano. No further discussion. **Vote unanimously passed (9-0).**

### b. Proposed Rule Changes (Discussion)

#### i. Mole Traps

This issue was brought to the board as an appeal of a staff decision. In late December, a member was injured by a mole trap, placed by a landscaper in a road right-of-way, that was adopted by a member. Staff does not believe them to be harmful, but the member has requested that KICA reconsider banning mechanical, spring-loaded mole traps from KICA common property, including KICA road rights-of-way. She believes they are dangerous to dogs, children and potentially wildlife. Two KICA staff members Doug Walter (Director of Land and Lakes Management) and Matt Hill (Lakes Supervisor and Biologist) provided written comments to the board, stating they do not believe they are harmful to children or small animals. They indicated concern that not allowing mole traps might lead to more chemical treatment, which could potentially harm non-target species.

#### **Discussion**



Board members discussed how the traps work & whether these were improperly installed. Increased chemical applications are a concern due to non-target species, like seen with the bobcat decline.

#### **Next Steps**

- Staff has been directed to reach out to the Kiawah Conservancy for their opinion on the traps.
- Staff has been directed to reach out to KIGR & KI Club about what they utilize on their properties.
- Doug Walter or Matt Hill is to come to a future KICA board meeting to provide additional input.

#### **ii. Sprinter Type Vehicles**

A discussion was had on permitting Sprinter-type vans at residential properties on the island. Current rules & regulations prohibit them. Recent problems being experienced by security at the main gate, in particular with guests & renters who are not familiar with the rules. Security experiencing negative reactions at the gate. Challenges to permitting include: change in neighborhood aesthetic, they are taller/longer than a large SUV so will they fit in parking spots/drives, and Sprinters may also be converted to RVs which are also prohibited.

#### **Discussion**

Security might like clarification on this, but we do not want to make the people at the gate's job really difficult. Differences between Sprinters for transportation and those that have been converted to RVs. Danger is that we are allowing RVs if we allow Sprinters. Possible solution - pass for a week for parking in the driveway but not permanently. We need to do a better job communicating about the current rules.

#### **Next Steps**

- Staff recommends discussing issue further with regime neighborhoods
- Staff recommends surveying community on change in aesthetic.
- Board requests to understand ARB's current regulations on these vehicles & whether driveways can accommodate.
- Tabled for future meeting.



### c. Sandcastle Family Structures (Discussion)

Two items were brought up from member comments at the 4-12-21 board meeting:

- 1) Equity between KICA members with large lineal families & KICA members with no lineal family. Those with no lineal family members pay guest fees for a sibling or friend to come to the Sandcastle, while KICA members with large lineal family members can have all their lineal family members use the facility with no additional fees.
- 2) Ensuring that KICA is up to date in its treatment & welcoming of modern family structures to the Sandcastle.

#### Discussion

Suggestion to permit members with no lineal family to have two people identified who may be treated as lineal family members. Must accept nontraditional family structures. Accompanied v unaccompanied guests needs to be reviewed. Suggest board determine end line and give over to staff for how to work through the details of managing the process. This is a pressing issue for the summer season.

**Motion** - Dave Morley made a motion to allow nontraditional families and a minimum of 2 people to be treated as lineal family members, on a temporary basis, until we come up with a full structure over the summer. Staff will determine details of execution. The motion was seconded by Jerry McGee. **Vote passed unanimously (9-0).**

### d. Strategic Plan Update - Infrastructure

The board has requested the COO give a strategic plan update at each meeting. Today's update is related to infrastructure initiatives.

- 1) Board led initiative. Leisure trail widened from Kiawah Beach Drive to first Flyway. 4 miles of trail taken from 8 feet to 10 feet width, completed by March 26.
- 2) Board led initiative. Water management projects.

In 2020:

- o Project 2 (pond 30) - Completed under budget. Added an outfall structure, positively impacting drainage. Berm added for flood impacts near fire station on Kiawah Island Parkway.



- Project 6 has three phases - dredging tidal inlet, KICA clean out and repair of pipes that aren't going to be reconfigured and reconfiguring of pipes. Significantly under budget. Dredging and KICA's pipe repair have been completed. Basin impacts Governors Drive from Vanderhorst mansion to Trumpet Creeper.

Fall 2021 - Restart after PGA and summer.

- Project 1 - Sea Marsh
- Project 3 - raising of KI Parkway at Green Dolphin Way. Small bowl that holds water.

In 2022

- Project 4 – V-gate drainage improvements, including a pump for the intersection.
- Project 5 - Halona Lane - supports drainage on Governor's Drive at Turtle Point Maintenance.
- Project 6 - Pipe reconfiguration in Trumpet Creeper basin.

All designs have been received on these projects and KICA's engineers are reviewing them. Permits will be submitted this week or next.

- 3) Drainage - KICA funds \$1 million per year in metal pipe replacement, which was put in by the original Kuwaiti developers. KICA has done almost all the major connections but there's a lot more of the smaller pipes.

**Board question:** Estimate on how much of the metal pipe has been replaced on the island.

- 4) Roadways - Define road standards on the island. Stantec Consulting assessed roadways in 2020, ranked from 'excellent' to 'poor.' KICA's board wants to examine a potential program to bring all roadways to excellent or good. This has been put that out to bid. Will go to finance committee for consideration and then back to the board for consideration.

## 7. Board Member Comments

- **Brad McIlvain** - Outstanding first meeting. There's a narrative that the board is completely broken and I think that's false. You can see that in this meeting, where every vote has been





unanimous. You can't have a unanimous vote if the board is broken. It was a very good discussion.

- **David DeStefano** - Agree. Like to thank Wendy, I think she's been a great asset and I'm going to miss her a lot.
- **Alex Fernandez** - Great top management team. I think we'll see a period of time when people blossom. Under Shannon's leadership, things are going to be better. I'm confident you and the team will do better than we have done.
- **Jerry McGee** - We're coming through a rough period but we're in the healing part now and making good progress.

Dave Morley stated that we do not adjourn the meeting until after the member comments. Reversed on board agenda. Please keep comments to three minutes.

## 8. Member Comments

- The Cape at Kiawah Island – Questions about the development, its access to the island and approval process.
  - Townsend Clarkson responded that this development was approved by town 4-5 months ago. Access during construction is via Beachwalker Drive. After development a portion will access through the main gate.
- Heating of Family Pool – Thank you for decision.
- Sandcastle Family Structures – Thank you for review.
- Oceanview Pool name – Question about whether the Oceanview Pool's name will be changed to the Adult Pool.
  - Dave Morley responded that we can discuss if we're going to change the name.
- Sandcastle Committee – Follow up on the proposal to create a Sandcastle committee. Was asked to provide names of volunteers - Carol Medendorp, SueEllen Hanon and Madeleine Kaye.
- Board retreat – Comment on board retreat & sharing with the community on strategic objectives. Additional comment on making board retreats open like Town Council retreats.
  - Dave Morley replied that making sure we report back is really important. We have a community discussion coming up at the beginning of June. Believes that's an excellent place to discuss what we're looking at.



- Brad McIlvain added that we should summarize what's coming out of the board's upcoming retreat and provide so community members may provide feedback.
- Age at Oceanview Pool – Question on when & why the Oceanview Pool's age limit was raised from 18 to 21 years of age.
  - David DeStefano stated that there was a lot of push to raise it to 21, especially because of the alcohol. Believe it was the summer of 2019 the change was made.
  - Dave Morley stated that the decision would be reviewed.
- KICA Website – Comment that the website needs to be updated, including an outdated photo of the KICA board. Also minutes & financials need to be updated.
- Town Initiative on Carbon Footprint – Is the board supporting this initiative? Making a switch away from gas powered blowers seems appropriate.
  - Dave Morley responded that the KICA board endorses this Town initiative & will be participating.
- KICA Rules & Regs – where to locate them?
  - KICA website – About KICA / Governing Documents
- Interim COO appointment – Comments (2) that the board has a responsibility to the members to perform a full search for the COO replacement.
  - Dave Morley responded that the board intends to make a decision by year end. They hope the interim title Shannon White holds will be changed to a permanent title.
- Audit Committee – Comment that KICA needs to establish an audit committee, separate from the finance committee.
- Roger Warren – Question about why Roger Warren was not participating today.
  - Dave Morley answered that Bill Goodwin and Roger had a meeting and decided that they did not want to participate as an adjunct member of the board. They would support a permanent board seat as long as it wasn't at the expense of the developer. That will take a vote of the membership and we'll move that along.
- Wildlife – Member comment about visitors feeding alligators, littering & harassing birds.
  - Shannon White stated that Ed Monahan & Tony Elder would be in contact with the member.
- Member Feedback – Comment about the board not listening to member feedback received at the February or March meetings.



- V-Gate Traffic – Comment that traffic at the V-gate is starting to back up. Security personnel are not stopping traffic in the left lane, making it tough to utilize the right lane without getting side swiped.
  - Shannon White responded that Tony Elder would review traffic direction at the V-gate and address it with his staff if needed.

9. **Adjourn** - With no further business, the meeting adjourned at 3:22 p.m.

Respectfully submitted,

