

# Town of Indian Shores

19305 Gulf Boulevard, Indian Shores, FL 33785  
ph 727.595.4020 fax 727.596.0050

[www.myindianshores.com](http://www.myindianshores.com)



## TOWN COUNCIL WORKSHOP

MINUTES - MARCH 14, 2012

**INDIAN SHORES TOWN COUNCIL WORKSHOP MEETING convened at 5:04 P.M.**  
**Those present were Mayor Lawrence, Vice Mayor Herndon, Councilor Smith, Councilor Sutch and Councilor Irelan.**

**Also Present: Chief Williams, Town Administrator; Marcia Grantham, Town Clerk; Mary Karayianes, Director of Finance; Anne Miller.**

**1.0 Consideration of final "zero" Change Order between the Town and Hennessy Construction Company to close out the Municipal Center project.**

*Chief Williams advised the Mayor has the draft document that lead to this Memo, and reflects the actual change in the Contract to incorporate all this information.*

*Chief Williams reported that on 11/9/2011 he had sent a letter to Bronson Alexander, President and CEO of Hennessy Construction, reacting to Change Orders #29, #30 and #31, and putting us on notice that a meeting was being requested for arbitration with Steve Vinci, Architect, which is the first step for arbitration. Chief Williams also reported on 11/11/2011 he sent a letter to Bronson Alexander putting him on notice of accrual of liquidated damages amounting to approximately \$300,000.00.*

*Chief Williams advised that Bronson Alexander had asked if it was appropriate for the liquidated damages to run thru total job completion or substantial completion, and the Chief ask the architect to take damages out of play beyond the date of substantial completion.*

James J. Lawrence  
Mayor

Joan G. Herndon  
Vice Mayor

Carole Irelan  
Councilor

Steve Sutch  
Councilor

William F. Smith  
Councilor

E.D. Williams  
Town Administrator  
Chief of Police

Mary Karayianes  
Director of Finance  
and Personnel

Marcia Grantham  
Town Clerk

James Yacavone  
Town Attorney

Lawrence G. Nayman  
Building Code  
Administrator

**Town Council Workshop Minutes**  
**March 14, 2012 - Page 2**

**Chief Williams** stated he met with Bronson Alexander and they both came to an agreement based on consultation with the Town's construction attorney, noting he had conferred with Steve Vinci, Larry Nayman, Building Official and Mr. Morris, the construction attorney. **Chief Williams** advised that Bronson Alexander stated he would run this by his CFO and if all looked good they would zero it out and it would be a done deal.

**Chief Williams** reported that he met again a couple weeks ago with Bronson Alexander, wherein he stated he was good with the zeroing out, and I concurred, however I advised that the Town Council has the final say. **Chief Williams** further reported that they submitted it by a final change order which reads: **"Documentation to finalize the Agreement made between the Town of Indian Shores and Hennessy Construction Services in which the Town of Indian Shores waives their contractual right to assess liquidated damages in exchange for Hennessy Construction Services voiding change order request #29 Truss Bearing Plates Added Scope, #30 Roof Sheathing Added Scope, and #31 Metal Trusses Added Scope in the amount of \$48,310.71, \$44,719.83 and \$274,053.51 respectively. Cover sheets for the voided change order requests are attached to this document"**.

**Chief Williams** stated he had forwarded the language to the construction attorney and he added the following verbiage: **"and Hennessy Construction Services waives and releases any claim for any claimed extras or extra work"**.

**Chief Williams** stated this language was agreeable to Hennessy and agreed to as a Staff. **Chief Williams** advised that should the Town have to appear before arbitration the legal fees and expert witness fees would be in the range of \$75,000.00 to \$100,000.00.

**Chief Williams** reported that all outstanding issues have been taken care of and Larry Nayman, Building Official has accepted. He noted the only other issue is the swale area out back and advised it was built according to plans and they showed them pictures 2 years ago and the standing water was the same. **Chief Williams** further reported he has watched the area and believes it is coming from double irrigation and it is our problem to fix. He also advised the Building Official is working with Mohammed to take care of some little issues, but they are separate and apart from Hennessy, and we hope to have the Certificate of Occupancy by end of the week.

**Chief Williams** addressed second part of the Memo reflecting net change order Add/Deletes noting the Town's changes amounting to \$43,208.30 covered the following: New Dais, audio sound system, floor, divider curtains.

**Town Council Workshop Minutes  
March 14, 2012 - Page 3**

**Chief Williams** reported the budget amendment (non-Hennessy Contract) of \$63,000.00 came from being over budget on the other side of the coin, as follows: \$25,000.00 - \$28,000.00 to hook up water and impact fee thru County; Fire District waived a portion of their fee; asbestos abatement; lighting overcharge and ancillary items.

**Chief Williams** stated that on the construction end there was less than 1% over budget.

**Mayor Lawrence** reported that **Chief Williams** has been laboring over this issue, and it has been quite impressive to see this work come to fruition. **Mayor Lawrence** stated he felt it would be difficult for the Town to sit in a court of law and show real monetary damages, as we were able to stay in the building, and believe it would be taking a chance to pursue any litigation.

**Chief Williams** stated the new Municipal Center was appraised at \$6.5 million, and he is proud of the building.

**It was a consensus of the Council members to move forward with the recommendation from Chief Williams to proceed with the final change order zeroing out any potential claims by either party.**

**2.0 Discussion of Town's insurance covering wind damage with Citizen's Insurance through the Mitchell Agency.**

**Mary Karayianes, Director of Finance,** reported working at length with Citizens' Insurance and Mitchell Insurance Agency to resolve a problem with the premium cost involving the windstorm coverage on the new Municipal Building.

**The Director of Finance** further reported the premium was quoted as being \$23,645.00, and was readjusted to \$11,088.00, as they did not properly rate the building.

**The Director of Finance** also reported the deductible would be 3% of the value of the building, which would equal approximately \$193,530.00, and **Chief Williams** suggested the Council consider self-insuring for the deductible when funds are received from Crown Castle.

***Town Council Workshop Minutes  
March 14, 2012 - Page 4***

***Councilor Smith*** advised of QBE, an insurance company he works with for other condos, noting they might give an estimate for the Municipal Center.

***The Director of Finance*** advised she would make the quarterly payment and further research the QBE Company for additional information.

***INDIAN SHORES TOWN COUNCIL WORKSHOP MEETING adjourned at 5:45 P.M.***

  
**MARCIA GRANTHAM, CMC**  
***Town Clerk***