

**TOWN OF MOUNT PLEASANT, SOUTH CAROLINA
FINANCE COMMITTEE
Monday, March 4, 2019**

**Municipal Complex, Committee Meeting Room, 3rd Floor
100 Ann Edwards Lane
Mount Pleasant, SC 29464**

MINUTES

Members Present: Tom O'Rourke, Chair; Gary Santos, Kathy Landing, Joe Bustos

Staff Present: Eric DeMoura, Town Administrator, Marcy Cotov, Chief Financial Officer

Also Present: Christiane Farrell, Assistant Town Administrator

Mr. O'Rourke called the meeting to order at 9:53 a.m.

1. Approval of Minutes from the [February 4, 2019](#) meeting

Mr. Bustos moved for approval of the minutes; motion seconded by Mr. Santos. Motion carried.

2. Public Comments

[None]

3. Employee years of service recognition

Christiane Farrell stated that since there was no Human Resources (HR) Committee meeting for she was using the Finance Committee Meeting as an opportunity to recognize one of the Town's HR employees. She recognized Brad Walbeck and thanked him for his five years of service with the Town. He started with the Town in 2014, on St. Patrick's Day. Brad Walbeck, who is also known as Benefits Brad, not to be confused with Brad Morrison, has been an HR professional for 20 years. The last five years with the Town, Mr. Walbeck could be credited with a couple of

significant accomplishments that have benefitted the Town, its employees and retirees. In 2017 the HR Committee recognized Mr. Walbeck for his role in creating an education campaign for retirees on the advantage of voluntarily switching from the Town's retiree health care plan to a Medicare reimbursement plan. The plan not only worked well for Town retirees, but it also saved the Town several hundred thousand dollars. Second, through a lot of education and working with employees, the Town has doubled the number of employees who are contributing to either a 401k or a 457 plan. When Mr. Walbeck started, the Town was at 108 participants, and now the Town is at about 220 participants. Ms. Farrell continued, that on a personal note, the amount of time and the knowledge that Mr. Walbeck shares with all staff members on health insurance benefits and on retirement benefits, has meant a lot to a lot of people. She also needed to recognize his acting abilities as evidence for anybody who has seen the HR360 videos. Ms. Farrell thanked Mr. Walbeck for his five years of service.

Mr. O'Rourke thanked Mr. Walbeck for the tremendous help he has been to him. He stated that people get a paycheck every other week, but that is just part of it; the benefits are so valuable. The reason Mr. O'Rourke likes the 401K and the 457 plan is that when staff are young one does not think about those benefits. When you are older, you look back and say you are glad you participated in those plans. That is a tribute to Mr. Walbeck. He knows how to advise our employees for when that happens. Mr. O'Rourke thanked Mr. Walbeck for his service.

Ms. Landing wanted to express that as former Human Resource Chair of that Committee, what a terrific job the whole department does. She especially noted savings on the healthcare side. She believes our country should be using a plan that is like the Town's healthcare plan. She stated that the HR Department does not get enough attention for what a great job they do and thanked them.

4. Discussion regarding the purchase of a fire ladder truck and pumper from Fund Balance

Mr. O'Rourke stated that the item for discussion is regarding the purchase of a fire ladder truck and pumper from General Fund Balance. He asked if we, as a community, are going to do this through the Committee process? He thought it unusual that the item has come to the Finance Committee. The Finance Committee pays for things, they do not decide need. He stated that he is on the Fire Committee.

Mr. DeMoura stated that the item arrived because of an action of Council at the last meeting. Council felt the discussion was warranted at Finance Committee. It is also on the Fire Committee Agenda.

Mr. O'Rourke stated that the Committee should talk about the financial terms of this item. If the Fire Committee, and then full Council, thinks the item is needed, then we find the finances to make that happen.

Mr. Santos commented that in speaking to upper tier Fire Department employees about the situation, the number one concern was the salaries of the firemen. The Town offers good wages for new firefighters who join, and sometimes they come in higher than ones that have already been there two or three years. Overall, the number one concern in the Fire Department is trying to get those two to three-year firefighter's salaries moved up before they go out and get assets like fire trucks.

Mr. DeMoura thanked Mr. Santos for his comment. Fair wages have always been important to the Town administrative staff. It has historically been important to Council as well. Every four years the Town has committed as an organization to perform a wage and classification study. That comes back with a price tag because over the course of four years, history has shown that the Town has fallen behind a little when comparing each position against the marketplace with competing organizations. Council has every time turned around and funded the results of that study to get employees to a good level, and four years later we do the same thing to keep at that level. Mr. DeMoura stated that Mr. Santos had important information and thanked him for sharing. Mr. DeMoura stated he was not aware of that scenario, or how that can happen, but it may occur.

Mr. O'Rourke asked if Mr. Santos is currently on the Fire Committee.

Mr. Santos stated that he is not, but he was Chairman two times.

Mr. O'Rourke stated that Mr. Santos had good points, but the job of the Finance Committee is our recommendation to the rest of Council members on buying a truck from Fund Balance. That is the Committee responsibility right now.

Mr. Santos stated that he recommended waiting until a study was done to make sure and that wages are the most important thing that the Fire Department needs now.

Mr. O'Rourke asked if Mr. Santos could go to the Fire Committee meeting and state his recommendation. He said that is in the content of what the Fire Committee will be discussing. The Finance Committee is where to decide if the Town can pay for it.

Ms. Landing stated that the purchasing a fire ladder truck, was one of the items discussed at the Retreat and at the last Council meeting. She said there was a slide that showed how the population has grown substantially, but the Town assets have stayed the same. It was noted that the number of hook and ladder trucks have gone down by one. She asked if population alone is the best indicator was for what the Town has and what it needs? She suggested Chief Mixon and others who are in position to know the needs, review the demands and call history. Ms. Landing stated that the calls have been related to EMS issues as opposed to high rise buildings. She wanted to ensure the conversation was relevant not only to how much the population increases. She stated the Committee needed to hear from experts in the field.

Mr. O'Rourke stated that was a great point and noted that Mr. Brimmer was in attendance but stated that is not the Finance Committee decision right now.

Ms. Landing stated that those were her reasons about why the Committee should not discuss it right now.

Mr. Bustos stated that for the item to come to Finance Committee first is

out of order. He believed the Fire Committee needs to look and see if there is justification. The Police Department once did it by growth, but that was unsustainable, so it was done away. Mr. Bustos believed that before they vote on the item at the Finance Committee, they need to see the justification and order of magnitude for which vehicles that the Fire Department recommends. Once that is done, the Committee will look for the money. He stated there needed to be a justification first.

Mr. O'Rourke asked how much the vehicle cost.

Mr. DeMoura stated they range from \$700,000-\$800,000 for a pumper at and more if you add equipment. Ladder trucks are in the \$1.3 million range.

Mr. O'Rourke stated that he would like to talk about the delicacy of Fund Balance. The Committee must be careful that Fund Balance does not become a revenue source. Fund Balance, once it gets depleted, could hurt the Town's bond rating, could hurt the percentage rate when paying back bonds, and he cautioned the Committee from jumping in fund balance all the time. If the need comes out for anything in the community, it is incumbent upon the Finance Committee to determine how it is going to fund it. Mr. O'Rourke agreed with Mr. Bustos that they needed to go through the correct process. He stated that after the Fire Committee discussed it, then it would go to Council and then if a need arises, and the full Council agrees, the Committee must determine how it will get done. It should not be determined at this meeting.

Kevin Cunnane, 3032 River Vista Way stated that he put the item on the Agenda for the Council meeting, and it got tabled back to Committee. The reason he put it on the Council meeting was that after two months the Town did not have a Fire Committee meeting. There were various reasons. January was New Years, butting up against the meeting day, and he did not remember why it was not held in February. They did have four months of hearings and looked deeply at where the Town was with its Fire service. The ladder is in the five-year strategic plan. It is a question of do we wait five years out? He continued that they saw at

the retreat, 89% of the last strategic plan was accomplished. He stated that means there is 11% somewhere, or a portion that which did not get accomplished within the five years. Because of the issues that were brought to the Town by the Chief, it is urgent, and it needs be pushed to the beginning of the five-year plan, which would be the ladder. The engine pumper purchase is another matter. In September they went over the apparatus fleet. They have a 13-year-old engine pumper that covers the Patriot's Point area on Mathis Ferry. There are places that can do it with a 30-year-old pumper but those are little tiny towns that do not have much running. That is the most active engine. With the age of the pumper in service, it is urgent. He also agreed with Mr. Santos 100%. The Town needs to pay its people properly, but they are not going to pay them out of Fund Balance.

Mr. O'Rourke stated that is not an item for the Finance Committee.

Mr. Cunnane stated that Fund Balance comes from savings over the course of many years. Ms. Landing referenced a chart that showed the flat apparatus inventory. She saw that the Fire Department went from four ladders to two. There were reasons why that happened. Mr. Cunnane did not want to say that it was a reckless move. He stated that the fact remains that there were four and now there are two.

Mr. O'Rourke stated that the Committee agenda item was discussed regarding the purchase of a fire ladder truck. He stated that now they can move on to the next item.

5. Discussion regarding the pursuit of a SAFER grant for the hiring of firefighters.

Staffing for Adequate Fire and Emergency Response (SAFER) Grant

2018 Grant application closes March 22, 2019

Three year award

Year 1	10-1-2019 to 9-30-2020	Federal Grant 75%	Local Match 25%
Year 2	10-1-2020 to 9-30-2021	Federal Grant 75%	Local Match 25%
Year 3	10-1-2021 to 9-30-2022	Federal Grant 35%	Local Match 65%
Year 4	Local support 100%, non-supplant		

Estimated three-year total

Federal Grant	\$1,534,903	Local Match	\$957,525
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Grant

Available every year
 Only for new (non-experienced) firefighters; does not include required Academy
 Does not include one-time equipment cost or on-going expenditures (e.g., training)

TOWN OF MOUNT PLEASANT, S.C.

Ms. Cotov stated that The Staffing for Adequate Fire and Emergency Response Grant (SAFER) Grant is a grant that can be applied for annually. 2018 grant applications are due on March 22, 2019. The grant follows the Federal fiscal year of October 1st to September 30th. The grant is a three-year, matching grant with the grant amount declining until the locality picks up 100% of the personnel costs. The grant is a 75/25% match for the first two years and then the Federal grant award is 35% and the locality picks up 65%. By year 4 it is 100% of the locality with a non-supplant clause. The estimated three-year grant total is \$1.5 million for 15 new firefighters.

Ms. Landing asked if this was related to FEMA.

Ms. Cotov stated that it does fall under that umbrella.

Mr. Bustos stated that if he understands correctly, at the end, the Town must pay the entire 15 firefighters, pay and benefits?

Ms. Cotov replied in the affirmative.

Mr. Santos stated he would like to hear from the Fire Committee as to whether we need 15 firefighters before any decisions are made on the funding.

Ms. Landing stated that in corollary to Mr. Santo's comment, does there

have to be 15 firefighters? Can you apply for only what you need?

Ms. Cotov stated that she was correct, but the number 15 was used because 15 would be a minimum staffing of four for a ladder truck.

Mr. O'Rourke asked how the item got to the Finance Committee.

Mr. DeMoura stated it was direction of Council to discuss the matter.

Mr. O'Rourke stated that before the Committee approves it, they must have the Fire Committee, or Council, approve first, then it should go to the Finance Committee, where they can then decide on the payment. If the Fire Committee and Council agree we need 15 people, then we need to find the money for 15 people. He would feel more comfortable discussing it if the Fire Committee through the Fire staff get them to that point.

Ms. Landing stated the deadline is why this being discussed now. They are talking about something that is due in less than three weeks. It appears the Committee has another out of order process and it is causing the Committee not to know what to do with it. The Committee needs to hear from Chief Mixon, and Fire Committee first, then it should go to Finance.

Mr. O'Rourke stated that when you hurry, you make mistakes. If the Committee takes its time it may miss a window here and there, but the Town is going to be here 100 years from now and the Committee needs to be very careful. What that says is that we are committing in 4 years for an additional 15 people.

Mr. Santos stated that the Fire Committee has the same Agenda item. If needed, a special meeting may be called to beat the deadline.

Bob Brimmer, 2380 Parsonage Woods Lane, Chairman of Fire Committee, stated the item is also on the Fire Agenda. He stated that typically applying for grants does not require full Council's approval. Approval comes when they agree to accept the grant if it is awarded. The idea was that they would talk about that at Committee. If there is a need demonstrated, go ahead and give the approval for the application to be

done, and then if awarded to them down the road, the Finance Committee could then talk about the finances of covering the match and other items.

Mr. O'Rourke thanked Mr. Brimmer and stated that he gave good input.

Kevin Cunnane stated that he put the item on the Agenda because he knew there was a deadline but did not realize it was March 22. He stated they had four meetings that clearly showed where the Fire Department is at. It does not meet standards for high rise buildings at all, which is any hotel over six stories, though some departments call over four stories a high rise. The operation is different. You cannot hook up to a stand pipe with a three-person engine; it just cannot be done. Those are items for Fire, but there is a wild goose chase that happens with Committee, and he stated that he is glad it happened that way because once it went to Council, Council decided not to speak about it. Some items get a fast-track from any Committee right to Council; other things must go to five different Committees. Mr. Cunnane thinks the item is on three Agendas for the day.

Mr. O'Rourke stated that Mr. Cunnane put the item on the Agenda.

Mr. Cunnane stated that when it got tabled, he could not even discuss what it was at Council. It was squashed, and the debate was stopped.

Mr. O'Rourke stated that it will not be stopped today. He stated he wanted to compartmentalize the discussions. Fire discussions ought to be in Fire, Finance discussions ought to be in Finance.

6. Presentation by East Cooper Land Trust

Catherine Main, 1968 Oak Tree Lane, stated she wanted the Committee to consider doing a Resolution so that they can make their application to the Charleston County Greenbelt Program active. They submitted the application last Thursday. There must be a Resolution attached to the application from the municipality in which the project is located. She stated this project is the Geechie Dock and it is within the town limits of Mount Pleasant. She said there is about \$1.7 million allocated to the

jurisdiction of Mount Pleasant. For them to apply for any of that money, they must get a Resolution from the Town. They would have to have it at the March 12 meeting to attach it to the application to keep it active. They would need a motion to come out of the Finance Committee today to take to full Council for a vote. She drafted some language for a Resolution, and it can be edited. Basically, they need permission to apply. The reason it is important is that there have been a lot of discussions about the Wando Dock and it has been a complicated project that may go forward or not. If it goes forward, she was not sure if it will be permanently protected. Permanently protecting the seafood industry land is important because one does not know what a future Council is going to do and if you are sitting on a \$10 million piece of property for 20 years and 30 years, you do not know what the town is going to look like in 100 years. A piece of property like some of the waterfront properties are going to be very valuable, and if they do not get permanently protected, they are not going to be able to sustain themselves. They have come up with some good terms of what the landowner of the Geechie Dock wants with some restrictions for the property that will save the seafood industry, and he is willing and wanting to work with them right now. He is excited about it and feels like they need to jump on this, and not lose this opportunity. This could be their last chance.

Mr. O'Rourke stated that East Cooper Land Trust has applied for the Town's money.

Ms. Main stated that it is in the Town's jurisdiction. The Town is the gatekeeper of the funding because they are in the municipality, but the way the Greenbelt Fund was set up is there are urban funds and rural funds. Each municipality has a bucket of funds that are devoted to that municipality. People not in that municipality can apply for the funding but they must have a Resolution.

Mr. O'Rourke stated the municipality can apply for those funds and get them without a land trust or without anyone else involved.

Ms. Main replied in the affirmative.

Mr. O'Rourke stated that they are a Council with nine people, with nine different ideas and thoughts. They have a staff that has a list of projects that may or may not be a part of Greenbelt funding, and if they come in and apply for money, that discussion is lost. Mr. O'Rourke asked Ms. Farrell, the Town's representative to the Greenbelt Board, to come to the podium.

Mr. DeMoura replied in the affirmative.

Mr. O'Rourke asked how much money is in that fund?

Ms. Farrell responded that there is \$1.7 million.

Mr. O'Rourke asked how long they have to spend that money?

Ms. Farrell responded for the life of it, until it is spent.

Mr. O'Rourke responded 25 years, probably.

Ms. Farrell responded that it is a combination of monies from the first sales tax, which there is a little left over where they are still accruing through the sales tax and then the second one which is a 25-year program.

Mr. O'Rourke asked how much money is collected each year?

Ms. Farrell responded that they estimate they will bring in about \$500,000. She stated that for the life of both the first and the second, Mount Pleasant municipality should have about \$23 million.

Mr. O'Rourke asked Mr. DeMoura if he knew if we could bond that.

Mr. DeMoura responded that we could.

Mr. O'Rourke asked that if we look at a total sum of money provided by the Greenbelt Board, because that is their Ordinance, can the Council then come up with a project that it deems benefitting the entire community and bond using those proceeds to pay for that?

Mr. DeMoura replied in the affirmative, if the Town meets certain debt capacity requirements.

Mr. O'Rourke stated that they have many options as a Town with the

money, and it is great to have land trust to work with, but it does not feel like they are working together. He stated that it feels like they came in, applied for Town money and are putting pressure on the Town to make it happen. As a Council they have not had a chance to decide what they think would benefit the Town.

Mr. Santos stated that dock space adjacent to Shem Creek will be dedicated to the commercial fishing fleet and no more than two boutique tour vessels. Mr. Santos asked what type of tour vessels are in mind?

Ms. Main replied that what the owner has in mind is ecotours, and he is looking at getting \$2,000 for ecotour boats, \$500 from a shrimp boat and so forth. He needs to make money while saving the seafood industry. He wanted to preserve most of the space for the seafood industry.

However, in 50 years he does not know what the seafood industry is going to look like. He wanted to be able to protect himself financially to be able to keep it sustainable. When an easement is written, it must be sustainable forever, so they were trying to craft language that would work for him and for the seafood industry. There is also language that says if the seafood industry does not exist, he could have other maritime commercial vessels there because we do not know what is going to happen to the seafood industry. It may go away for other reasons, but if they do not have ice and they do not have places to process their seafood, they are going to go away. The Town has great docks that they can park their boats, but where are they going to get their ice and other things they need? If they really want to save the seafood industry, they are quickly losing the opportunity. She stated that she knows many are supportive of the seafood industry, and it is iconic for the Town of Mount Pleasant. They cannot wait to see what is going to happen. In ten years it could be gone.

Mr. O'Rourke stated that he had not seen the application, and asked who will own this property?

Ms. Main stated the current Geechie Dock owner will own it.

Mr. O'Rourke asked how much the grant is for.

Ms. Main stated that it is \$1.3 million.

Mr. O'Rourke stated that we are paying \$1.3 million of our money for that gentleman to own that dock. What is the Town getting for that?

Ms. Main stated that the Town is getting the permanent protection of the seafood industry and the legacy of saying that the Town protected it, instead of not doing anything to protect it.

Mr. DeMoura stated that at a staff level they have issues about whether that is a valid use of Greenbelt funds, for that project. The Greenbelt fund is for the protection of land, so the Town needs more time to research whether docks even qualify for the purchase. He stated that Ms. Main may know the answer. In addition, they would have to know what if the easement applied to just the land, or to the docks as well. The staff needs more time to research, but they may run into difficulty with the Advisory Board that governs the money because it sounds like it is being utilized to protect an existing business. The money is to protect land. The Town is unsure if this is a legitimate funding source for the project.

Ms. Main stated that one of the key components of the Greenbelt Program is to protect heritage landscapes. Do we consider the seafood industry leaving a heritage landscape for the community? If not, then Mr. DeMoura is correct; it might not apply for Greenbelt funding. Ms. Main believes it is iconic for the community. When people come to the Charleston area and Mount Pleasant to eat seafood at Shem Creek, they want to see a shrimp boat. Ms. Main stated that if the Town does not agree with that, then maybe it is not a heritage landscape.

Mr. O'Rourke stated that he thought Mr. DeMoura was referring to the Greenbelt Bank Board, not the Town.

Ms. Main stated that if one reads the documentation of the Greenbelt Bank Board, heritage landscapes is one of the huge components of where the public has said they want funding and where the criteria has been set. Whether the Greenbelt Bank Board votes for that, she does not know, but if you read the documentation that they have written, it does

qualify. Ms. Main stated that other people may interpret it differently. Heritage landscape is what it says. It does not have to have trees on it to be a heritage landscape. Ms. Main continued that the East Cooper Land Trust was founded as part of an arm of the Town in 2002. The Town wanted to protect open spaces in the community, but the Town did not have its own staff to do that. The Town formed the East Cooper Land Trust. It was then called another name, but they are the same organization. It may appear that the East Cooper Land Trust has come in to take Town money, but they are a non-profit that was formed initially by the Town, and they continue to work under their own 501c3. She stated that they are doing it for the benefit of the Town. The Town does not have its own conservation staff. She has two other staff members, and this is the type of work they do all the time. She thinks 24/7 about conservation in the community. That is where she comes from and how she responds to Mr. O'Rourke's prior comment.

Ms. Landing thanked Ms. Main for reaching out to her several times and apologized for not getting back to her directly. She stated that she did read the letter and wanted to give an overall observation. Ms. Landing stated that when going back to the last communication on Ms. Main's part, it has come to a crescendo in the last week or so. Ms. Landing believes the Committee needs more time to look at everything. She stated that there is not enough information to decide today. Ms. Landing also stated that because she is new to politics she believes that when people bring items to the Committee that were mostly hitting on emotional touch points, it makes her want to back away. Ms. Landing believes it is not being done to make the best decision that benefits the Town overall. Ms. Landing felt that they were doing something to play on people's emotions. That was how the e-mails came across. Ms. Landing stated that a lot of times people do not know all the ins and outs of the Town's process so put these items in writing because they care and want to make sure we do the right thing. While that is appreciated, both sides may be missing a lot of necessary information.

7. Adjourn

There being no further business, the meeting was adjourned at 10:31 a.m.

Respectfully submitted by,

Gina Artrip

March 4, 2019