

**TOWN OF MOUNT PLEASANT, SOUTH CAROLINA
BUDGET COMMITTEE
Tuesday, April 30, 2019
Municipal Complex, Committee Meeting Room, 3rd Floor
100 Ann Edwards Lane
Mount Pleasant, SC 29464**

MINUTES

Members Present: Mayor Will Haynie, Bob Brimmer, Joe Bustos, Kevin Cunnane, Kathy Landing, Tom O'Rourke, Jim Owens, Gary Santos, Guang Ming Whitley

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

Mayor Haynie called the meeting to order at 10:00 a.m.

1. Approval of Minutes from the [March 22, 2019](#) meeting

Mr. Santos moved for approval of the minutes; motion seconded by Mr. Bustos. All present voted in favor.

2. Public Comments

[None]

3. Review of FY 2020 Budget Revenues and Expenditures

Mr. DeMoura recapped what was presented at the last Committee meeting with the following slides.

Proposed FY 2020 Budget – All Funds

TOWN OF MOUNT PLEASANT FISCAL YEAR 2020 PROPOSED BUDGET

Fund	BUDGET FY 2019	PROPOSED BUDGET FY 2020
GENERAL FUND	\$ 98,228,294	\$ 89,135,144
DEBT SERVICE FUND	8,285,739	9,964,903
STATE ACCOMMODATIONS TAX FUND	1,896,646	1,638,807
CAPITAL ASSET FUND	138,958,182	60,825,876
Less Interfund Transfers	(26,373,525)	(23,703,321)
TOTAL OF ALL FUNDS	\$ 220,995,336	\$ 137,861,409

TOWN OF MOUNT PLEASANT, S.C.



Proposed General Fund Revenues

REVENUES	BUDGET FY 2019	PROPOSED FY 2020	% CHANGE FROM FY 2019	\$ CHANGE FROM 2019
Property & Other Taxes	\$ 36,086,616	\$ 37,820,700	5%	\$ 1,734,084
Licenses & Permits	31,423,934	31,702,717	1%	278,783
State and Federal Grants	428,444	659,289	54%	230,845
Intergovernmental	2,016,688	2,323,457	15%	306,769
Charges for Services	4,298,517	4,476,309	4%	177,792
Fines & Forfeitures	520,080	448,153	-14%	(71,927)
Investment Earnings	394,196	429,350	9%	35,154
Rents & Royalties	430,000	399,525	-7%	(30,475)
Contributions & Donations	90,836	-	-100%	(90,836)
Sale of Capital Assets	100,000	75,000	-25%	(25,000)
Other Revenues	95,500	120,000	26%	24,500
Transfers In	6,079,611	6,269,029	3%	189,418
Fund Balance Usage	16,263,872	4,411,615	-73%	(11,852,257)
Total Revenues	\$ 98,228,294	\$ 89,135,144	-9%	\$ (9,093,150)

TOWN OF MOUNT PLEASANT, S.C.



Proposed General Fund Expenditures

EXPENDITURES	BUDGET FY 2019	PROPOSED FY 2020	% CHANGE FROM FY 2019	\$ CHANGE FROM 2019
General Government	\$ 7,454,073	\$ 7,312,837	-2%	\$ (141,236)
Municipal Court	1,037,938	1,093,341	5%	55,403
Legal	1,299,275	1,251,072	-4%	(48,203)
Planning & Development	3,276,047	3,487,552	6%	211,505
Non-departmental	14,958,670	8,460,550	-43%	(6,498,120)
Police	17,156,247	17,253,001	1%	96,754
Fire	12,183,736	12,604,933	3%	421,197
Public Services	13,787,132	13,725,689	0%	(61,443)
Transportation	1,393,519	1,394,446	0%	927
Recreation	7,824,878	7,359,758	-6%	(465,120)
Transfers Out	17,856,779	15,191,965	-15%	(2,664,814)
Total Expenditures	\$ 98,228,294	\$ 89,135,144	-9%	\$ (9,093,150)



4. An Ordinance to amend Chapter 51, Stormwater Management Utility Program, pertaining to base rate

Ms. Cotov presented the following slides.

Stormwater Program

Current Stormwater Program

Revenue	\$2,700,000	
Expenditures		
Staffing	\$1,200,000	
Pipe repair & rehab	750,000	half of annual \$1.5 million total
Ponds and other maintenance	300,000	
Lease purchase payment	50,000	FY 2020 last year
Operating expenditures	65,000	
Collection fees	55,000	2% of revenue
Snee Farm SRF	280,000	Reserve, full payment deferred

Must maintain revenue to debt ratio of 115%
 After 7 years, expenditures will exceed revenue



Stormwater Improvement Program

Proposed Stormwater Program

Revenue	\$4,400,000	\$40 fee increase w/escalator and cap
Expenditures		
Staffing	\$1,200,000	
Additional debt payment	1,400,000	\$20 million for Old Village & Hobcaw Point
Pipe repair & rehab	750,000	half of annual \$1.5 million total
Ponds and other maintenance	300,000	
Lease purchase payment	50,000	FY 2020 last year
Operating expenditures	65,000	
Collection fees	55,000	change to 1.25% of revenue
Snee Farm SRF	560,000	Full payment, reserved

Must maintain revenue to debt ratio of 115%
 Fund solvent for minimum of 15 years
 Allows for fourth stormwater improvement project borrowing in FY 2022

Financing Options

Available Financing Options

- General Obligation Bonds (GO Bonds)
 - Voter referendum or 8% capacity
- Stormwater Revenue Bonds
 - Specific pledge of revenue (stormwater)
- Installment Purchase Revenue Bonds (IPRB)
 - Can repay from any legally available revenues
 - No specific pledge of identified revenue source, hard asset is pledged as collateral
- Limited Obligation Bonds
 - Specific pledge of revenue, as well an appropriation of other funds (if revenue insufficient)

Available Revenues

Stormwater Revenue

- Current Stormwater Fee \$60 per equivalent residential unit (ERU) - \$2,700,000
- Each \$20 increase generates \$875,000
- Must maintain 115% revenue to debt ratio for Sneer Farm SRF

Millage

- Each mill generates \$900,000
- Each mill is an annual increase of \$18 on a residential home appraised at \$450,000

Other Revenues

SCDOT – Funding Request

- Edwards Park Drainage Improvements \$3.4 million
- Royal Avenue Drainage Improvements \$2.6 million

State Hazard Mitigation Grant (FEMA pass-through) pre-application

- Hobcaw Point: design and construction on top 3 basins \$1.6 million
- Stormwater Infrastructure Survey



There was discussion with Committee and Staff regarding the Stormwater Program, Stormwater Improvement Program, Financing Options and Available Revenues.

Mayor Haynie stated that this will be revisited in 90 days when the Town has more information, so they can make the best decision.

5. **A Resolution making declaration of intent to enter into Lease Purchase Agreement**

Ms. Cotov presented the following slide.

Resolution

Resolution declaring intent to lease-purchase large equipment for FY 2020

Public Services Department

• 2 Fully-Automated Packers	\$620,000
• 1 Bucket Truck	175,000
• 1 Small Refuse Truck	115,000
• 1 Lo-Boy Trailer	78,000

Police Department

• 1 Transit Van	<u>66,000</u>
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Total \$1,054,000

Requested borrowing \$1,026,655 to maintain level General Fund support



[Mr. Bustos left the meeting at 10:37 a.m. and returned at 10:40 a.m.]

There was discussion with the Committee and Staff regarding the Resolution.

Mr. Santos moved for approval; seconded by Ms. Whitley. All present voted in favor.

6. Approval of FY 2020 Budget Revenue and Expenditures

Mr. DeMoura presented the following slide.

Recommendations from Committees

Revenues

- As presented for all Funds except Capital Fund
- Capital Fund Revenues
 - Additional discussion on revenue to support Stormwater Improvement Program

Recommendation: *That the Budget Committee recommend to Town Council the revenues as presented plus any approved amendments from this meeting for the FY 2020 Budget.*

Expenditures

- As presented for all departments and funds except for Legal Department Operating
- Legal Department Operating
 - Additional discussion on expenditures at the May Committee meeting

Recommendation: *That the Budget Committee recommend to Town Council the expenditures as presented plus any approved amendments from this meeting for the Town of Mount Pleasant's FY 2019 Budget.*



There was discussion with the Committee and Staff regarding the Recommendations presented.

Mr. Brimmer moved for approval; seconded by Mr. Owens. All present voted in favor.

7. A Resolution to Establish an Electronic Payment Condition of Acceptance for the Town of Mount Pleasant

Ms. Cotov presented the following slide.

Credit Card Convenience Fees

Resolution to establish an electronic payment condition of acceptance

Current

- All gateway and merchant processor charges for all electronic payments are paid by the Town
- \$172,000 for FY 2018

Proposed

- Managed process
- 2.75% collected by vendor
 - Re-evaluated semi-annually
- Town does not profit



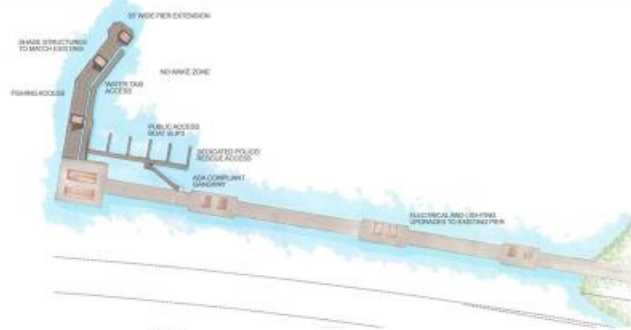
There was discussion with Committee and Staff regarding the Credit Card Convenience Fees.

Mr. Brimmer moved for approval; seconded by Ms. Whitley. All present voted in favor.

8. Discussion of Memorial Waterfront Park, Phase III, Capital Improvement Project

Mr. DeMoura presented the following slides.

Memorial Waterfront Park

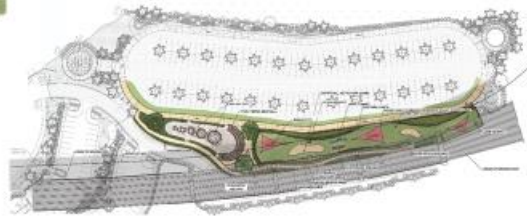


	<u>Funds remaining thru 3/31/19:</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>Future years</u>	<u>Total</u>
Phase 2								
TIF	\$ 4,935,583							\$ 4,935,583
State A-Tax	700,000							700,000
Fed Grant	1,200,000							1,200,000
Other	3,497							3,497
Hospitality-Recreation	-	800,000						800,000
Total Phase 2	\$ 6,839,080	\$ 800,000	-	-	-	-	-	\$ 7,639,080

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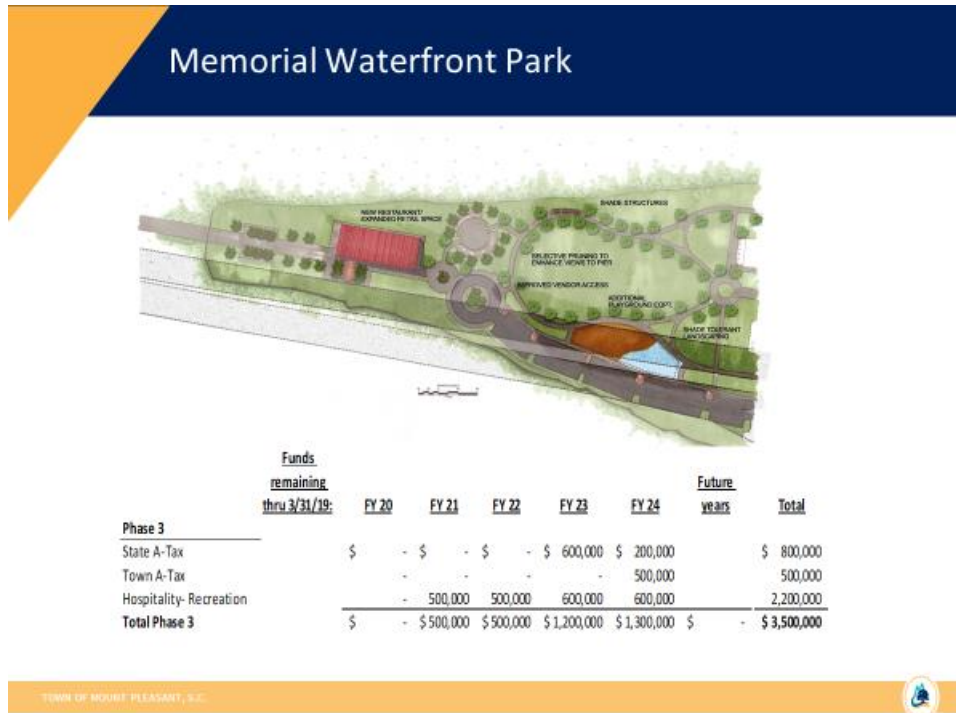
Memorial Waterfront Park



	<u>Funds remaining thru 3/31/19:</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>Future years</u>	<u>Total</u>
Phase 4								
Unfunded							4,200,000	\$ 4,200,000
Total Phase 4		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,200,000	\$ 4,200,000

TOWN OF MOUNT PLEASANT, S.C.





There was discussion with Committee and Staff regarding Memorial Waterfront Park.

Mr. Santos moved to approve going forward with the Pier; Mr. Cunnane seconded the motion.

Additional discussion was held by Committee and Staff members.

Mr. Santos withdrew his motion; Mr. Cunnane withdrew his second.

Mayor Haynie moved not to proceed with the project and to look at other uses for the TIF funding both in the district or to reallocate it to other Phases of the Park; motion was seconded by Mr. Bustos.

Additional discussion was held by Committee and Staff members.

Mayor Haynie called for a vote to halt the project and reallocate monies. *Ms. Landing, Mr. Bustos and Mayor Haynie were in favor.*

Mr. Brimmer, Mr. Cunnane, Mr. O'Rourke, Mr. Owens, Ms. Whitley and Mr. Santos were opposed.

Motion fails 3-6.

Ms. Whitley moved to shift monies to Phase II and Phase III; seconded by Mr. Owens.

Ms. Landing, Mr. Bustos, Mayor Haynie, Mr. Owens and Ms. Whitley were in favor.

Mr. Santos, Mr. Cunnane, Mr. O'Rourke and Mr. Brimmer were opposed.

Motion carries 5-4.

Mr. DeMoura presented the following slide.



The slide is titled "Next Steps" and is divided into three sections based on dates. The first section is for May 6th, the second for May 14th, and the third for June 11th. The date July 1, 2019 is listed as a separate section. The slide has a blue header with an orange triangle on the left and a white background for the text.

Next Steps

- May 6th – Police, Judicial and Legal Committee
 - Committee reviews and make recommendation on Legal Department Budget
- May 14th – Town Council
 - 2nd Reading and Adoption of FY 2020 Budget Ordinance
 - Adoption of Capital Improvement Plan Resolution
 - Adoption of General Fund Five-Year Financial Plan Resolution
 - Public Hearing on Stormwater Ordinance Amendment, if recommended by Committee
 - 1st Reading of Stormwater Ordinance Amendment
 - Adoption of Intent to enter into Lease-Purchase Agreement Resolution
 - Adoption to establish electronic payment condition of acceptance Resolution
- June 11th – Town Council
 - 2nd Reading of Stormwater Ordinance
 - Adoption of declaration of intent to issue revenue bonds Resolution
- July 1, 2019
 - Fiscal year 2020 begins

TOWN OF MOUNT PLEASANT, S.C. 

9. Adjourn

There being no further business, meeting was adjourned at 11:43 a.m.

Respectfully submitted by,
Gina Artrip
April 30, 2019