

**TOWN OF MOUNT PLEASANT, SOUTH CAROLINA
FINANCE COMMITTEE
Monday, October 1, 2018
Municipal Complex, Committee Meeting Room, 3rd Floor
100 Ann Edwards Lane, Mount Pleasant, SC 29464**

MINUTES

- PRESENT:** Tom O'Rourke, Chair; Joe Bustos, Kathy Landing and Gary Santos
- STAFF PRESENT:** Eric DeMoura, Town Administrator; Marcy Cotov, Chief Financial Officer
- ALSO PRESENT:** Cheryll Woods-Flowers, Chair, Shem Creek Task Force

Mr. O'Rourke called the meeting to order at 10:00 a.m.

1. Approval of Minutes from the [August 6, 2018](#) meeting

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

2. Public Comments

[None]

3. Review of Potential Funding Sources for the Stormwater Improvement Program

3. REVIEW OF POTENTIAL FUNDING SOURCES FOR THE STORMWATER IMPROVEMENT PROGRAM

STORMWATER IMPROVEMENT PROGRAM

- Snee Farm (construction phase)
- Old Village Drainage (design phase)
- Hobcaw Point (study phase)
- Next Study Areas
 - The Groves
 - Greenhill
 - Brookgreen
 - Shemwood I/Armsway
 - Six Mile areas
 - Remley's Point
 - The Isaac German Watershed
 - Bayview Acres
 - Hickory Shadows
 - Rosemead
 - Wakendaw
 - Cooper Estates/Millwood/Baytree
 - Old Village/Old Mount Pleasant

Ms. Cotov stated that the Stormwater Improvement Program is a three-step funding approach towards addressing the Town's Stormwater issues. The first step is an estimated \$100,000 per year to perform a study of an area. The second step is an estimated \$1 million to perform the design of the improvements. This could be for a portion of the area or the entire area, depending on the size and scope. The third step is the construction phase, which is estimated at \$10 million. Currently Snee Farm is in the construction phase, Old Village is in the design phase for two of its basins and Hobcaw Point is in the study phase. These current phases are funded. The construction phase of the Old Village and the design and construction phase of Hobcaw Point are not funded. There is \$100,000 per year in the five-year plan for additional studies which is the extent of the Town's funding at this point.

3. REVIEW OF POTENTIAL FUNDING SOURCES FOR THE STORMWATER IMPROVEMENT PROGRAM

POTENTIAL FUNDING SOURCES

- Stormwater Fees
- Stormwater funding from the Fund Balance Policy
- Municipal Facilities and Equipment Impact Fees
- Millage

Ms. Cotov stated what is not included is accommodations or hospitality tax, as they would require General Assembly changes at the state level to incorporate those funding sources. We are not including TIF, or Tax Increment Financing at this point, as it does require concurrence with the county and the school district, plus it would have to meet a series of three criteria. Also, not included is a Municipal Improvement District or MID, because that does require owner-occupied homes to agree to that taxing avenue.

3. REVIEW OF POTENTIAL FUNDING SOURCES FOR THE STORMWATER IMPROVEMENT PROGRAM

STORMWATER FUNDING FROM THE FUND BALANCE POLICY

- Authorized by Town of Mount Pleasant Fund Balance Policy
 - 50% of excess unassigned and undedicated fund balance be split between transportation and stormwater projects
- Economically sensitive revenue - \$2,300,000 five-year average
- Majority expended on pipe repair and rehabilitation
- FY 2019 Mid-year true-up early estimate - \$1,880,000

Ms. Cotov stated Stormwater fees are authorized by Code on all property owners in Town to provide direct and indirect benefits from having an improved and well-maintained system. Stormwater fees may be used to pay debt service.

3. REVIEW OF POTENTIAL FUNDING SOURCES FOR THE STORMWATER IMPROVEMENT PROGRAM

STORMWATER FEES

- Projected FY 2019 revenue at \$60 per ERU¹ = \$2.7 million
- Rate history
 - 1997 – 2007 \$18
 - 2008 – 2013 \$30
 - 2014 \$60
- Estimated revenue from a rate increase
 - Every \$20 increase generates approximately \$875,000
- Other local jurisdictions - residential

Charleston County	\$72	City of North Charleston	\$72	Summerville	\$72
City of Charleston	\$96	Berkeley County	\$36		

Ms. Cotov continued to explain that Stormwater fees are currently \$60 per year, per equivalent residential unit (ERU) and generate \$2.7 million. The fees began as \$18 per ERU, were increased in 2008 to \$30 per ERU and have been \$60 per ERU since 2014. Every additional \$20 in the fee rate generates approximately \$875,000. The residential Stormwater fees for some of our neighboring jurisdictions are shown at the bottom of the slide.

3. REVIEW OF POTENTIAL FUNDING SOURCES FOR THE STORMWATER IMPROVEMENT PROGRAM

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Ms. Cotov explained that the Town's Fund Balance Policy provides for a calculation of the General Fund's fund balance and half of available fund balance is transferred to the Capital Asset Fund and split between transportation and Stormwater projects. An estimate is included in each budget and then, after the fiscal year end, a true-up is performed and any additional is transferred during the mid-year budget adjustment. The average amount transferred over the last five years is \$2.3 million per year. The year-end audit is not complete; however, it is estimated that an additional \$1.9 million will be transferred at mid-year. The majority of these funds are budgeted on pipe repair and rehabilitation. This revenue is economically sensitive, as any changes to General Fund revenues can reduce the amount available in the General Fund's fund balance and is therefore not recommended to use as a reliable source of funding for the Stormwater Improvement Plan. *(Mr. Santos departed the meeting at 10:06 a.m.)*

3. REVIEW OF POTENTIAL FUNDING SOURCES FOR THE STORMWATER IMPROVEMENT PROGRAM

MUNICIPAL FACILITIES AND EQUIPMENT IMPACT FEE

- Authorized in Chapter 154: Development Impact Fees
 - § 154.04 (W) System Improvement Costs. The costs incurred for construction and reconstruction of system improvements, including design, acquisition, engineering and other costs attributable to the improvements, and also including the cost of providing additional public facilities needed to serve new growth and development.
- Not for upgrading, updating, expanding or replacing existing capital improvements to provide better service to existing development; needs to serve the whole system or due to growth and development.
- Volatile, development-driven
- Prior Year revenue was \$750,000

Ms. Cotov explained that Municipal Facilities and Equipment Impact fees can be expended for Stormwater projects; however, these funds cannot be used for repair and replacement. Impact fees can only be used to increase the system due to growth. So only portions of the Stormwater program that are addressing expansion due to growth could use impact fees. These fees can also be used for other types of municipal projects. Given that these fees are volatile, development-driven, and can only be used for expansion not repair, they are not recommended as a reliable source of funding for this program.

3. REVIEW OF POTENTIAL FUNDING SOURCES FOR THE STORMWATER IMPROVEMENT PROGRAM

MILLAGE

- One mill generates \$865,000
- Operating millage
 - Increase limited to increase in CPI + projected population increase
 - Millage bank available is 7.7 mills
- Debt millage
 - Operating mills supporting debt service in FY 2019 is 4 mills
- Tax Payer impact
 - Residential home \$450,000 = \$18 per mill
 - Amount changes with home assessment

Ms. Cotov explained that mileage is a possible source of funding for the Stormwater Improvement Program. Each mill generates \$865,000. There are State limits on how much operating mileage can be increased in a year. Municipalities are allowed to “bank” three-years prior mileage growth. The Town currently has 7.7 mills “banked.” Debt mileage can be increased to cover current debt service. In FY 2019 the Town is transferring the equivalent of 4 mills of General Fund monies to the Debt Service Fund to cover a portion of the Town’s existing debt service. For each mill increase on a residential home appraised at \$450,000 the tax payer would see an \$18 increase per year. Unlike Stormwater fees, which are a flat amount per ERU, millage amount fluctuates based on the appraised value of the property.

3. REVIEW OF POTENTIAL FUNDING SOURCES FOR THE STORMWATER IMPROVEMENT PROGRAM

BORROWING AND DEBT SERVICE

- Master Bond Ordinance if Stormwater Revenue Bond
 - Allows for stormwater revenue to be used for more than one borrowing
 - Establishes that revenue must exceed borrowing by 115%
- Debt Service Estimates

Issue Amount	Interest Rate	Borrowing Length	Annual Level Principal Payment
\$10,000,000	4.0%	20 Years	\$895,000
\$20,000,000	4.0%	20 Years	\$1.8 Million
\$30,000,000	4.0%	20 Years	\$2.7 Million

Ms. Cotov explained that the Town has a master bond ordinance that allows for Stormwater fees to support more than one borrowing, as long as the annual revenue generated is 115% more than the debt service. To provide an estimate of borrowing repayments, for every \$10 million borrowed, approximately \$895,000 is the annual debt service.

3. REVIEW OF POTENTIAL FUNDING SOURCES FOR THE STORMWATER IMPROVEMENT PROGRAM

SUMMARY

- Debt Service
 - Each \$10,000,000 borrowed = \$895,000 in debt service
- Stormwater fees
 - Every \$20 increase in fees generates \$875,000
- Millage
 - Every increase in millage generates \$865,000 per mill
 - Operating mill increase 7.7 mills allowable
 - Debt mill increase up to debt service payment; 3 mill capacity prior to additional borrowing
- Tax payer impact
 - Stormwater fees = flat annual amount per ERU
 - Millage increase on residential home \$450,000 = \$18 per mill

Ms. Cotov summarized that debt service for each \$10 million borrowed, the annual debt service is approximately \$895,000. The two most reliable sources of funding for repayment of debt service are Stormwater fees and millage. Every \$20 increase in Stormwater fees generates \$875,000. Every mill generates \$865,000. The impact to the tax payer for Stormwater fees is the annual amount of the increase. The impact to the tax payer for millage increase is \$18 per year on an \$450,000 appraised home and will adjust as the appraisal changes.

Mr. O'Rourke stated that this is good because 8 of the 9- elected people are in this room right now, and even though this is a Finance Committee Meeting, this is something we are all going to be forced to deal with. What Ms. Cotov said, was we have this problem and we do not have the money to fund it; here is your menu of choices. At some point in time we are going to have to make the decision on which direction we go. It is not too early to start the discussion. He stated that it is an alot of money. We have some tools, like bonding, that the Town has done a good job of for keeping our rates that will be advantageous.

Mr. O'Rourke opened it up for any discussion. He stated compartmentalizing funds is good; because then you cannot take money from another fund, like to put Astroturf on a soccer field. It might not be a bad idea to raise the general millage period and having that. He stated

that the biggest problem we have in the Town right now is drainage. (*Mr. Santos returned to the meeting at 10:11 a.m.*)

Mr. O'Rourke stated that as we have talked about, Moody's and Standard and Poor's (S&P) and the bonding agents right now are addressing cities that are not addressing this. You will get in trouble with bonding agencies if you do not address these issues.

Mr. DeMoura stated the need to discuss soon. He has learned through the Public Services Committee that the design is likely to be complete for that portion of the Old Village prior to the end of the calendar year. We could not take that design and send it for construction without a funding source.

Mr. O'Rourke stated that Mr. DeMoura explained the study, design, and construction. He stated it would help us to know what the immediate costs of construction for the Old Village basins.

Mr. DeMoura stated the latest estimate, which was shown last month, had those two basins in the Old Village around \$8 million. He recalled that was probably a low number because of some other factors. We are in the ballpark of \$10 million on all those projects going forward. It would be helpful, with drainage construction of basins in the Old Village, to have an answer prior to the end of the year on a funding source.

Mr. O'Rourke stated that the issue is that we are looking for a funding source, so you can go to the next area. He stated that we could do a partial \$10 million right now for that, and look for the other later, or have this all done all together.

Mr. DeMoura stated that ideally, we would have the funding for a long-term program. Even if we take care of this \$10 million now, and say it is a \$20 increase in the Stormwater program, that is only one project it will construct, and that money is tied up for 20 years, because it is a 20 year bond. We would need incremental increases over a period of every 2-3 years using Stormwater fees as an example of \$20 increases annually to keep tackling region by region the most problematic Stormwater areas of Town.

Ms. Landing said this is a good reference number. She asked what our situation is now in terms of being able to offer from our debt allowance.

Ms. Cotov replied that we will be closing the schedule tentatively for February 2, for the \$35 million General Obligation (GO) issue. That will leave within our 8%, over \$8 million without going to referendum. She stated the rating agencies, S&P, use your debt ratio as about 10% of how they judge your AAA rating, and Moody's uses it as 20.

Ms. Landing asked if the \$35 million is already spoken for.

Mr. DeMoura stated it was approved in the budget for Fire Station 4 and the Public Services Operations Center.

Mrs. Landing asked if it was being used for any drainage related issues.

Ms. Cotov replied in the affirmative and stated that it is for the Snee Farm project.

Mr. Landing stated that we are not using any GO money for that.

Mr. DeMoura stated those were very good questions because we are using general obligation type projects, for the fire station and for a public works operations center. We are using the GO capacity, whereas on the Stormwater side, you could issue increase in the rate and you could also float a revenue bond associated with that revenue source, which would not impact our debt capacity at the end of the day. We are trying to give as much flexibility in borrowing as possible.

Ms. Landing stated that last year she recalled that prior council had approved the ability to have multiple State Revolving Fund (SRF) going at once, and we are going to have one now, or are we going to have multiples.

Mr. DeMoura stated that we keep applying, but it requires debt service payments. As long as their interest rates are favorable, we plan to keep applying.

Ms. Landing asked if those are fixed or 5-10 year.

Ms. Cotov stated we are doing one for 20 years. The Master Bond Ordinance that we put in place will allow parody among bonds. It could

be an SRF or it could be another revenue loan type. It allows you to use that funding stream to pay off different type of debt, not necessarily specific SRF.

Ms. Landing stated that Flooding and Drainage issues are facing cities all over, not to mention, a whole lot of them have crumbling infrastructure, especially the major cities. We are addressing it but would like to see it happen sooner. The other big issue is that rates are climbing now. We just passed the 3% mark on the 10-year Treasury Note the other day and think there is a good chance that a year from now this will cost us a lot more. We need to keep that in mind.

Ms. Landing stated we have other sources that we cannot rely on that are there, and among those are things like impact fees. We are doing a good job of having excess the past years. We would like to think we explore all options before we raise taxes on our citizens even one penny. Whatever we can do to keep the millage where it is and keep the Stormwater fees the same. If it is impossible, that is another situation and we need to be able to demonstrate that. One of the most unpopular things you could possibly do to your citizens, is to raise their taxes.

Mr. Bustos stated that looking out 10-20 years, and know we are trying to fix the Old Village, and Snee Farm, and in the outer areas of Mount Pleasant, drainage is pretty good because we have changed things as the years have gone by. When we get this put in the older part of Mount Pleasant and Snee Farm, the newer drainage systems, and ponds will not be as new as they are now. What he would look for is some method that would not only allow us to do what we have to do now but establish a reserve for maintenance going out 15-20 years. We need to build it now, with storms, so that our drainage is good, that we have a funding source for maintaining it. That can be just as expensive or more than putting in drainage now. When you look at recommending something, have a view of going out 15-20 years and establishing a balance that is sufficient to do maintenance as well.

Mr. Santos questioned if in our last meeting we discussed how we lowered the tax rate for our citizens because of the value of the mill.

Ms. Cotov responded in the affirmative that the increase the local option sales tax factor did lower the tax bills. For the same average size house, it lowered it \$16 per year.

Mr. Santos stated that we like lowering taxes for our citizens when we can. We had press here to tell our citizens that we lowered their taxes. If we raise them, that would be a big thing and we need to let our citizens know.

Ms. Landing stated that we did make that announcement that day to tell our citizens.

Mr. DeMoura said it was not the Town who made the announcement.

Mr. O'Rourke stated that we are using \$4 million of General Fund money to transfer to debt service but, is it better to have a Debt Service Fund with more money. Mr. O'Rourke agreed with Mr. Bustos because the need for the maintenance is going to go up. To have enough debt service money in there and to say we will take half of that for not the new, but the replacement would be good. We would not want to be pulling from that to go to the debt service as much as we are doing. We are lucky we can, but if we cannot, then the whole thing stops.

Ms. Landing stated that Public Service saw various choices on how to address the Old Village in the design phase, and there was a significant difference in maintenance, depending on which way we chose. She brought that up because of the importance of all the Committees working together. We chose the gravity-based system that is substantially lower maintenance in the long run than a much more extensive pump system. We should keep in mind to pick things that have lower maintenance. She knows Councilman Santos has mentioned Astroturf many times for our fields. This is not drainage, but it is maintenance. When you can lower maintenance over the years, that addresses that question upfront.

Mr. O'Rourke said they will need to come back to us with choices for us to make that recommendation. Send it to all the Council. There are good things in there about millage.

4. Consideration of [funding request from the Shem Creek Task Force](#)

4. CONSIDERATION OF FUNDING REQUEST FROM THE SHEM CREEK TASK FORCE

Request from Shem Creek Task Force Chair

- Request for additional funding in the amount of \$125,000 to supplement the \$50,000 currently budgeted

Mr. O'Rourke stated that the Chair of the Task Force is here, and other Task Force members. Mayor Page formed the Task Force. The purpose is to have a plan that would show what is deteriorating in that area, and the need for this Council to take some action to make sure it is protected has always been in their mind. With the assistance of the Town and the Task Force, they put together a Request for Quote (RFQ) and have gone out for proposal and found out the funding was inadequate. So, there was a request to come back to us to fund this. There were discussions about the Comprehensive Planning Committee addressing this and how important it was to the Comprehensive Plan as well. When the Task Force was informed, they said they were not against having this as part of a Comprehensive Plan, but can the work be finished and have the results be a part of the Comprehensive Plan. There is a request for \$125,000 to be put into the budget from the Task Force. Whatever this Committee decides today, it will go to Council. Now there is \$50,000 in the budget, so there would be an increase.

Mr. Santos made a motion to approve the request; seconded by Mr. O'Rourke.

Mr. Bustos stated that we keep prolonging these things. The Task Force has done a good job; they have been pushed along. We need to incorporate what they have. We have so many competing demands, that he does not see adding another \$125,000.

Mr. Santos asked Mr. DeMoura if a hurricane does come this way and there is serious damage to Shem Creek and around Shem Creek, can developers can come in and re-build the buildings. It concerns him that if something were to happen, they could come in and build another parking

garage without us being able to protect it, and that is what the research is looking for answers.

Mr. DeMoura stated that in terms of height and density, that is controlled by Zoning. Whatever the height is today would be the height if it were to be rebuilt. The issue is the proximity to the water, and at what point would federal requirements be imposed on existing property owners. That may force reconstruction much further away from the water body from the Creek, and then what would that mean to the character of the Creek.

Mr. Santos stated, if the parking garage was zoned for 45 feet and previous Council decided to raise it to 55 feet; then they did. They raised 9 other properties around the 55 feet, and once the public found out, the uproar came. They lowered 9 of them back to 45 feet and left the one at 55 feet. A concern is how do we stop something like that. Is there anything we can do to maintain the 45 feet.

Mr. DeMoura stated that Council can change the height.

Mr. O'Rourke stated that this is just one issue they have taken up. There are things that we did not know about until reading the report. There are restaurants that are having people not park in their spaces and park in front of the home of a resident. There are a lot of things that deal with the quality of life in the whole Creek area that they are bringing up. This is deteriorating fast, and the longer we wait, the more that it becomes a problem.

Cheryll Woods-Flowers, 1529 Old Village Drive. This Task Force has been in place for well over 2 years. We have about a dozen people who have devoted hours of time in Committee and study, and Mr. Santos is right, the real issue is with the buildings. We were lucky that last hurricane did not hit us. If the hurricane had come in like we have seen in the past, and those buildings get destroyed, not only do we have a height issue, they are going to have to move away and be pushed from that Creek under current conditions, and yes, they will have to be taller because they are going to have to go along with whatever FEMA says. We are concerned. It will change the character of what you see there now. We are looking

for something we can have in our hands to potentially give us the ability to get some waivers or to move away from that, as some communities have. We are also looking at an area that is bigger than just Shem Creek. There is a Shem Creek study area that looks at safety in the Creek. There is multiplicity of uses. There could be a shrimp boat coming in, and a paddleboarder or speedboat. Shrimp boats do not stop. We have safety issues, parking, night time uses. There is also an issue of design around Shem Creek. She sat on the Planning Commission for eight years and was part of lowering heights on Shem Creek. Design issues – do we want that area to look like a maritime district? It is more than just the buildings, though they are important. \$125,000, you are talking about Stormwater, which are big dollars, but she believes that \$175,000 is a small amount to take care of an area that is supposed to be the most iconic spot in this entire Town. That is not just her opinion; that is Southern Living's opinion, and everyone who visits here. She is fiscally conservative, but this is money worth spending.

Ms. Landing stated that emotionally and professionally, we all want to do everything possible to maintain and improve Shem Creek. We have water quality issues that are extremely serious. We have all kinds of things; all the things that have been mentioned today. Ms. Landing asked when the \$50,000 was appropriated for this Task Force.

Ms. Cotov stated it was done mid-year 2016, carried over into 2018 and now it is carried over into 2019.

Ms. Landing stated that the original thought in setting up a Task Force and starting this process, was to fund this, and thought was given as to what that cost. One issue is, the RFQ process brought up these two talented firms who submitted a proposal that is going to cost \$175,000 instead of \$50,000; that's a lot of difference that is written in the letter. What exactly will they be accomplishing with that money? We spent a lot of time talking about \$50,000 for work force housing and was a very difficult vote. \$125,000 is a lot of money for a task force unless we know where that money is going.

Cheryll Woods-Flowers stated they went out three times to get firms to even respond. The problem was that no one is going to do anything for

\$50,000. The proposal is out there for everyone to look at. The request is very public and it details what it is that we are looking for, and it is comprehensive. It is a big proposal, which is why we had a hard time getting someone to come up with the funds.

Mr. O'Rourke would like to get the scope of that prior to Tuesday's Council meeting.

Cheryll Woods-Flowers said she would absolutely have it by then.

Ms. Landing stated that even though she is aware we have a task force, if she is not sure what is in the scope, she will go back and study that. The public is also not aware as we may think we are.

Mr. O'Rourke stated that if she can get the scope to the Clerk, we can have it distributed to the rest of the Council members.

Mr. Santos stated that we have been talking for a long time about cleaning up the creek, and Hillary is our local expert here, who has a wealth of information that I am sure she can share with you. The Town is responsible for that. We came up with ideas when he was on the Water Committee about somehow alerting people and letting them know after a hard rain whether the water quality is ok to swim in.

Cheryll Woods-Flowers stated that there was another task force that was not associated with us that was dealing strictly with water quality, and we were asked to allow them to do their jobs, and not include it with us.

Mr. DeMoura stated that we have that in-house. We are working with Mount Pleasant Water Works, Charleston Water Keeper and some others. The Town is obligated to insure, under Federal law, water quality and we have the expertise to handle that task.

Mr. Santos inquired if we were looking into the future, like with Wando docks.

Cheryll Woods-Flowers stated that we were not able to get this proposal going before that was done. The plan we put together could ultimately determine how the future is with those docks and anything else at the Creek. With the plan, the elected body needs to look and see what we need to change in terms of enforcement, ordinances, or vision. It could

have the potential of determining what the entire thing looks like down the road.

Mr. Bustos asked, that for the \$125,000 additional dollars, what do we expect to get in hand.

Mr. DeMoura stated it would be a report by the successful bidding consultant that accomplishes the scope of services. He cannot recall full extent of the scope today, but it is a lot involved.

Mr. Bustos asked if that report had to be translated into action by staff and Council.

Mr. DeMoura responded in the affirmative that is one of the issues referenced in the communication with you, that your Comprehensive Plan is moving along at a certain speed, and there is a section referring to Shem Creek. When this project is done, you would have to go back and take the recommendations for this consultant, open back up the Comp Plan, marry the two together, deliberate, amend the Comp Plan to whatever recommendations come from this report.

Mr. Bustos stated that we hired Thomas & Hutton and they went and looked at the basins in the old part of Mount Pleasant. There was a definitive plan where they said what needed to be fixed. Mr. Bustos was concerned about paying so much for a report if it may just sit on a shelf without any action. The consultant says what the consultant says, and when these things about height and density, and there is a catastrophic storm, and buildings that are damaged more than 51%, what can be done with those are going to have to be addressed. He does not think a consultant plan now is going to prepare with the reality, because six months from now, when more is built, or things are moved, that report is out of date, and we cannot set ourselves up to be spending \$125,000 every couple of years to update a report.

Ms. Landing stated that it is going to be the \$50,000 plus the \$125,000, totaling \$175,000. We are talking about paying a consulting firm \$175,000 to determine all the things that they believe need to be done to maintain and improve the Shem Creek waterfront for the sake of the shrimping industry and tourists, and everyone else that uses that area.

Her concern, which is similar to Mr. Bustos, is that this request for qualifications, that information would have been helpful to have today, because if we vote today, and if, for instance she voted now for \$125,000 increase our budget, and she did not have that information as to why it was costing so much more than it was originally projected, it seems a little irresponsible on her part. She said she could abstain. The material was not with the Agenda.

Mr. O'Rourke stated that it was not provided, and she would have it before Tuesday evening.

Mr. Santos stated that he likes to go back in history and look at things we have done, and we listen to the same type of arguments now, as we did back when we started Phase I. He recalls many people protesting the Town buying the marsh, but now it is one of the nicest little parks we have and are so proud. It was an investment in our community and we need to look at this as an investment in our community as well. Everyone loves it. He sees people walking, and fishing, and crabbing off that facility, and they love it. Phase II is going to be fantastic for the Creek. They are going to look at a lot of situations, a lot of issues, and come back and keep the Creek the way it is. This is going to give us a roadmap on how to continue to develop, or not develop Shem Creek, and how it should be developed and managed.

Mr. O'Rourke asked if there were any other comments before calling for the vote.

Mr. O'Rourke and Mr. Santos voted in favor, Mr. Bustos opposed and Ms. Landing abstained. The Motion carries 2-1 with Ms. Landing abstaining.

Mr. Santos asked if that makes it a positive vote.

Mr. O'Rourke responded in the affirmative.

Mr. DeMoura stated to Mr. O'Rourke that we require a budget amendment. We would like options for where the funds will come from out of the current budget.

Mr. O'Rourke responded in the affirmative.

Mr. DeMoura stated we would have that ready.

5. Consideration of Approval to Amend the [Policy Regarding Requests for Public Records](#) Under the Freedom of Information Act Fee Schedule

**5. CONSIDERATION OF APPROVAL TO AMEND THE
POLICY REGARDING REQUESTS FOR PUBLIC
RECORDS UNDER THE FOIA FEE SCHEDULE**

Proposed Amendment to Fee Schedule

- Currently all cost are based on the hourly rate of an Administrative Clerk
- Delineate the cost by job function
 - Copying: Administrative Clerk (\$14.48)
 - Search/Retrieval paper documents: Administrative Clerk (\$14.48)
 - Search/Retrieval electronic records: IT Technician (\$22.50)
 - Redaction: Legal Secretary (\$18.64)
- Search/Retrieval's requiring outside vendor support: Actual cost

Ms. Cotov stated State Code was updated last year, and to ensure compliance, the Town adopted this policy (Freedom of Information Act) and we refer to it as FOIA. As part of the State Code update, the fees for search, retrieval or redaction of records shall not exceed the prorated hourly amount of the lowest paid employee who has the necessary skills and training to perform the request. The Town established the rate as the starting pay of an Administrative Clerk; however, after a year of using this rate, it has shown us that the actual cost for the different tasks are much higher in some areas. It is requested that the fee for the search and retrieval of electronic records be at the starting rate of pay for an Information Technology Technician and that the fee for redaction of exempt information be at the starting rate of a Legal Secretary. For those searches and retrievals that require the use of an outside vendor, we request that it be at the actual cost incurred by the Town.

Mr. Santos made a Motion we approve that. Ms. Landing seconded the Motion. Motion passed unanimously.

6. Consideration of Amendment to the Human Resource Guidelines' [Section 6.2 Business Trips](#)

6. CONSIDERATION OF AMENDMENT TO THE HUMAN RESOURCE GUIDELINES' SECTION 6.2

Section 6.2 Business Trips

Current Guidelines	Proposed Guidelines
<ul style="list-style-type: none"> Reimbursed for actual cost, including gratuity, up to GSA rate. Detailed receipts required. 	<ul style="list-style-type: none"> Per diem at GSA rate. Detailed receipts, not required. 1st and last day of travel are 75% of GSA rate.
<ul style="list-style-type: none"> Authorization required for use of personal vehicle. 	<ul style="list-style-type: none"> Pre-authorization required for use of personal vehicle.
<ul style="list-style-type: none"> Employees not expected to travel prior to 6:30 a.m. 	<ul style="list-style-type: none"> Employees not expected to travel prior to 6:00 a.m.

- Unchanged is that conference agendas are required and that conference-provided meals are not included.
- Example of travel days. Last day of conference/travel day at a location with a daily rate of \$51 and lunch is provided.
 Reimbursement would be \$30. (\$51 minus lunch of \$11 = \$40 X 75% = \$30)

Recommendation: That the Finance Committee approve for Council's consideration an Amendment to Section 6.2, Business Trips, of the Human Resource Guidelines.

Ms. Cotov stated that a few changes to Business Trips Section of the Human Resource Guidelines are proposed. The first change has to do with how per diem is handled. Currently, employees are required to provide detailed receipts of all eligible purchases and are reimbursed based on actual cost, not to exceed the per diem rate for that area. Staff would like to change it so that the employee receives the per diem rate and they do not have to provide the detail receipts. The administration to verify and track these receipts is estimated at 300 hours annually at a cost of about \$10,000. Staff checked with other municipalities in the region, City of Charleston, North Charleston, Charleston County, and Summerville and the Town is the only municipality that still requires detailed receipts. The amount of per diem overage that was returned last year was \$8,491.01, which is less than what we estimated as our administrative cost. Staff propose two other recommendations. The use of personal vehicles for travel would need to be pre-authorized. The second change is that travel is not expected to begin prior to 6:00 a.m.

Mr. Bustos moved to approve; seconded by Ms. Landing. All present voted in favor.

7. Adjourn

There being no further business, the meeting was adjourned at 10:53 a.m.

Respectfully submitted,
Gina Artrip
October 4, 2018