

**TOWN OF MOUNT PLEASANT, SOUTH CAROLINA**  
**FINANCE COMMITTEE**  
**Monday, July 2, 2018**  
**Municipal Complex, Committee Meeting Room, 3<sup>rd</sup> 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

Mr. O'Rourke called the meeting to order at 10:55 a.m.

**1. Approval of Minutes from the June 5, 2018 meeting**

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

**2. Public Comments –**

**Kevin Cunnane**, 3032 River Vista Way, stated that he would like to speak on item #4. He said since the Finance Committee meeting regarding this topic, a court case came out in the State Supreme Court out of Beaufort County regarding the inability of the public to seek records regarding where those public funds were utilized. He stated that he has had discussions with staff and suggested adding a prohibition for using public funds for political purposes or other options that staff provided. He stated that there should be some reaction to this, because the Town provides funding to outside entities and from there, it disappears, without tracking. He stated that the court case pleads for a reaction from the municipalities. He does not believe that taxpayers money should be going towards politics. He thinks the public would be misled to think the Town is collecting their tax dollars and funding anyone who has a political tilt to their organization. He stated that Mr. DeMoura has a form that is

sent out with this funding and this can be added to that form to react to the court case.

**William Hamilton**, 32 Sowell Street, stated that he is also the Executive Director of Best Friends of Lowcountry Transit. He wanted to speak about the upcoming CARTA budget. His organization has become aware that major changes are being planned to the CARTA route system. He said that the last changes hurt Mount Pleasant and reversed seven years of solid progress on increasing ridership and achieving things that people said could not be done in a suburban southern community such as Mount Pleasant. He does not believe it would be fair to the people of Mount Pleasant or to this Council to approve a budget before they know what is going to be done to the bus routes. He said that he has provided Council with a chart of the bus routes they were promised in the I-26 Alt study, which Mount Pleasant has not seen. He suggested that CARTA first go to the Town's Transportation Committee and bring in people from the Isle of Palms and Sullivan's Island so that East Cooper speaks with a united voice, because we pay approximately 40% of the sales taxes in this county which goes to support CARTA and when we know what the service are that we are going to receive, then a fully informed Council after hearing from the people, may then vote to approve or disapprove the CARTA budget. — funds to outside agencies

### **3. Presentation of CARTA annual budget**

Mr. DeMoura stated that many know Ron Mitchum from BCDCOG (Berkeley, Charleston, Dorchester Council on Government), who is here to discuss CARTA, where he serves as the Executive Director.

Mr. Mitchum stated that he previously forwarded a copy of the budget sheets that outline the changes in the upcoming budget. He said this is a budget for the budget year that begins in October as they are on the federal fiscal year. He said in order to comply with State law and visit all of their municipalities and counties that are members, they must begin in July in order to get through the approval process. He said that the budget will change, so this is a proposed preliminary budget based on what we

know today and there are things that will change between now and October and will certainly change during the fiscal year. In the past, CARTA had a tendency to adopt a budget and leave it the same for the entire year; however, they no longer do this and have budget revisions as the year progresses with projects that change. He stated that the budget is slightly more than last year by \$112,000 and said there are funding sources that go up and down and discretionary funds that they are able to access occasionally. He said this budget does have an ample amount of discretionary funds for capital. He said there is approximately \$10 million in one category and \$4 million in another category coming from different sources. He said there are a number of new commuter busses (approximately 16 are on order currently) and will not come in until October/November timeframe, and will hopefully all be delivered by the end of January 2019, so they will not be paid for until next year. He said in addition, CARTA has obtained another \$4 million dollars from the State in discretionary funds which will allow them to complete replacing the commuter fleet and then start towards the fixed route busses, which is extremely important, because those busses date back to 1996. He stated that they are way past the useful life of their busses and are working to get them replaced. He said if we are not able to deliver a quality service, it makes it difficult for people to ride on the system. He said they reflected a slight reduction in the fare box revenue because every year for the past few years, there have been weather events (snow, flooding, hurricane-related activities), that cost CARTA approximately 5% of their fare boxes. He said they have accepted the reality that it could happen again this year. He said Committee will also see that there are costs associated with Park N Ride, particularly on the peninsula with the hospitality system, which is something they continue to evaluate. He said they are looking to grow Park N Ride locations. He said this will not only serve those who would like to ride transit, but those who want to park and carpool with someone else. He said there are no major changes in the system reflected at this time. He said there is a Route Advisory Committee that is looking at all routes. He said what is required at this time by the federal government are performance measures, so they must

establish those performance measures and must track the performance of each route and report that back to the federal government as well as to the Board. There is no clear-cut plan at this time to drastically change anything. He said he provided the Committee with copies of a presentation that he gave to the CARTA Board, as there has been a great deal of confusion about the sales tax revenue and how they are receiving those funds. He said they are not giving money away to roads, because it does not work that way. The County controls the funding and are at their mercy. He said the referendum did not spell out a specific amount or how it would be distributed. The County has adopted a “pay as you go” philosophy on this particular sales tax. On the first one, they issued more bonds; however, since they are doing pay as you go, their initial allocations are fairly small and increase as they get into some of the major construction associated with Lowcountry Rapid Transit. He said this is reflected in the budget document but would be happy to answer any questions. He said they will end up with more money in the second sales tax and a higher percentage of those funds than in the first sales tax. The first was a set percentage of 18% for transit, so it is approximately the same amount each year depending on the increase or decrease in sales tax revenue. He said the second sales tax did not have a specific percentage set aside, so it is a budget plan that the County has for greenspace, highways and transit and they operated based on this. He said their new revenue from the second sales tax this year is going to complete the intermodal center, some match on vehicles and also some Park N Ride construction. He stated that he does believe in being transparent and would be happy to answer any questions.

Mr. Bustos stated that Mr. Mitchum heard what Mr. Hamilton mentioned earlier and asked how Mr. Mitchum would address those deficiencies that Mr. Hamilton noted.

Mr. Mitchum stated that Mr. Hamilton says a lot and if he had friends like “Best Friends of the Lowcountry”, he would not need any enemies. He stated that he needs better advocacy than someone who misstates. He stated that it is 25% of the sales tax revenue and is not sure what

deficiencies Mr. Hamilton is referring to. He said the system is what it is today and had been for quite some time. He said they did make some changes because CARTA could not afford what they had. He said that a 300% increase sounds impressive until you take that and say it used to be three people and now it is nine people on a 40-foot bus. It is still now what you want to see as elected officials or the public, so they must be cautious about throwing percentages out there and making statements that do not have any factual basis or are misleading. He said Mount Pleasant ridership is not great but does not expect it to be in the short-term. He said most Mount Pleasant residents have access to vehicles, and on Sullivan's Island and Isle of Palms, they have had service there previously, but does not know why, because no one on those islands have less than two vehicles.

Mr. Bustos stated that if we look ahead, the islands are saying that they would prefer to have some bus service, because parking and traffic is so heavy on the island. He said perhaps it is time to take a second look at this.

Mr. Mitchum stated that he agrees if Mr. Bustos is referring to commuter service, getting people back and forth to work. He said they are having discussions with Folly Beach and Isle of Palms, and it makes perfect sense because many people who work on the islands have a difficult time finding parking. He said some do not make much income depending on where they work and what they do, so it does make perfect sense. He said in many cases, they can work this around some of the traditional bottlenecks during peak times because they are necessarily aligned the same way if they work in a restaurant as the peak business traffic time. He said this is something they are interested in and are having those discussions. He said CARTA has had some preliminary discussion in looking at hospitality transportation for Mount Pleasant. He stated that Mr. Brimmer pointed out that CARTA only had eight hotels that responded to the initial work that was done with Town staff and has asked CARTA to get more. He said they will be spending approximately \$50,000 over the next twelve months to try and get more participation

and better understanding as to who will ride and when the bus service needs to be there. He said the reality is that CARTA does not have the density nor the funding to run every 15 minutes or even every 30 minutes in some cases; therefore, what they need to do is understand what their target is, what is needed and attempt to design the system to meet the majority of the need.

Mr. Bustos stated that before he is able to support or not support the CARTA budget, where a decent amount of funding comes from sales tax in Mount Pleasant, he would like to know what level of service the Town will be provided. He said perhaps CARTA staff can provide this information for this proposed budget.

Mr. Mitchum stated that the level of service is going to remain the same for this next year and there is no additional money. He stated that he provided Committee members with a handout and CARTA essentially buys hours of service. He stated that they have a contractor that provides that service and handle all the Union workers. He said there is a Union; however, not everyone belongs to the Union. Because of this, in South Carolina, they must use a contractor and cannot negotiate directly with the Union. He stated that they buy hours and the only time they are able to purchase additional hours is when there is additional revenue. He said there is additional revenue this year; however, it is being utilized to complete the intermodal center in North Charleston and some obligations that previously existed. He said the level of service in Mount Pleasant will not change during this next fiscal year, but this budget does not take effect until October. He added that they will be working with the Town staff on planning work and outreach and may make some adjustments based on the feedback received. He said as far as additional service in this next year for the Town, it has not been accounted for.

Ms. Landing stated that when riding the CARTA system during the campaign and election period, she noticed that there is a great deal of inconsistency. She listened to and spoke with riders on the bus and one of the biggest reasons why more people do not ride the bus is due to the level of inconsistency of routes. She said she was very impressed with the

MUSC express and how efficiently it works. She said it is fully taken advantage of. She said when meeting with restaurant owners after the election, they wanted to bring more businesses and restaurants to the northern portion of Mount Pleasant, especially fine dining, however restaurants said they were not able to obtain enough workers. She stated that hotels and restaurants are not able to hire workers, because they cannot afford to live in Mount Pleasant. She asked about the solution, other than what is attempting to be done with the newly formed non-profit, "Housing For All Mount Pleasant". She said the only other way is mass transit – a way for people to get to work. She stated that she is on the Charleston Visitors Bureau Board and is impressed with the idea and the execution of Park N Ride, but before the Town commits to a certain percentage of the Town's sales tax, she believes Council needs to see how the citizens are benefitting. She does not believe a Park N Ride should be the way to think about it, but should come up with something as soon as possible, even if temporary, to allow those to try the commute into Mount Pleasant. She said by far, the biggest concern that the Town has had for a number of years is having infrastructure, especially roads, which are extremely overcrowded. She said one of the way to help this is with mass transit. She believes that this should go to the Transportation Committee and the Town should see much more of a demonstration of how the citizens of Mount Pleasant benefit from the tax money that is paid to the CARTA budget.

*Mr. Santos made a motion that this item be referred to the Transportation Committee for their review with the assistance of the two Council members who sit on the CARTA Board, at their next regularly scheduled meeting; seconded by Ms. Landing. All present voted in favor.*

Mr. O'Rourke stated that this is the Finance Committee and approve the finances; however, the core of this discussion needs to take place in the Transportation Committee.

Mr. Mitchum stated that if the Town has ideas, CARTA is open to them.

#### **4. Discussion regarding the distribution of public funds to outside agencies**

Mr. DeMoura stated that following up on Mr. Cunnane's earlier comments regarding the recent court rulings, the Town has provided in the documentation that goes out to outside agencies that receive funding from the Town, and have added that any expenses towards political campaigns, lobbying or anything of this nature is prohibited with the use of those funds. He stated that the Town does require an accounting at the end of the year of the funds that were voted on and approved for outside agencies. He said that he feels what the Town has in the documents now satisfies the comments of Mr. Cunnane.

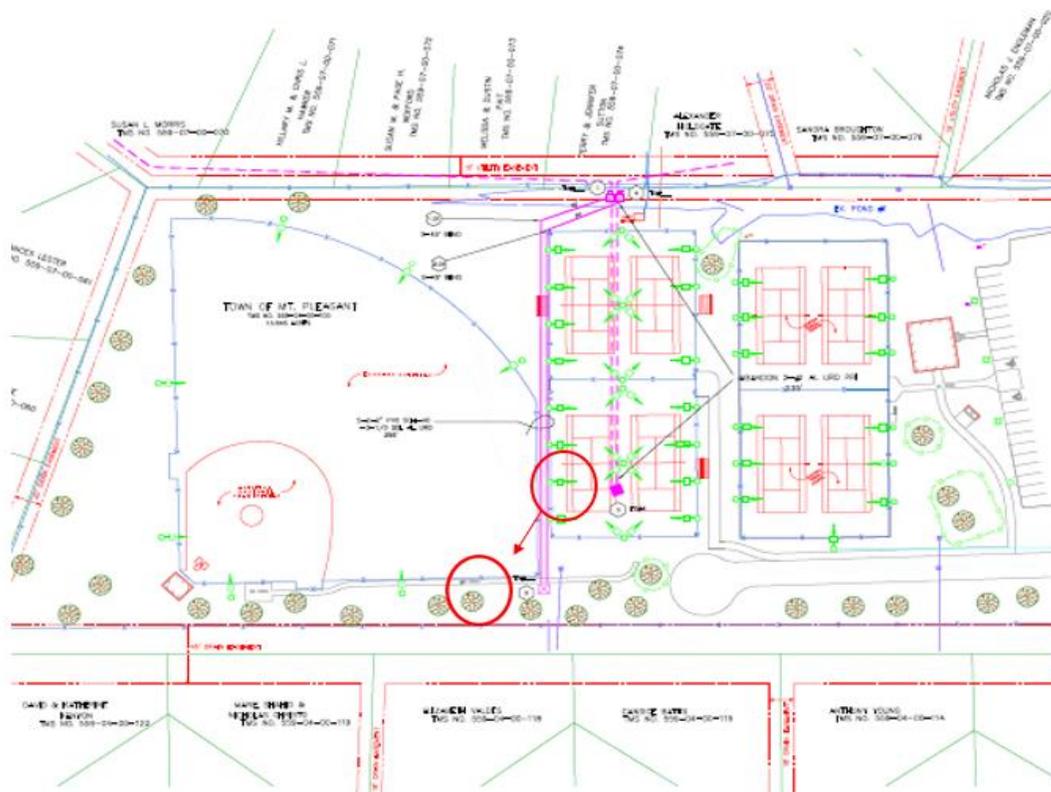
Mr. O'Rourke stated that having been on Council a short time, he knows that the budget for these allotments, which was averaging approximately \$370,000 per year, only appropriated \$158,000 this past fiscal year. He stated that he agrees with this lower amount. He said everyone saw a decrease in their requests this year and some did not receive any funding. He stated that the appropriation that the Town is giving is small. He said there are some non-profits that are doing work for the Town, such as the Charleston Animal Society which was one who allowed the Town to take our animals to them, which helps the town. He asked if there needs to be discussion for stricter criteria for how these monies are to be allocated.

Ms. Landing stated that she has been involved in a number of non-profits over the years as either a board member or a volunteer. She stated that going through the process in this Committee, she believes that based on the new information, and as part of the request from outside agencies seeking funding, that the request reflect what was accomplished in the prior year. She stated that there was a great deal of discussion on how these agencies benefit the Town, which should have already been in writing. She asked that this be added as criteria. She stated if it is a new agency, they must indicate what their organization does and how it will benefit the Town of Mount Pleasant.

Mr. O'Rourke stated that Councilmembers Cunnane and Landing's comments are good and suggested looking at the whole entire application, request staff's input and do a better job when it comes time for that process.

**5. SCE&G request for proposed easement on property owned by the Town of Mount Pleasant located on Whipple Road (Mount Pleasant Tennis Complex)**

Ms. Cotov stated that this request came up through the contract the Town currently has for the Whipple Road Tennis Center. She stated that the top red circle indicates where the current transformer exists, which is where the new clay tennis court will be installed.



She stated that what is being proposed is instead of the dash lines coming down, if you look at the solid lines, this is where the undergrounding will be accomplished. The other red circle at the bottom

is where the new transformer will go. She said this is a new request to move their current easement over to accommodate the new clay court.

Mr. DeMoura stated that they find this request to be a very minor request and ask for Committee's support in order to continue with the project.

*Mr. Bustos made a motion to recommend approval to full Council; seconded by Mr. Santos. All present voted in favor.*

**6. Request to purchase an undeveloped 0.2 acre property owned by the Town of Mount Pleasant located near Walt Miller Street**

Mr. O'Rourke stated that Mr. Oswald has appeared before this Committee for several months regarding purchasing property. He stated that an appraisal has been completed and a value provided. He stated that an old street went through this property years ago. He stated that Mr. Oswald's company purchased the property adjacent to this, it would be advantageous to traffic patterns for them to own this property.

Mr. Oswald stated that they are in agreement with the price of the appraisal and would like to move forward.

Mr. Santos stated for clarification, how would this help with traffic patterns.

**Edward Oswald**, partner at Oswald, Cook and Associates, stated that they purchased 874 Walt Miller Street in 2014, which was previously an old daycare. They renovated the building and put their office onto it along with two other units that they rented out. He said they then purchased 870 Walt Miller Street which was the old SouthCoast training facility approximately 45 days ago. He stated that this property is a twenty-foot easement that stretches approximately 220 feet linearly along their now shared property line. He said it is an abandoned road bed that used to be Lansing Drive when they extended across US 17. He stated that there is a fence on the Armory side and another fence on their side and the twenty-foot area is in between them and unkempt. He stated that they would like to add it to their parcel which provides them

with more land. They have plans to pull the old asphalt up, vegetate it and create a buffer. He said there could be some long-term parking efficiencies that they may be able to get from this and they would like to explore this.

*Ms. Landing made a motion that the Town enter into an agreement to sell this undeveloped .2 acre property owned by the Town of Mount Pleasant located near Walt Miller Street to Oswald and Associates.*

Mr. Oswald stated for clarification, it would be an entity of Oswald, Cook & Associates, as they own this as 874 Walt Miller, LLC.

*Ms. Landing asked that this be added to the motion; seconded by Mr. Santos.*

Mr. Bustos asked Ms. Landing to amend her motion to state, “for the asking price”, so that the price is not in doubt. He asked Mr. DeMoura where the money from the sale will go.

Mr. DeMoura stated that once received, it will go into the Town’s General Revenue fund.

Mr. O’Rourke asked for the record, to state the sale price.

Mr. DeMoura stated that it is \$47,915 and will also state that all this must be contingent upon renegotiating the lease with the Armory. He stated that this land is in the Armory’s lease. He said that the fence is in the wrong location and should be on the other side of the asphalt. He stated that staff will move forward to speak with the Armory representatives regarding renegotiating the lease. He stated that this land will belong to the Town in 2062.

*Ms. Landing stated that she would like to amend her motion to enter into an agreement to sell the undeveloped .2 acre property owned by the Town located near Walt Miller Street for the price of \$47,915 to Walt Miller, LLC contingent upon the negotiations with the Armory on the Town’s lease; Mr. Santos amended his second.*

Mr. Pagliarini stated with every one of these over the years, not specific to any particular buy, Legal Counsel wanted stipulation that the buyer is responsible for all costs and expenses related to the transaction.

*Ms. Landing added to her motion: with all costs and considerations of this transaction to be paid by the buyer; Mr. Santos concurred.*

*All present voted in favor.*

## **7. Discussion of process for purchasing land**

Mr. O'Rourke stated that what was originally requested by East Cooper Land Trust and another buyer is for us to purchase land. He stated that as these requests come before the Town, he thought it appropriate to have a discussion first on the Town's purchasing of land. He feels it is a tool to help the Town with growth, traffic, as well as the protection of land that makes our community better. He is in no way opposed to purchasing land and hopes this is something the Town is able to do in the future. He said there was a request by Catherine Main, from East Cooper Land Trust Commission.

**Catherine Main**, 1321 Cassidy Court, stated that she is the Executive Director of the East Cooper Land Trust. She stated that they are a privately funded organization looking to take opportunities and be opportunistic in permanently protecting land in our community. She stated that they have identified an opportunity that she believes is critical at this time to the Town of Mount Pleasant in establishing the fishing culture and industry of the community. Shem Creek has historically been the local seafood industry for Mount Pleasant and is the only place where local seafood is brought into the Town. She said there are three parcels of land along Shem Creek that are zoned light industrial as the working waterfront for Shem Creek. Two of these parcels within the last month are in jeopardy of being sold and the third one potentially has some risk of hazards due to hurricanes and the property could potentially be washed away. She said there is currently an opportunity at this time for the Town to save local seafood in our community. If we do not move quickly, we could lose local seafood. She said it is an industry that has

been around Mount Pleasant for a very long time and feels that as much as the Town wants for economic development reasons and other reasons, she believes we would really want to save this property. She has been in negotiations with the owners of Wando Dock, which is the most promising of the three parcels that are available currently. She is looking into the opportunity of putting applications in to the South Carolina Conservation Bank, as well as the Charleston County Greenbelt. She is asking today, for the Town of Mount Pleasant also contribute \$2 million dollars towards the purchase of the Wando Dock.

Mr. Bustos asked Ms. Main what the sense of urgency is regarding the purchase of this land.

Ms. Main stated that the property is actively trying to be sold and believes there is a window of opportunity in order to obtain funding from some of the other sources; Charleston Greenbelt, as well as South Carolina Conservation Bank, and believes the window of opportunity may go away if we do not move quickly. She said the landowners are interested in selling quickly.

Mr. Bustos stated that he believes this is one that should be referred to full Council on Tuesday with a recommendation for discussion to find out if full Council has an appetite for this or not.

Mr. Brimmer stated that he understands the request today; however, this was not an agenda item for this meeting and any votes would be out of order. He stated that it does not provide the public with an opportunity to attend this meeting.

Mr. Bustos stated that this is why he believes it should go to full Council.

Mr. Pagliarini stated that any Council member may put anything they wish onto the Council agenda.

Ms. Landing stated that Mr. Brimmer's point is that this Committee should not be voting on this item today.

Mr. Bustos stated that in order to accomplish this, he will request that it be put on to Council's agenda for the Tuesday, July 10<sup>th</sup> meeting.

**8. Adjourn**

There being no further business, meeting adjourned at 11:35 a.m.

Respectfully submitted,  
Barbara Ashe  
July 2, 2018