

MINUTES
SOUTH CAROLINA CONSERVATION BANK
Wednesday, January 31, 2018 – 10:00 am
Rembert C. Dennis Building – Room 335
Columbia, SC 29201

The South Carolina Conservation Bank (SCCB) Board held its regular meeting at 10:00 am, Wednesday, January 31, 2018 in room 335 of the Rembert C. Dennis Building in Columbia, SC. Notice of the date, time and place of the meeting was posted and mailed to the news media in accordance with the Freedom of Information Act. Chairman C. Douglass Harper presided at the meeting and members present included Michael G. McShane, Vice Chairman; Andrea Clark; D. Clinch Heyward; W. Thomas Lavender, Jr. and Ex-Officio member Phil Gaines for Duane Parrish, Director for SCPRT. Members absent were Elliott Close; Charles G. Lane; William L. Snow, Sr. and Ex-officio members Norman F. Pulliam, Chairman SCDNR Board and Dr. Walt McPhail, SC Forestry Commission Chairman.

I. WELCOME AND CALL TO ORDER

The Chairman called the meeting to order, welcomed everyone and thanked everyone for their work in getting the meeting organized. The Chairman asked Ms. Larck, SCCB Business Manager, to confirm that a public notice has been given for this meeting. Ms. Larck stated that this was correct. Mr. McShane asked those in attendance to introduce themselves. The Chairman recognized and thanked Mr. Parkin Hunter and Ms. Harley Kirkland from the SC Attorney General's office for serving as counsel for this meeting.

II. ROLL CALL

The Chairman asked Ms. Larck to call role of the Board Members. Ms. Larck called role and a quorum was established with five Board Members and one Ex-Officio in attendance.

III. PUBLIC COMMENTS

The Chairman opened the floor to anyone that would like to address to the Board. There being no public comments, the Chairman called for the next agenda item.

IV. ADOPTION OF MINUTES

The Chairman stated the Board was sent a draft copy of the December 8, 2017 minutes prior to the meeting for their review and that there was also a copy within the Board Member handouts under tab 1. The Chairman asked for any additions, deletions, or corrections. There being none, the Chairman called for a motion to adopt the minutes from the December 8, 2017 meeting. Mr. McShane made the motion to approve the December 2017 minutes. Ms. Clark seconded and the motion unanimously passed.

V. CHAIRMAN'S COMMENTS

The Chairman thanked the Board for their trust and confidence in voting him as Chairman. He stated that great progress has already been made and that he is optimistic that the Bank will emerge stronger than ever before. The Chairman noted the House Bill 4727 by Representative White that had been introduced with the first hearing earlier that morning and stated that this will give the SCCB an opportunity to enhance their impact across the State. The Chairman thanked Mr. McShane, Ms. Larck, and the rest of the conservation community for their support and assistance during this time. He also thanked the Board for their time and commitment and stated that what the Board does is leaving a legacy which will never go away.

IV. OLD BUSINESS

A. FINANCIAL REPORT

The Chairman stated that the budget for the remainder of FY 17-18 was under tab 2 in their handouts. Mr. McShane stated that this internal budget is something the Board hasn't seen in the past, however, will be discussed in future Board meetings. The Chairman stated that this a much more detailed approach under a new format recommended by the Inspector General. The Chairman stated that the Bank has recently received roughly \$2.7 million in funding from the General Fund which the Board is eager to spend, however, does not want to spend money during the reauthorization battle. The Chairman stated that to be respectful to the Qualified Entities that the Board will hold another meeting soon to decide on outstanding grants. The Chairman stated that the budget request for FY 18-19 was going to come from nonrecurring and recurring funds instead of our historical request of Deed Stamp funding.

B. REVIEW OF OUTSTANDING GRANTS

The Chairman turned the Board to tab 3 which included a list of all outstanding grants. He stated that he understands that each grant is different and the Board will plan on addressing these grants at the next Board meeting. Mr. Lavender requested that Ms. Larck include a column that listed whether the property was a Fee Simple or Easement and Ms. Larck agreed. Mr. McShane stated that the next Board meeting should be within 30-45 days. The Chairman asked if there were any questions. Being none, the Board moved to the next agenda item.

C. SELECTION OF LEGISLATIVE CONTACTS

The Chairman stated that over the last few months, the legislature has stated that the Board should be the face of the Bank. In order to do this, the Chairman requested each Board member to consider which legislative members they are willing to contact. The Chairman stated under tab 4 was a list of all Legislators and a form to fill and return to Ms. Larck to compile and organize the coverage. He stated that some Board members may be assigned to specific legislators. Mr. McShane asked for the Board not to limit the legislators to their specific district/representatives. Mr. Lavender clarified by asking if this was just a communication channel between the Board and Legislature. The Chairman agreed. Mr. McShane stated that the expectations of the Board members was to become more visible and that the Board is also appreciative of other group's support.

D. DEPARTMENT OF ADMINISTRATION PROPOSAL

The Chairman stated that with such a small staff and the current Executive Director vacancy, the SCCB will be working with the Department of Administration (DoA). The Chairman stated this will also help us meet recommendations from the Inspector General report, specifically the segregation of duties. The Chairman noted that a short-term agreement with the DoA was under tab 5 and that the support the Bank will receive will be at no cost in the interim. The Chairman stated that when an Executive Director was hired, the Board could review the necessity of continuing the services through the DoA but probably would not need it. Mr. McShane called for a motion to authorize the Chairman to sign the MoU included in the handouts. Mr. Lavender made the motion, Mr. Heyward seconded and the motion unanimously passed.

V. UPDATE FROM THE NATURE CONSERVANCY – A CONSERVATION VISION FOR SC

The Chairman stated that the new House Bill required the SCCB to have a plan to guide us in making priorities and in order to do this, it would be smart to consult available resources. The Board welcomed Dr. David Bishop, a representative of the Nature Conservancy, for a presentation entitled "A Conservation Vision for South Carolina". Dr. Bishop thanked the Board for the opportunity to share and stated there was potential pitfalls with future maps. Dr. Bishop provided the Board with a handout summarizing the South Atlantic Landscape Conservation Cooperative's (SALCC) methodology and products. Dr. Bishop presented the results from the SALCC's mapping project to identify priority areas for habitat conservation throughout South Carolina. The potential for using these products by the SCCB for long-term conservation strategic planning was briefly discussed.

VI. NEW BUSINESS

A. REVIEW OF THE INSPECTOR GENERAL'S REPORT

The Chairman referred the Board to Tab 7 which entailed the Inspector General's report and the SCCB's updated responses. The Chairman stated that the SCCB has already begun working on the recommendations and the letter included within this section states how. Several of these recommendations are met by the SCCB working with the DoA until a new Executive Director is hired. Mr. McShane referred the Board to Finding 4 and Finding 5 in the Inspector General's report. The Chairman stated in reference to these finding that the Board's intent is to organize a hands-on workshop with all parties about the changes once the legislation has passed. Mr. McShane then referred the Board to Finding 6 and stated the Bank has been working on a spending plan so that the Board does not run into this issue again. The Chairman called for any questions or comments. Being none, the Chairman thanked the Inspector General and his staff as well as several other State Agencies for their assistance during this time. Mr. McShane asked for the record to reflect that the Board has reviewed the letter to the Inspector General with an update on where the SCCB is on these recommendations.

B. LEGISLATIVE UPDATE

The Chairman referred the Board to Tab 9 which entailed the House Bill 4727 and expressed his appreciation for the assistance provided by Representative White and Representative Pitts on this milestone. The Chairman stated that he believes a Bill will be introduced in the Senate soon. The Chairman asked if there were any comments or questions. Mr. Lavender referencing to the deadline of the prioritization map within this bill asked if the July 1, 2018 deadline would be problematic and for clarification if this meant the SCCB needed to create a map or just compile the information already available. The Chairman stated that he will be following up with Representatives White and Pitts but the map should just be a compilation of information already available to the SCCB. Mr. Lavender commended the Chairman and Vice Chairman for their hard work on this bill. Mr. McShane referred the Board to page 5 of the Bill in which stated easements could not be more than \$500,000 and pointed out that there are project such as Angel Oak that exceed this figure. Mr. McShane stated that they will be using examples like Angel Oak to work with the legislators in order to adjust this figure. Mr. Lavender suggested working towards a provision that stated the Board could not approve an easement at a certain amount without the approval of a third party. Mr. McShane stated that there will be a full House Ways and Means committee next week that may discuss this option.

C. REVIEW OF NEW (NOT REVIEWED) GRANT APPLICATIONS

The Chairman asked the Board to turn to Tab 10 which tables all new not reviewed grants and stated that the SCCB is not at a position to address these yet but plans to in the near future. The Chairman stated that this list was provided to the Board in order for them to know what is ready to be reviewed and will be taking these into consideration with the budget request.

D. GRANTS COMMITTEE

The Chairman stated in order to utilize technical expertise and personal input, he would like to appoint a Grant Review Committee consisting of five Board members plus the three Ex-officio. The Chairman stated that this group would serve for one year and then alternate. This task in the past has been the role of the Executive Director alone.

E. RECOGNITION

The Chairman requested that the record show that the Board would like to recognize Mr. Davant, the SCCB's recently retired Executive Director, and Mr. Roquemore, the SCCB's outgoing Chairman, for their hard work and dedication to the SCCB's mission.

VII. EXECUTIVE SESSION

Mr. McShane stated there were some personnel matters that the Board needed to discuss. Mr. Lavender made a motion for a brief Executive Session to review the personnel matters. Ms. Clark seconded and the motion unanimously passed. The Chairman asked all parties to leave for the Board to go into a brief Executive Session.

VIII. RETURN TO REGULAR SESSION

The Chairman called for a motion to go back into regular session. Mr. Lavender made a motion to go back into regular session. Ms. Clark seconded and the motion unanimously passed. The Chairman stated there were a few things to be discussed following the Executive Session discussion.

A. PERSONNEL MATTERS

Mr. Lavender made a motion to accept the recommendation by the Chairman during Executive Session regarding personnel matters. Mr. McShane seconded and the motion unanimously passes.

B. BUDGET

The Chairman stated that there were a few things to update the Board on regarding the FY 18-19 Budget. Mr. McShane stated that the SCCB's budget requested Deed Stamp funding and the deletion of the DNR provisos that require the Bank to transfer \$3 million total to DNR. Mr. McShane stated that the budget has been amended to request no proviso changes, an increase in operating expenses, a request to get near average funding of \$12.8 million, and \$3 million appropriated to cover DNR provisos. Overall, the amendments ask for \$13 million including \$8 million in nonrecurring (\$5 million for the SCCB and \$3 million to cover provisos) and \$5 million in recurring funds. Mr. McShane explained to the Board the importance of the \$3 million coming from the Bank to DNR which is to help DNR leverage these funds. The Chairman asked for any questions. Being none, the Board moved to the next agenda item.

IX. BOARD MEMBER DISCUSSION

The Chairman opened the floor for Board member discussion. Being none, the Chairman noted that the Senate Finance Committee budget hearing will be held on February 22, 2018 at 10am.

X. TIME AND PLACE OF NEXT BOARD MEETING

The Chairman asked for the Board's discretion to call the next Board meeting as appropriate. All Board members in attendance agreed.

XI. ADJOURN

The Chairman called for a motion to adjourn. Mr. Lavender made the motion to adjourn. Ms. Clark seconded and the motion unanimously passed.