

MINUTES
SOUTH CAROLINA CONSERVATION BANK
Tuesday, July 31, 2018 – 11:00 am
Capitol Center 3rd Floor Conference Room
1201 Main Street, Columbia, SC 29201

The South Carolina Conservation Bank (SCCB) Board held its regular meeting at 11:00 am, Tuesday, July 31, 2018 in the third-floor conference room of the Capitol Center 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; Charles G. Lane; W. Thomas Lavender, Jr.; William L. Snow, Sr. and Ex-Officio members Norman F. Pulliam, Chairman SCDNR Board and Phil Gaines for Duane Parrish, Director of SCPRT. Members absent were Elliott Close and Ex-officio member 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 hard work. The Chairman stated that he was thankful for the Governor holding the Ceremonial Bill Signing for H. 4727 earlier that day and thanked everyone for showing their support at that event. 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. 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 seven Board Members and two 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 April 11, 2018 minutes prior to the meeting for their review and that a copy was within the Board Member handouts. The Chairman asked for any additions, deletions, or corrections. There being none, the Chairman called for a motion to adopt the minutes from the April 11, 2018 meeting. Mr. McShane made the motion to approve the April 2018 minutes. Mr. Snow seconded and the motion unanimously passed.

V. CHAIRMAN'S COMMENTS

The Chairman stated since the Board's last meeting House Bill 4727 has been ratified and this Act will change the Bank in many ways, however, the Bank will not alter their mission of conserving special places in South Carolina. The Chairman thanked everyone in attendance for their support and contributions to this effort. The Chairman stated that in the months to follow this meeting, there will be plenty of work to do including hiring a new Executive Director and implementing the new requirements that were added to the Bank's responsibilities in the new Act. The Chairman stated that the Board will soon address the new grant applications. The Chairman noted that these items will take some time and asked for the Land Trust community's patience.

VI. OLD BUSINESS

A. FINANCIAL REPORT

The Chairman stated that within the Board's handouts was a brief financial report to summarize where the SCCB currently was in regards to operating expenses and funds available for grants through fiscal year 2018-2019. The Chairman stated that the financial report showed the operating expense base budget plus additional funds the General Assembly added but a few have since been vetoed by the Governor. The Chairman stated that the budget includes \$4 million from the General Fund for grants, \$3 million from the General Fund for the SC Department of Natural Resources (SCDNR) transfer, and \$1.5 million from the Capital Reserve Fund for grants. The Chairman stated that including carryforward funding, the Bank has roughly \$6.1 million available for grants. Mr. McShane clarified by stating that these funds may not be currently available. Ms. Larck stated that the General Fund money has been received, however, the Bank is still waiting for the \$1.5 million from the Capital Reserve Fund. The Chairman also stated that the \$3 million set aside for SCDNR is in the process of being transferred. Mr. McShane also clarified the three operating expense line items vetoed by the Governor by stating that these funds were in addition to the budget requested by the Bank but will be considered when the General Assembly meets in September to discuss vetoes. Having no further questions, the Chairman called to move to the next agenda item.

B. REVIEW OF OUTSTANDING GRANTS

The Chairman stated that there is currently about \$2.6 million in outstanding grants and asked that the Board go through and discuss each property. The Chairman also asked the applicant, if in attendance, to give the Board an update.

1. **Johnsonville Tract** – The Chairman asked Mr. Johnson from the Conservation Fund to give the Board an update. Mr. Johnson stated that Johnsonville is ready to move forward. Mr. Johnson stated that the landowner had a voluntary clean up contract and was currently being reviewed to see how much it will cost to put that in place. The Chairman asked if Mr. Johnson had a timeframe as to when this property would be ready to close. Mr. Johnson stated that Johnsonville should be ready by the end of the calendar year but potentially sooner. Mr. McShane asked Mr. Johnson to give the Board an update by October 1, 2018 and Mr. Johnson agreed.
2. **Tall Pines Tract** – Mr. McShane stated that at the April 11, 2018 Board Meeting, he was instructed by the Board to meet with SCDNR and the Conservation Fund to see if what has previously been approved had a different pathway to still achieve acquisition of the property. Mr. McShane reminded the Board that the original application had a mitigation factor component which seemed to become complex and the timeframe could not be certain. The property is currently owned by the Conservation Fund and currently placed in SCDNR's WMA program. Mr. McShane stated that the result from his conversations was that the Conservation Fund would sell the property to SCDNR for \$4 million. SCDNR has agreed to come up with \$1 million and has asked that the original application to the Bank be amended to increase the amount requested to \$3 million. Mr. McShane recommended that SCDNR and the Conservation Fund jointly make an amendment to the application and the Board approve this request to go before the Other Funds Committee as well as the Joint Bond Review Committee. Mr. McShane stated that the Bank currently has roughly \$5.4 million in Other Funds that the Bank does not have authority to spend. Mr. Lane asked would this eliminate the \$1.5 million currently approved for this project. Mr. McShane stated that Tall Pine's line item on the outstanding list would remain at \$1.5 until the Other Funds Committee approves the request to fund the property for \$3 million from Other Funds. Mr. McShane made the motion to accept the amendment from SCDNR and the Conservation Fund for \$3 million toward Tall Pines upon the approval from the Other Funds Committee and the Joint Bond Committee. Mr. McShane made the comment that this motion also includes the requirement that SCDNR have the other \$1 million to complete the project. Mr. Snow seconded and the motion unanimously passed.
3. **Oakland Club** – Mr. McShane stated that the applicant, Mr. West with Lord Berkeley, was unable to attend the meeting but had talked to him earlier in the week to get an update. Mr. McShane stated that as the Board had discussed earlier, there was \$608,391.10 carried over from fiscal year 2017-2018 that the

Bank had available. Mr. McShane stated that Mr. West agreed to reduce the current outstanding balance of \$675,970 to this figure to close on the remainder of the property as soon as possible. Mr. McShane made the motion that upon receipt of this amendment request and any required due diligence that the Board approve the Oakland property for funding in the amount of \$608,391.10 from the funds carried forward from the previous fiscal year. Mr. Lane seconded and the motion unanimously passed.

4. **Harris Pillow Property** – The Chairman asked Mr. Bostick to give an update on the Harris Pillow property. Mr. Bostick stated that this property was in the final stages and should be ready to close by September 15, 2018.
5. **Kling Property** – Mr. Bostick stated that this property was also in the final stages and should be ready to close by September 15, 2018 as well.

VII. NEW BUSINESS

A. REVIEW OF RECEIVED BUT NOT APPROVED GRANTS

The Chairman stated that no action would be taken on new grant application at this time but there were some great projects across the state. The Chairman stated the Board would be working as quickly as possible to complete the necessary steps to begin approving some of these grants. The Chairman stated that the Board had a list of all new grant applications as of the morning of the meeting but informed the Board that there would be additions as the day progressed as it was an application deadline date. Mr. McShane made the observation that some of these grants were asking for \$1 million or greater and with the new requirement, these must be reviewed by the Joint Bond Review Committee.

B. LEGISLATIVE UPDATE

The Chairman stated there was not much to update the Board on legislatively, besides the previously discussed vetoes which will be taken up by the General Assembly around September.

C. EXECUTIVE DIRECTOR SEARCH COMMITTEE UPDATE

The Chairman thanked the Executive Director Search Committee for their hard work in getting the Executive Director's position description ready for the Agency Head Salary Commission's review. The Chairman informed the Board and the public that the Agency Head Salary Commission would meet on August 7, 2018 to review and approve this position. The Chairman stated that there will be additional steps in the process that must be taken before the Committee can bring candidate recommendations to the full Board for their review. Mr. McShane asked Mr. Hunter with the Attorney General's office to clarify the portion of the new Act that stated the Board must receive advice and consent of the Senate. Mr. Hunter stated that their office would look into it and get back to the Board. The Chairman asked if there were any additional questions or comments. There being none, the Chairman moved to the next agenda item.

IX. BOARD MEMBER OPEN DISCUSSION

The Chairman stated that the annual state audit had taken place and that a report should be received in the near future. The Chairman also informed the Board that upon advice from the procurement office, he was made aware that the Bank must receive multiple quotes for the mapping project that the Board has spoken about in depth at previous Board Meetings. The Board had already received one proposal from Clemson University and since then requested a proposal from Resource Planning Inc. in Columbia, SC. The Chairman opened the floor for Board member discussion. There being none, Mr. Bell from Lowcountry Land Trust asked the Board how they plan to review the pending applications. The Chairman stated that the Board plans on reviewing the grant applications and making awards according to the new statute and based on the highest scoring and priority to the State and not based on submission date. Ms. Demosthenes from Lowcountry Land Trust expressed her tremendous gratitude to the Board for all their hard work. Mr. Snow also thanked the Board's leadership for their time and effort put into the

Bank. The Chairman thanked the entire Board and the Land Trust community for the kind words and for all that they have done as well.

IX. TIME AND PLACE OF NEXT BOARD MEETING

The Chairman stated that the next Board Meeting was to be determined, however, would meet by the next quarter as that is now a requirement.

X. ADJOURN

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