

LOWCOUNTRY COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS MEETING
September 24, 2009
6:30 p.m.

MINUTES

PRESENT:

ABSENT:

BEAUFORT COUNTY: Donnie Beer
Gerald Dawson
Bill Ferguson
Brian Flewelling
Herbert Glaze
Mary Beth Heyward
Bill McBride
Joseph McDomick
Jerry Stewart
Lisa Sulka
George Williams

COLLETON COUNTY: Esther Black
Vic Nettles
Gene Whetsel

Joseph Flowers (Proxy to G. Whetsel)
Burley Lyons
Evon Robinson (Proxy to G. Whetsel)
George White
Bill Young (Proxy to G. Whetsel)

HAMPTON COUNTY: Frankie Bennett
Jimmy Bilka
J. L. Goodwin
Lloyd Griffith
Pete Hagood
Buddy Phillips
Nat Shaffer

JASPER COUNTY: Gary Hodges
Gwen Smith

George Hood (Proxy to H. Lawton)
Henry Lawton
Roy Powell

GUESTS: Iris Hill, Town of Edisto Beach Administrator representing Burley Lyons; Celia Price, guest of Esther Black; Mike Sullivan, SCDOT Area Planning Engineer

STAFF: Chris Bickley, Ginnie Kozak, Barbara Johnson, Sherry Smith, Carol Stonebraker

In the Chairman's absence, Vice-Chairman Buddy Phillips served as presiding officer. He called the September 24, 2009 Lowcountry Council of Governments regular board meeting to order at 6:30 p.m. and led the Pledge of Allegiance. Pete Hagood gave the invocation. Introduction of guests and staff followed. Minutes of the August 27, 2009 meeting were unanimously approved on motion by Jimmy Bilka with a second from Mary Beth Heyward. Proxies presented by the Executive Director included George Hood to Henry Lawton, and Joe Flowers, Evon Robinson and Bill Young to Gene Whetsel. All were general proxies. The meeting proceeded after determining a quorum was present.

Vice-Chairman Phillips opened the Lowcountry Regional HOME Consortium (LRHC) Consolidated Annual Performance Evaluation Report (CAPER) Public Hearing. The hearing had been properly advertised in regional newspapers, and a summary was mailed to board members prior to the meeting. A copy was in the board meeting packets. Vice-Chairman Phillips recognized Affordable Housing Manager Barbara Johnson. Barbara reviewed the CAPER for Program Year 2008-2009 that included housing rehabilitation, new construction and down payment assistance units completed or underway in the four counties. She said the HOME Advisory Committee had met and recommended approving the report. Following discussion, the Vice-Chairman called for public comments and there were none. He closed the hearing.

Vice-Chairman Phillips reordered the agenda to address New Business Item Number 2 and called for action on the CAPER just discussed. Joe McDomick moved to approve the report for submittal to HUD, and following a second from Vic Nettles, the motion carried with all in favor.

Vice-Chairman Phillips addressed Old Business and recognized Transportation Committee Chairman George Williams and Ginnie Kozak to present Intersection Improvement Projects for consideration. A report was in the meeting packets. The Transportation Committee met earlier that day. Mr. Williams reviewed the report and presented the Committee's recommended changes to the intersection projects list on Page 8: Move Project #2, SC 170 @ SC280, to the SCDOT safety project list to be funded by that program instead of LCOG STIP funds; Project #8, the roundabout at SC 46@S-29, would receive \$1 million from SCDOT resulting in LCOG's STIP share being only costs above that amount; Ginnie Kozak said that LCOG's share would not be known until engineering and design was completed but would likely be less than \$1 million. Mr. Williams noted that Projects #1, and #3 were to be removed from the list due to having been funded through other sources. No funds were allocated for Project #13.

Mr. Williams said the committee also recommended allocating \$200-\$300 thousand from LCOG STIP funds to update environmental assessments and Army Corps of Engineers permits needed for widening SC68 in Hampton County to the Regional Industrial Park to make the project shovel-ready should additional ARRA/stimulus funding become available. Following discussion, Pete Hagood moved to approve the projects list to include the recommended actions. Jim Outlaw seconded the motion, and it carried with all in favor. A copy of the Intersection Improvement Projects list is attached.

Chris Bickley was recognized to present information about the LCOG Building Expansion and Renovation Project. Review documents were mailed to board members prior to the meeting and were included in meeting packets along with a project update memo and bid tabulation. Chris Bickley reviewed the contractor items. Bids were opened September 22, 2009. He reported that 20 of 22 general contractors had been pre-qualified and that 14 actually submitted bids. The architect recommended awarding the contract to low-bidder, Emory J. Infinger Construction of North Charleston. Chris said that financing should be in place before contract award and recommended the Board adopt a statement of intent to award in order to begin the process. Brian Flewelling moved to adopt a statement of intent to award the contract to the low bidder, and Mary Beth Heyward seconded the motion. Vice-Chairman Phillips called for discussion, after which the motion was approved with all in favor.

Chris Bickley continued and said that the original plan to finance the project through the COG's Lowcountry Regional Development Corporation (LRDC) was not the best option. The proposed financing would be through Jasper County, acting on behalf of the COG, and structured as a lease-finance arrangement between Jasper County, the bank and the COG with LCOG having full responsibility for payment. Jasper County Council would be requested to approve the financing through public ordinance with a public hearing, and the other County Councils would be asked to adopt resolutions approving the transaction. Chris said the COG had retained bond attorney Margaret C. Pope of Columbia to handle financing and the Darrell T. Johnson Jr. Law Office in Hardeeville for local real estate matters. Discussion followed. Gerald Dawson

asked if regional contractors had bid on the project. Chris identified two regional contractors on the bid tabulation. Neither was low bidder. He said that special effort had been made to assure regional contractors were aware of the project and pre-qualification process. Chris recommended that the Board adopt the resolution needed to start the financing process.

Bill McBride moved to adopt the resolution petitioning Jasper County to enter into a lease-financing transaction with LCOG for the purpose of providing certain improvements to the COG's administrative facility located in Jasper County. Mary Beth Heyward seconded the motion and discussion followed with several questions. Nat Shaffer asked about the option of financing through LRDC. Chris responded that changes to tax laws would not have allowed favorable tax-exempt status for a lower interest rate, which could be achieved with the proposed lease financing. He clarified that, although the COG had retained a bond attorney, no bond process was involved, and the proposed lease financing through Jasper County would have the COG making lease payments equal to principal and interest payments on the money borrowed. LCOG would have sole responsibility for payment. Jim Outlaw asked if the COG was required to choose the lowest bid contractor. Chris replied that everyone, including prospective contractors, had been led to believe it would be awarded to the lowest qualified bidder. He said other requirements could have been including at the start of the process. Bill Ferguson asked if the information was confidential. It was not. Lisa Sulka asked if the COG required local preference for contractors. Chris responded that it did not, and unlike municipalities that frequently deal with construction contracts, this is only the COG's second in 15 years. Vice-Chairman Phillips called for a vote on the motion, and it carried with all in favor.

Chris Bickley reviewed the remaining items on his memo and urged everyone to support the project. He said that the bond attorney would contact banks that do the type financing required, and ads would be placed in regional newspapers inviting local banks to participate. Chris responded to a question about subcontractors and said he did not have a list of subcontractors, but the contractor was required to submit a subcontractor list to the architect for approval prior to the start of construction.

The Vice-Chairman addressed other New Business and recognized Sherry Smith to present a new Title IX Revolving Loan Fund Write-Off Policy. Michelle Knight was unable to attend the meeting. A draft was mailed to board members prior to the meeting and copies were in meeting packets. Sherry reviewed the proposed policy that addressed EDA's effort to lower the default rate of the Title IX loan portfolio. Sherry said the Loan Committee helped draft the policy and that it formalized procedure already practiced by the COG staff. Effort to collect would not cease following write-off, and historically the COG had been able to collect some portion or all of a defaulted loan. Discussion followed and Sherry responded to questions. She said the EDA formula to determine default rate was the outstanding principal of loans in default divided by the total number of outstanding loans. Write-off alone would not greatly affect the default rate, but would allow new loans in good standing to lower that number. George Williams asked about what would happen if the borrower did not file for bankruptcy. Sherry responded that, if the COG had not collected funds in a three-year period, the loan would become eligible for write-off. Mr. Williams suggested changing "and" at the end of condition number one to read "and/or" to add flexibility, and everyone was in general agreement. Noting that the COG had been very conservative in writing off loans, Sherry requested that the Board apply the policy retroactively to June 30, 2009 and to also approve writing off three existing loans. She said the auditors were in agreement with that action.

Gwen Smith asked Sherry to read the policy to include the change suggested by Mr. Williams, which she did. Gwen Smith moved to approve the policy as revised and to approve writing off the three loans as requested, and Donnie Beer seconded the motion.

Brian Flewelling moved to amend the pending motion by inserting wording to allow the COG to write off loans after no payments had been collected for a period of three years. Jim Outlaw seconded the motion and discussion followed. Chris Bickley emphasized that efforts to collect did not cease with write-off, and diligence with patience proved prudent. He said that Title IX loan regulations might seem unusual in that they require the COG to be in second position, and those loans are made only to companies that banks will not lend to.

Vice-Chairman Phillips called for a vote on the amendment and it carried with all in favor. He then called for a vote on the original motion as amended, and it too carried with all in favor.

Sherry Smith was recognized for the August Finance Report. She submitted the report as written noting the negative Operations number reflected up-front costs associated with the building expansion. All other items were in line with budget. The report was accepted as information.

In Michelle Knight's absence, Chris Bickley was recognized for the Community and Economic Development Report. Chris submitted the report as written noting there were 46 active projects and 7 in the application process. The report was accepted as information.

Chris Bickley was recognized for the Director's Report and he reviewed selected items. The Loan Committee met the previous week to consider a loan application but had declined approval. The applicant could resubmit later with additional information. The South Carolina Association of Regional Councils' (SCARC) annual conference will be in Myrtle Beach November 22-24. Chris drew attention to unemployment data in the meeting packet. He asked for suggestions how to increase HOME Consortium projects in Colleton County.

There were no comments during Council Time. With no additional business to address, and on motion duly made, seconded and approved, Vice-Chairman Phillips adjourned the meeting at 7:34 p.m. Copies of the agenda were distributed prior to the meeting. A notice of the meeting was posted on the LCOG bulletin board at least twenty-four hours prior to the meeting.

Respectfully submitted,

L. Chriswell Bickley, Jr.
Executive Director

Attachments

Proposed Intersection Improvements

Map ID	County	Location	Improvement Description	Estimated Cost	Comments	Revised Cost Estimates
1	Beaufort	SC 802@S-23	Removed. Beaufort County Sales Tax project			\$0
2	Beaufort	SC 170@SC 280	Paint, new signage, addition of turn lane	\$500,000	SCDOT will pay for improvements; remove from this list.	\$0
3	Beaufort	US 21@S-281	Removed. Beaufort County Sales Tax project			\$0
4	Beaufort	US 21@SC 116	Back Plates on signals and retroreflective striping	\$2,500		\$2,500
5	Beaufort	US 21@SC 280	New turn lane	\$250,000		\$250,000
6	Beaufort	US 21@S-36 (Meridian Road)	New Striping	\$1,000		\$1,000
7	Beaufort	US 21@S-6 (Bay Street)	New Striping	\$5,000		\$5,000
8	Beaufort	SC-46@S-29	Roundabout Cost estimate is maximum; may be lower	\$2,000,000	SCDOT will provide up to \$1,000,000 of total cost	\$1,000,000
9 and 12	Beaufort		Improved signage and pavement marking ±\$2500 each	\$5,000		\$5,000
13	Jasper	US 17@SC 336	Details to be developed.	TBD		
14	Jasper	US 17@SC 46	Signage and pavement markings	\$2,500		\$2,500
		TOTAL		\$2,766,000		\$1,266,000