

LOWCOUNTRY COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS MEETING

October 22, 2009

6:30 p.m.

MINUTES

PRESENT:

ABSENT:

BEAUFORT COUNTY:

Gerald Dawson
Bill Ferguson
Brian Flewelling
Herbert Glaze
Bill McBride
James Outlaw
Jerry Stewart
George Williams

Donnie Beer (Proxy to B. Heyward)
Mary Beth Heyward (Proxy to B. McBride)
Joseph McDomick
Lisa Sulka (Proxy to G. Hood)

COLLETON COUNTY:

Esther Black
Joseph Flowers
Vic Nettles
Evon Robertson
Bill Young

Burley Lyons
Gene Whetsel
George White

HAMPTON COUNTY:

Frankie Bennett
Lloyd Griffith
Pete Hagood
Nat Shaffer

Jimmy Bilka (Proxy to P. Hagood)
J. L. Goodwin
Buddy Phillips (Proxy to P. Hagood)

JASPER COUNTY:

Gary Hodges
George Hood
Henry Lawton
Gwen Smith

Roy Powell

GUESTS:

Celia Price, guest of Esther Black; Lawrence Flynn, representing LCOG's bond attorney
Lesley Kelly, McGregor & Company; Paul Sommerville, Beaufort County Council;
Henry Etheridge, Jasper County Council

STAFF:

Chris Bickley, Charlotte Boyer, Michelle Knight, Ginnie Kozak, Sherry Smith, Carol Stonebraker

Chairman Hood called the October 22, 2009 Lowcountry Council of Governments regular board meeting to order at 6:30 p.m. and led the Pledge of Allegiance. Evon Robinson gave the invocation. Introduction of guests and staff followed. The Chairman called for action on the September 24, 2009 minutes. Gary Hodges moved to amend the last sentence in paragraph three of page two to read, "No funds were allocated for Project #13 pending study by SCDOT." Following a second from Joe Flowers, the minutes were unanimously approved as amended. Proxies presented by the Executive Director included Donnie Beer to Mary Beth Heyward, Mary Beth Heyward to Bill McBride, Lisa Sulka to Chairman Hood and Jimmy Bilka and Buddy Phillips to Pete Hagood. All were general proxies. The meeting proceeded after determining a quorum was present.

Chairman Hood addressed Old Business and recognized Chris Bickley for an update on LCOG's Building Plans. A summary was in meeting packets. Chris reviewed the renovation and expansion project budget. Total project cost was \$954,100 to be funded by a lease-purchase agreement in the amount of \$900,000, an anticipated State energy grant of \$48,000, and \$6,100 from the COG fund balance. Bids to rehab the standing-seam metal roof came in at \$32,000, and a new roof would cost \$46,000. Chris did not recommend either because the contracted renovation would include reworking the gasket seal of the ridge cap—the only

section needing repair since installation about 15 years ago. The Financing Schedule date to send bid letters to banks and run public notice ads had been delayed to allow Jasper County time to have a second reading and hold a public hearing on the lease/purchase financing, which in turn moved the date to receive bids from banks to November 3 and delayed closing of financing and the construction contract until November 19. Discussion followed. Nat Shaffer asked about two financing items. Chris Bickley said the "Jasper Review" item (4.b.) allocated \$2,500 to pay for Jasper County's bond council to review the lease-purchase on its behalf. Lawrence Flynn, with the COG's bond counsel, explained that the \$2,500 Real Estate item (4.c) estimate included title check and other real estate requirements as well as a researched and written legal opinion. Gerald Dawson asked if the contractor and sub-contractors would be local. Chris said the low-bid contractor was from North Charleston. He did not know which subs would be contracted, but the architect must approve them and locals could be encouraged.

Chairman Hood recognized Lawrence Flynn to review a draft resolution authorizing the lease-purchase financing. Summaries were provided with full copies available on request. Mr. Flynn said the proposed financing was somewhat unique because COGs, although created by State law, do not have explicit borrowing power; therefore, LCOG sought conduit financing through Jasper County, which was a valid, legal and binding approach. Chris Bickley said a similar method was used to finance the COG's building renovation about 15 years ago through the Lowcountry Regional Development Corporation (LRDC), but tax law changes prevented using LRDC for the current project. Mr. Flynn reviewed the process and reported that Jasper County first and second readings and the public hearing were complete, and the third reading was scheduled November 3. Brian Flewelling moved to adopt the resolution as presented, and following a second from Jim Outlaw, the motion carried with all in favor.

Chris Bickley was asked to present details of the building contract award for Board consideration. A summary was included with the budget and schedule documents. Chris recommended the Board adopt a motion to award the renovation and construction contract to low bidder Emory J. Infinger & Associates Construction Co., Inc. in the amount of \$698,500.00 and to further authorize and direct the Executive Director to sign all necessary project contract documents on behalf of the COG. Bill McBride made a motion to accept the recommendation, and following a second by Jim Outlaw, the motion carried with all in favor.

Chairman Hood addressed New Business and recognized Lesley Kelly with McGregor and Company, the COG's independent auditor, to present the audit covering fiscal year ended June 30, 2009. Audit reports were in meeting packets. Ms. Kelly said McGregor & Company conducted its audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. She reviewed the report noting it was an unqualified opinion. There were questions about the Title IX program. Chris Bickley said the Change in Fund Balance was due primarily to writing off some old loans as approved by the Board at its last meeting and that the COG did not cease collection efforts after write off. Michelle Knight commented that the COG holds second position on the loans, but the corrective action plan approved by the Board in 2009 added requirements that would strengthen its ability to collect. The one Title IX repeat finding was due to a documentation form—bank turndown letter—missing from older loan folders that was not known to be a requirement at the time those loans were made. Only EDA can remove the finding and, after requesting remedy with EDA for some time, the COG anticipates resolution soon. LCOG now requires bank turndown letters on all loans. Ms. Kelly said the stated deficiency was not considered a material weakness. Following discussion, Henry Lawton moved to accept the audit report as information. Jim Outlaw seconded the motion and it carried with all in favor. Afterwards, Chris Bickley asked Ms. Kelly if McGregor and Company found anything during the audit that he or the Board needed to know. Ms. Kelly responded, that other than what was contained in the report, no.

Michelle Knight was recognized by Chairman Hood to present new HOME Consortium Projects for consideration. Affordable Housing Manager Barbara Johnson was unable to attend. The Affordable Housing

Advisory Committee met the previous day, reviewed the projects and recommended approval. Michelle presented five projects: Jasper County Neighbors United 42-unit rental rehab, Hampton County 4-unit rehab, Town of Hampton 4-unit rehab, Town of Varnville 4-unit rehab, and an LCOG in-house 10-unit down payment assistance project. First year funds for the down payment project were reallocated from a previously approved HOME project. Michelle responded to questions and said participants in the programs must meet low-income qualifications and other program requirements. Jasper County Neighbors United is a non-profit that received HOME Consortium CHDO (Community Housing Development Organization) designation and has a salaried director. After discussion, Henry Lawton moved to approve the projects. Following a second from Vic Nettles, the motion carried with all in favor. Michelle reviewed the HOME Program Update as of October 2009 (excluding projects just approved). It was accepted as information. Copies of both documents were in meeting packets.

The Chairman asked Michelle Knight to continue with the Title IX Plan Certification, an annual EDA requirement. Copies of the plan and draft resolution were mailed to board members prior to the meeting and were in meeting packets. Michelle reviewed the plan and reported that all but one target was met or exceeded. Currently at 48%, the target of 60% of RLF assets dedicated to creation of non-service jobs was not achieved. Chairman Hood called for discussion and action on the resolution, after which Nat Shaffer moved to adopt the resolution as written. Following a second from Frankie Bennett, the motion was unanimously approved.

Sherry Smith was recognized for the September Finance Report. Copies were in meeting packets. Sherry submitted the report as written noting the negative number in Actual YTD Operations was strictly due to up-front costs related to the facility expansion that would be on target once project financing is in place. The report was unanimously accepted as information following a motion by Pete Hagood and with a second from Jim Outlaw.

Michelle Knight was recognized for the Community and Economic Development Report. Copies were in meeting packets. Michelle submitted the report as written and commented on current activity. September applications were going through the clarification process with staff responding to memos from the Department of Commerce. Architects would be interviewed October 29 for the Workforce Training project in Hampton County. The COG received notice from EDA that it had approved plans and specifications for the Colleton County Workforce Training project and that advertising for bids could begin. Joe Flowers moved to receive the report as information, and following a second from Pete Hagood, the motion carried with all in favor.

Chris Bickley was recognized for the Director's Report. Copies were in meeting packets. Chris submitted the report as written and reminded board members of the SCARC conference in November. He drew attention to the Lowcountry Unemployment Rates chart noting that regional unemployment had doubled during the six-month period between July 2008 and January 2009. An updated regional demographic overview was in meeting packets.

There were no announcements during Council Time. Without additional business to address, and on motion duly made, seconded and approved, the Chairman adjourned the meeting at 7:41 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