

**LOWCOUNTRY COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS MEETING
January 27, 2011
6:30 p.m.**

MINUTES

PRESENT:

ABSENT:

BEAUFORT COUNTY:

Gerald Dawson
Brian Flewelling
Herbert Glaze
Mary Beth Heyward
Bill McBride
Joseph McDomick
Jerry Stewart
Lisa Sulka

Donnie Beer (Proxy to B. Flewelling)
Bill Ferguson
James Outlaw (Proxy to G. Dawson)
George Williams (Proxy to Chair)

COLLETON COUNTY:

Esther Black
Vic Nettles
Evon Robinson
Bill Young

Joe Flowers (Proxy to B. Young)
Larry (Babe) Hutto
Gene Whetsel

HAMPTON COUNTY:

Frankie Bennett
Charles Boyles
J. L. Goodwin
Lloyd Griffith
Pete Hagood
Buddy Phillips

JASPER COUNTY:

Gary Hodges
Henry Lawton
Gwen Smith

Sherry Carroll

GUESTS:

Celia Price, guest of Esther Black; J. Craig Forrest, SCDOT Commissioner, Second Congressional District; Lesley Kelly, CPA & Partner, McGregor & Company; Paul Sommerville, Beaufort County Council

STAFF:

Chris Bickley, Michelle Knight, Ginnie Kozak, Sherry Smith, Carol Stonebraker, Jamie Wood

The Lowcountry Council of Governments Board of Directors held its regular board meeting January 27, 2011 in the conference room of the Point South Hampton Inn. Chairman Buddy Phillips called the 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 October 28, 2010 meeting were unanimously approved on motion by Henry Lawton with a second from Tootie Griffith. Proxies presented by the Executive Director included Donnie Beer to Brian Flewelling, Joe Flowers to Bill Young, Jim Outlaw to Gerald Dawson and George Williams to Chairman Phillips. All were general proxies. The meeting proceeded after determining a quorum was present. Evon Robinson made a motion to adopt the 2011 LCOG Board meeting schedule, and following a second from Mary Beth Heyward, the motion carried with all in favor.

SCDOT Commissioner Craig Forrest was recognized for comments. Mr. Forrest announced he had recently been appointed Chair of the SCDOT Revenue Enhancement Committee that was being formed for

the purpose of identifying additional funding for SCDOT. He asked that everyone contact their local legislators about the need for additional transportation revenue streams and requested suggestions about people to serve on the committee. About 15 people would be selected from the 2nd District that runs from Hilton Head Island to Columbia.

Chairman Phillips called for Presentations and recognized Lesley Kelly with McGregor & Co., Lowcountry Council of Governments' independent auditor, for the Annual Financial Report for year ended June 30, 2010. Copies of the audit were mailed to board members prior to the meeting and were included in meeting packets. Ms. Kelly said the report represented McGregor & Co.'s unqualified opinion and that the report's financial statements presented fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and each major fund of Lowcountry Council of Governments as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with government accounting principles generally accepted in the United States of America. Ms. Kelly reviewed the audit report. A large portion of Restricted Cash included unexpended borrowed funds for the facility expansion that was being held in a separate interest-bearing account until drawdown.

Ms. Kelly said there were no material weaknesses or significant deficiencies identified in the financial reporting. Under Federal Awards, she reported a recurring, non-material weakness finding regarding very old RLF loans that were missing bank turn-down letters. All loans made subsequently to learning about that requirement have the proper documentation. The finding must be reported each year until EDA authorizes its removal. Ms. Kelly stated that LCOG qualified as a low-risk auditee. Chris Bickley asked if Ms. Kelly or her associates found anything further while conducting the audit that the Board or he needed to know. She responded no. Discussion followed, after which Pete Hagood moved to accept the audit report as information. Mary Beth Heyward seconded the motion and it carried with all in favor.

Chairman Phillips requested that Ms. Kelly continue with the Lowcountry Regional Development Corporation (LRDC) Annual Financial Report for year ended September 30, 2010. Board members received copies prior to the meeting. Ms. Kelly said the audit was conducted under the same stringent standards and accounting principles as the audit just presented; that it was McGregor & Company's unqualified opinion the financial statements presented fairly, in all material respects, the financial position of Lowcountry Regional Development Corporation as of September 30, 2010. Ms. Kelly noted there had been little activity within LRDC. She reviewed the audit report. Chris Bickley noted that LRDC owns a spec building in Colleton County, one in Hardeeville and another near Estill, and it collects rent for them, but most of that money goes back to the State to pay on economic development loans. The audit report was accepted as information on motion by Vic Nettles with a second from Tootie Griffith.

Jamie Wood was recognized for a Lowcountry Workforce Program Update. He reported that adjustments made as part of the current budget are complete, the program is on target, and staff members are developing ideas on how to improve next year's budget and financial positions. Caseloads are down from the previous year with Colleton County having the largest demand for services. Clients are entering and exiting the program at a faster rate—85% exited with employment last month. The program served over 1,000 people in the region last year, and there was no waiting list for service.

The Lowcountry Workforce Investment Board (LWIB)—as requested by the SC Department of Employment and Workforce (DEW)—approved LCOG's expanded role in One-Stop operations, and the COG now holds supervisory responsibility in the four counties. DEW eliminated three area director positions that will be replaced by one regional director. Interviews for the regional director are underway. Jamie reported that WIA did not add staff, but has adjusted existing employee responsibilities. DEW is working on its statewide re-branding. Its unemployment services will go on-line and have a call center, while the local offices will concentrate on reemployment.

Jamie also updated the Board about efforts to lease office space. The Department of Labor (DOL) must rule on how the State charges for leasing facilities it owns. Other buildings are being looked at. The Memorandum of Understanding (MOU) between DEW and LCOG must be in place and approved by the COG Board before going forward. State is asking for a final decision by March 31st with an implementation date of July 1. The Jasper County office is the exception because it is already in leased space, and with that lease expired, Jasper County DEW and WIA staff will soon move to another location.

The WIA Department is working on several important projects: the branding change to reemployment; the local offices and the LWIB are going through the certification process—which is required every two years; computer numerical control (CNC) equipment for training at the TCL Mungen Center in Varnville; and new client enrollments related to the New York Wire plant closing in Walterboro.

Jamie said he and Chris Bickley will soon visit the four County Councils to discuss the DEW/LCOG WIA MOU and agreements.

During discussion Jamie responded to a question about cost savings and said that DEW controlled its staff salaries, but all other costs will be reviewed for cuts. He expects facility leasing to favorably impact savings. Jamie pointed out that service delivery improvements are equally important and gave a recent example of providing more efficient job search help for clients. Chairman Phillips thanked Jamie for the update.

Chairman Phillips addressed Old Business and recognized Chris Bickley to present alternatives for Revolving Loan Fund (RLF) Program future operations. Preliminary discussions were held by the Board in August and September. A summary was in meeting packets and Chris reviewed the information. He recommended that the COG continue operating the RLF; write-off old, defaulted loans—which would not restrict ability to collect; require that future RLF loan applications be handled by the client's primary bank as part of its loan processing; and revise the RLF Plan and Guidelines to reflect those changes. Chris said the revised plan and guidelines would require EDA and LCOG Board approval. Continuing the program would retain the economic development asset and hold open options for future improvements. Following discussion, Brian Flewelling moved to adopt the recommendations. Seconded by Henry Lawton, the motion carried with all in favor. Chris Bickley confirmed that the LCOG Board must approve all loans.

The Chairman asked if there were other Old Business and hearing none proceeded to New Business. Chris Bickley was recognized for comments about the SCDOT Rural Consultation Survey. Copies were mailed to board members and included in meeting packets. Noting the region was rural and non-metropolitan for transportation planning purposes, Chris said the survey allowed the Board to comment and make recommendations to SCDOT. He suggested that the Board approve, as a body, submitting a survey on behalf of its thirty members with the appropriate boxes marked "most effective" and "most satisfied." Henry Lawton made a motion to approve completing the survey as recommended by the Executive Director. Mary Beth Heyward seconded the motion and it carried with all in favor. Chris also asked that board members provide copies of the survey to their respective boards for additional input to SCDOT.

Sherry Smith was recognized for the Mid-year Finance Report. Copies were in meeting packets and Sherry reviewed the information. She reported that building project delays continued to affect Operations because anticipated depreciation could not be charged. Grant match payouts increased early fiscal year expenditures and included some awards not anticipated when the budget was approved. For that reason a budget revision would soon be recommended. Line items on the Balance Sheet were added to provide more detailed reporting of Restricted Cash. Chris Bickley said the COG was losing \$2,500 in depreciation each month that he expected to recapture as part of liquidated damages from the contractor. The report was accepted as information.

Michelle Knight was recognized for the Community & Economic Development Report. Copies were in meeting packets and Michelle submitted the report as written. She reported that a pre-bid meeting was held for the Mungin Center project, and a good number of contractors attended. The Colleton Quick Job Center completion date had been delayed to April 13. Four projects were awarded in the fall funding round. Michelle announced the spring funding round deadline of March 18 and recommended that communities hold public hearings soon if interested in submitting projects. The report was accepted as information.

Chris Bickley was recognized for the Director's Report. Copies were in meeting packets. Chris reported that recent work on the facility expansion had been held up three weeks over a fire/security system wiring issue with the Jasper County Fire Marshal. COG directors recently met with State officials regarding next year's budget, which is expected to have significant cuts. Chris stressed the importance of State and County appropriations for the COG as they are a primary source of local match dollars required to obtain grants. He said the COG has a healthy reserve fund, which would probably have to be used until the economy improves. During discussion, Chris said the County dues appropriation is \$.60 per capita based on Census population numbers. An updated unemployment chart was in meeting packets, as well as a 2010 attendance chart.

There were no comments during Council Time. With no additional business to address, and on motion duly made, seconded and approved, the Chairman adjourned the meeting at 7:50 p.m. Copies of the agenda were distributed prior to the meeting. A notice of the meeting and its location change 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

**LOWCOUNTRY REGIONAL HOME CONSORTIUM
PROJECT PROSAL REQUEST
February 24, 2011 LCOG BOARD MEETING**

PROJECT PROPOSAL REQUEST FOR APPROVAL

- 1. CITY OF WALTERBORO – DOODLE HILL – COLLETON COUNTY- 16 UNITS –
OWNER OCCUPIED HOUSING REHABILITATION – TOTAL PROJECT COST
(approximately) \$668,750**

The City of Walterboro is requesting \$150,000 in Lowcountry Regional HOME Consortium funds to leverage their \$500,000 Community Development Block Grant (CDBG) to make safety improvements in the Doodle Hill Neighborhood. Activities in the CDBG project will include demolition of uninhabitable dwellings, sidewalk improvements, minor exterior housing repair and installation of camera systems at key locations to increase safety. Our consortium HOME funds will be used to address housing repairs to the interior of the houses.

The city is proposing to rehabilitate approximately 16 owner-occupied units using HOME funds.

COMMITTEE RECOMMENDATION: HOME funds - \$150,000 and \$18,750 in Local Funds.

TOTAL RECOMMENDATION:	<u>\$168,750</u>
HOME -	<u>\$150,000</u>
LOCAL MATCH –	<u>\$ 18,750</u>