

LOWCOUNTRY COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS MEETING
October 25, 2012
6:30 p.m.

MINUTES

PRESENT:

ABSENT:

BEAUFORT COUNTY:

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

Mary Beth Heyward
Lisa Sulka (Proxy to Chair)

COLLETON COUNTY:

Esther S. Black
Joseph Flowers
Larry (Babe) Hutto
Thomas (Tommy) Mann
Evon Robinson
Gene Whetsell
Bill Young

HAMPTON COUNTY:

Frankie Bennett
J. L. Goodwin
Pete Hagood
Buddy Phillips

Charles Boyles
Lloyd Griffith (Proxy to Chair)
Nat Shaffer (Proxy to B. Phillips)

JASPER COUNTY:

LeRoy Blackshear
Henry Lawton
Joey Malphrus
Gwen Smith

Sherry Carroll

GUESTS:

Craig Forrest, SCDOT Commissioner District 2; Fred Hanna, URS Corporation; Ceilia Price, guest of Esther Black; Harrison Reardon, SCDOT Commissioner District 6; Mayor John Rhoden, Town of Hampton, and his wife Helen; Barbara Sally; Lisa Wechsler, CPA, Crowley Wechsler & Associates

STAFF: Hank Amundson, Chris Bickley, Michelle Knight, Ginnie Kozak, Sherry Smith, Carol Stonebraker

Chairman Herbert Glaze called the October 25, 2012 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 September 27, 2012 meeting were unanimously approved on motion by Pete Hagood with a second from Henry Lawton. Proxies presented by the Executive Director included Nat Shaffer to Buddy Phillips and Lloyd Griffith and Lisa Sulka to the Chair. All were general proxies. The meeting proceeded after determining a quorum was present.

Chairman Glaze recognized Hampton Mayor John Rhoden and Fred Hanna, URS project engineer, to present an overview of the new Lowcountry Regional Water System in Hampton County. Mayor Rhoden opened by saying LCOG contacted Hampton County municipal officials a few years ago about a potential \$25K grant to help consolidate the county's municipal water/wastewater facilities. The towns began meeting with EPA and DHEC to discuss how small towns could comply with more stringent and costly new regulations. The Towns of Hampton, Varnville, Brunson and Yemassee agreed to form the Lowcountry Regional Water System (LRWS). Gifford joined later. Congressman Jim Clyburn strongly supported the effort and offered his help. LRWS obtained a Charter from the SC Secretary of State and has elected a Board of Commissioners with each participating town and the county having membership and voting authority. Mayor Rhoden expressed his confidence that LRWS will be good for Hampton County and its towns by providing a more efficient, cost-effective and advanced water/wastewater system. LRWS will be eligible for more grants. Mayor Rhoden turned the presentation over to Fred Hanna.

Mr. Hanna thanked Mayor Rhoden for his leadership and the COG for its work with the project. He spoke about how the towns came together to create a sustainable water system for the county, which is not only a South Carolina issue but in all rural areas of the U.S. Regulations are becoming more stringent and hard to meet as small towns face rising costs. A study was completed along with a plan to implement. Phase one of the implementation was to establish a governing body, which is complete. LRWS is a political subdivision of South Carolina. It merges participating town's water and wastewater assets into one system. Short term, the system will solve operational issues with the goal of operational excellence. Long term, the system will benefit economic development in the region by providing infrastructure improvements and expansion. Mr. Hanna said that EPA provided some of the funds for the initial study and is very interested and wants to see other U.S. areas form similar agreements. The Lowcountry Regional Water System is unique not only to South Carolina but most of the U.S. as well. They have been invited to present the project at EPA as a model for other areas. The Town of Estill decided to not participate at this time. Mr. Hanna commended the mayors and others that worked to create the LRWS.

Mayor Rhoden added closing remarks. Implementation is expected by end of April 2013. Some citizens were concerned over transfer of assets, but participating towns will recover asset values in the form of franchise fees once the system gets going. The Town of Hampton will get to keep its own currently held water-related fund balances accumulated over the years. Those funds can be used to meet the Town's other needs. Chairman Glaze asked if there were questions, and there were none. He thanked Mayor Rhoden and Mr. Hanna.

Lisa Wechsler was recognized to present the Agency Audit for Fiscal Year Ended June 30, 2012. Ms. Wechsler, CPA, is with Crowley, Wechsler & Associates, the COG's independent auditor. Advance copies were mailed to board members prior to the meeting and originals distributed at the meeting. Ms. Wechsler reviewed the information. She said the audit held no material findings. Financial highlights indicated total net assets and ending fund balance decreased primarily due to transferring the Title IX Revolving Loan Fund (RLF) to the Catawba Regional COG. Ms. Wechsler reviewed the COG's Financial Statements noting that no new accounting policies were added during the fiscal year. Three major programs, HOME, WIA and Aging, were tested for compliance with program regulations. One non-material weakness, a reportable condition, was identified: a non-income eligible WIA client received training funds. Management has taken corrective action. Discussion followed. Brian Flewelling asked if the condition will be in next year's audit report. Ms. Wechsler responded yes, because all prior audit findings must be reviewed and show corrections. Joe Flowers asked about fringe benefits and Sherry Smith said the COG posts compensated sick leave and annual leave to fringe benefits separate from salaries. Chris Bickley asked how the audit data compared to monthly financial statements the Board receives on Operations and if the audit found anything the Board needed to know. Ms. Wechsler said the June 30 Financial Statement impressively matched the Audit Report within \$4.00 and that everything the Board needed to know was in the report. Bill McBride also asked if the auditor had any concerns about

the COG's operations. Ms. Wechsler responded no. Pete Hagood moved to accept the report as information, and following a second from Henry Lawton, the motion carried with all in favor.

There were no items of Old Business on the Agenda. Chairman Glaze addressed New Business and recognized Transportation Committee Chairman George Williams for a report on the committee's meeting earlier that day. Mr. Williams reported the COG's transportation funding allocation will be reduced \$600K from previous fiscal year because the State received fewer Federal dollars. Beginning in 2014, SCDOT will require that 20% of the COG's funding—currently about \$8M annually—be allocated for resurfacing, although how the funds will be allocated across the region is yet to be determined. The \$8M will be adjusted to show how much will transfer to the new MPO, and it is hoped the numbers will be known later in the year. Mr. Williams said it is his understanding approved funding for existing projects in the MPO area will transfer to it and that future (MPO area) projects are to be funded with the MPO's allocation. More information is needed before the Committee can present a detailed written Transportation Report to the Board, but it expects to meet in January and have that ready for the next Board meeting. Mr. Williams reported that Beaufort County has requested a review of the previously approved U.S 278 Windmill Harbor project on Hilton Head Island after learning it will require a new bridge. SCDOT will work on an estimate for a scaled-down project. It will be included in the January report. Mr. Williams will report on the new MPO when more information is available. No action was required by the Board. Chairman Glaze opened discussion, and Chris Bickley commented that State MPO allocations are held up waiting for the Myrtle Beach MPO boundaries to be defined.

Chairman Glaze recognized Chris Bickley and Sherry Smith to present recommended amendments to the COG's Personnel Policies. A summary was mailed to board members prior to the meeting. Noting the policy had not been changed since adopted in 2009, Chris Bickley presented four proposed changes. Two dealt with the Federal Family and Medical Leave Act, which the COG's labor attorney recommended be removed because the total number of existing (and anticipated) employees had dropped below 50. A third change would amend sick leave to allow the Executive Director's discretion to require a doctor's statement. The fourth would add a statement authorizing the Executive Director to "make a specific exception to a personnel policy on a case-by-case basis when warranted." Discussion followed. Concern was raised about the COG's Leave of Absence Without Pay Policy, which is discretionary for up to thirty days with no guarantee of reinstatement. Chris explained that with a relatively small staff, the COG cannot guarantee to hold an employee's job open until he or she returns. Jim Outlaw made a motion to end discussion. Bill McBride seconded the motion and it unanimously passed. Joe Flowers moved to approve the requested changes in the Personnel Policy. Tommy Mann seconded, and the motion carried by majority with one dissenting vote from George Williams.

The Chairman recognized Chris Bickley, who presented a request from Southern Carolina Alliance to rent space at the COG for one of its employees with Chris and Southern Carolina Executive Director Danny Black to work out details. Southern Carolina represents three of the COG's counties. Staff recommended approval. Joe Flowers moved to approve the request, and following a second from Esther Black, the motion unanimously carried.

Chairman Glaze called for reports and recognized Sherry Smith for the September Finance Report. Copies were in meeting packets. Sherry reported on Operations and Building Project expenditures. She spoke about the audit report finding where one ineligible WIA client received services: The computer system's client-input form contained an easily-overlooked "eligibility" setting that defaulted to "eligible" unless specifically changed. Staff contacted the program's writers and recommended changes. The system has been enhanced to make the eligibility selection blank and now has

a warning to enter data. The changes should benefit state-wide WIA programs as all use the same computer system. Hank Amundson said procedures were also changed to require status review by the case manager following new enrollment by a WIA customer service representative. This adds a level of eligibility approval.

Michelle Knight was recognized for the Community & Economic Development Report. Michelle submitted the report as written and said that funding announcements for projects submitted in September are expected in December. She urged everyone to begin thinking about projects for submission during the spring funding round because they usually require more work such as surveys.

Chris Bickley was recognized for the Director's Report, which he submitted without comment.

During Council Time, Jim Outlaw and Henry Lawton thanked the COG for remembrances during their recent illnesses.

With no additional business to address, and on motion duly made, seconded and approved, the Chairman adjourned the meeting at 7:40 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