

MINUTES

A Public Hearing and Regular Meeting of Walterboro City Council was held at City Hall on Tuesday, January 24, 2012 at 6:15 P.M., with Mayor Bill Young presiding.

PRESENT WERE: Mayor Bill Young, Council Members: Paul Siegel, Dwayne Buckner, Charles Lucas, Randy Peters, Tom Lohr and Bobby Bonds. City Manager Jeff Lord, City Clerk Betty Hudson and City Attorney George Cone were also present. There were approximately 15 persons present in the audience.

There being a quorum present, Mayor Young called the meeting to order and led the Lord's Prayer. Council Member Tom Lohr led the pledge of allegiance to our flag.

Mayor Young then announced that the City Council's Planning Retreat had been rescheduled to February 10-12, 2012 at the SCB&T Building in Walterboro.

PUBLIC INPUT ON AGENDA ITEMS:

No public comments were received.

PUBLIC HEARING:

The Mayor then opened a public hearing, duly advertised, to received public comments on two items:

- 1) CDBG Grant Application for North Lemacks Street Revitalization Project Phase II for Approximately \$500,000

Ms. Michelle Knight of Lowcountry Council of Governments was present to explain the project and to conduct the hearing. Ms. Knight reported that LCOG was getting ready to submit an application on behalf of the City for the Phase II construction for the North Lemacks Street Revitalization Project. She stated that this public hearing is being held in accordance with the citizen's participation plan. We are looking to submit an application for \$500,000 to be submitted by the end of this month to do the basic need items that were in the third scenario of the plans. Specifically, this will include roughly \$262,000 of water improvements, \$22,000 of draining improvements, acquisition of 3 properties to be able to establish a pedestrian trail, and \$83,000 for new sidewalks along Lemacks, parts of Gruber and Sweat Streets, and a pedestrians trail that will tie the park to Lemacks St., Grant Street and Gruber Street. It will also include widening for that trail, repair work on sidewalks at points at different sections of the target area.

Ms. Knight reported that there is a required match of 10% for this project, which is \$50,000, which the city plans to use partly for engineering and partly for sidewalk repair work. The sidewalk and trail portion of the project will benefit 1,075 people, of which 55.4% are low-to-moderate income. The water line improvements directly affect people along Bethea, Carver, Lewis, Grant and Colleton Loop North. This is a total of 110 people, of which 82% are identified as low-to-moderate income.

The Mayor then opened the floor to receive questions or comments.

There were no comments from the public. When asked for questions from City Council, Council Member Buckner asked Ms. Knight where would the new sidewalks be put in? He pointed out that on Lemacks Street, there are sidewalks up until you get to Red Bennett's old pool hall. The sidewalks stop just before you get around that curve on the left side, and there are no sidewalks on the right side (where the old church is located). Ms. Knight responded that the plan is to put sidewalks along the right side from the intersection of Gruber Street, all the way out to the end of Colleton Loop on the right-hand side. On the left-hand side, there will be some points where

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repairs will be made to existing sidewalks, and there will be crosswalk stripping put in at the intersections. There is not going to be anything new put in between Gruber and Valley Streets, based on what we are proposing. Sweat Street will have sidewalks put in from Lemacks Street up to Witsell, and there is also going to be a new piece put along Gruber at the corner where the park is, at Gruber and Ackerman, out to Lincoln Street.

Council Member Buckner asked Ms. Knight to clarify whether there would be sidewalks installed on the right side of Lemacks Street from Gruber all the way down? Ms. Knight affirmed that sidewalks would be installed all the way down to where Colleton Loop and North Lemacks Street intersects, up near where the old school used to be. Mr. Buckner added, this is good news. Ms. Knight stated that the Commerce Department felt that this would tie each side of the neighborhood to the other better than what we have now.

Mayor Young then said, those plans have been recommended or been through the North Lemacks Street Revitalization Committee. The committee has recommended this and looked at it.

The next public hearing item was:

- 2) Ordinance # 2012-01, An Ordinance Authorizing the City of Walterboro to Convey a Forty Foot by Forty Foot Parcel of Land to RRW Construction, Inc., in Exchange for a Similar Sized Parcel of Land

The Mayor explained that this was necessary to correct a plat where a pump station is located, and we are giving Mr. Williams an equal parcel and he is giving us back the parcel that has the pump station on it. There was a mistake made there, and this is to correct that.

No public comments were made. From City Council, Council Member Buckner then asked City Manager Lord whether or not this agreement was in writing on the swapping of this land? City Attorney Cone responded that Mr. Raleigh Williams trusts us so he went ahead and deeded his tract to us, so we could go ahead and start the project.

APPROVAL OF THE MINUTES:

The Minutes of the December 13, 2011 City Council Meeting were approved as submitted on the motion of Council Member Lucas, seconded by Council Member Peters, and passed unanimously.

OLD BUSINESS:

1. **Ordinance # 2012-01**, An Ordinance Authorizing the City of Walterboro to Convey a Forty Foot by Forty Foot Parcel of Land to RRW Construction, Inc., in Exchange for a Similar Sized Parcel of Land - **Second Reading and Adoption**

A motion was then made by Council Member Peters, seconded by Council Member Buckner, giving Second Reading and Adoption to Ordinance # 2012-01, being An Ordinance Authorizing the City of Walterboro to Convey a Forty Foot by Forty Foot Parcel of Land to RRW Construction, Inc., in Exchange for a Similar Sized Parcel of Land. The motion passed unanimously.

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NEW BUSINESS:

1. Resolution # 2012-R-02, A Resolution in Support of the North Lemacks Street Revitalization Project Phase II and Authorizing the City Manager to Apply and Commit Program Income Funds for the 10% Local Match (Approx. \$50,000).

A motion was made by Council Member Lucas, seconded by Council Member Buckner to adopt Resolution # 2012-R-02 as submitted. The motion passed unanimously. A copy of said resolution is attached as part of these minutes.

2. Consideration of 2012-2013 Budget Calendar

The 2012-2013 Budget Calendar was unanimously approved as submitted on the motion of Council Member Peters, seconded by Council Member Lucas.

3. Recommendation to Purchase New Truck for Parks Department

City Manager Lord reported to Council that Parks Director Carolyn Powell received two bids from local dealers to purchase a new truck for the Parks Department. The new truck would replace the Ford F-150 currently in service.

The following bids were received: Walterboro Motor Sales \$22,879.00; Rizer Chevrolet \$24,482.30. It was noted that the state contract price on this vehicle was \$22,879. Mr. Lord recommended the acceptance of the low bid from Walterboro Motor Sales of \$22,879.00, who also met the state contract price.

A motion was made by Council Member Peters, seconded by Council Member Lohr to accept the low bid of \$22,879 from Walterboro Sales to purchase the new truck for the Parks Department. In discussing the motion, Council Member Bonds asked the City Manager, when you say they matched it, did you mean they were given the state price? City Manager Lord responded that everybody has access to the state contract prices. On a question raised by Council Member Buckner, Mr. Lord assured him that all the figures and paperwork on this item were in order.

The motion then passed with all members voting in favor.

4. Consideration of Rice Festival Requests, Jimmy Trippe, Colleton County Rice Festival

Next, Council reviewed a request by Mr. Jimmy Trippe on behalf of the Colleton County Rice Festival. This request related to the activities and street closings for the 2012 Rice Festival to be held on April 27-29, 2012. He also requested approval of a parade permit for the Rice Festival Parade to be held on April 28, 2012.

Mayor Young thanked Mr. Trippe, who was present at the meeting, for the outstanding job done by him and the committee on the Rice Festival last year. Mr. Trippe thanked the Mayor, Council and City staff for their help during the festival.

A motion was made by Council Member Peters, seconded by Council Member Lucas, to approve the Rice Festival requests and parade permit as submitted. In discussing the motion, Council Member Buckner asked if anything were different this year in terms of the request submitted from previous times, any different parade routes?

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Mr. Trippe responded there is one thing different. The Taste of Walterboro will not be on Washington Street this year. It will be held at the new museum. This was done in case it rains. Council Member Peters asked if the dance would be held at the Expo Center. Mr. Trippe responded that this would probably be held at the armory, if we can get the approval. So, it will be the Expo Center or the armory.

The motion to approve the Rice Festival requests as submitted then passed with all members voting in favor.

5. Consideration to Have the City Manager to Investigate a Micro Loan Program for Women, Minority or Low-to-Moderate Income Business Owners

Mr. Lord stated, I was asked by way of an introduction to give an update on where we are with one of our projects. In 2010, an established task was setting up a development corporation so we could seek funding for a revolving loan or a micro loan program. The process of two years has been a long one. The point of it is so we could qualify for funding through the USDA, because you have the right mechanism in place. You have to have somebody with a banking industry background on your board and other things. That has come to a point where we are now where last month the development corporation signed an agreement with the Local Development Corporation of Charleston. They had been doing the same thing for the tri-county area, and through this agreement, they are also doing us as well. So, instead of us having to go through the USDA qualification process, we would immediately have this available. Through this, there are two different loan programs. One is the small business incentive loan program. It's \$75,000 for up to 10 years for disadvantaged businesses, and a rural revolving loan fund, which is up to 10 years, and it's for inventory supplies, fixtures, etc. Right now where we are with it, is we have the agreement. We are working out the forms and paperwork and hopefully, we will begin advertising this soon.

Council Member Buckner then made a motion to have the City Manager investigate a micro loan program for women, minority or low-to-moderate income business owners. Council Member Bonds seconded the motion.

In discussing the motion, Council Member Buckner stated, the issue here is jobs, and first I'd like to thank Jeff for what he has already done in coming up with the mechanism whereby we can apply for these loans through Rural Development, so that we can provide these loans to startup businesses and also individuals who already have businesses in the City to be able to expand their business. The reason why I put this on the agenda, was to see whether or not there are any additional funding sources for micro loans for women, minority and low-to-moderate income individuals, who could have money available to them to start up a business, with the hopes that by starting their business, they will be able to create jobs in the City of Walterboro. We don't know whether or not those programs are available, so I wanted to get a consensus from Council to at least have the City Manager look into whether or not there are micro loans available, specifically targeting women and minority and low-to-moderate income individuals to start up businesses.

Council Member Peters then asked the City Manager if this was already included in what we are already doing? Mr. Lord responded, as I understand it, what we are doing now is that women, minorities and low-to-moderate income businesses can qualify within this. It says disadvantaged businesses. I don't want to speak for the Council Member, but I think he is looking for something that's just for them.

Council Member Peters then reported that he and Hank Amundson, Economic Development Director, attended an Economic Development Committee meeting today.

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They went into great detail to explain to us about the program and us partnering with Berkeley, Dorchester and Charleston Counties. He then asked Mr. Amundson whether the city is already hooked into that program.

Mr. Hank Amundson affirmed yes, stating that it took some time, and they actually changed their application to the USDA to expand the program. Regarding the two funds mentioned by Jeff, one is up to \$75,000 and one is for up to \$50,000. One is specifically targeted at "disadvantaged" businesses. A disadvantaged business is defined as one who is at least 51% owned by one or more socially or economic disadvantaged individuals or in the case of a publically owned business, at least 51% of the stock is owned by one or more socially or economically disadvantaged individuals, and the management of daily business, of which are controlled by one or more socially and/or economically disadvantaged individuals who own it. Disadvantaged business is one which is unable to obtain traditional financing due to social or economic disadvantage.

To sum this up, Mr. Amundson, stated, they (Local Development Corporation) already had these funds established, then we got them to add us to their list, and we are now part of their marketing.

Council Member Lohr then asked Mr. Amundson about the funding. He asked how does that work, where does it come from? How do we get to participate? Mr. Amundson responded that they have funding through the SBA and through USDA Rural Development. This helped us get an up and running program right away. Mr. Lohr then asked who would be doing most of the paperwork? Mr. Amundson responded "them." Mr. Lohr then asked, if we do the one that Mr. Buckner has proposed, who would take care of that? Mr. Amundson responded that would be (the City). He further explained, we would have to establish a group, because in order to administer any loan fund, you'd have to show the ability to administer a loan fund, and therefore establish a board, a loan committee, administration, collection, etc.

Council Member Lucas then said, I don't think we need to get into the loan business. I don't mind guiding people to agencies or whatever who can assist them in getting loans, but I wouldn't want to see the City become a bank and loan out money.

Council Member Bonds then asked the City Manager, what we have done is we have set up a corporation, and this corporation has entered into an agreement with another economic development corporation, Charleston or tri-county, is that correct? Mr. Amundson responded, to expand their programs, yes. Mr. Bonds, then said, so what we have done is bootstrapped onto their program. I just want to make sure I understand it. The availability for these loans is basically something that will be administered through the Economic Development Corporation or through whom? Mr. Amundson responded, through the Charleston Local Development Corporation.

Council Member Bonds then asked, in essence are they doing this on behalf of our Economic Development Corporation? Mr. Amundson responded, we are their sales force. Mr. Bonds then said, so somebody goes to them and they administer and oversee it. They are responsible for the payback. So, in essence, we are participating in their program. Mr. Amundson agreed that this is correct.

Mr. Bonds then asked, is there a definition of socially economic disadvantaged? What does that mean? Mr. Amundson explained that the definition comes from their program. That is their definition of a disadvantaged business.

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Council Member Siegel, then said, obviously, we have bootstrapped onto an existing program. Under this Charleston program, does this mean that an applicant from Colleton County would essentially be competing directly against other applicants from those counties? Mr. Amundson responded that there are incentives through the SBA or USDA Rural Development to administer loans in Colleton County, and therefore there is no competing against. They have to do the loans. I don't know the exact number or where their quotas are, but there are incentives, and there is no competing against the Charleston group.

Council Member Siegel then said, I am referring to Mr. Buckner's request for information, that he has some concept of micro loans for starting small businesses. I don't think he is talking about \$50,000 or \$100,000 loans. I think, his idea is probably much smaller loans with some sort of system to help people, because you just can't hand money out to people, I understand that. Is there any mechanism in this program to give people fundamental business advice? Mr. Amundson responded, what they actually do, they are not just a bank, because it's an SBA situation and a USDA Rural Development situation, and they are tied with the SC Business Development Centers. They just don't lend you money if somebody comes and apply for a loan. That's why I think the partnership is important. It's also going through the business plan process and tweaking that business plan. They actually take the business through the process. That's something additional that we feel is valuable as a part of this partnership.

Council Member Siegel stated, I have no doubt that's a valuable asset for those who are looking to capitalize on a relative substantial undertaking. I am just questioning whether this is truly a significant asset for the truly underprivileged people. I don't presume that women are disabled or underprivileged. I am not questioning his definition, I am just questioning the economies of scale in terms of what's available to people.

City Manager Jeff Lord then asked to clarify a point. He stated on the \$50,000 and \$75,000 loans, those are the maximum amounts. Some of these loans can be much less. Council Member Siegel then asked, once we have entered into this with them, is there any promise not to compete with that program if our administration came up with an alternate plan that was either accessible or more accessible to more people, or different standards, because these are national standards, I presume?

Mr. Hank Amundson then stated, this is not the end basically with what we want to do with lending programs. This is how you get started right away, with funds available. We still want to apply for other funds to be able to help more businesses. But the way it works in talking with USDA, first of all the application process is competitive. Number two, you have to prove that you can do this. That's really why the idea of this partnership came up. Number one to have funds available right away, and number two to establish a track record for getting loans out there, then have them paid back, so we can then have our own loan fund. On top of this, these funds are immediately available. Part of the agreement is also to jointly apply for monies that if and when the corporation has the ability and the desire to administer its own fund, that the option is there. So, this was done to get the money available immediately and to establish a track record which helps you get that fund down the road.

Council Member Buckner then addressed Mr. Amundson. He said, my concern is in addition to what you have already done, which is great we can get the money now and we can begin to make the loans. In addition to that, are there any programs tailored specifically to help women, minority and low-to-moderate income individuals? Personally, I would like to see, instead of us depending on Charleston, that we would have our own program. With all due respect to Councilman Lucas, we need jobs in this

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city and it's time for us to start as a government to look out for our own citizens and hopefully develop our own micro loan program. I'd like to see us go into the loan business and specifically help those individuals - women, minorities and low-to-moderate income families who want to start a business and could use a \$5,000, \$10,000 or \$15,000 loan to create jobs right now in the City of Walterboro. It's good we are already doing that, but in addition to what we have already established, could we look into any additional micro loan programs? This is what I am pushing for.

Mr. Hank Amundson then said, that's what I am saying. This is not the end, we have to apply for, and we are in the process of that, but it takes time and it's competitive, so there is no guarantee of being awarded that money. So, we are constantly investigating new funds for any business, but some of them you'll be told literally up-front by an agency, for example USDA Rural Development said, don't bother applying because there are "x" amount of things already in there, and it's basically done. So, that's why we had to go about it in this way to begin.

Councilman Peters then stated, I am going to vote against this mainly because I think we are trying to reinvent the wheel. We already got it going. We are already working to do what needs to be done. The language that I've seen so far and heard that's in this, covers women or minority owned businesses and quite honestly if you don't need but \$1,000, you can go down there and get it. This jumpstarts Walterboro. Also, number one, we don't have the staff to administer these loans ourselves. Number two, we are dealing with people who are already experienced with this and already had the monies lined up, and it would be a lot more expedient for getting jobs in here quicker. The idea is great, but it's just the fact that it's already there.

The motion then failed with a vote of 1/6, with Council Member Buckner voting in favor, and Mayor Young and Council Members Siegel, Lucas, Peters, Lohr and Bonds voting against the motion for adoption.

Mayor Young then said, we can certainly talk about this at the retreat some more.

COMMITTEE REPORTS:

There were no Committee Reports given.

There being no further business to consider, a motion to adjourn was made by Council Member Lucas, seconded by Council Member Lohr and passed unanimously. The Mayor adjourned the meeting at 7:20 P.M. Notice of this meeting was distributed to all local media and posted on the City Hall bulletin board at least twenty-four hours prior to meeting time.

Respectfully,

Betty J. Hudson
City Clerk

APPROVED: February 28, 2012