

A work session of Beaufort City Council was held on May 14, 2019 at 5:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Councilwoman Nan Sutton, Councilmen Mike McFee, Stephen Murray, and Phil Cromer, and Bill Prokop, city manager.

In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80(d) as amended, all local media were duly notified of the time, date, place, and agenda of this meeting.

CALL TO ORDER

Mayor Keyserling called the work session to order at 5:00 p.m.

SEP

BUDGET FY 2020 DEPARTMENT PRESENTATIONS: PUBLIC WORKS AND DOWNTOWN

OPERATIONS SEP

Public Works

Neil Desai reviewed the Public Works Department mission statement, the department's organizational chart, and recent performance accomplishments, including a new work order system launch and implementation; new citizen request notification on the city's website; a new charging station for dump trailers, and continuing training initiatives.

Street and Traffic Control's recent performance accomplishments include maintaining 46 traffic signals and validating all street signs within the city; installation of a new trash enclosure behind Beaufort County library, and installation of 4 mast arms in coordination with Beaufort County and SCDOT.

Parks' recent performance accomplishments include significant sinkhole work in Waterfront Park; installation of Washington Street Park bathrooms; new playground features at Pigeon Point Park and Tic Toc Park; the beginning of Boundary Street maintenance, and work at Southside Park, including the dog park parking lot, the entrance gate installation, removal of trees and stumps, renovation of Barn #1 (i.e., the first metal structure in the park), and trail improvements.

Facility Maintenance's recent performance accomplishments include repairs to the marina's HVAC; upgrades at 500 Carteret Street, including demolition and lighting; 200 repairs to 9 city buildings, and filling two janitorial vacancies.

Stormwater's recent performance accomplishments include completing the Azalea Drive project with "in-house talent"; performing 8 miles of drainage easement maintenance and regular maintenance of city drainage infrastructure, and Battery Shores' roadside drainage and pond maintenance and tree removal.

Mr. Desai said performance measures to track recent accomplishments include obtaining training certifications; reducing drainage complaints by being proactive; completed drainage projects; one personnel worker's comp claim, and Twin Lakes and

Battery Shores drainage projects, which will start in June.

Concerning goals that could not be achieved because of budgetary and staffing constraints, Mr. Desai said several significant and unexpected weather events led to resetting of Public Works priorities, and the renovation of the Public Works complex has been deferred.

Mr. Desai said current performance initiatives include promoting and supporting strategic plan goals 1, 2, 4, & 5; partnering with the College of Charleston on the sustainability and sea-level rise study, and completing drainage outfall maintenance at Cottage Farms.

Mr. Desai detailed the “key performance indicators” for Public Works. Key goals and new initiatives for FY 2020 are the review of renewal of landscaping maintenance and street-sweeping contracts; renovation of the Public Works building and continued reorganization of the Public Works complex, and enhanced cross-training initiatives for Public Works staff.

Budget requests for FY 2020 are for an additional full-time employee to fill a vacancy; road maintenance in the Battery Shore subdivision, and the purchase of equipment, Mr. Desai said.

Mr. Desai showed Public Works expenditures, excluding the parks and stormwater divisions, which were listed separately. Councilman Murray asked about the “dramatic decrease in the capital budget” from 2018 to 2019 and then to zero for the 2020 recommended budget. He said he assumes part of that was “because of the removal of parks and stormwater into their own funds,” but he asked if nothing was being budgeted “for capital next year.” Mr. Desai said it would be seen in the stormwater expenditures. **Kathy Todd** said \$1,965,085 in capital in FY 2018 was for Johnson Controls.

In FY 2018, the parks budget included downtown operations, Mr. Desai said, and FY 2019 “was the first year that it was separated out.” In stormwater expenditures, capital for FY 2020 includes the cost of the excavator and trench shields, he said. Mr. Desai discussed where the funds for this would come from.

Councilman Murray said there was a difference in the figures in the presentation and what council was sent yesterday. Mr. Desai said some changes have been proposed on the numbers that he is presenting now. Mr. Prokop said the number they are looking at now includes leasing the excavator.

Mr. Desai showed a slide detailing the cost of Public Works services to city residents, which equates to \$31.20 on a \$200,000 home.

Mr. Desai said the reason for the increase in the FY 2020 budget is because of the request to purchase of new heavy equipment to “help facilitate new construction in-house, maintenance of drainage projects/infrastructure, as well as emergency management and response” during storm events and other emergencies.

Mr. Desai reviewed customer service initiatives for Public Works in FY 2020.

There was a general discussion about the possible lease-purchase of the excavator, which would be for 48 months and would change the amount of the capital request.

Councilwoman Sutton asked about the re-evaluation of Allison Road and what the original cost was. Ms. Todd said the cost was originally about \$500,000, but it grew to about \$1.5 million. Mr. Prokop said the city promised the residents major drainage repairs; the project is being re-engineered. He told Councilman Cromer that the project grant is still open, and staff is “re-looking at the whole thing.”

Mr. Prokop said a developer who is planning to build hotels in town has said that his “cost per room has increased \$30,000 for the whole project in the past 18 months,” with “the big cost” being for “site prep,” and it’s the same for city projects. Councilman Cromer said contractors are “so busy, they can pick and choose” their projects.

Ms. Todd corrected her numbers, saying that the original budget for Allison Road was \$820,000.

Mr. Prokop corrected himself from a previous statement at a council meeting, saying the Washington Street Park restrooms had just opened *today*, after the building inspection. The equipment in them is temporary, he said. \$80,000 in grant funding was given to this project, Mr. Prokop said, and the obligations for the grant have been filled.

Alice Howard asked about the possibility of a grant for Allison Road via LOCOG. Mr. Prokop said, “We’re still working on it.” There is less interest from “the other parties [than] we had originally thought,” he said.

DOWNTOWN OPERATIONS & COMMUNITY SERVICES

Linda Roper reviewed the department’s mission statement.

She said recent performance accomplishments include an assessment of the condition of docks, moorings, dinghy dock, and the boat ramp; a Land & Water Conservation grant; completion of the removal and installation of new fencing on the west side of the marina parking lot; established an event and tour coordinator position, which moved some of the responsibilities and the position from the police department; installation of Cultural District signs; worked with Waste Pro to develop and education program for residents; oversaw municipal court activities and worked with the city attorney on ACLU matters; reinstated the South Carolina Main Street membership; assisted with planning

and execution of First Friday events; organized successful community events, including the Holiday Weekend, Halloween, Shrimp Festival, and Taste of Beaufort; ran a successful holiday parking program, and completed the library compactor installation, so they'll now begin talking to restaurants that are interested in using it.

Ms. Roper reviewed performance measures, which include merchants' pleasure with First Friday events and comments about how well-kept Waterfront Park is.

She said recent goals that couldn't be completed due to budget or staffing constraints include completion of the trash enclosure gates and front panels; completing the window restoration and restroom construction at The Arsenal; focused management of downtown economic development and marketing, and creation of easy-to-understand guidelines, applications, and policies for events to streamline the process.

Ms. Roper reviewed Downtown Operations' expenditure offsets and current performance initiatives, which include improving infrastructure and the aesthetics of Waterfront Park and in the "expanded core commercial areas"; developing a plan for improvements at The Arsenal and the Carnegie building; assisting in the transition of the new marina operator, and increasing the awareness of the Cultural District attractions and businesses.

Ms. Roper reviewed "key performance indicators" in comparison with previous years. She said they expect the reason the number of private events in the city's parks has gone down is because of weather concerns (i.e., there is nowhere for these events to go if it rains).

Ms. Roper said key goals and new initiatives for FY 2020 include reviewing and revising the tour policies; increasing downtown vibrancy by engaging partners for consistent activities; rebranding parking signs to coordinate them with the wayfinding signs; upfitting the second floor of 500 Carteret Street, and including Washington Street Park, Pigeon Point Park, and Southside Park in the department's purview for reservations and park activities. Ms. Roper said they want to ensure that the city's park policies are adhered to and that the requirements are formatted so renters know what they need to do.

Ms. Roper said budget requests are for benches at the west end of Waterfront Park, support for community events, and retail coaching/consulting and training to give downtown merchants "the tools they need to succeed," including telling them "who your customers really are." Councilwoman Sutton said the consultants "tell you how to do your business better." Mayor Keyserling asked if the coaching would be limited to downtown. Ms. Roper said they would "like to provide it all over" Beaufort, and they would get a price to expand it to businesses beyond downtown.

Councilman Murray asked if it would be “worth it to dust off . . . the last three studies” done about retail businesses to see what might be “relevant” in them during a council work session. Councilwoman Sutton said, “Everyone saw the results,” of those studies, “but nobody implemented them.” She named some of the studies’ recommendations. Mayor Keyserling asked, “If that’s the case, do we want to go through it again?”

Councilman Murray agreed. Retailers need current tools, and a growing number of merchants downtown want to improve, he said, but there have been studies, and the recommendations have been ignored, so he thinks they could encourage merchants to do what is recommended in the earlier retail studies. Councilwoman Sutton said she follows retail experts, and she thinks that is “even more valuable.” There are so many things that could be taught in a different way than by conducting a study. Ms. Roper said that’s what they are looking at: “a coach” for the downtown merchants.

Councilman Murray discussed a previous “retail leakage study,” and he feels there is “a pile of data” that they might be able to use; then they could spend the \$28,000 requested for this consultant in a different way, such as providing incentives for merchants to stay open extended hours, which is something that has been recommended. Councilwoman Sutton said the challenge is getting merchants “to be willing to do it.” After years of doing retail downtown, she said, it is clear that there is a difference between those businesses that are their owners’ “hobbies” or whose owners have “deep pockets,” and those businesses that are “willing to make an investment” to grow and succeed; those are the businesses that are willing to stay open later, for example.

Councilman Murray said it’s frustrating that not all merchants will stay open later, but they can’t force them to do it. He agrees that there are two classes of businesses, but the number of businesses that want to participate is growing, and as initiatives and the district are successful, the other businesses might be “dragged along.” Councilwoman Sutton thinks most of the not-profitable businesses have left, and the number of businesses that is interested in making downtown thrive is growing.

Councilwoman Sutton said she would like to see “an education element in there” for merchants who need it. The mindset she has seen is that some merchants will stay open until 8:00 p.m. on Fridays and Saturdays, but if it doesn’t increase their business after two or three weeks, they will stop doing it, when it took three years for the businesses that participated in First Fridays to see positive results from it. She wishes they could convince businesses to try staying open later for a year or two, in order for them to see an increase in business as a result.

Mayor Keyserling said product mix is an issue. He thinks competition is “the best thing we could have.” He recommended looking at what is missing in the retail mix and figuring out where it could go: for example, if there’s not space downtown, there’s

“Baby Boundary Street.” Councilwoman Sutton said what is “missing” and needed downtown sometimes cannot be supported (e.g., a shoe store).

Retail is very difficult, Councilwoman Sutton said, and “if you don’t fill a need,” a business is not going to be a success. She doesn’t know if downtown Beaufort can “become what we need to become.” There won’t be a density change in the downtown area, for example, and the majority of Beaufort’s tourists aren’t deep-pocketed, she said. Councilman Murray said Monkey’s Uncle and the COOK on Bay are among a few stores downtown that have “a cool, unique mix of products.” As policymakers, he said, they need to “help with the door swings” by bringing in “a couple of unique initiatives” with “key partners.”

Mayor Keyserling agreed with Councilman Murray’s idea of “dusting off that study” and bringing a bigger group together to consider it. Councilman Murray said they might find the study is irrelevant. Councilwoman Sutton said she believes that the retail studies are still relevant. “We have got to control the amount of real estate offices” downtown, she feels; there are currently 7 on Bay Street and its side streets. There was general agreement that the city would need to coordinate this with others (e.g., the Downtown Merchants Association).

Ms. Roper reviewed Downtown Operations expenditures, which she said have remained steady. The department got a part-time administrative assistant, which was only budgeted for 6 months in the previous fiscal year’s budget, but for FY 2020 is budgeted for a full year.

Councilman Murray asked if \$785,000 for Waterfront Park included debt service and maintenance, and Ms. Roper said it did; it’s moving from Public Works to Downtown Operations. Councilman Murray asked how that would work. Ms. Roper said they have “third-party contracts right now,” but they will put out an RFP, evaluate the cost, and determine when/if it “stays a third-party [contract] or not.”

Ms. Roper said customer service initiatives for FY 2020 are providing education about trash and parking issues; adding signs for parking lots to make them easier to find; creating an easy policy and packets for people interested in renting parks; addressing complaints in a timely manner and in-person when possible, and reviewing and updating policies and procedures for tour operations.

Ms. Roper said the Waste Pro contract provides recycling pick-up for commercial businesses. They are looking at bins that have trash on one side and recycling on the other. She has been reviewing how Waste Pro would do the pick-up with these kinds of bins for businesses.

Mr. Prokop thanked **Alice Wallace** and SP+ and said the growth over the last two years of net revenue for parking is “just amazing,” and the goal for the marina operation is for it to “mimic the parking operation.”

BILLBOARD HURRICANE FRAMES

David Prichard said no one came to the work session to represent this issue. There was a brief general discussion of what the issue is.

There being no further business to come before council, the work session was adjourned at 6:18 p.m.