

A work session of the Beaufort City Council was held on November 20, 2012 at 5:00 p.m. in the City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Mayor Billy Keyserling and council members Donnie Ann Beer, George O'Kelley, Mike Sutton, and Mike McFee, and City Manager Scott Dadson.

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.

The mayor called the work session to order at 5:00 p.m.

UPDATE ON MUNICIPAL COURT

Mr. Dadson provided a general overview of what is going on in municipal court and said that fees that are collected are largely sent to the state of South Carolina, and the city retains about 30%.

Linda Roper said municipal court does a multitude of things from 7 a.m. when they prepare for bond hearings, and on Saturday and Sunday they start at 6 a.m. Ms. Roper said they set bonds for all the municipalities in Beaufort County. Monday and Thursday afternoons are bench trials for misdemeanors within the City of Beaufort. They also do jury trials "which are ramped up to dispose of jury cases within 120 days." That order came in 2010 to try to get the backlog of cases moving more quickly. They are now doing jury terms monthly. Mayor Keyserling asked if the bond hearings were at the jail, and Ms. Roper said yes.

Ms. Roper said her staff also answers the telephone for staff and the public, collects fines, and explains the process to those who need to know whether to go to court or not.

In regard to goals and priorities for 2013, the first is to ensure access to court services for all; the second is to ensure compliance with court orders, and the third to ensure accountability for all participants.

Ensuring access involves acceptance of payments via the Web for quicker payment of fines and easier access. She hopes to have this in process by the first of the year. Mr. Dadson asked if the security of the state system has been discussed. Ms. Roper said they have not communicated anything yet, but they're not customers yet. They will ask that before they make this policy. Digital imaging is another goal, which Ms. Roper said will take some time, but she is currently developing a policy, and it will be at no cost, attached to the state case management system. Public records will be available to the public. The state will only provide the information they approve to the public. There will be images within the next 3 years, she said. Case auditing of images is also part of this priority. They will need an additional piece of equipment which she will ask for in next year's budget.

The second priority, to ensure compliance with all court orders, involves a revamping of the expungement process. The 2009 order to eliminate all not-guilty or dismissed cases (in arrested

/ finger-printed cases) created a huge backlog, so an additional staff member was hired. Now they are caught up to the point where they will be completed in three months, Ms. Roper said. Also the disposal of cases in a timely manner is to be done within 60 days for non-jury cases and 120 in cases with a jury. When court administration asks for it, the municipal court sends what they have.

The third priority – to ensure accountability for all participants – includes “estreatments,” which ensures that bondsmen show up in court or pay a penalty. The process takes about 90 days, Ms. Roper said. The defendant is still responsible for their fine, but they are trying to hold the bondsmen accountable; they have collected \$13,000 since July with ¼ being retained by the city. She said it has been successful in terms of seeing more defendants showing up in court. They are also in the process of a review of accounts receivable. Any disposed cases with balances are being reviewed to ensure collection actions are implemented, Ms. Roper said.

Ms. Roper said their three staff members and she are spread very thin trying to get their work done. Their tasks change daily, which is great cross-training but affects focus on particular tasks.

Ms. Roper showed graphs that indicate where the municipal court is. The goal is to dispose of as many cases as were filed. For the most part, this is pretty even, she said. The number of cases processed show that they processed more last year than this, but this is probably because officers are now writing more warning tickets for “fixable” offenses like tail lights that are out. Ms. Roper said of the bond court cases processed, the numbers each year are very steady, and they do about 200 cases a month. This includes all the municipalities, she said, so among the cases processed only about 30% are Beaufort’s.

Ms. Roper said when fines are assessed, what’s left over is what people haven’t paid. About 50% is either waiting to be paid or for time served. Ms. Roper said she has not charted this before, but if the accounts receivable numbers were run, the number would go down because time was served, or they paid on a payment plan. Councilman O’Kelley said when a ticket is written, the officer writes a bond; Ms. Roper said she only counts the assessed amount after the judge says the amount of the fine. Tickets paid without court are counted in this, too. Councilman O’Kelley asked if there was a tool that tells how many people don’t pay, such as visitors to Beaufort who don’t pay fines received here. Ms. Roper said she can’t track that. The “non-resident compact” is for driver’s license suspension for traffic tickets; it may not get to that driver for 60-90 days, she said. Councilman O’Kelley said until the driver is stopped again in his home state, they won’t get it. Or, Councilman Sutton said, they will get it when they renew a license at the DMV.

Ms. Roper said with an additional staff member, they can focus more on the collection and auditing of their cases and provide better customer service at the window, where they will be full-time. Councilman Sutton asked if they were charging enough to provide a return on investment so that they can fund another position. Mr. Dadson said he feels comfortable with it “from this end,” but the additional requirements have required Ms. Roper to give overtime to

her staff so that they can do bonding. Councilman Sutton asked how they justify the cost for the additional work. Mayor Keyserling said they had the luxury of subsidizing the operation with Bluffton and Hilton Head Island funding, but it's catching up because there's more work now.

Mayor Keyserling asked cost versus income. **Kathy Todd** said \$20,000 between Hilton Head Island, Bluffton and Port Royal. Ms. Roper said it's closer to \$25,000. Councilman O'Kelley asked how long it's been in effect. Ms. Todd said Bluffton was just amended last year. Ms. Roper said every budget year, they go over it with the finance director on costs, what is spent versus what is charged. They went up in Bluffton recently and Hilton Head Island last year. They ensure that the percentage of bond hearings for each is being split out. Ms. Todd said with the bond court separate, it's easier to measure what is collected and disbursed. Councilman O'Kelley said if Hilton Head Island or Bluffton have to come to bond court, they have to come if there is one person or ten. If they have to hire a part-time municipal judge to come to Beaufort every day to do bond court, it's very expensive for them.

Ms. Roper said if she has two defendants for a bond hearing versus eight, the prep time is still the same, and they spend the same amount of time no matter whether it's a Beaufort case or a Bluffton case. Mayor Keyserling said \$25,000 is collected for outsourcing, and he asked what they retain of what is collected in fines. To date, Ms. Roper said they have retained \$78,000; last fiscal year was \$224,000. Cost to operate, Ms. Roper said, is \$350,000. \$371,440 was the cost to operate for FY 2012, Ms. Todd said. Councilman O'Kelley said some of the costs to the state are set dollars, not percentages. Ms. Roper said if there are no fines, they still have to collect \$55 if someone is convicted, and the state gets it all. They are mandated to try to collect the \$55. Mr. Dadson said they collected around \$71,000 for what they do.

Mr. Dadson said they have reduced employees since 2008, and this is part of the adding back in with light duty employees, etc. For 4.5 years, Ms. Roper has worked with fewer staff and more work, including the state mandates, local judges' needs, and the bond court for all Beaufort County municipalities. This additional staff member will specialize in customer service. Councilman Sutton said when they collaborate in services with other municipalities, they need to focus on what that means budget-wise to ensure that they are staffed for it. Ms. Roper said that's what she's saying; it's the day-to-day operations that suffer, not the bond court. Mr. Dadson said quarterly adjustments are made and he's recommending this. Council will get a budget amendment in the next two weeks.

OVERVIEW OF BEAUFORT REGIONAL CHAMBER MARKETING CAMPAIGN

Robb Wells said when he was hired in May, there was a marketing assessment made. They looked at older assessments and revisited marketing efforts. Rather than do a new brand assessment, they looked at this information. He showed a new logo for Beaufort which "enhances the message as a destination." He said in the beginning of the year, they will have a new web site as well. The brand identification and messaging hasn't changed, Mr. Wells said, nor does he expect it to.

Mr. Wells said this could be associated with the TDAC grants. The Chamber of Commerce's goal is "to send a message about the essence of the city." **Jeff Evans** said TDAC's goal is for everyone to send out the same message for consistency. Mayor Keyserling asked if the committee feels comfortable asking that this logo be adopted, and Mr. Evans said yes. Mr. Wells said people have made suggestions like a second chimney in the logo. Councilman O'Kelley suggested a comma between HISTORIC DOWNTOWN and WATERFRONT. Mr. Wells said it can be read as a full phrase or seen in pieces. Councilman O'Kelley restated that "it needs a comma."

LaNelle Fabian joined the discussion from Main Street Beaufort in regard to her initiative. Mayor Keyserling asked how theirs fits with the Chamber of Commerce's. Ms. Fabian said she understands that this logo would be required in ads that are funded by city tax dollars, and they're happy to do that. Main Street Beaufort's initiative for downtown Beaufort involves the promotion of the day dock, way-finding signs, Wi-Fi for downtown, etc. Main Street Beaufort's initiative invites anyone they can think of and would be more focused on downtown. They want a consistent look, and Main Street Beaufort's brand will teach the downtown merchants how to use the logo in their advertising. They will hold six round-table sessions to ensure that everyone is happy with it. Ms. Fabian said they want to work together and not be redundant. The company they are working with has this new Chamber of Commerce logo. Mayor Keyserling asked if they could integrate the two. Ms. Fabian said she could ask. They have a steering committee, Ms. Fabian said, and they want input from everyone before the final presentation. Councilman Sutton suggested that she send this to the company doing the Main Street Beaufort work and "let them take a chop at it" before it receives final approval. Ms. Williams said ads are running with this logo now. Councilman Sutton asked why they're discussing it, then. Councilman McFee said it could be the DMO's logo; now it's the Chamber's logo.

There was a discussion of what comprises Downtown Beaufort. Mayor Keyserling said this is an effort to avoid redundancy and said he appreciates Ms. Fabian working with them and trying to incorporate this. **Blakely Williams** said this is the Chamber of Commerce's regional logo. Ms. Williams said they won't put out any advertising without this logo on it. Mr. Wells said no print ads have it, just web. Councilman Sutton said he thought they would discuss it first. Mayor Keyserling said it was not his understanding that they have to approve the logo. Councilman Sutton asked what the DMO's message is; they should lead and the other entities should follow if they want TDAC money. If a grant is received, the logo goes on it. So he's interested in hearing what the Chamber of Commerce's marketing campaign is. Mr. Wells said he will go through that at the next work session with council.

Mayor Keyserling said if they ask applicants to complement with the Chamber of Commerce, the applicants have to see the marketing plan and know what it is. Mr. Evans said after Main Street Beaufort's process, they can add this in. Mr. Evans said the process can't start until sometime in January because they have a month to do it and then they would be into the holidays. They could roll in last year's money with next year's, get the organizations together, do another summit, and present the material to the organizations who are interested in applying, which gives them time to put this together. Mayor Keyserling said he feels few would have a problem with rolling two years together. Mr. Evans said the red-lined version of the

TDAC document had just come to him today. Mr. Dadson explained that they had added information from state law in that draft.

Councilman Sutton said the DMO needs to have a marketing campaign planned for the future year's cycle of DMO money. He would like to see a cut-sheet for the four categories that have been determined that shows them being promoted so that when an applicant applies for a TDAC grant, they can see how it matches up with what the DMO is doing for marketing. Ms. Williams said those plans are in place. Councilman Sutton said they need to lead, not follow, as the DMO. He said he's looking for a plan for next year's cycle of DMO funding. He's fine with holding the TDAC funds until they get it right. Mr. Evans agreed that "it's more important to get it right than for it to be timely." He feels if the imagery is sorted out, the grant cycle could start in June.

Mayor Keyserling said groups have spent money on the assumption they are getting money from TDAC. Ms. Fabian said that no one has TDAC money, so no one will be able to promote Beaufort during that period. Mr. Evans said if they have a way to use the money more efficiently and with one voice – which is what TDAC was charged with – they need time for it to settle out. Ms. Fabian said Beaufort still needs to be promoted. Mayor Keyserling said he hopes it *is* being promoted "without the little bit of TDAC money." Councilman Sutton said he understands that Main Street Beaufort relies on money to do what they do. The city's being marketed by businesses every day. Mayor Keyserling said this holds true for everyone including the DMO. Mr. Evans said 6 months to get everything right, in the grand scheme of things, is not that much. Mayor Keyserling said the purpose is to do it right, and this "may involve pain, disappointment or frustration." He said his inclination is to agree with Councilman Sutton and Mr. Evans that he doesn't want to do it until they've gotten it right. He wants to have another summit to share the TDAC guidelines and to inform them that they will be rewarded for collaboration with other groups.

Councilwoman Beer said she feels this is going in the right direction. Councilman McFee said they've been at this for 6 years, trying to create a direction that is collaborative, and Main Street Beaufort is working on its own branding. Multiple brandings don't show a formula of "enriching Beaufort." The Chamber of Commerce has a responsibility to their membership, Councilman McFee said; he asked their marketing budget and Ms. Williams said \$600,000 including all DMO money. Councilman McFee asked, as the DMO, how much they get from the city. Councilman McFee said the Chamber of Commerce is not directed by the city in their marketing of their own organization, but they are directed as the DMO for the city. Councilman McFee said the city doesn't drive the entire Chamber of Commerce marketing budget. All organizations have multiple masters they have to answer to in regard to their marketing and their marketing dollars. He's concerned that council is looking for a brand for the market as a whole and then the city will have different branding for way-finding signs than what's in the literature a visitor might have picked up before coming here. "If the masters play too heavy a role in the ability to sync this, then the city needs to pull back," Councilman McFee said. He said if Main Street Beaufort, the Chamber of Commerce, and partners throughout their organizations are tasked with an impossible position, council needs to know. He's still hearing

divergent messages. If they can't do what council is asking of them, council needs to know so they can move forward.

Mr. Dadson said the city has a relationship with Main Street Beaufort because the city underwrites it. Since the big marketing players are gone, (Dataw, Fripp, etc.) "We're left with public dollar marketing." The relationship of the Chamber of Commerce's membership makes things complicated. Mayor Keyserling said more than 50% of the total goes to the Chamber of Commerce and Main Street Beaufort. He agreed with Councilman McFee that the city needs to examine how many dollars are being transferred to these entities. Ideally, private to public dollars would be two to one, he said. Council shouldn't be in a position of picking winners and losers, Mr. Dadson said.

Mayor Keyserling asked if the DMO works with their members in this industry, in reference to this branding effort. Mr. Wells and Ms. Williams said yes. Councilman Sutton asked if the Chamber of Commerce has more than one marketing campaign. Mr. Wells said the DMO money is part of a whole marketing campaign. Councilman McFee said that when he was Chamber of Commerce president, they established goals for all the membership and the general marketing / branding. Some segments of the market are segmented out for special advertising. For the rest of it, the message should be consistent. They have internal marketing, Mayor Keyserling said, and the city doesn't pay for that; the city has tourism money and that's what this is about. It's the same with Main Street Beaufort. The money from the city is restricted by the state and by council because it's the city's DMO. Councilman Sutton said they should see a specific marketing program with the DMO money in mind.

Mayor Keyserling said the first step should be for the Chamber of Commerce to come back to council and then have the summit. Councilman Sutton said the presentation they bring to council should be what council wants to see so they can have a discussion about the DMO.

REVIEW OF ATAX APPLICATION FINAL REVISIONS

Mr. Dadson said staff went through what TDAC had drafted and tried to rectify issues council consistently has. What's been added was from sample state Accommodations Tax guidelines; this is from an auditor's perspective. TDAC should be able to go back and look at it again. The key pieces are: a financial statement must accompany the application; funding is a reimbursement method based on receipts that have been spent; the funding is matched on a 50-50 basis by the organization so it's not dependent on the money only from Accommodations Tax (except for the DMO); these are public funds, so the organizations are subject to the city's procurement, so they "have to bid and be consistent with how you do your stuff"; profit for the program or event is deducted from the award money; public dollars should be no more than 30% of the organization's pot.

Councilman O'Kelley asked how the organization can show that they have a profit or not. Ms. Todd said through the information the organization provides: revenues, expenditures, and other information like how many came from out of town. It's a collective source of documentation, she said. Mr. Dadson said this information is for council to decide if they want

to do these things. If the event or marketing is self-sustaining, then they don't need money from TDAC anymore. Water Festival is self-sustaining, for example, he said.

Councilman Sutton asked about #7: Accommodations Tax funds can't be spent on purely local functions. Mr. Evans said if someone is looking for security for an event, it wouldn't be funded. Mr. Evans said they did a compliance meeting after the last round and requested tear sheets, receipts, etc. to prove that the money was spent as it should have been, but this was after the fact. Everyone was not in compliance, Mr. Evans said, but they had already gotten their funds. So if it's not a reimbursement situation, the only solution is to not fund them the following year. Mr. Dadson said the audit and reimbursement are the pieces that give council the most control. Mr. Evans said as the TDAC chair, he has no problem with any of it.

Ms. Fabian said that for the state, they write a grant application, get approved or not, and they "send it to the state staff before they run it"; she asked if this will be the same way. There was general agreement that this would not be the case. They will go through the materials to reimburse but groups don't need to get approval on every aspect of use. Mr. Dadson said TDAC should only be a part of the organizations' budgets.

Larry Holman asked about #4 about the 50-50 matching with an exception for the DMO; Mr. Dadson said the DMO is specifically called-out in state law. Mr. Holman said this should be researched because state funding doesn't say it has to be 50-50. Mr. Dadson said the 50-50 can be a local. Mr. Holman said there are 3 state programs: 50-50, a one-to-one match, and no match. Ms. Todd said on the Accommodations Tax web site, there's a sample grant application, and that's the one the state has up there and that's what they endorse because it most closely matches what the state Accommodations Tax's intent is.

Councilman Sutton said the 50% match can't come from other Accommodations Tax. Mr. Wilmore asked where it should come from. Mr. Dadson said the program, membership, or anywhere else they get revenue from. Councilman O'Kelley said it should be matched 50-50, and if a program costs \$20,000, you may not get \$10,000 from Accommodations Tax. Mr. Dadson said council's intent is to leverage private, membership, other grants, etc. monies. Ms. Fabian said she's not clear how this would work with an image ad. Councilman Sutton said any successful not-for-profit should have money in the bank, and all that can't be the Accommodations Tax as the sole source of income. Mr. Dadson said Shrimp Festival is self-sustaining so they can grow something different to help their membership. "A new program will get TDAC money to leverage that program up," he said.

Councilman O'Kelley said this money should not be for operating funds, only for marketing. Ms. Fabian said if it's being used the correct way, to market outside of a 50 mile radius, why should that marketing money be taken away from her organization? She defined the focuses of Main Street Beaufort and said only 30% of the funding is private. If it brings tourists here or assists tourists while they're here, she doesn't understand why she should have to return the money. There was a general discussion about how this would work and the differences in the missions of Main Street Beaufort, Chamber of Commerce, and other not-for-profits. Councilman Sutton

suggested that they also need to consider the difference in festival funding as opposed to other funding. Mayor Keyserling suggested that the true costs of doing these may show the organizations that they are not making the profit they think they are, so they will not be losing the money they fear they might.

Councilman Sutton asked if the city has an expectation to do a guidebook with DMO funding. Mayor Keyserling said they do it, whether they're charged to or not. Mr. Dadson said he didn't know. The multiple guidebooks matter hasn't been addressed. While TDAC reviews with Ms. Todd, the DMO will get together their presentation.

EXECUTIVE SESSION

On motion of Councilwoman Beer, seconded by Councilman McFee, council voted to move into Executive Session pursuant to Title 30, Chapter 4, Section 70(a) (2) of the South Carolina Code of Laws for discussion of contractual matters. The motion was approved unanimously.

Councilwoman Beer, seconded by Councilman Sutton, made a motion to come out of Executive Session and resume the work session. The motion was approved unanimously.

ADJOURNMENT

There being no further business to come before city council, the meeting was adjourned at 8:16 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK