

A work session of the Beaufort City Council was held on May 15, 2012 at 5:00 p.m. in the City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Mayor Billy Keyserling, 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.

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

FORM-BASED CODE ADVISORY COMMITTEE

Craig Lewis said that they had received the form-based code document from the county. The document has not been publically vetted, and the Office of Civic Investment is recommending the formation of a task force of key stake holders who are “both patient and code-oriented,” Mr. Lewis said, to provide help as the Office of Civic Investment writes and edits. They have listed suggestions of volunteers from various boards and groups that they have worked with in other communities to help choose members for this task force. This is a document that will require a lot of time to work with – at least a 6 month commitment, maybe longer, Mr. Lewis said. Ms. Anderson said this would be similar to the task force to review the UDO, but this will be “more involved.”

Mayor Keyserling said before form-based code is implemented, it must be “calibrated neighborhood by neighborhood.” The regulatory side is especially important, he said: how to come up with a new process or fixing things that can be fixed. This is more people-oriented, not technical as reading through a code will be. He asked Mr. Lewis if this was part of what is needed now. Mr. Lewis said “process will be very important.”

Mayor Keyserling said the Neighborhood Improvement Committee is important because they know enough to raise the issues and to be able to answer questions of people in their neighborhoods. He said the list of volunteers Mr. Lewis had provided was a good start, and he asked how to get more “real people” to be involved. He went on to describe the events that will take place during and after this six-month period of revision, and emphasized the need for grass-roots involvement in order to “sell” the form-based code. He said the Pigeon Point plan had worked well, in that it allowed them to trust council and the city to move forward with the neighborhood’s recommendations.

It would work well to have a built model to show the community, Mayor Keyserling said, though he acknowledged that doing so is cost-prohibitive. Councilman Sutton said the first step needs to be to clean up the form-based code document to something that can be put out in

public, and *then* have neighborhood associations get involved next year. Mayor Keyserling said they could work on parallel tracks, and Councilman McFee agreed.

Mr. Lewis said they can speak to neighborhood groups and tell them, “This is what we expect to be new.” They have maps for Sector One through Sector Three. They need to pare the document down and make it more user-friendly, he said. The steering committee will be technical review, and then there will be an adoption process. It needs to “fan out” broadly through workshops to engage people directly and show them how it will affect them. Mayor Keyserling said the fewer surprises, the better.

Mayor Keyserling said this document is “huge,” and the way the county looks at form-based code is different than the way the city looks at it, because the city has gone through the block-by-block process. Mr. Dadson said council “has worked from the bottom up.” He said the initial edits were to eliminate 200 pages from the document. Form-based code is built at the neighborhood level, he added.

Mayor Keyserling raised the idea of adding 4-5 people from the neighborhood groups to report back to those groups when they have their association meetings. Councilwoman Beer said there are “only small pockets of interest in Mossy Oaks.” Mayor Keyserling said in Sector Two, most of the recommendations are public, which is good news. Changing the way the neighborhood is will not have the same personal impact as in other neighborhoods. The neighborhoods that are better organized will experience the most impact, Mayor Keyserling feels.

Libby Anderson said the interest is highest when it’s applied to an individual’s “backyard,” so people need to know *what* each designation means and how it’s going to affect them and their neighborhood. She thinks it could be premature to go to the neighborhoods with the details until they “are comfortable with what that means.”

Councilman McFee said they have good partners in the neighborhood associations, but those who will vet it need to have the ability to explain the impact to the neighborhood associations. Mayor Keyserling asked if they could pick four property owners from the neighborhoods that it will have the most impact on. Mr. Lewis said they need to find people who will donate time to read through a technical document. But he agreed there could be a second group that could be brought in throughout for other aspects of the process.

Mayor Keyserling asked **Conway Ivy** if he was prepared to have the Historic Beaufort Foundation consultant be part of the process. Mr. Ivy said yes. Councilman O’Kelley said area developers and builders could live in a specific neighborhood in the city and therefore could have “two guns,” and serve a dual purpose. Ms. Anderson said the Neighborhood Improvement

Team meets monthly, and the speaker of the month could always be someone about the form-based code process to speak for 15-20 minutes.

Councilman Sutton said the Opticos document is “3-4 documents crammed together without calibration.” Mr. Dadson said the document is tough because it was an attempt to be regional in its approach. He agrees with Ms. Anderson that a committee should “hone in on it and work it.” He feels the need for volunteers should be advertised, and through the clerk’s office, they can arrange to do interviews in front of council.

Councilman Sutton asked the end goal of the form-based code review with the stakeholders. Mayor Keyserling said this will go through the Planning Commission several times, have a public hearing, etc. This task force will theoretically be making recommendations.

Mr. Lewis said the Office of Civic Investment would like to keep major changes highlighted for tracking because this is a completely new code. It needs to be clear that they are not hiding anything in the 400 pages, he said. He called the code “more prescriptive than you’ve ever had,” so it is therefore full of detail. Mayor Keyserling said the goal is to turn the document into “a document that reflects Beaufort” and is not a generic document, so locals have to be involved “to keep it headed in the Beaufort direction.”

Councilman O’Kelley said the city is not going to adopt the same 50’ setback as the county, for example. If the committee brings another size setback to council, he asked if it would change in the document then. Mayor Keyserling said they will pass a document that would include everything, including such changes.

Councilman Sutton said in the Historic District, there is more of a track record of things that have been done. A lot of street-level things have to be done in six months, and he asked if that can be done with this document. Mr. Lewis said the underlying framework will be provided, but they need to put it into words that people can read and understand. Mr. Dadson said part of what Beaufort is is its civic infrastructure – how it’s laid out and works with the built environment – and that’s in the civic master plan.

Mayor Keyserling said that at a council workshop, they could have someone present a summary of what has been done to that point. Councilman O’Kelley said they could have a “class” for council. Mr. Lewis said there will be representation on the committee who can give council feedback. Councilman Sutton called the document “a monster” and described some of the aspects of it. Dock size is regulated by OCRM, for example, and they have no power over regulating that.

Mr. Lewis said the Office of Civic Investment has been doing civic master planning with such things in mind. This document is not the city’s ordinance. It was written *by* the county *for* the

county, and it needs to be collectively “right-sized.” The first thing the Office of Civic Investment will do is downsize it and give the committee a clean document. Councilman Sutton said that’s why it is too complex to “go broad with it now,” and it should be looked at by only a small committee. The public needs to be educated on what form-based code is, and then have it calibrated to the Beaufort scale. He feels not much that is regulatory will be changed.

Mayor Keyserling asked if what was learned in the charettes has been overlaid on this document, and Mr. Lewis said yes. He and Josh Martin have gone through it line by line and offered comments; some things were incorporated and others were not, which is why he wants to begin with the Office of Civic Investment narrowing down the document.

Erica Dickerson said the committee should be professionals who are used to dealing with this sort of thing who will then whittle it down. Then it should go neighborhood by neighborhood and deal with what is in each distinct neighborhood’s interests.

Conway Ivy asked if there would be a vote on instituting the committee this evening, and Mayor Keyserling replied that council doesn’t vote during workshops. Mr. Ivy said in terms of the mix of the committee, he feels it’s “skewed toward the regulators, not toward those being regulated.” He feels the neighborhoods need to be involved. Also, the neighborhoods are said to need to be educated, but it should be a two-way process, with neighborhood input, not just a one-way process with the neighborhoods being told what will happen. They “need to be involved in determining the details,” Mr. Ivy said. He continued that whatever committee is set up, he thinks they need to explain why the form-based code process started in the first place: What are the issues that council is trying to address with form-based code? Looking at those issues that started the process will enable them to see if the document solves those problems, he feels.

Mayor Keyserling explained the origins of the form-based code and said the Lawrence Group was brought in because they had done Beaufort’s comprehensive plan. He said he doesn’t feel that anyone has said “one size fits all,” particularly in Beaufort, and “that’s where the calibration comes into play.” One reason to come up with a new code is that current zoning for Beaufort adopts “Anywhere USA’s” zoning. The challenge is that the form is established, but the question is how to codify it in a way people can understand and move through the process.

Mr. Ivy said that his concern is the infill construction from Historic Beaufort Foundation’s perspective. He said the comprehensive plan is threatened by these changes. The form-based code he described as “an envelope of parameters” which will make infill incompatible architecturally, he feels. Mayor Keyserling said the form-based code will require a review process. Councilman Sutton said the Historic District is a very limited venue. If there was infill in every place that is vacant there now, he asked if there would be a need for form-based code.

He feels that the mass and scale can be determined under a form-based code formula. No one wants “cookie cutter” infill in the 40% that’s empty. But they have to start with “the boxes and the cubes” and looking at what’s adjacent to them. The form-based code has to come before the applicant comes in to see about what can be done with their property. He said it would be nice if the form-based code could tell any owner in the Historic District what they could do with their property. That “needs to be the goal at the street level,” he concluded.

Mr. Ivy said there are vacant parcels in the Historic District, and they could go parcel by parcel or block by block and determine what could go in there. Councilman Sutton said that’s what form-based code is intended to do. Mr. Ivy asked “how widely that will be defined.” Councilman Sutton said they can get it to the level they want to. The Bladen Street block by block process discussed what was there, and “what the envelope should look like.”

Mr. Ivy said the city is trying to codify a process, but it’s unclear to him. There’s been a system in the Historic District that’s been in operation for 40 years, and he hasn’t seen the reasons city-wide for why a form-based code is needed, so he would like it “simply articulated.” Mayor Keyserling said the city has invested four years and a million dollars to begin this process, and the Redevelopment Commission and the city have made the decision to do a form-based code.

Mr. Ivy said he doesn't want to revisit the issue but thinks they “should go back to the first principles for the sake of the committee.” This would give the committee criteria to determine if it’s a successful process or not.

PRESENTATION OF fiscal year 2013 BUDGET

Mr. Dadson said his budget is balanced at approximately \$16 million in expenditures which will require that amount of revenue. He said the city has had success in recent years, particularly with “leveraging funds.” He described available infrastructure and various substantial institutional investments at Beaufort Memorial Hospital and the F-15 at MCAS. Mr. Dadson noted the agreement to do the form-based code with the municipalities and the county as part of a regional perspective on planning. He said in terms of finances, at this time the city is staying level, not growing.

Mr. Dadson went on to summarize the budget, saying that one of its objectives is “investing in the people that the city has.” There needs to be continued investment in infrastructure to carry out the civic nature of the budget, which he said will in turn lead to private investment. He provided data on business numbers which he said are down, but there are improvements in hospitality and accommodations taxes.

In regard to revenues, Mr. Dadson said Beaufort is limited to deal with property taxes, personal property taxes, etc. TIF1 is over, and the dollars have been converted into the General Fund.

Council will have to deal with how to pay for increased service in the downtown area. Department managers were praised. Mr. Dadson discussed mill rates and those taxes and fees that he recommends remain the same. He said the report presented the rate schedule. He restated that council needs to look at business licenses, which represent 30% of the revenue take. He recommended an increase in vehicle taxes. He went on to summarize other points in the budget as presented in council's package.

Councilman O'Kelley asked about the proposed increase in business license taxes; Mr. Dadson said Councilman O'Kelley was looking at the current schedule, not an increase. Mr. Dadson is not recommending that it be raised, just reviewed by council.

A general discussion about roads followed.

REVENUES

Kathy Todd presented the budget calendar as part of a review of council's budget packet. The recommended budget was shown, indicating actual revenues for fiscal year 2011, the original fiscal year 2012 budget, the amended budget, the actual revenues and expenditures, and the projected revenues and expenditures at the end of June 2012. They are anticipating not having to use any fund balance and may have a slight increase.

Ms. Todd went on to show a proposed General Fund budget and then the General Fund revenues. There's an increase in Property Taxes, she said, because of TIF1 coming into the General Fund. There will be a slight increase in licenses and permits because they have been seeing more in 2012 and expect that will continue. This will slightly bump up revenues, but they're primarily remaining flat. General Fund revenues have remained steady over the last two years, she said.

Ms. Todd showed the distribution to the General Fund revenues. Mr. Dadson said in the past, the franchise fees have been counted in licenses and permits. If they were taken out, the proper place is in Franchise Fees. Ms. Todd went on to show the property tax distribution by tax type. Mayor Keyserling asked her to enumerate what "Other Taxes" were, and Ms. Todd said it's Accommodations Tax, Hospitality Tax, and ABC tax from the state.

In regard to the expenditure budget, there will be a cost of living increase and an increase in employer contribution to the state retirement systems, which will create a \$400,000+ increase to the salary and budget benefit. The Office of Civic Investment has been assigned its own department budget, not in the Planning budget. The Department of Human Resources is no longer part of the City Manager's department budget.

In regard to capital acquisition, Ms. Todd said they need approximately \$1.1 million for various projects and equipment acquisition. Councilman O’Kelley asked about the \$11,000 proposed for a lawn mower and asked where two of the parks were that will get funding.

Ms. Todd said in regard to the Fund Balance, they anticipate not having to use it and having a slight increase in it. Council has several options to minimize the need to utilize funds from the fund balance including reducing capital acquisition requests.

Discussion of options:

- Instituting a fee on all motor vehicles would generate \$313,000 at \$35 per vehicle. Mr. Dadson said these are “not uncommon fees.” It would reduce the planned use of the fund balance and fund the completion of street projects in the recommended budget.
- Increasing the stormwater fee isn’t being recommended by the city manager, Ms. Todd said, but if it were increased to \$105 per taxpayer, revenue would increase by \$263,000.
- Financing the heavy vehicle needs of a fire truck at \$400,000 and a street sweeper at \$155,000
- Utilizing the committed fund balance of \$279,656 for vehicle and equipment fees

In regard to the State Accommodations Tax Fund, Ms. Todd said there appears to be no increase in revenues coming in. Interest is anticipated to be a little better than last year, but it’s still low. TIF 1 will be rolled into the General Fund property tax revenues, she said, adding that most are expenditures to maintain the Waterfront Park. TIF II projects are part of the Capital Project Fund and will be presented at a future time, Ms. Todd said.

In the Redevelopment Fund, \$40,000 is earmarked for Main Street Beaufort. There’s a contribution of \$25,000 required to the fund balance for parking meter replacement. The remaining portion of parking fees is split: 85% to Redevelopment Commission and 15% to Main Street Beaufort.

Councilman Sutton asked what the 85% is looking like for redevelopment; Ms. Todd said they are *not* building a redevelopment fund through parking. Councilman Sutton said he wants to know about such shortfalls.

POLICE

Chief Matt Clancy presented the proposed 2013 Police Department budget. He reviewed some statistics about Police Department activity in 2011. He showed a comparison of crimes in 2010 and 2011. He said officers in the Police Department are affiliated with and working with other

task forces to apprehend fugitives, investigate large drug operations, etc. They include the USMS, DEA and the ATF Task Forces, and technology in other cities which can be borrowed and used to track licenses, for example.

Program Implementation included the Community Response Team, the Community Projects Sergeant, and using Facebook for community interaction. Chief Clancy went on to describe various partnerships including the Port Royal Police Department, the Beaufort County Sheriff's Office, various federal law enforcement agencies, the South Carolina Criminal Justice Academy, PMO / CID, and in some more unusual partnerships, the City Department of Public Works, the Beaufort-Port Royal Fire Department, TCL, and a school district liaison.

He showed the 2013 proposed budget including proposed capital expenses. He said it's difficult to acquire VHS tapes, so they want to switch to digital in police car cameras. They also need digital evidence storage. He said this is the budget determined in meetings with Mr. Dadson and Ms. Todd, and they feel it is realistic for them to operate on.

Councilman Sutton asked if the SRO was for replacement vehicles. Chief Clancy said he's trying to get the school to pay for 75% of the cars, and the city's responsibility is 25% of three cars. Councilman Sutton asked how the school district is charged for the service. Chief Clancy said when they first started, the school district bought the vehicles at 75%. Chief Clancy said it's not been renegotiated, and the cars have been kept instead of being replaced. Councilman Sutton said the deals that were brokered with the schools for providing the SRO program might need to be looked at for full value. Councilman O'Kelley asked what the Sheriff's Department deal was with the schools, and Chief Clancy said it's the same: 75-25. He said they give an itemized list of what everything costs, and then the schools give the Police Department 75% of what was spent. Councilman Sutton asked if it could be renegotiated. Mr. Dadson said school isn't in session 100% of the year. Chief Clancy said they work somewhere in the area with juveniles when they're not at the schools.

Chief Clancy said Munis and the deputy chief are helpful in getting the most for their money and keeping to their budget. Mr. Dadson said no one has renegotiated, and he feels the costs are covered and "the city wants to be in those schools." Mayor Keyserling said they're helpful in the summer because they know the kids. Chief Clancy said at the Water Festival Teen Dance, with the sheriffs there, too, it has a calming effect because the kids are not anonymous.

Councilman McFee asked how the JAG grant works, and Ms. Todd said they'll do a budget amendment and for grants, they'll set up a project number in Munis. The only General Fund item, Ms. Todd said, is a \$10,000 grant.

COURTS

Municipal Court Administrator **Linda Roper** read the courts' mission statement and then discussed orders that have had an impact on municipal courts.

- Following a Disposition of Criminal Summary Court Cases in February 2011, she said, everything changed, and the majority of cases are now in compliance with the order. Councilman McFee asked if they provided services for other areas, and Ms. Roper said they do in bond court.
- Disposition of DUI / DUAC cases: in March 2011, Beaufort County had 34 of the county's 431 cases, and the City of Beaufort complied with the order by 9-1-11.
- Order establishing a Beaufort Central Municipal Bond Court in September 2011 for the City of Beaufort, Town of Port Royal, Town of Bluffton, and Town of Hilton Head required that all bond money must be receipted and deposited by the City of Beaufort. They came into compliance by February 2012. This has increased efficiency and accountability.
- Expungement Orders: requires that the courts automatically expunge cases within 45 days of a disposition of not guilty, dismissed, or nolle prosequere. This has been difficult to comply with in a timely manner, she said, but they are trying to do so by the end of June.

5671 cases were disposed of, and 6805 are projected to be disposed of by the end of FY2012. Last fiscal year, they disposed of 6544. Councilman Sutton asked how they come up with a system to deal with nolle prosequere; Councilman O'Kelley said now it's only booked in. Ms. Roper said that SLED is about a year behind in processing expungements. Expungements of nolle prosequeres are only for arrestable offenses that have been booked into jail.

Ms. Roper said there's a difference between disposed and processed cases, which she explained. They have processed 147 jury trial cases so far and last year processed 181. She credited the Police Department for this and said the attorneys work with the officers before they go to jury trials. They have no backlog of jury trials pending. They have processed 2273 cases in Bond Court year to date, and last year had a total of 3143, she said.

Ms. Roper went on to show a revenue report, beginning with state assessments. Mayor Keyserling asked the percentage if the court collects \$100 on a fine; Ms. Roper said \$137.50 goes to the state as a fee. She went over the numerous fees that are sent to the state.

Ms. Roper showed the variety of means of revenue collection from fines, restitution for victims, STP fees (interest on partial fee payments), etc. Councilman Sutton asked where the column is for the cost of court operations. Mayor Keyserling said of the money that comes in, less that goes out is related to the cost of operation. Ms. Roper said it's -(negative)\$110,000. Mayor Keyserling asked if that was typical. Mr. Dadson said yes.

Councilman Sutton asked if they could do anything locally by statute to increase the fee to benefit the city, and Councilman O'Kelley said no, it's set by the state. Mayor Keyserling asked if the municipal court works the same way in terms of fine collection, and Ms. Roper said yes. Councilman Sutton asked if state payments can be withheld and Ms. Roper said no. Councilman Sutton said there should be a neutral system that covers costs, and if courts are down on average, they need to do something. Councilman O'Kelley said they would need to talk to the state legislature. If the city wasn't in the court business, cases would go to county courts. Councilman O'Kelley said it's always been that way, and the state has been nudging it up over the years. Mayor Keyserling said the state is "taxing the fine." Ms. Roper clarified that a \$100 fine is written as a ticket for \$237.50.

A discussion ensued about the state laws in regard to fines. Ms. Roper said the portion that the city keeps has always stayed the same. The state assessments go up, or additional fees are added, and that is passed on to the defendants.

Ms. Roper showed the recommended budget which is \$401,812 for fiscal year 2013 and reviewed the details. Councilman Sutton asked about the bond court covering costs for the other municipalities. Ms. Roper said they are covering those costs. Councilman O'Kelley asked what happens when both judges are gone, and Ms. Roper said the magistrate courts fill in.

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 purchase or disposal of property. The motion was approved unanimously.

Councilman O'Kelley, seconded by Councilwoman Beer, 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 8:53 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK