

A work session meeting of the Beaufort City Council was held on January 24, 2012 at 5:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Council members Donnie Ann Beer, George O'Kelley, Mike Sutton, 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 work session to order at 5:00 p.m.

DISCUSSION WITH REDEVELOPMENT COMMISSION AND METRO PLANNING COMMISSION CHAIRS

Chairman Verity offered an update on the Redevelopment Commission. He said he had spoken with Steve Tully, and 11 homes are under contract or sold in the Midtown development. The project continues to move along well. There is a lot of activity in the Northwest Quadrant, including stabilizations, an estimate on stabilization, and a plan and application for tax credit. At a property on Charles and Boundary Streets, the new heirs are the owners of Road Fish, a Hilton Head Island company, and they are looking into turning it into a high-end bike shop.

There has been activity with the Lowcountry Housing Trust, Chairman Verity said, with 25-30 people at two recent workshops. The developers now have a better idea of how to work with Lowcountry Housing Trust, he feels. There will be a community meeting February 28 to discuss heir's property with the community.

Chairman Verity is working on the road situation between City Hall and Town Center; design work and how to empty traffic into Marsh Street is done, but it's unclear who will pay for it.

Chairman Verity said there have been a number of meetings with Historic Beaufort Foundation, and the commission's relationship with the group is strong, as it is with Habitat for Humanity. He expects to have a one-page document of all the houses being looked at in the Northwest Quadrant by Beaufort Housing Authority, Historic Beaufort Foundation, or Habitat for Humanity that could be updated each month.

Chairman Verity offered an update on Lowcountry Produce. The store got an interim loan through Lowcountry Housing Trust that allowed them to "get over the hump." There are ongoing meetings about the Von Harten Building, he said, and they look positive. They haven't heard about the post office, he said; Mayor Keyserling added that there has been an exchange of calls with a contact. Chairman Verity said, "We're going to keep trying." Chairman Verity said he's presented the Redevelopment Commission slide show to the Beaufort Rotary and the Marsh Association and will be going to Dataw in late February and Belfair on May 1.

The Redevelopment Commission struggles still with DOT approval for projects the Redevelopment Commission is part of, according to Chairman Verity. He said he knew council

would be discussing Horse Trough Park at the work session and said the McDonald's is progressing. Red Lobster and Olive Garden are due to open in a week or so.

The Beaufort Museum will open in about a month at City Hall, he said. The Depot area has been added to the Redevelopment Commission's commercial committee's roster as there is a lease on an old building at the depot. Chairman Verity, Mayor Keyserling, and Mr. Dadson had met with Dean Moss to discuss the Rail to Trail project, and Chairman Verity said there's "a lot of commitment from Dean" to work the project through the county and see real activity at getting the project underway.

Councilman O'Kelley asked Chairman Verity about downtown parking as a Redevelopment Commission issue and said they could discuss it at the upcoming retreat. Councilman O'Kelley would like to look at all possible changes and solutions to the issue.

Mayor Keyserling said Lanelle Fabian of Main Street Beaufort had "given a peek-a-boo" at \$1 a day employee parking downtown and asked Chairman Verity if he knew anything about that. Councilman O'Kelley said the matter was in the paper; Councilman Sutton said he believes they're for sale. **Nan Sutton** said she had bought \$50 worth of them, and they are good for distribution to employees or customers. She went on to say that it is a little gold token, and that the only entrance to the parking is on Craven Street. Mayor Keyserling asked her if she knew if other merchants were "embracing it as aggressively as you." She named a few merchants who had bought some. Mayor Keyserling said it's a partial solution. Councilman McFee said it needs to be better promoted.

Chairman Verity said the Griffin Market is open downtown and "seems to be gaining some ground." Councilman Sutton told Chairman Verity that a new Redevelopment Commission member was being sought upon Ed Barnhart's leaving. He asked Chairman Verity to make the Redevelopment Commission part of the search committee as well as the council.

Councilman Sutton said he'd brought up the subject of "the not-for-profit property owners and their land use in the city." He wants to ensure that the Redevelopment Commission continues to look at this opportunity for discussion with these groups. He would like to get the right committee together to actively work on bringing the right people to the table for long-range planning.

Councilwoman Beer said she hopes the work continues with the quality people they need and she appreciates the Redevelopment Commission's work. Mayor Keyserling said they'd had a very positive meeting with George Post and had discussed overlap with the Beaufort Housing Authority and how to bring it to a successful place as it had been in the past. Chairman Verity said there was to be a meeting with the residential committee of the Redevelopment Commission and the Housing Authority. There was brainstorming about who would be good to serve on the Housing Authority board.

Alan Dechovitz, representing the Metropolitan Planning Commission, said most of their work in recent months had been a series of minor ordinance changes in support of the Town of Port Royal and Beaufort planning directors. One issue relative to rezoning a property on Laurel Bay he felt would be of interest to the city in that there are various properties in Northern Beaufort County which are in the city's growth zone. He feels this property under discussion, which was recommended to be zoned commercial and is near the Laurel Bay entrance, is indicative of a potential problem for the city. He doesn't support long corridors of spread out development. The Planning Commission feels that commercial properties will inevitably be from the Laurel Bay housing development to the MCAS, which will look like Highway 21, he feels, and contrary to form-based code. He has asked Chairman DeVito to look at properties likely to be annexed in the next 20 years where they might be likely to run into "a vision vs. reality kind of problem." He feels the county also needs to be involved in the vision for these areas.

Mayor Keyserling said the discussion from the Northern Regional Implementation Committee point of view and the Northern Regional plan says that if the city's going to do something within the growth boundaries, it has to build to standards consistent with what they will be when they're ultimately in the city. He asked if the Metropolitan Planning Commission had talked about that. Mr. Dechovitz said they did not. He said they may not be planned to the city's vision. They discussed in regard to Burton residents creating a residential / walkable concept by developing in the future around a place where there's already a store, for example.

Mayor Keyserling asked if, when the government built Laurel Bay Road, they didn't own it and didn't create a significant buffer there. **Libby Anderson** said she knew there was a large right-of-way and a frontage road, too, though not if there was an established buffer. Councilman O'Kelley said he could ask his son who'd done some work there.

Mayor Keyserling said that there would be an additional Beaufort representative soon on the commission, and Mr. Dechovitz said he'd appreciate that. Councilman Sutton asked if the county had already upzoned the parcel under discussion at Laurel Bay. Mr. Dechovitz said he didn't know what the county's Planning Commission had done following the Metropolitan Planning Commission's recommendation. Councilman Sutton said the agreement on upzoning in the growth boundaries was that the municipalities would participate in that process so that they can have a say. Mayor Keyserling said there was at one point a plan for a residential development up near Laurel Bay, and there was a discussion of curbs and gutters, but he thought "that went away." Mr. Dechovitz said there were 600 acres to be developed, but the developer took no action for ten years, so the Planning Commission returned it to rural zoning.

Councilman Sutton reiterated what the agreement was to which he'd referred. Mayor Keyserling said they may have interpreted that, by taking it to the Planning Commission, they had fulfilled the agreement. **Reed Armstrong** said that he'd raised the issue that it would need to be consistent with the future growth map that's in the comprehensive plan, but the county's Planning Commission "didn't seem to take too much regard to that." Mr. Dechovitz said Mr. Graves "and his constituents" were at the Metropolitan Planning Commission meeting, and

they were opposed to this upzoning. Mr. Dechovitz said the Metropolitan Planning Commission's function in regard to county properties is "sort of awkward" because they don't make their recommendation to county council – which will take the action – but to another board that will then recommend to the county council. Mayor Keyserling explained the difference between the county Planning Commission's relationship to county council and the Metropolitan Planning Commission's relationship to city and Town of Port Royal councils.

Mayor Keyserling asked Ms. Anderson if, any time something is discussed in the growth boundaries, the county is supposed to contact the city. Ms. Anderson said the effort was made through the Metro Planning Commission for joint review. Councilman Sutton said it didn't have to be contiguous to trigger this, only to be in the future growth boundaries. A discussion of the meaning of contiguous in regard to annexation ensued between Councilman Sutton and Mr. Dadson. Councilman Sutton said if it's not contiguous, and they continue to upzone, it "puts the city back to 8 years ago." Mayor Keyserling said the county said they wouldn't do anything unless it was contiguous, and if it's not contiguous, then they would ask the applicant to find contiguity before they would do it.

Mr. Dechovitz said he's hearing additional background at the workshop that he didn't have the advantage of at the Metropolitan Planning Commission meeting in question.

Mr. Armstrong said the Town of Port Royal recently renewed a development agreement for hundreds of acres in the Burton and Shell Point areas. Since it's not the sort of issue that normally goes to the Metropolitan Planning Commission, he said, it didn't go there. He said maybe they should consider that it should go before the Metropolitan Planning Commission because it involves hundreds of acres. Mayor Keyserling said the city took its settlement on the Airport Junction through that process.

Mayor Keyserling asked Mr. Dechovitz about the Lady's Island airport expansion proposition. He asked if that matter had come before the Metropolitan Planning Commission, and Mr. Dechovitz said no. He said he'd been to the public meeting, though. Mayor Keyserling asked his thoughts as a citizen. Mr. Dechovitz said Mr. Newton asked those there if they wanted to close the airport, and they didn't, but they were concerned about the airport's expansion. He thought Mr. Newton should have asked them, if their property would be affected by the increase in landings and take-offs, how they'd feel about it. Mr. Dechovitz feels that such a question would have drawn a lot of concern from those owners because of its impact on property value and property enjoyment.

Mr. Dechovitz feels an airport attracts people with disposable income, which Beaufort wants to attract, but he asked if it should be there, where it fills in productive marsh, or if they should go with a more regional proposal. He would like to see it moved inland, personally, where there's less impact from light and noise, and the entire county could benefit. He said they should talk to businesses potentially relocating to South Carolina to see what kind of airport they would want. He feels the airport could potentially be an economic development engine,

not just a convenience. Mayor Keyserling said he thought Councilman O'Kelley's idea to work on joint use or to use of some of the AICUZ were the best ideas.

Mr. Dechovitz said a military officer in the audience at that public hearing was "shaking his head, essentially muttering 'Not on your life,'" when this idea was proposed. Mr. Dechovitz said it would be ideal, but he didn't know if the military would accept it. There was discussion of places where similar precedent was set elsewhere.

DISCUSSION: STORMWATER

This is preview of a presentation to be given to the county Stormwater Board on February 1, **Andy Kinghorn** said. At the last Stormwater Board meeting, it was requested that the municipalities make presentations about how they would use the funds that had been collected for the last few years.

Isaiah Smalls said they had established primary goals for stormwater control in the City of Beaufort. In December 2009, the comprehensive plan was adopted which in part addressed protecting and improving water quality. Mr. Smalls reviewed the recommendations in regard to stormwater in the comprehensive plan. In February 2010, he said, a municipal stormwater policy was adopted "that recognizes the need to coordinate stormwater and land use goals." It also acknowledges that a "one-size solution is not appropriate for a complex urban environment."

Mr. Kinghorn explained that last summer the intergovernmental agreement with the county expired. They asked for a one-year extension rather than agreeing to the same policy Hilton Head Island and Bluffton had agreed to. It "really centered on the issue of 'one size fits all,'" Mr. Kinghorn said. They want to work out the best management practices for this specific area. In regard to the development of a watershed management plan for Battery Creek, he said the only impaired water area in the city's boundaries is a section of Battery Creek. The Beaufort River meets water quality guidelines. The city and county will have to work together to mitigate the impairment that is in Battery Creek. Mr. Kinghorn said this will take pressure off the controls required. The area is near the Cross Creek shopping center. Councilman O'Kelley asked about the area behind the courthouse. Mr. Kinghorn said that meets water quality standards.

Mr. Smalls said the Municipal Stormwater Policy and Unified Stormwater Ordinance would address water quality *and* quantity issues in community design. Planning is the first best management practice, he said. New developments would have distinctly different standards than redevelopment projects. He showed a redevelopment transect matrix. Mr. Kinghorn indicated the area which would be the point of contention with the county in regard to what best management practice would be applicable for those transects. There will be a series of meetings with them and with the Town of Port Royal which has similar issues with the county to Beaufort's.

Mr. Smalls said there was a question in regard to where stormwater utility funds were expended. He showed a portion of the capital project list that they'd extrapolated. Some of the funds used to complete the projects were leveraged with CDBG funds and general funds. He went on to detail some particular projects, their costs, and where the funds came from. He showed photos of the Duncan-Langhorne project and others. In addition to the capital projects, they included smaller CIP projects. He showed before and after projects.

Councilman Sutton asked how they communicate with the property owners about what's been done and how to prevent it from happening again. Mr. Smalls said the stormwater crews patrol the improved sites bi-weekly; there's a fine of more than \$1000 for putting debris in a waterway. He explained that a vacuum system creates a pond that sucks sediment into a truck, where it is then disposed of. Councilman Sutton said it sounds like they're on top of maintaining the work so that it doesn't go back to the way it was.

Mr. Smalls said there are no complaints from Battery Shores, but there are still a few minor issues there. Mr. Kinghorn said the two aspects of stormwater management are getting water away to prevent flooding and then water quality. The Stormwater Board is realizing that a lot of what they've been dealing with is water quality, Mr. Kinghorn said. The city has a good balance between the two issues.

Mr. Smalls went on to explain goals in regard to stormwater management. Mr. Kinghorn said they can expect upgrades on water quality, particularly in the main stem of the Beaufort River and around to the Coosaw River. They believe they will open up more shell fishing areas than before because of water quality improvement and reclassification following monitoring.

Councilman O'Kelley asked if they had any adjacent property owners "fussing at you for digging up their yards." Mr. Smalls said they had one gentleman who complained about a potential erosion problem, but he was also using straw to shore up his bank. There was also a challenge on Duncan-Langhorne, Mr. Smalls noted.

Mayor Keyserling said the county took "a pretty hard position on the 'one size fits all' and asked if there'd been "any movement." Mr. Kinghorn said he'd talked to Dan Ahern, and he wants to get Mr. Ahern involved in the restoration of the Battery Creek section. He feels solving that will allow a lot more flexibility in dealing with the terms of the requirements for best management practices. Then, when no areas in the city are impaired, they will be in a stronger position.

Councilman Sutton said it's interesting that there's monitoring going on where the impairment is, and asked if they had identified any source issues. Mr. Kinghorn said no, they have to work up to that point to find where the drainage is and what the issues are. It may be a volume issue – which really affects contamination – not a pollutant issue, so they may need volume constraints to repair water quality issues. Mr. Kinghorn said dilution is not the answer in this case.

Councilman McFee asked them to explain the mapping of the illicit discharge. **Lamar Taylor** said “that’s probably one of the six minimum requirements for the MS4 that’s coming down the pike.” They have to identify all of the outflow that is affecting the water shed. They will use a GPS system and have a map to show that they have taken those steps. Councilman Sutton asked if the measures are working to keep the silt from going into the tributary when water bubbles up or out of highway areas. Mr. Smalls said the DOT is one of the greatest offenders. Mr. Kinghorn said when they’re installed and maintained correctly, they work.

Councilman Sutton said he’d like to see an overview of the problem areas and what they’ve learned in regard to how the development zone is created. This may be a unique opportunity.

Mr. Dadson said there’s an end date of a year on the intergovernmental agreement, so “there’s an obligation to hammer out as much as (we) can.” In regard to the land use model, the planning staff has worked on it. On the regional transect level, he said the region, municipalities, and county “are coming around to getting it done.” The issues will be combined and the best solution presented to council. The EPA’s MS4 regulation “will probably be a game-changer for most people,” Mr. Dadson said, so council will need to look at the governance structures. There is not a voting member on that board, and decisions will need to be made.

PRESENTATION: fiscal year 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Finance Director **Kathy Todd** introduced **Chuck Talbert**. The CAFR is the city’s financial statement, and she said she’d talk about it, while Mr. Talbert would cover the auditor’s responsibilities and how the two fit together. She referred council to overview documents in the report that would be easier to read and understand. The CAFR allows the city to participate in the Government Finance Officers' Association award program, Ms. Todd said. The city has received the award for four years. She indicated where the government-wide and **fund financial** statements were in the document, which were followed by notes and then the budgetary comparison schedule for the General Fund. She pointed out the statistical data in the final section.

Ms. Todd referred to a hand-out on financial ratios. The government-wide financial statements focus on short- and long-term views of the financials, she said. The governmental fund focuses on near-term inflows of financial resources and available balances of spendable resources for the end of the fiscal year. Both statements demonstrate two different kinds of accountability, Ms. Todd said. The ratios are broken up between focus on the government-wide financial statements which are the operational accountability, and the **fund financial** statements which are the fiscal accountability.

Ms. Todd said she had presented a comparison of the city to itself since 2007, when the first CAFR was presented and awarded. The second set of ratios is a comparison of other cities in South Carolina.

1. **Can the government meet current obligations?** The best measure is the current ratio, which is healthy at 2 to 1 or better.
2. **Are unrestricted net assets adequate?**
3. **To what extent are the activities supported by general revenues?** This is a government-wide net expense, Ms. Todd said. It measures how much of the city's expenses have to be covered by property taxes. Anything less than 50% is fairly healthy, Ms. Todd said. Councilman Sutton confirmed that Beaufort's is at 47.89% for fiscal year 2011. The numbers are a function of the economy more so than financial accountability, Mr. Dadson added. Ms. Todd explained the impact of construction and debt on the scores in some previous years. The city is doing well in comparison to other cities in the state, Ms. Todd said, at least as a benchmark. Councilman O'Kelley noted that Beaufort is ahead of Clemson, which has a major university, and Greer, which has a BMW plant.
4. **Is the financial health improving?**
5. **Are capital assets greater than long-term liabilities?**
6. **Can the total governmental funds meet its current obligations?**
7. **Can we meet current obligations?**
8. **Is the fund balance adequate?**
9. **Was there a negative or positive budget variance for the net change in fund balance?**
10. **What is the cost to the person who resides in the city?**

Ms. Todd explained that the scores range from a -1 to a +2. She enumerated the costs of various capital asset categories and the total accumulated depreciation for each of those classes. She said that the data will help them to make management decisions. Councilman Sutton said until the new City Hall was built, all bets were off on depreciation.

Mr. Talbert said council had received a letter of communication as part of their audit process. He explained the institutions with which his firm works. The audit is completed and it looks back to June 30, 2011. The auditors' responsibilities are to express an opinion on the information in the CAFR and to adhere to governmental standards as well.

Mr. Talbert said a significant part of the financial statement is the footnotes. The city's accounting policy is in footnote 1, for example. He said he knew there had been extensive discussions of GASB 54. He pointed out that a significant change is the movement of solid waste activity from a business or proprietary fund activity into the governmental activity. In the future, financial statements won't show it as a business activity per se, he said.

The auditors assess accounting principles, and they concur with the principles embodied in the financial statements. "They've been consistently applied," Mr. Talbert said. Every financial statement includes certain estimates, he said. The "most sensitive or significant" are the historical costs of infrastructure, and the useful life and depreciation of fixed assets. Again, the auditors concur with the financial statements.

Mr. Talbert said there were no disagreements with management, and they concur as to the presentation being made. If there were a disagreement, council might have seen a second opinion sought by management. There are always year-end closing adjustments, and some found during the audit process. Any and all of those are reflected and incorporated into the presentation. The documents are management's, he said, but the auditor is responsible for reporting to the governing body. As a part of the audit process, management provides the auditors a letter of representation, which he said had been provided in council's package. He enumerated some of the items in that letter.

In summary, Mr. Talbert said the auditors' report is "clean" and "an unqualified opinion." There are no glaring discrepancies in the information. They also issued a report in regard to governmental audit standards which addresses internal control and compliance. Nothing "rose to the level of requiring that it be part and parcel of the document." In terms of difficulties, Mr. Talbert said, he made the previous presentation for 2010 on October 12, 2011 but they didn't begin their procedures until that time last year for 2011 and only wrapped up a few weeks ago. However, they encountered no difficulties.

Mr. Talbert said that internal controls are considered, but in order to decide what procedures to perform to provide the audit report, not to provide an opinion as to those controls' effectiveness. The auditors found that there were certain tasks that are fundamental to controls over financial reporting. There are daily cash accountings performed, but the formal monthly reconciliations and review of them was not in place owing to personnel issues. Monthly financial reporting wasn't present after that transition period, either. Council and management establish controls over financial reporting. Failure to perform those key areas of financial reporting can have results such as making critical decisions based on erroneous information, Mr. Talbert said. Also, intentional and unintentional errors can occur and not be caught.

In regard to recommendations, Mr. Talbert said the appropriate technical skills should be in place to oversee these functions, including account reconciliations and ongoing monthly reporting to the governing council. He added that Mr. Dadson had called him during "the period of transition." Mr. Talbert and Mr. Dadson met, and Mr. Talbert suggested Ms. Todd might be a good candidate, at least "as a Band-Aid," and "now she's here."

He explained the many important reasons for the audit process. Councilman Sutton summarized that the city is in a good financial position, has good monitoring in place, and had a problem with staff not being present to present "daily takes" into a monthly report that the city manager or council could have been given. But now they have the right person in place. There's no fraud or abuse identified in the city, and it is doing as well as or better financially than in the last four years. Mr. Talbert agreed with his summary.

There being no further business, the work session ended at 6:50 p.m.

A regular meeting of the Beaufort City Council was held on January 24, 2012 at 7:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Council members Donnie Ann Beer, George O’Kelley, Mike Sutton, Mike McFee, and City Manager Scott Dadson.

CALL TO ORDER

The Mayor called the meeting to order at 7:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was led by Councilwoman Beer, and the Pledge of Allegiance was led by the mayor.

RESOLUTION COMMENDING DON STARKEY FOR SERVING ON THE CITY’S DESIGNER REVIEW BOARD

Councilwoman Beer, second by Councilman Sutton, made a motion to approve the proclamation. The motion was approved unanimously. Councilwoman Beer read the proclamation, and Mayor Keyserling presented it to Mr. Starkey, who made a brief statement.

MINUTES

The minutes of the work session and regular meeting on January 10, 2012 were presented to council for review. **On motion by Councilman McFee, second by Councilman Sutton, council voted unanimously to approve the minutes as submitted.**

The minutes of the work session January 17, 2012 were presented to council for review. **On motion by Councilwoman Beer, second by Councilman McFee, council voted unanimously to approve the minutes as submitted.**

ORDINANCE REZONING A PARCEL OF PROPERTY LOCATED AT 1403 LAFAYETTE STREET, FROM R-2 MEDIUM DENSITY SINGLE – FAMILY RESIDENTIAL DISTRICT TO GENERAL RESIDENTIAL DISTRICT

Councilwoman Beer made a motion, second by Councilman Sutton, to approve the ordinance on second reading. The motion passed 4-1, with Councilman Sutton opposed.

AMENDING FISCAL YEAR 2012 BUDGET ORDINANCE FOR VARIOUS INCREASES DUE TO GRANT AWARDS, DONATIONS, AND AUTHORIZED LAND ACQUISITION AND REDEVELOPMENT INITIATIVES

Councilwoman Beer made a motion, second by Councilman Sutton, to approve the amendment to the budget ordinance. Ms. Todd said the amendment has five components, the first of which has to do with previous actions of the board in regard to the Open Land Trust’s purchase of land for \$250,000 and \$55,000 from the Lowcountry Housing Trust. This budget amendment would release the fund balance that’s been committed for those purposes. By moving it into the current budget amendment, revenues will match the expenditures.

The second component of the amendment is related to a new **jag ramp** for the police department. They can expend up to \$12,800, so the budget amendment will increase revenues and expenditures for the police department for this purchase.

The third is for the Parks Department; the Pigeon Point Neighborhood Association wanted to contribute to the fencing around the park, and they agreed to a maximum of \$8000. The budget amendment will bring in the revenue to offset expenditures related to the project.

Fourth, the city received the CDBG grant for the Northwest Quadrant / Duke Street and the Bladen Street project. Both had local matches contributed to them. The amendment approves the operating transfer from the General Fund to meet the local match.

Finally, the police department has funds received in past years that were restricted; this is remaining balance that was sitting in fund balance that they intend to utilize this year.

Councilman O’Kelley commented that the city “isn’t going out and looking for any new money” with the amendments but is amending “to make the budget conform with money that’s come in or that’s in other funds.” Ms. Todd said that was correct and added that it could be money that was committed in prior years that’s sitting in fund balance. **The motion passed unanimously.**

RESOLUTION APPROPRIATING COMMITTED ALLOCATIONS OF THE FUND BALANCE

Councilwoman Beer made a motion, second by Councilman Sutton, to approve the resolution. Ms. Todd said council had approved the fund balance policy not long ago, and part of it was that funds become committed through a council resolution, as does un-committing the funds for use. This resolution releases the funds from “committed,” in accordance with policy, for the \$250,000 used for the Open Land Trust, she said, and the \$55,000 used by the Lowcountry Housing Trust. Mr. Dadson clarified for Councilman O’Kelley that this action is a resolution as a matter of policy, not an ordinance, so it will not need a second reading. **The motion passed unanimously.**

APPROVAL OF LOCAL MATCH FOR NORTH STREET/HORSE TROUGH PROJECT

Councilwoman Beer made a motion, second by Councilman McFee, to approve the local match. Ms. Anderson said the Bladen Street redevelopment plan prepared in 2001 made a specific recommendation about this project. She explained that the number of lanes on North Street would be reduced for a block between Bladen and Adventure Streets, and the park area would be extended to replace the eastbound traffic lane. In 2008, the city applied for and received a grant from the DOT for the Bladen Street Streetscape Phase 2 and then received a grant from the Department of Commerce, also for Bladen Street Streetscape Phase 2. The city requested that the DOT grant an extension to their grant to be applied to the Horse Trough project. DOT has approved this request in concept and now is asking for paperwork and

approvals. The Horse Trough project was included in the Sector One Civic master plan and is a project in the Redevelopment Commission's Project Book, Ms. Anderson said.

Ms. Anderson showed a graphic of the current design for the project, which is the same as in 2001, and explained some of the ideas for the project, including exposed brick paving in that block. It would improve traffic flow and safety, Ms. Anderson said, enhance the pedestrian environment, and improve the park, opening up the views.

The project budget is estimated to be \$269,000. The DOT grant will pay 80% of the project costs up to \$200,000, and the city would provide the rest as the local match. DOT will do final project design, engineering, and construction, Ms. Anderson said. If the project is under budget, any unused local funds will be returned to the city.

Ms. Anderson said the two requests before council were for the local match of \$69,000 and approval to request that the DOT remove the one-block section from the DOT system and bring it into the city-owned system.

Mayor Keyserling said he and Councilman O'Kelley had met with all but two of the property owners. He has some additional changes he'd like to make to the plan, but, he said, this current action would only be approval of a project *similar* to this and, if necessary, to get DOT approval to bring that street into the city. He asked if this would be the appropriate time to state concerns and ideas about the project, and Ms. Anderson said it would be because the city is required to submit another grant application which could include the suggested changes.

Ms. Anderson said the DOT would have complete approval over how North Street intersects back into Bay Street, though the city can suggest or recommend something. Mayor Keyserling passed the gavel to Councilwoman Beer. He said that, at this time, in regard to the alleyway, nothing has been worked out with the northeast corner of the intersection of Adventure and King Streets. Three property owners did not want to participate, and Mayor Keyserling felt that council should defer to them and postpone the alley. Additionally, he feels the intersection with two stop signs should be questioned. He said that Dr. Holden had recommended that it would be a right turn only onto Adventure Street so that would not be a way to access Bay Street. People were not in favor of that.

The mayor said the crossings at North Street and Bladen and at Bay Street and Bladen should be formalized to connect the park to the courthouse and to The Bluff. Ms. Anderson clarified that if the alley were done, it would be a city project, not a DOT project. For the purposes of submission to DOT, she suggested taking the alley off to avoid "questions that don't need to be answered right now." The crossing at Bay Street could be added to the project; the crossing at North Street is already in the plans.

Councilman McFee agreed with Mayor Keyserling that the terminus on Bay Street is “very strange,” and he doubted that it would be approved. He said he understood property owner concerns in regard to the concept, but he feels it makes it more pedestrian-friendly.

Councilman Sutton said it’s perplexing because there’s not complete buy-in by the five property owners affected. It occurred to him, however, that if this were a west-to-east one way street, it would alleviate the problem of the strange intersection by “taking away the Yield situation.” The parking across the street at the park would leave the curb cuts for property owners and not take anything from them. It would increase park size and add parking that the DOT would have no control over. Councilman Sutton said if the alley is not created, there are no parking additions in front of the affected properties. A discussion ensued about how traffic would flow with the changes to either the east- or westbound lanes. Ms. Anderson said the concept of one lane with on-street parking is the same either way, and DOT could look at it.

Mayor Keyserling said the other issue is the distance between Bay and North Street could end up being blocked by backed up traffic there. Mayor Keyserling said in regard to the Koth’s property, the Bladen Street plan has been passed, and when there’s a business to go in there, the city would work with them to ensure that they don’t have a 90 degree curb cut as is there today but instead have appropriate ingress and egress for a successful business. Ms. Anderson showed the North Street access would be fully open with a flush curb.

Councilwoman Beer said she has a concern about the curb at Adventure Street and the two stop signs. Ms. Anderson clarified that there would not be two stop signs, and Mayor Keyserling said it may still be a yield. Councilman O’Kelley said he’ll vote no because he realizes the comp plan states this, but it says the idea is to reduce the lanes of traffic on North Street between Bladen and Adventure Streets from two lanes to one. Initially, the plan was to close it completely so that there “would be no travel on that little section of North Street,” and there would be an alley behind. He and some property owners raised concerns about that.

He asked Ms. Anderson when the paragraph that she had read from the comp plan was added. Ms. Anderson said that it was from 2001. Councilman O’Kelley said that the plans have changed over time, and the current proposal is one lane in one direction or the other. He said council is being asked to approve money for a plan that’s “only a conception.” It hasn’t been approved, he said, and “we don’t know where the stop sign’s going to be.” He said the parking is very unsafe in the current parallel spots on Bay Street, and the new parking would only be safe “if the brick wall were moved down.” He expressed other concerns about the plan and said he has trouble with approving money for a concept.

Mayor Keyserling said the city has accepted around \$25 million for Boundary Street, which is also a conceptual plan and has had and will have changes. Councilman O’Kelley said if there were more definitive answers to the issues he’s raised, he might be more likely to approve it. Councilman Sutton drew a figure to explain his concept of how it would work, and Councilman O’Kelley responded that even Do Not Enter signs wouldn’t keep people from going the wrong

way on the streets, as they do on other one-way streets in town. He feels if it's going to be one-way, it would be best for it to be one-way west.

Mayor Keyserling explained what he and Councilman O'Kelley had heard from residents in the area and that accommodations had been made to better satisfy them. After 3-4 months of conversation with people, he feels like this is a good compromise and will be an amenity and a beautification for other people in Beaufort.

Dr. Jim Holden owns property on North Street and said he appreciates the suggestion to change the one-way street to east-bound. Traffic headed west on Bay Street that turns to go to North Street will have to do an awkward U-turn to do so. The fork at the end is the only way to accomplish that without the spur onto Bay.

Dr. Bobby Bell owns property on North Street, as well. He said it breaks down for him at the levels of function and aesthetics. Aesthetically, he thinks the plan is great, but concerns arise about function. No one idea answers all the questions but instead raises another question of function. The road follows the bay's contour, and "this is the entry into the grid," he said. The view corridors have been enhanced now, and the concrete island could be made more attractive with a green island and wouldn't obstruct anyone's view. Turning it into a one-way, he said, concerns him because the business corridor on Port Republic was adversely affected when it went one-way.

Henry C. Chambers said he owns the former Koth's store. He's satisfied that if they have a tenant, the city will work it out so they have access. He objects to the alley / "trail." He questioned the wisdom of the Bladen Street dog-leg, but Ms. Anderson said that's not in this plan or the Bladen Street streetscape. Mayor Keyserling assured him that the alley would not be part of the plan submitted to DOT. Mayor Keyserling said council is "anxious to see that corner come alive."

Charles ___ said he lives on the corner of Adventure Street and said he doesn't like the two stop signs and isn't clear on "the extra little piece." Ms. Anderson said that will be taken off of the DOT application. She said DOT's concern is with safety, and "they can do what they want to do." The split, she continued, doesn't accomplish the goal of less pavement. Mayor Keyserling said the yield might remain. **The motion was approved 4-1, with Councilman O'Kelley opposed.**

Mr. Chambers said he'd proposed to Ms. Anderson that if they wanted to do the alley, they would swap the Koth's property for the alley or for property on North Street.

REAPPOINTMENTS TO THE REDEVELOPMENT COMMISSION

Councilman Sutton made a motion, second by Councilwoman Beer, to reappoint Councilman McFee to serve on the Redevelopment Commission. The motion passed unanimously with Councilman McFee abstaining from the vote.

Councilman Sutton made a motion, second by Councilwoman Beer, to reappoint Mike McNally to serve on the Redevelopment Commission. The motion passed unanimously.

Councilwoman Beer made a motion, second by Councilman O'Kelley, to reappoint Martin Goodman to serve on the Redevelopment Commission. The motion passed unanimously.

MAYOR'S REPORT

Mayor Keyserling said the following Saturday from 9-1 he'd invited 100 people to discuss the marketing of Beaufort, based on recent TDAC funding, in an effort to encourage more collaboration. He described some of the people and groups that had been invited. The assistant city manager in charge of development for Greenville will speak, and there will be break-out brainstorming sessions.

The Northern Regional Planning Commission meeting, Mayor Keyserling said, would take place the following Friday. MS said he'd make his best effort to attend.

Mayor Keyserling pleaded with the city manager to help get Carteret Street parking settled, knowing that SCDOT is holding up the process, and offered thanks for the two meters that have been installed.

REPORTS BY COUNCIL MEMBERS

Councilman O'Kelley said St. Helena Church celebrated its 300th anniversary, and it was very well-attended, including a lot of visitors from out of town.

Councilman Sutton asked Mr. Dadson about the Newcastle Street buggy crossing. Mr. Dadson said it's on Public Works' schedule now.

Councilman McFee corrected the mayor's assertion that the marketing strategy session follows on the use of Accommodations Tax (ATAX), not TDAC, funds.

Councilman McFee said there are two weeks before the Beaufort 300 closes, and it's an opportune time for those who have not contributed to do so. Mayor Keyserling said at last count, they were 11-12 away from the goal of 300.

EXECUTIVE SESSION

On motion of Councilwoman Beer, seconded by Councilman O'Kelley, 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 agreements. The motion was approved unanimously.

Councilwoman Beer, seconded by Councilman McFee, made a motion to come out of Executive Session and resume the regular council meeting. The motion was approved unanimously.

ADJOURNMENT

There being no further business to come before City Council, Councilman O’Kelley made a motion to adjourn, seconded by Councilwoman Beer. The motion was approved unanimously, and the meeting was adjourned at 9:11 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK