

A regular meeting of the Beaufort City Council was held on October 12, 2010 at 6:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Council members Donnie Ann Beer, Gary B. Fordham, 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.

CALL TO ORDER

The Mayor called the meeting to order at 6:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

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

PUBLIC COMMENT

Debra Johnson, 1710 Duke Street, came before council as an individual citizen, not representing any organization, to speak in opposition to changes in the parking downtown. She hears many stories about problems parking downtown or getting tickets. She offered to share with council the names of those she has spoken with. She told stories of the experiences she has had herself in the last six months, working downtown and having people come into the office complaining or confused about parking. She feels the Redevelopment Commission and Main Street Beaufort have a conflict of interest in the matter that the council, as elected officials, doesn't have. She feels the comparison to Savannah is not apt for a variety of reasons and that as a city, its parking plans should not be emulated. She fears that the legacy for this council will be taking a *perceived* parking problem and turning into a *real* parking problem. She said her real concern was about a sign at Waterfront Park. She showed a picture of the sign to council. Through all of the park's development, there was a two-way in and out, with a terminus at Charles Street. The entrance to Waterfront Park is now labeled as an entrance to a parking lot, which she considers a "glaring visual indicator that we have lost our way." She feels a mistake has occurred and council "should reconsider the parking problems before more damage is done." Additionally, she asked them to remove the sign and restore it to its original intent.

MINUTES

The minutes of the work session on September 21, 2010 were presented to council for review. On motion by Councilwoman Beer, second by Councilman Fordham, council voted unanimously to approve the minutes as written.

The minutes of the regular council meeting on September 28, 2010 were presented to council for review. On motion by Councilwoman Beer, second by Councilman Fordham, council voted unanimously to approve the minutes as written.

AMENDMENT REVISING SECTION 7.5 OF THE UDO TO ELIMINATE THE PARKING REQUIREMENTS FOR CERTAIN GUEST ACCOMMODATIONS IN THE CORE COMMERCIAL DISTRICT

Councilwoman Beer, second by Councilman Fordham, made a motion to adopt the amendment on second reading. The motion passed unanimously.

AMENDMENT REVISING SECTION 6.5.1.6 OF THE UDO TO PERMIT PARKING WITHIN THE SETBACK AREA ON SINGLE-FAMILY LOTS

Councilwoman Beer, second by Councilman Fordham, made a motion to adopt the amendment on second reading. The motion passed unanimously. Following the vote, **Kevin Cuppia** said he had a friend with property on the Point. The friend has a street-end easement, and he wanted to know how this amendment would affect him. Mayor Keyserling said there are setbacks required, but they were preventing the use of one's own land for parking and does not affect the public right-of-way. Councilman McFee said street ends were access in the original plan and there have been issues. Councilman Sutton said there are several dead end streets where people park, though it's not their property, and the ordinance change only makes legitimate what is already being done. He gave an example from his own property. It's meant to make use of land in an urban setting as it's appropriate to do. Mr. Cuppia said his friend is concerned about people parking in his driveway. Mayor Keyserling said there was a Supreme Court ruling to which the neighbor would have to refer. Mayor Keyserling said the neighbor should talk to the Planning Department because they were certainly not intending to have people drive through someone's back yard to park.

REQUEST FOR STREET CLOSURE FROM THE PARISH CHURCH OF ST. HELENA FOR 200TH SC DIOCESAN CONVENTION

Councilwoman Beer, second by Councilman Fordham, made a motion to approve the request for the event on February 18 and 19, 2011. Mr. Dadson said staff recommended it. The motion passed unanimously.

REQUEST FROM BEAUFORT COUNTY VETERANS AFFAIRS TO HOST ANNUAL VETERANS DAY PARADE NOVEMBER 11, 2010

Councilwoman Beer, second by Councilman Fordham, made a motion to approve the request for the event. The motion passed unanimously.

MOTION TO REINSTATE THE TOURISM MANAGEMENT ADVISORY COMMITTEE (TMAC)

Councilman Sutton made a motion, seconded by Councilwoman Beer, to reinstate TMAC. Councilman Sutton said to revive it, there would need to be new members named. Mayor Keyserling explained that this was driven by last week's work session and the carriages have a little over a year left before contract review. There was an issue of whether they should be treated similarly to buses. The need to reinstate it and possibly change the mission needs to be considered, according to Mayor Keyserling. They need to look at how they are managing tourism, especially the buses, carriages, keeping people off people's porches, and so forth.

Councilman Sutton said they should review the ordinance as currently written, then reinstate TMAC.

Councilman Sutton amended his original motion to say that the matter should be on the workshop agenda, where council would go through it as currently written and then consider reinstatement. Councilwoman Beer seconded the amended motion. Councilman McFee said new TMAC members should make suggestions about what the mission should be; he thinks its more sensible to reinstate it first, then have the members go through it with council at a workshop. Councilman Sutton said it's not going to be a fast process. There may be no change, only modifications, and Mayor Keyserling said he preferred to give direction to TMAC about council's will. Mr. Dadson said the ordinance is still on the books, and council had elected not to name anyone to the commission. Mr. Dadson suggested reconstituting it; he said there are no specifics, but they can do that. At the work session, council can go through the ordinance and can think about the people who could be on the commission and review the current issue, the next carriage bidding, incorporating buses, etc. They can then meet, discuss what council thinks needs discussing, and help council with that process. That is what he thinks council wanted to do, based on the last work session's discussion. The motion passed unanimously.

CITY MANAGER'S REPORT

Mr. Dadson said he would give up his time to **Chuck Talbert, Betsy Vanover, and Karyn Lemon** of McAbee, Talbert, Halliday and Company for a presentation on the City of Beaufort's Financial Statements for the fiscal year ending June 30, 2010. Mr. Talbert reviewed the materials that he had given to council.

Ms. Vanover discussed the monitoring of account data and how it was accomplished. Payroll testing methods were summarized; some of these allowed management, for example, to analyze trends and to ensure that top paychecks were appropriate, no "ghost employees" existed, etc. Ms. Vanover went on to describe various accounts payable testing practices that was run, i.e., possible duplicate invoices or split invoices that avoided approval requirements. The auditors also gathered credit card transactions.

All results were furnished to management in the form of reports, researched by city personnel, and the responses filed with each report. Both management and the auditors read the responses and documentation, and reports are available for examination in detail.

Mr. Talbert said these reports provide "a very significant level of detail." He discussed the matter of "transparency." He said there is a movement afoot in the state for government entities to publish all of their disbursements on the web for accessibility. He feels that that practice doesn't provide a lot of useful information for people, because there is no context for why an expenditure was made, which is confusing. A budget is made and financial affairs are managed against it. He feels the city is doing a good job to provide readily accessible, understandable financial information, and the CAFR itself provides readily understood information.

In the transmittal letter for the CAFR, he discussed a particular paragraph. 100% of the city's disbursements received a battery of computer queries and measurements and "those things that stuck out" were investigated by city management.

Ms. Lemon referred to the communication letter and discussed the responsibilities under generally-accepted auditing standards and government auditing standards. She identified other clients of McAbee, Talbert, Halliday and Company. She listed the qualitative aspects of the accounting practices and said there had been no difficulties in the conduct or completion of the audit and no uncorrected mistakes. There were no disagreements with management in the course of the audit. No formal management recommendations were made. She detailed the sections of the CAFR: introduction, financial, statistical and compliance.

Of the financial section, Ms. Lemon said that the city has been given a "clean, unqualified report" by their independent auditors. She reviewed the other sub-sections of the financial section. The stats section, she said, is useful to look at the whole picture over the years. The compliance section showed no non-compliance.

Financial highlights of the year included the fact that last year, the General Fund was sectioned, but it has now been combined into one fund. The net change in fund balance was \$500,000+. The General Fund ended the year with a fund balance at \$10.2 million. She said the city should be proud because not many cities are making money at this time. In addition, net assets are \$34.4 million and net assets unrestricted are nearly \$14 million.

Mr. Talbert said there will be a significant change in the coming fiscal year as GASB 54 deals with the fund balance. Mr. Talbert described the new fund balance classifications:

- Non-spendable- assets like supplies, long term portions of loans
- Restricted - externally restricted by parties like grantors or creditors
- Committed funds – set aside by constraints imposed by council, which will have to consider policies to determine if and when there are assets they want to set aside and commit. They will need to decide what actions will be required to establish an asset that way and to remove it from that category.
(All three above are essentially currently "reserved" – not spendable – funds.)
- Assigned (designated) – similar to "committed" but doesn't require council action; the city manager can be authorized to set aside those assets, for example
- Unassigned (undesignated)

Mr. Talbert said encumbrances will change. There will be no disclosures. The policies they consider will determine the highest decision-making body, and they will decide on what actions need to be made to assign funds. They will have to disclose the policy in their footnotes. Mr. Talbert described other disclosures that will have to be noted.

Councilman Fordham said the city is in good financial shape. Mr. Talbert said they had a positive year in the General Fund, and that's tough to do in trying times. It's managed well. Mayor Keyserling asked who established the standards, and Mr. Talbert said the Governmental Accounting Standards Board (GASB) which sets generally-accepted accounting principles. Mayor Keyserling said it sounded like an industry standard established by the industry itself. Mr. Talbert said it's "an independent brain trust" (independent of the users and the auditors). Mayor Keyserling said different entities set standards, and he wondered at what point the establishment of standards was make-work. Councilman Fordham said this doesn't have anything to do with federal or state government. Mr. Talbert said it's technical but not insurmountable, and they could be led through it to establish sound policy. This is an attempt to standardize this among multiple entities, i.e., this city vs. another, so that anyone can use the same language and compare.

MAYOR'S REPORT

Mayor Keyserling said the clerk had given him a plaque from *American Style* magazine which selected Beaufort to be one of its top 25 cities. Councilman McFee noted wryly that parking was evidently not included in their criteria.

REPORTS BY COUNCIL MEMBERS

Councilwoman Beer showed those present a giant thank you card from the Wounded Warriors. She said they were pleased and had good things to say about Beaufort and their time here. Mayor Keyserling said the events were among the best he's seen in Waterfront Park.

Councilman Sutton said, in relation to parking, he'd like to have the Redevelopment Commission and Main Street Beaufort come to the next formal council meeting and discuss where they are with it. Mr. Dadson said he'd see what he can do to get them here. Councilman Sutton said council needs to hear from them and they should come in at the next opportunity. Mayor Keyserling asked if the formal council meeting or the work sessions were better forums for this. Councilman Sutton said the regular sessions were better. They "need to understand in this chamber what council's interests are."

Councilman McFee said that he spent a lot of time during the Shrimp Festival downtown, and he offered high praise to the staff and employees for how the park and city were represented, especially the clean-up in the park from evenings until the following days.

Councilman Sutton said the park is in the best condition it has been in in a long time and he suggested photo documentation for file to establish a standard.

Councilman McFee said October 22-24 Shakespeare will be in the park.

ADJOURNMENT

There being no further business to come before City Council, Councilman Fordham made a motion to adjourn, seconded by Councilwoman Beer. The motion was approved unanimously, and the meeting was adjourned at 7:08 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK