

A work session of the Beaufort City Council was held on June 14, 2011 at 5:00 p.m. in Council Chambers, City Hall, 1911 Boundary Street. In attendance were Mayor Keyserling and council members Donnie Ann Beer, 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 meeting to order at 5:00 p.m.

## **DISCUSSION OF REGIONAL ISSUES WITH AREA PARTNERS**

### **Parks**

Mr. Dadson said issues have arisen about parks as regional assets. City council asked about the reclamation of certain park assets after analysis of parks and open spaces in November. There are discussions underway at the county, and city staff has met on this matter. The city once owned the parks and turned the active parks over to the county. Since then, the city's program has been about open space. Recreation is also handled by the county, but it's not evenly handled among the groups: the various towns have different associations running various activities. In Beaufort, most organized sports are county-led, but other organizations do it, too.

Mr. Dadson said staff recommends that the city should be with the county at the table for this discussion of a regional approach. Mr. Dadson said staff wants to ensure that the city and Port Royal have a seat at the table with the county. "Taking back assets is a tough nut," Mr. Dadson said. State law allows for a regional style set-up. The rules for a municipal-style authority structure are complex. City staff doesn't want to lose sight of the various types of parks it has in the city and the local program that connects them. "We also don't want to lose any leveraging opportunities," Mr. Dadson said.

Councilman Sutton asked where the discussion seems to be going; he's aware of discussions about the cost-effectiveness of PALS. Mr. Dadson said the issues are the rail-to-trail program, capital, O&M, the programmatic issue for recreational sports and PALS, and what they do from a budgetary standpoint. Mr. Dadson said as they looked at the city's system and its turnover to the county, they "see a mismatch of services."

Mayor Keyserling said he had spoken to the other three mayors; Hilton Head Island's and Bluffton's had concerns about what they get from the county. He feels there's risk that the county "could dump the high-maintenance on us," but they could get help with truly regional assets, on the upside, i.e., Waterfront Park.

Councilman Sutton said the discussion about recreational parks has always been passive. He wants to know what direction city leaders want to go. Mayor Keyserling said the bigger question is "whose role is what." Neighborhood parks shouldn't necessarily be yielded to the county, but ball fields, linear parks, and Waterfront Park could be considered to be taken back, subject to the fact that since they're county assets, they should get help from the county. Mr. Dadson said they're assets that can and should be enjoyed by a broader group.

**Isaiah Smalls** said the parks were given up around 1984. Mr. Dadson said the city has a large number of parks, and they need to consider how to make neighborhoods better “through the real public good of the park: how do you get there?” Questions need to be answered about adequate public facilities and parking, etc. Some facilities are lacking in maintenance.

Councilman Sutton asked if they shouldn’t look at costs in advance of planning for rail-to-trail and Basil Green. If the county’s budget issues caused them to look at parks differently, the city isn’t situated to take them over. Councilman Sutton said he’d ask county where the city’s share of county taxes is that is to be used to maintain these parks. Some fields are well-maintained and others less so. On Basil Green recently, there were at least 6-7 groups using the facilities.

Mr. Dadson said they are asking the best way to manage the assets. He listed the city’s recreational assets and parks. In the Sector One planning and the civic master plan, they listed all of those facilities. He went on to elaborate what parks will be covered in Sector Two and noted that they’ll have to include the schools, which are “large sectors of civic space.”

Councilman Sutton asked, if Greene Street Gym were to go dormant because of budget issues and use, what does that mean to the city and civic planning? Mr. Dadson said he believes the city has rights if the county goes dormant on it. He said he’d have to discuss that with the city attorney. Another question to ask is what other groups could use the space. Mayor Keyserling said the Boys and Girls Club closed its Teen Center, and at some point they might have to operate it as a community center. Councilman Sutton said the taxpayer pays county taxes and should get something for it. Councilman Sutton said they should ask the county the cost for service, how much will they send back the city’s way, and then what the city would manage.

Mayor Keyserling said the city needs to ask *itself* questions as well as asking the county what its plans are. “The neighborhood parks are dear to the city, and there are these regional issues,” Mayor Keyserling said. Mr. Dadson said it’s limiting to only think of the government; the university and school system are also partners. They’re part of neighborhoods’ fabrics, and they are an important part of what makes cities great. Councilwoman Beer said city citizens pay county taxes. Mr. Dadson said some people pay a recreation fee, but he didn’t pay that. He agreed with Councilman Sutton that they need to know what the county’s vision is for civic parks.

There was a discussion of schools’ facilities, which Mayor Keyserling noted close to use at 3:30 pm. Councilwoman Beer said they have to be chained shut because of vandalism. Mr. Dadson said everyone’s tightening belts, so now’s the time to discuss how to best maximize space and dollars for the taxpayer, and how the community can best be engaged by the creation of associations to make things happen. The city might have resources to bring to the table, but they need to *get* to the table first to discuss who’s going to do what.

Mayor Keyserling said the most important thing Mr. Dadson said was that “it needs to be about more than government.” Councilman Sutton said the city should have the same discussion in

city council with the same players. Mayor Keyserling said there's some of that discussion in the civic master plan. Councilman Sutton said that identifies the assets, which is good, but getting people with an investment in them to the table is another matter and is equally essential. There are a lot of questions, including avoiding duplication of services.

Mr. Dadson said council should formulate their ideas at their next meeting, preceding the meeting June 24. There is coordination at this point to some degree. Mr. Smalls said that's true, but there is not sharing of costs.

### **Mooring Fields Application**

**Rick Griffin**, harbor master, said in reference to the moorings, that he's gotten a bid from ATM which he described as a "turnkey type thing," and another from Rocky Browder at Sligh Environmental Consultants that would do some things that he feels could be handled in-house by City Planning. \$40,000 will be the charge "if someone were to do everything," Mr. Griffin said. Almost anyone would charge \$10,000 for the engineering study, Councilman McFee said. Mr. Griffin described what would need to be done as part of the engineering process. When the process begins, both consultants agree that it will take about 8 months. He has some costs put together. The moorings at the Yacht and Sailing Club cost about \$4000 apiece.

Councilman Sutton asked if there are parameters from the State that the engineers follow as to what the moorings are to be composed of. Mr. Griffin said he didn't think so. Councilman Sutton asked the design concept of a mooring appropriate for the Beaufort River. Mr. Griffin said he would expect that would come from the engineer. Design specs for the moorings and getting bids for them was a \$15,000 part of the ATM bid, Mr. Griffin said.

Mr. Griffin said there's a lot of phosphate under the mud, which is an issue. Mayor Keyserling said he'd recommend getting the engineering done, then getting bids from the vendors. Mr. Griffin said an engineer will give the specs for each mooring. Mr. Dadson described other things an engineer would tell that would be important to the application to the State. The permit gives the city the authority to enforce in the mooring field. Mr. Griffin said St. Augustine's new mooring field "is getting rave reviews," and he has toured other mooring fields in Florida, so he knows some information on how to charge.

**Libby Anderson** said there's a program called The Boating Infrastructure Grant which is a 75% / 25% grant match for federal money that comes through the State via DNR. There are two types of big grants; the maximum for the easier grant is \$100,000. The award is not until March 2013 though the application deadline is August-September 2011.

Councilman Sutton asked next steps. Mr. Dadson said staff can coordinate the grant process, and he feels they should start the engineering process. If city council wants to get it moving, they should do that. Mr. Griffin said he doesn't know how involved the application process is, but he'll work with Ms. Anderson. Councilman Sutton asked "if the mooring field would be a zip code for local and transient boat owners." Mr. Griffin said that's what they want. Councilman Sutton asked if the first phase could be funded from A-Tax monies for making the waterfront

more attractive to out-of-town boaters. Mr. Dadson said he doesn't think they will have to use those funds. Mr. Griffin said this funding can be used for renovations, too.

Mayor Keyserling said most people feel the waterfront is an asset that is not harnessed as it could be for the city of Beaufort. He asked if there were a collective vision for what it will be over time. The day dock was not thoughtfully built, Mayor Keyserling said. His personal vision is of it being better utilized, but there needs to be a collective vision. He'd get a mooring for the tour boats in the river and have a launch that is paid to bring people in. That frees up the wall, he said. He sees a floating wall. Locals and transients will find the mooring field off the dock. He doesn't want to stop at the moorings.

Councilman Sutton said that having at least 30 moorings will dramatically change the use of the day dock and how that end of the marina is used. The changes will raise demand for other assets at the marina. Mr. Dadson said they need to at least start the application process, and there was general assent from the members of city council.

### **Southside Pond**

Mr. Dadson said there were three issues to be addressed with a pond: storing water; a water quality issue in Battery Creek; and as an amenity. The report to the stormwater management committee has lowered this priority, and it's off the list because of a change in the water quality issue. Mr. Dadson said Duncan Langhorne manages the upstream water better. As they were designing, they were told to do so to maximize density. Now that the water quality issue is off the table, and it's not that dense, they asked Public Works and Planning when they need a pond that big, based on build-out. The impetus for such a large pond has come off, Mr. Dadson said. The portion of the price is not at issue, but if a pond doesn't need to be built at this point, it should be put aside. There's a plan and a permit, and there will be Sector Two planning there.

Mr. Dadson said those who use the park will understand not having the pond as an amenity, but that was a secondary use, and there's a 10-15 year window, now that there's not an immediate need. Mr. Dadson said he thinks what the county really wants is the dirt for \$195,000, and the city pays \$20,000. There are other greater stormwater needs to get done, Mr. Dadson said, so he recommends putting Southside Park to the side. Mr. Smalls said the \$195,000 is "just an estimate, and it could be off."

Mayor Keyserling said the Commerce Park pond was done for free, he believes. Councilman Sutton said, "dirt is not cheap and shouldn't be given away." If they wanted a water feature, they should know the value of the dirt. He suggested a barter. Mr. Dadson said "going smaller means going deeper," and that "will create something with a retention feel, not an amenity feel," which was never the idea.

There was a discussion about where the run-off comes from. Mr. Dadson said the report doesn't target Southside Park. Mr. Dadson said if they want to do an amenity in the future, they will keep anything from happening there for now and maximize other spaces. He and Mr.

Smalls feel it can be shelved right now. Mr. Smalls said they don't lose anything by delaying two years.

Mayor Keyserling asked Mr. Dadson to provide what he had said in the form of a report, and Mr. Dadson agreed. He went on to describe Southside Park and its acreage. Councilwoman Beer said there were problems with planning. Councilman McFee said that area was the city core at one time. Mr. Dadson said "from a real estate perspective, you want the parks to do well." Councilman Sutton said Southside Park was a neighborhood that grew up around a sewage treatment plant. Councilman McFee said that came in after the houses were there.

### **BUDGET FY 2012 – PLANNING, MUNICIPAL COURT, AND REVENUES**

Municipal Court Administrator **Linda Roper** explained what the municipal courts do and the regulations they follow. Their work comes from the police department. Their case load depends on what happens with enforcement. They conduct bond hearings for the City of Beaufort and other municipalities at the Detention Center which they share with the county. They don't have to staff administrative and judicial services 7 days a week, twice a day. On bench trial days, they have 50-200 a day.

In the 2012 budget, they are increasing from 6 to 8 terms to comply with a new Chief Justice order; they have to have new time frames to dispose of cases. This creates a challenge to do it from start to finish in 120 days.

They also take in a lot of money, about \$800,000 over the counter and through mail, which is processed and then 65% sent to the state for fines and collecting fees, Ms. Roper said. The city keeps about 35% of the total collected. Most fees are state assessment plus some additional that helps with law enforcement training. They follow up on fine and fee collection, too, through bench warrants and a non-resident compact agreement. Mayor Keyserling said they get about \$280,000 plus what contracts they have with the other three municipalities. Ms. Roper agreed. Mayor Keyserling said "it's a break-even proposition," and she agreed again.

Councilman Sutton said there's an increase in the overtime budget; Ms. Roper explained how that had occurred. \$10,000 of the \$16,000 came out of personnel, Councilman Sutton said, and Ms. Roper said yes. He doesn't have a problem with the overtime, he said. The health care costs went down by \$10,000. Ms. Roper said that one of the judges is no longer on their health care program; this recommendation keeps staff at current levels. Councilman Sutton said they run it efficiently and are under budget from last year by \$1000.

### **Planning**

Ms. Anderson explained what the Planning Department does. Marti McTeer is being paid through planning again, she said, which accounts for one change in costs for \$50,000. Postage is up \$500, printing up \$1000, "mostly due to real cost adjustments." The differences in contractual services, Mr. Dadson said, are for code enforcement and a percentage of building permit fees that fluctuates through the year. Mr. Dadson added that they'd moved 2013-2015

planning consulting projects back into this line item. This is “the only General Fund meet-up to fund the Office of Civic Investment,” he said.

Mr. Dadson said this has been the most reorganized set of parameters of any department. Mayor Keyserling asked why “Supplies” dropped so dramatically. Ms. Anderson said various offices share them in the new consolidated facility. Councilman McFee said it’s interesting that the equipment is allocated by department and the tort liability is generated by what they’re handling. Ms. Anderson said the postage for plan review for the building codes has to be paid before it’s deducted from the fee. Councilman McFee said the old Crown Vic is the only car used for Codes. Mr. Dadson said they “may give her a new old car.”

Mayor Keyserling complimented Ms. Anderson on “helping to make this thing grow.”

### **Revenues**

Mr. Dadson said since the first reading, the rise in revenues and expenditures is 1.3%. Revenues are a little slower, and they “have ‘trued them up’ based on where money is this time of year.” At point of sale, Mr. Dadson said, it will cost the General Fund \$65,000 in basic revenue. He hasn’t priced in a \$65,000 decrease in revenue based on point of sale. There was loss on the TCL SRO officer in the amount of \$64,000, for a permanent revenue loss of about \$123,000, but that’s not known yet. That doesn’t account for growth in other revenue streams.

The big concern is 2013, Mr. Dadson said, which is why for capital items, they recommend pay-as-you-go. The lingering effect of the economy on business always affects revenue. He recommends that the city council not adopt the tax rate, just the spending plan, on June 28. They have until September to do the tax rate and other city managers are doing the same elsewhere.

Mr. Dadson said they can increase millage by 3.63%, but he’s not recommending that. They could raise it 1.6 mills. They can raise and lower their debt ceiling. The business licenses have held steady, but that’s because the expectation of revenue has been lowered. Councilman McFee asked what is in the “Miscellaneous” account. Mr. Dadson replied that it is building leases, recycling, and “a mish-mash of things that have increased in that line item but decreased in others.”

Non-departmental spending, Mr. Dadson said, is substance testing, contractual services, bank fees, etc., but it’s also fire district, economic partnership, and the contractual relationship with St. Helena. Non-standard services is the franchise fee on electricity. There’s a maintenance line item for the building’s \$25 million in assets. The General Fund will eventually pick that up as a line item. The biggest increase was the Burton Fire district.

Technology services is for all departments, Mr. Dadson said, including “the every-other-year flip out of computers and licensing.” For revenue, local accommodation, state ABC, carriage fees, etc. are segregated out because they’re separate as far as accounting is concerned. In

stormwater, they recommended no fee increase. Garbage fees stay the same, but the cost went up.

Mr. Dadson said Mayor Keyserling had asked about property tax. The number of parcels in the city is 7,628; the assessed value is about \$84 million. Market value is \$2.1 billion. The exempt amount of property is \$13 million out of the \$84 million. Exempt can be MCAS, or a small site the city owns, or a county park, a non-profit, etc. Each mill is worth \$77,000 apiece. Mr. Dadson said that means that city ops lose \$534,000 a year plus about \$185,000 on debt. A lot of exempt property does generate something, Mr. Dadson said. Councilman Sutton asked if “there’s anything vertical on the \$4 million within the corporate city limits.” He wondered if it is “a contributing piece of dirt,” and asked what they do with it. if it’s a government entity with employees in it, it’s contributing. If it’s a non-contributing entity with holdings but it’s sheltered, it’s not contributing to the growth of the city. Councilman Sutton wants to know who those are. A church with a dead piece of property they haven’t done anything with for years, for example, which is not paying tax on it, shouldn’t be allowed to do that.

There being no further business, the meeting was adjourned at 7:03 p.m.

A regular meeting of the Beaufort City Council was held on June 14, 2011 at 7:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Council members Donnie Ann Beer, 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 7:10 p.m.

### **INVOCATION AND PLEDGE OF ALLEGIANCE**

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

Councilwoman Beer made a motion, second by Councilman McFee, to amend the agenda because the scheduled public hearing on the FY 2012 budget was postponed. **The motion passed unanimously.**

### **MINUTES**

The minutes of the work session on May 17, 2011 were presented to council for review. **On motion by Councilwoman Beer, second by Councilman McFee, council voted unanimously to approve the minutes as written.**

The minutes of the work session and regular meeting on May 24, 2011 were presented to council for review. **On motion by Councilwoman Beer, second by Councilman Sutton, council voted unanimously to approve the minutes as written.**

### **APPOINTMENTS TO BOARDS AND COMMISSIONS**

Councilwoman Beer made a motion to accept the nomination of William Waskowicz to the Tree Board to replace Rebecca Compton. Councilman McFee seconded the motion. **The motion passed unanimously.**

### **CITY MANAGER'S REPORT**

Mr. Dadson said he won't be at the council work session on June 21, 2011. The agenda for that meeting includes an update from the Beaufort Museum committee, the proposed ordinance for short-term rentals, and a carriage company's proposal to use buses in inclement weather. Mayor Keyserling said he wanted to add a conversation about economic development .

Mr. Dadson said the June 28, 2011 council meeting will include a public hearing on the budget, second reading on the spending plan on the budget, a resolution on "intent to reimburse," and negotiations on refinancing Waterfront Park debt.

### **MAYOR'S REPORT**

Mayor Keyserling said ETV sponsored a television show featuring five mayors reporting on the issues in their towns and he participated. He said it was fascinating to see others' challenges and the issues of different communities.

### **COUNCIL REPORTS**

Councilman McFee said he is attending the Municipal Association annual meeting on Hilton Head Island and will share what he learns about economic development.

### **EXECUTIVE SESSION**

On motion of Councilman McFee, seconded by Councilwoman Beer, 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 regarding settlement of legal claims. **The motion was approved unanimously.**

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

Councilwoman Beer made a motion, seconded by Councilman McFee to direct legal council to finalize settlement discussions and agreements with Airport Junction owners, including an amended development agreement which will be presented to council for approval by ordinance and released to the public as soon as possible. **The motion was approved unanimously.**

### **ADJOURNMENT**

There being no further business to come before city council, Councilwoman Beer made a motion to adjourn, seconded by Councilman Sutton. **The motion was approved unanimously,** and the meeting was adjourned at 9:02 p.m.

ATTEST: \_\_\_\_\_  
IVETTE BURGESS, CITY CLERK