

A work session of the Beaufort City Council was held February 18, 2014 at 5:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Council members Donnie Ann Beer, Mike Sutton, and George O'Kelley, and City Manager Scott Dadson.

Councilman Mike McFee was absent.

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

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

NOISE ORDINANCE EXCEPTION

Councilman Sutton made a motion, second by Councilwoman Beer to approve the exception to the noise ordinance. Isaiah Smalls said that the contractor for Bay Street work wanted to know how early he could start work; the noise ordinance prohibits him from starting at 7 a.m. as he wanted to. The first few mornings there will be noise from moving equipment and then jack hammers and saws on Bay Street. **Libby Anderson** said it would be good to start the work early, before the businesses open at 10 a.m. **LaNelle Fabian** of Main Street Beaufort said that she could get the word out; there are residents on Bay Street and guests at inns and hotels. They will invite them to a meeting to apprise them of the situation. Councilman Sutton said they have to consider the type of work being done; building contractors are used to a time window in which to work. He knows how they got the noise ordinance and he pushed for it, primarily for leaf blowers via landscape companies. This is different than that, Councilman Sutton feels, but they should be conscious of why they have a noise ordinance. He feels this exception should be supported. **The motion passed unanimously.**

Councilwoman Beer made a motion, second by Councilman Sutton, to close the special meeting. The motion passed unanimously.

Mayor Keyserling said the Executive Session will be for a discussion of a personnel matter, not for receipt of legal advice.

Mayor Keyserling opened the work session at 5:10 p.m.

MAIN STREET BEAUFORT: WI-FI IN WATERFRONT PARK

Ms. Fabian said Main Street Beaufort has worked with the City of Beaufort and Hargray to bring free Wi-Fi to the Waterfront Park. Her request is for permission to do it, "for staff to take care of some things," and permission to put equipment at the pavilion and on the equipment at the playground. Mayor Keyserling iterated the sizes of the Wi-Fi equipment; Ms. Fabian said that won't be in sight; the antennae are paintable and will be in sight but are "blendable." There will be generic log on terms to access the Internet, and she said it's standard to what other municipalities use.

Councilman O’Kelley asked about the installation of the dedicated power outlet and what it was for. Ms. Fabian said the Wi-Fi equipment. **Kathy Todd** said the cost is unknown for power; Waterfront Park is \$200 a month now, and she doesn’t know how much it will increase with Wi-Fi. Councilman O’Kelley said it would be on the city’s power bill, so he’d like to have an idea how much it will increase before they vote on it. Councilman Sutton said given the Waterfront Park as a whole and how power is used, he feels Councilman O’Kelley won’t even know how much of a part of the bill the Wi-Fi is. Councilman O’Kelley went on to say that there was a disclaimer between the city and someone, and he asked who “the entity” was. Ms. Fabian said those are the terms that the user has to agree to in order to use the Wi-Fi. Ms. Fabian said they would go to the Main Street Beaufort landing page, and they would click to accept the terms. They will sell ads on the web site, and Hargray will do repairs if need be; it’s their equipment.

Councilman Sutton said this has been discussed for many years. He put the first Wi-Fi in Beaufort 13 years ago in the Internet café. He said he feels like they “should keep moving,” and also the cameras should be a part of it to show the activity in Beaufort to draw more people downtown. People can log on from out of town. Ms. Fabian said they are talking about cameras to do people watching, dolphin watching, etc. It wouldn’t be recorded.

Councilman Sutton said to ensure what the add-on in cost would be to put in cameras, and people might want to pay for it to be on the landing page. Mr. Dadson asked “how the camera plays into ownership.” Councilman Sutton said he’s suggesting that they continue the dialogue to get cameras. He thinks they’re a good marketing tool and a good thing for Beaufort to have. They should help by offering placement, or a private citizen could offer the place to put a camera.

Councilman O’Kelley said “if the price the city has to pay (for power) is skyrocketing,” with the installation of Wi-Fi, he thinks that Main Street Beaufort should pay for the electricity. Ms. Fabian said the City of Beaufort page would be a link on the Main Street Beaufort landing page. Ms. Fabian said the ads are to pay for the service, not to make a profit.

MAIN STREET BEAUFORT: FARMERS MARKET 2014

Ms. Fabian said they are trying to find the perfect home for it; they’ve been on West Street but had issues with not closing the entire street. Costs, with electricity and port-a-potties, crept up. Every time they loaded up, people asked where it was, because they assumed it would be in the park, so they are requesting to move it under the pavilion in Waterfront Park. Wednesdays in May to September from 2-6 p.m. except for during Water Festival. They have a partner for trash pick-up.

Councilman O’Kelley said he lobbied for the Waterfront Park when the idea first came up, so he supports it. He said there might be other summer events that could interrupt it, too. **Ivette Burgess** said there’s nothing on the calendar for the next year specific to Wednesdays. She said in most cases, it would be something small, anyway, because big things happen on the weekends.

Councilman Sutton said it was once at Freedom Park, and people would drive past it before they noticed it. They hope if it's at the park, people would plan to go there, Ms. Fabian said. They had thought of the place vendors go during festivals, but if there's marina redevelopment, they might have to move it for that, so they can use this area as the market, and it will be covered and established. Councilman Sutton said parking will always be an issue.

Ms. Fabian told council that the Main Street Beaufort contract with the Redevelopment Commission is up in November this year, so they would like to have "a discussion about how and where at some point."

UPDATE REGARDING MOORING FIELDS

Ms. Anderson said the history of the mooring fields goes back a few years. In May 2012, they received a BIG grant for upgrades to serve transient boaters: they stay less than two weeks, are 26' or more and non-trailerable. The grant will pay to update electrical and purchase 16 mooring buoys. **Rick Griffin** hired a consultant, and the necessary approvals were obtained. Some of the bids came in less at than the grant funds received, Ms. Anderson said, so they found additional work on the dock and amended the scope of the work, which took a long time. It was all approved, and they signed the grant agreement at the end of last year. The contracting firm is out of Florida, and they have done a lot of similar work, according to Ms. Anderson. The contract is signed, the notice to proceed has been given; it's supposed to take 90-120 days. The actual installation takes 2 weeks. The project deadline is in April.

Management of the marina, Mr. Griffin will talk about, Ms. Anderson said. He also has a proposal for the purchase of additional buoys. The mooring field is permitted for 36; the grant is for 16 - just for transient boaters. There has been a discussion about enforcement. Most boats have moved out of the field and there are 2 that can't move or are just here on a transient basis; the 2 owners who didn't comply have been notified.

Mr. Griffin said the rules and regulations are taken from other facilities and include modified version of the regulations used for the marina, modified for the mooring field. Boats that will pay for 12 months will be \$200 a month; there's a 3-month+ rate at \$225. Month-to-month is \$250 a month. Short term is \$20 a night. A weekly rate will be \$15 a night, with a minimum of 7 days paid.

Mayor Keyserling asked, if additional moorings are done for local boats, if the rate would be different. Mr. Griffin said there aren't local rates in the marina at this time. The St. Augustine Municipal Marina pay schedule is complicated, so they want to keep it simple, and they have no plan to offer a reduced rate.

Councilman Sutton said there are boaters represented, and he hopes they speak. In regard to rate structures, Councilman Sutton said this council hasn't had any discussion about long-term wet storage of vessels in the mooring field. Mr. Griffin has the contract and has no buoys at this time. Apart from those that are grant-funded (the additional 30) he would like to discuss how

to achieve having them all installed, not just stop at 16. He'd like to understand how to come up with a fee structure; he said they should answer the question of whether they want LT mooring in the Beaufort River. He thinks the average for non-transient boaters is \$150 a month, based on research he did. Councilman Sutton said they want responsible boaters there, and they "will pay a fee if it's a fair fee."

Mr. Griffin said these rates are lower than what he had researched. 9 boats have already said they would pay \$200. A slip at the marina is \$15 a foot for month-to-month, \$12 a foot for a minimum of 12 months. Councilman Sutton said they're selling the ability to moor an expensive vessel at the bend of the Beaufort River, and there should be a fee, but there should also be amenities available. Maybe the fees could be cheaper for the balls that are farther out. If they need access to the facilities, that should be part of the fee, he feels. The management plan has to include what to do with sewage and building that into the fees. Councilman Sutton would like to look at the \$200 a month for service with higher amenities.

Mr. Griffin said they will open space for dinghies in the current marina. They will be entitled to use of all amenities. Councilman Sutton said city-owned and private marinas are different in terms of what they offer. The Charleston city marina is different. A private contractor manages it.

Mr. Dadson said 16 moorings "have to be purely transient." The other 30 could be anything they want. Mayor Keyserling said the additional moorings will cause additional financing, and they need to figure the fees on the non-restricted balls. Mr. Dadson said if people are willing to pay higher prices, the market will bear it, but if they aren't, what do they do?

Mr. Dadson said the only boats moved out are the ones that are in the construction area for the mooring field. Councilman Sutton said the notices went out marina-wide, not just to the area of the 14 balls. The ordinance says 200', but they have the authority to manage all of it. He described possible people who would want different things from the marina.

Mr. Griffin said there currently are 6 in the marina out of 42 that live aboard, and they're charged additional fees because of the amenities they use. They're charged additionally for pump-out.

Mr. Griffin said 16 anchors in the ground for future use would mean they needed to restrict the whole field. Mayor Keyserling asked how many are typically anchored in the mooring field, and Mr. Griffin said 15, and it increases considerably with the transients who will pay a fee, so he thinks 16 is "a pretty good mix." He thinks they can rent that many on a weekly or nightly basis. 9 in the marina now are interested in paying for a ball, if they are built. Mr. Griffin said there will be 3 marker buoys in the boundaries on the field to mark it as a designated mooring field. They will have a boat to go out and explain the rules to someone who anchors there. Mr. Griffin said they haven't had a real management plan for the marina, and he assumed that the mooring field would be the same way. Mr. Dadson said that's how the contract is written.

Councilman Sutton said he believes it will fill up if the mooring field is built. He said “the transient (boating) world is looking forward to the mooring field. They can easily do 46 balls in fairly short order. 14 is a fair starting point for transient boats. Councilman Sutton said this is important to the whole community, and they should be open-minded about fee structure and who gets to use it. Councilman Sutton said most mooring fields he’s seen are filled, and he says he expects that will happen in Beaufort: “The transients will come and go with the tide.” If they can get someone to sign a 3-year lease, that spot is paid for. If there are 10 balls that are first come, first served if you sign the lease now, “then you’re the first one in,” and then the lease would state that the rates will at some point go to regular rates. If you know you’re able to stay for a year, Councilman Sutton said, “people would be willing to write a check *now*.” There will be different types of vessels if they have a managed system down there, he believes.

Mayor Keyserling said he got an email “about how did they dare to chase transients away?” The issue is about communications and PR, he was told by **Claybourne Young**. Mr. Griffin said a municipal facility charges a fee to use a landing dock if you don’t take a mooring. His plan is that, if you’re anchored and not in the field, you have 2 other options – that involve fees. They can’t be prevented from anchoring in the channel right next to the mooring field legally. If they bring in dinghies, they would be told how it works.

Mr. Dadson said the proposal is to put the field in so 46 can be put in, ultimately, but now there are 16 transient and 14 non-transient paid for by other funding. Ms. Todd and Mr. Dadson agree with the payment plan. Mr. Griffin said they will test the market for 30. The city won’t pay for any of this, in the end. Councilman Sutton said he’s OK with this.

Mr. Griffin elaborated on how he had developed the current rate structure. Councilman Sutton said a 3-year lease and a 2-year lease with terms would help for paying for the future balls. Mayor Keyserling asked if the transients would be scattered, and Mr. Griffin said he needs to investigate that more, and they would delineate the types of moorings. He wants A, B, and C rows. All moorings will be numbered. He feels he can manage a 46-ball mooring field.

Mr. Griffin said if you’re in a corner, and a boat in front of you moves, you can move down, and that system could be used on the field as well. Councilman Sutton said if they did all 46, the boats at the end would want to be on a graduated fee. They’ll pay less to be further away. Mr. Griffin said he doesn’t agree. At the marina, they pay the same rate wherever they are. Mr. Griffin said the market could determine that for transient and local boaters; Councilman O’Kelley said it’s easier to have fees go down than up. The St. Augustine marina, Mr. Griffin said, had a lot of problems with derelicts, “but they are working on all that.” Councilman O’Kelley said the Ashley River is practically full outside its marina. Mr. Griffin said he doesn’t know if they even use the mooring field there anymore.

Robert Morris described his mooring experiences. Some people don't like to pull up their anchors, and they will take the transient balls. The boats will mostly sit out there for birds to sit on, and they don't need to be close. He would make the outside line the transient line. The 2 inside lines could be long-term local boaters. Mr. Morris said boaters are used to paying by the

foot. He said few people stay long-term for the winter. Councilman Sutton said there are 16-18 boats there usually. He wondered if there were a city-owned mooring field, if it might grow with locals like the Yacht Club had. Councilman Sutton said a lot of people don't maintain their anchors. If the city is maintaining them, and people know they have a secure place to tie up, they will. He said the cost to stay in the marina becomes comparable for a 55' boat; it's different with a 25' boat. It's not as cost-effective for a 25' boat.

Councilman Sutton said they won't get anyone to take a mooring with a 25' boat for that price, if it's the same for the 55' boat of their neighbor. He asked if there should be a fee structure for 25' rather than 35' boats. Mr. Griffin said some sections might be (in the mooring field) for smaller boats; he hadn't planned on a fee structure like that, but they could do it. Councilman Sutton said he'd researched, and many marinas were based on the boat length.

Councilman Sutton said he wants Mr. Griffin to have the ability to manage this. Councilman O'Kelley said the rate structure doesn't need to be decided now. Councilman Sutton asked if council has to make a decision about the additional mooring field, and Mr. Dadson said that's the only thing council has to decide. Mr. Dadson said it's cheaper to get this all done now.

Councilman O'Kelley said under Safety in regard to the boat owners having insurance, he thinks it needs a section about the boat owner holding the city harmless and indemnifying the city for certain things. If it's not secured, and a boat crashes into another boat, he thinks it needs to be clear that they are held harmless and the city is indemnified. Mr. Griffin said it's in the marina agreement already. Mr. Griffin said the city and Mr. Griffin are indemnified. Mr. Griffin pointed it out to Councilman O'Kelley.

Councilman Sutton asked if a salvage bond can be part of the insurance coverage. Mr. Griffin said he's not aware of one. Councilman Sutton said they need it so as not to be stuck with a damaged, abandoned boat.

Mr. Dadson said the agreement is how they get to 14 additional buoys. Ms. Todd said Mr. Griffin is proposing the 14 additional mooring systems – anchor and ball and \$39,970 will be cost. Mr. Griffin will pick up cost of the marker buoys, and then the 16 anchors, only the city would advance fund the money for \$20,700 which he would pay back over a couple years through an additional \$1000 to his lease amount. In the lease agreement, Mr. Griffin has put in \$55,863 for repairs, so the additional costs are all in line with the capitalization plan. She said there would be a budget amendment coming up for council next week. Mr. Griffin is proposing a total additional cost of \$64,534; Mr. Griffin would fund the 14 additional, and the city would pick up the \$20,000+ that Mr. Griffin would pay over time. Mr. Griffin said he is coming to the city to help underwrite this because he can't go to a bank because the city is the owner. Mr. Dadson said the city and Mr. Griffin are working on this capitalization plan together.

Mr. Dadson said if they all fill up, there will be room for 16 more. Mr. Griffin said these are meant to be state of the art buoys.

Councilman Sutton asked, if they do this, what about the set-aside for maintenance. He asked how the city is protected, and the marina operator is covered for that. Mr. Griffin said there's a requirement in the lease agreement that he does maintenance, but that's all that's in the lease agreement. Councilman Sutton said that fund (an enterprise fund) "is generated on the water and stays on the water." Mr. Dadson said there's an annual appropriation for it; Councilman O'Kelley said it's not self-sustaining, which is what they want to do. Mayor Keyserling said that when the lease was originally made, there should have been an enterprise fund in there before the city gets its piece. Ms. Todd said from an accounting perspective, if the city was operating a marina, "it could be a enterprise fund as such" in a separate, dedicated fund, but the city *doesn't* manage the marina.

Councilman Sutton said extension of the day dock didn't work, but a float could be designed that would triple the moorings for a dinghy dock; if the mooring field is successful, those changes can come.

Mayor Keyserling said Mr. Young would be happy to come talk to council about cruising and cruisers. Mr. Griffin said the contract has started; someone is ordering materials. Councilman Sutton said in regard to anchors, in Georgetown, people pull in and then leave because of the number of derelict boats, and people are waiting for the mooring field. Councilman Sutton said he thinks that they "are underestimating the potential of the unique bend in the river." Mayor Keyserling said that's why he would like Mr. Young to come and talk to council.

Councilman Sutton asked what has been done about non-compliant boats – whose owners didn't appear tonight – and Mr. Dadson said they are working with those individuals, and the city attorney and police department are also involved. Mr. Griffin restated that 9 of the 14 are already rented.

QUARTERLY FINANCIALS – PERIOD ENDING DECEMBER 31, 2013

Ms. Todd said the assumptions are the same as always. Variances aren't hard and fast. The revenues, especially the major revenue sources, aren't realized until the 3rd quarterly report. The city is in good shape liquidity-wise. She explained what "other receivables" included. She showed a snapshot of P&L.

Councilman Sutton asked how TIFs were reporting; Ms. Todd said property taxes are slowly trickling in. She showed the distribution to compare where money is spent by the police department, fire department, and Public Works, then all other departments compared to current status through December 31, 2013. She said the differences aren't drastic. The police department hasn't bought its vehicles yet. She showed a slide of the revenues and said property tax is decreased. The most significant part is the comparison of property tax last year-to-date to this year-to-date. The December 15 distribution wasn't received until January, but last year it was, so that will normalize it. The collections are a little slower than last year. The collection rate for property taxes isn't the same as last year.

Ms. Todd said that there is a lag from last year at this time in property tax, delinquent, and TIF 2. In regard to other revenues, the license fees are all lower than they were last year, and she is inquiring about it from municipal collections. Brokers' tax collection is on a new method, and Beaufort was "one of the losers" in that new approach.

Ms. Todd said stormwater utility is up from last year, as is solid waste compared to last year, and hospitality and accommodation fees are, too. ABC fees are down, but she needs to call the state to find out why. Councilman Sutton said it should be up in conjunction with ATAX and HTAX. Ms. Burgess said the carriage fees went up when they renewed. **Officer Hope Able** said business is consistent. The down season was rough for them, and one business shut down because of the cold, but seasonally, they did well this year.

Councilman Sutton asked about the Waterfront Park revenue, and Ms. Todd said it is leases for special events.

Ms. Todd said salaries and benefits are well below 50% and within budget. In regard to capital projects, she showed last year's budget and said where they are to date and how they are faring compared to the budget. These are rolling budgets and not tied to a fiscal year. She showed the summary of funding sources and how resources have been leveraged to accomplish capital projects; she enumerated the funding sources.

On the Duke Street West drainage project, temporary measures were put in place, so of the budgeted amounts, the committed funds can be released because they are no longer needed. On the Battery Creek headwaters, the city didn't have the grant for \$350,000 so now the whole thing can be budgeted and brought forward. The city and county contributions can be increased; the city needs \$98,000, and she said there are 2 sources for the additional money needed.

On the Mossy Oaks fire station, there were additional land acquisition costs. She enumerated the expenses for the phases of Basil Green. On the day dock, they got a larger grant than had been included in the capital projects, so that lowered the amount from fund balance. In regard to the mooring field, the BIG grant takes care of the dock connectors.

Mayor Keyserling said they were misled about DNR matching (3 to 1 or 4 to 1) with a federal grant when it was committed; they have said that they were mistaken and had confused the programs and would look for another program. So there's no funding, and this puts the city with \$111,000, a 1/3 of the cost. Ms. Todd said there's no deadline on that. Ms. Todd said the city is still in a strong financial position.

EXECUTIVE SESSION

Pursuant to Title 30, Chapter 4, and Section 70 (a) (2) of the South Carolina Code of Law, **Councilman O'Kelley made a motion, second by Councilman Sutton, to enter into Executive Session for the purpose of legal council. The motion passed unanimously.**

Councilman O’Kelley made a motion, second by Councilwoman Beer, to come out of Executive Session and resume the work session. The motion passed 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 7:55 p.m.

ATTEST: _____
IVETTE BURGESS, CITY CLERK