

A work session of the Beaufort City Council was held on December 9, 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 McFee, Mike Sutton, George O'Kelley, Councilmen-Elect Stephen Murray and Phil Cromer, 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

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

BOARDS AND COMMISSIONS INTERVIEW: PARK AND TREES ADVISORY COMMITTEE (PTAC)

Leah Palumbo was interviewed for an appointment to PTAC.

PRESENTATION: COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Kathy Todd, Finance Director, said staff anticipates receiving the prestigious certificate for achievement of excellence in financial reporting as they have for the past 7 years. She presented a "condensed version" to "guide you through the CAFR." Unlike an audit, the CAFR has an introductory and a statistical section. In the introductory section, Ms. Todd said, the certificate of achievement "really helps with our bond rating," she said. She described the other sections in the introduction.

In the financial section, Ms. Todd said the auditor gave a "clean" opinion. She indicated the section that showed significant changes from last year to this year from a variety of standpoints; she said this was particularly good for "a non-financial report person" to read. The government-wide financial statements followed, and she described the elements in this section.

Ms. Todd showed a snapshot of the statement of net position. Unspent TIF 2 resources account for the significant (21%) increase in restricted net position. She detailed the Governmental Fund fund balance. In the General Fund, fund balance decreased a little over \$1 million net. A slight property tax increase, licenses, permits, etc. offset decreases.

Ms. Todd distributed copies of the annual audit and reviewed the auditors' assessments, i.e., they found no significant issues with the city. There was a discussion in regard to GASB's pension information. The bond rating agencies are taking these numbers into consideration, Ms. Todd said, though Councilman-Elect Cromer had said that the GASB pension action will "make these numbers look terrible," with which she agreed.

Ms. Todd distributed handouts with information based on how a city government "can measure itself against itself" and against its "peers." Her former boss came up with 10 questions and the "ratio" to answer them. She said she had applied the formula for the city's CAFR for the last four years to determine how the city has been faring and where it is in the spectrum. The ratios support the city's strength from a couple of standpoints, such as whether fund balance is

adequate (Question 8); the fund balance can cover the city for 3 months if there were a natural disaster, which is a strong position to be in. Ms. Todd said the city is in a “stable, solid financial position” compared to municipalities in Beaufort County and to other cities with similar sized populations (when their financial statements were available). Beaufort is comparable within the county and with other cities in the state.

Councilman-Elect Cromer referred to page G-6 and said “Miscellaneous” had jumped by a couple hundred thousand dollars; he asked what kinds of revenues were there. Ms. Todd said any property sales can go in that category, and that’s why it jumped. Councilman-Elect Cromer said in the “Intragovernmental” category there was a big drop, and he asked if that included local government fund monies; Ms. Todd said it does.

Mayor Keyserling said all of council would be working on this as they lead up to the budget, and Ms. Todd would be happy to give tutorials. Councilman Sutton described how budgets used to be and the time before CAFRs. It’s now much easier for the public and for people in office to understand the budget process, he said.

Councilman-Elect Cromer asked if there were plans to have a five-year projection for the budget. Mr. Dadson said such projections became “real unreliable” in the period 2008–2009. Staff tries “to think up to 2-3 years about what we will need”; they do know some things, like debt, five years out.

UPDATE ON UP AND COMING TRANSPARENCY IN FINANCIAL REPORTING

Ms. Todd said this is not yet ready for release, but it’s close. Council approved going forward with OpenGov. It’s not yet published, but she showed what it would look like when it is. She demonstrated what the software would allow staff to do and how the public can use it to obtain information.

Councilman Sutton asked about the specifics of the FAQs. Ms. Todd described how the quarterly uploading of data to MUNIS would lead to “populating the report.”

DRAFT ORDINANCE PLACING OBLIGATIONS UPON PROPERTY OWNERS OR OCCUPANT WITHIN THE CITY

Mayor Keyserling said council thought a work session was essential on this matter because of the impact it would have. **Isaiah Smalls** said the majority of the property owners maintain their property including the right-of-way, but some don’t maintain that small portion to the edge of the pavement. The city hired contractors, he said, but it can’t afford to pay them to maintain every street. They came up with the idea of copying Charleston’s ordinance, which requires people to maintain the grass up to the edge of the pavement.

Mayor Keyserling said the best of intentions are behind this, and it’s “a smart suggestion,” but “there are complexities.” The city maintains the state’s rights-of-way and that creates an expectation among city residents that maintenance will be done in their neighborhoods, too. Whether individual property owners and citizens can be *required* to do this maintenance is “a

different question,” Mayor Keyserling feels. They may wish everyone did it, but can they put that burden on everybody by way of an ordinance?

Councilman-Elect Cromer said in Spanish Point he has a problem with sand and leaves blowing into the street, and he thinks there “will be a problem on the enforcement end.” Mayor Keyserling said they would enforce it via the code enforcement department. Mr. Smalls said that there is a \$1087 fine for intentional littering, such as putting litter in the storm drains.

Councilman Sutton said this issue “has been brewing for a long, long time.” In 1977, a \$2 tax was levied against citizens to maintain the rights-of-way. The rights-of-way vary, and Mr. Smalls’ staff has been cut. Fees to assist Public Works to do things like cut back trees at the stop signs have not been able to be generated. Citizens have complained that the city isn't maintaining its own property, yet citizens get notices about not maintaining property that the city owns. He said he’s also concerned about liabilities. A citizen could have a right-of-way that belongs to the DOT, and if they are forced to maintain land that’s not the city’s, how is the city protected if someone gets hurt maintaining property that isn’t even theirs?

Councilman-Elect Cromer said the DOT “is not [going to] do anything.” Cities used to take care of the rights-of-way, but a lot of cities have gone to requiring the property owners to maintain the grass up to the street. Councilman Sutton said that people should be responsible for themselves and their properties and should help their neighbors to care for theirs. Mayor Keyserling said in his view, “everybody’s taken a beating.” The city “got in a bind,” and at budget time, Public Works “has taken the biggest beating,” because their budget can be cut more easily than can police or fire budgets. Mayor Keyserling asked if council would be prepared to find a way to fund Public Works with another source of revenue or another source from which money could be taken for the Public Works budget. Mayor Keyserling said he would love all citizens to take care of their own right-of-way and for people not to find the city “being hypocritical.”

Councilman O’Kelley said the old method of yard waste pick up didn't require people to bag/bundle/tie. The Public Works employees “had to go around with pitchforks in the past.” Councilman O’Kelley said some residents leave their yard “natural,” and they need to get the debris up, but the city doesn’t want to “pound on people” who have a natural-looking lawn. Councilwoman Beer said she has no problem with it, though they need to be sure to remember that some people are not able-bodied enough to do the work; she feels people need to help their neighbors who can’t do yard work.

Councilman McFee asked if the city “would go after the property owner” or the resident of the home. Mr. Smalls replied that they would go after the property owner. A lien is an option, Mr. Smalls said. Councilman O’Kelley said this wouldn’t apply to 90% or more of the people in Beaufort because they already do the right-of-way maintenance.

Councilman-Elect Murray said the clippings are to be bagged. He blows what goes into the street back into his yard, and he doesn't understand why the clippings need to go into

collection bins. He also said that in regard to stormwater issues, “landscapers blow stuff into the street” which causes problems. He asked if this is a duplication of an existing ordinance.

Mayor Keyserling said in Spanish Point, people buy extra lots to create wooded areas. Councilman Sutton said that is done in Pigeon Point, too. Councilman-Elect Cromer said in The Point, people are encroaching on the street ends. Councilman Sutton described what he thought the priorities should be in terms of safety, and said the citizens can be found when it’s their fault, not Public Works’. Councilman McFee said seeing how Savannah and Charleston are handling it would be a good idea so as “not to reinvent the wheel.” Mr. Smalls said that’s what he has done “pretty much verbatim.”

EXECUTIVE SESSION

Pursuant to Title 30, Chapter 4, and Section 70 (a) (2) of the South Carolina Code of Law, **Councilwoman Beer made a motion, second by Councilman McFee to enter into Executive Session for a legal briefing on pending litigation – Brantley Construction v. City of Beaufort – and a discussion about personnel. The motion passed unanimously.**

The work session was adjourned at 6:12 p.m.

A regular meeting of the Beaufort City Council was held on December 9, 2014 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 McFee, Mike Sutton, and George O'Kelley, Councilmen-Elect Stephen Murray and Phil Cromer, 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

Mayor Keyserling called the meeting to order at 7:02 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Councilwoman Beer led the invocation and the Pledge of Allegiance.

Councilman O'Kelley made a motion, second by Councilman McFee, to come out of Executive Session and begin the regular session. The motion passed unanimously.

Mayor Keyserling said that in the Executive Session, they had gotten an update from **Bill Harvey**, city attorney, on litigation in regard of disputes about Waterfront Park, which has been ongoing for some time and will go to trial in January. They also interviewed Mr. Harvey, who is up for reappointment, "which will become an agenda item in the future."

CITY COUNCIL ORGANIZATION: SWEARING IN – PHIL CROMER AND STEPHEN MURRAY

Judge Ned Tupper swore in Councilman Cromer and Councilman Murray.

MAYOR PRO TEM APPOINTMENT

Councilman O'Kelley nominated Councilman McFee to serve as mayor pro tem, and Councilman Murray seconded. He was elected by proclamation.

PUBLIC COMMENT

Ginger Aimar owns a business on Bay Street and said she had started an online petition to extend the two-hour free parking to year-round in order "to help the businesses downtown to regain the customers" they have lost "since Lanier took over" parking management. Ms. Aimar said people "got a bad taste in their mouths" because of parking tickets. She said she had obtained 1500+ signatures. She would also "love to see the city take back its parking management" instead of hiring a parking management company.

Charles Aimar, business owner on Bay street and City of Beaufort resident, congratulated the two new council members and said his "only concern" is that when the two-hour holiday parking ends, they "need a plan for it to continue," and should not wait for 3 – 6 months even temporarily to continue every day.

Blakely Williams, Beaufort Regional Chamber of Commerce, read a statement asking that the council extend free parking in downtown Beaufort. They have seen a lot of data and "look

forward to taking a more comprehensive look at parking.”

LaNelle Fabian, Main Street Beaufort, said that they support studying whether the two hours of free parking can continue. Other ideas have been brought up, and Main Street Beaufort wants to offer its support for council studying this issue. Other issues about shopping downtown may be a part of this as well, she said.

Beth Grace said she feels it’s a great idea to continue the two hours of free parking, because she believes people are discouraged from parking for 30 minutes of business on Bay Street. Tourists will stay longer and will think of the two free hours “as a gift.”

Conway Ivy, 501 King Street, said in regard to Mr. Dadson’s resignation 6-8 weeks ago, he wants to know the city’s process for finding Mr. Dadson’s replacement, and the criteria the city will use for that

Kevin Cuppia, business and property owner downtown, thinks extending the two-hour parking street “is a great idea.” They will need council’s vote to continue it into January and February, so he asked council to vote for that.

Eddie Rodgers endorsed two hours of free parking but cautioned council about the merchants and employees “who will take advantage” of it and will take up the spaces that are meant for shoppers. She cautioned that council should have a plan in place for that.

MINUTES

Councilman McFee made a motion, second by Councilman O’Kelley, to approve the minutes of council’s work session and regular meeting November 25, 2014. Councilman Murray and Councilman Cromer abstained from the vote. Mayor Keyserling said the new street project manager’s last name is Coleman. **The motion to accept the minutes as amended passed 3-0.**

AMENDMENT REVISING MARSH GARDENS PLANNED UNIT DEVELOPMENT

Councilman McFee made a motion, second by Councilman Murray, to approve the ordinance on second reading. Libby Anderson reviewed the changes to the PUD: to delete the meeting center, to add residential units to equal 60 (not including those on upper floors in mixed-use buildings); to update the master plan to reflect these changes; to clarify that the term “mixed-use” includes residential uses. Staff supports the changes, Ms. Anderson said. Marsh Gardens is in the Boundary Street Redevelopment District, where this is strongly encouraged.

Councilman O’Kelley asked, with 60 units, if any study has been made of traffic issues, if, for example, 60 residents of this PUD were to leave to go to work in the mornings. Ms. Anderson said in other parts of the city, a traffic impact analysis is triggered, but not in the Boundary Street Redevelopment District, where the developer’s job is to do infill development utilizing the street network. There is interconnectivity in this development, Ms. Anderson said, and the issue has been addressed there. Mayor Keyserling asked if Greenlawn would be signalized. Ms. Anderson said the signal would remain at Jean Ribaut Square.

Ms. Rodgers asked Ms. Anderson to identify streets on the overhead map, so Ms. Anderson did. **The motion passed unanimously.**

ORDINANCE AMENDMENT TO SECTION 1-4004 (10) LOCAL VENDOR PREFERENCE

Councilman McFee made a motion, second by Councilman Cromer, to approve the ordinance on second reading. Mr. Dadson said the ordinance raises the 1% or \$2500 threshold that is used if two local vendors bid equally; when that happens, then the lower bid is preferred. Staff feels it needs to be a 10% or \$10,000 threshold; if two vendors are both local and within those parameters, it goes to the lowest bidder. Councilman Murray said that he thinks this is a good idea and commended staff for it. **The motion passed unanimously.**

BEAUFORT REGIONAL CHAMBER OF COMMERCE REQUEST FOR CO-SPONSORSHIP FOR USE OF THE WATERFRONT PARK FOR NEW YEAR'S EVE CELEBRATION

Councilman McFee made a motion, second by Councilman O'Kelley, to approve the request for the December 31, 2014 event. Ivette Burgess said staff is in favor of the event, which is "low-key." No on-duty police officers will be needed. No alcohol will be sold. Mayor Keyserling said the idea was born out of the beginning and end of the Tricentennial celebration, and it is meant to be a family event and to get people home early.

Councilman O'Kelley asked the hours this will take place. Ms. Williams said the request is for 5-8 p.m., by which time they expect the park to be cleared. **The motion passed unanimously.**

BEAUFORT REGIONAL CHAMBER OF COMMERCE REQUEST FOR COUNCIL TO CONSIDER A CONTRIBUTION OF \$2,500 FOR FIREWORKS FOR THE NEW YEAR'S EVE CELEBRATION IN THE PARK

Councilman McFee made a motion, second by Councilman O'Kelley, to approve the contribution by council. Mayor Keyserling said he had told Ms. Williams that he didn't feel that council would have the money for this. The ad hoc Tricentennial Committee raised money for Beaufort 300, and there is money still in that account. **Councilman McFee amended the motion to make Beaufort 300 the co-sponsors and contributors to the event; Councilman O'Kelley seconded.** Ms. Williams said the rest is being raised by private dollars. **The amended motion passed unanimously.**

MOTION ALLOWING CITY MANAGER TO ENTER INTO CONTRACTUAL AGREEMENT FOR PARKING MANAGEMENT SERVICES

Councilman McFee made a motion, second by Councilman Cromer, to approve the motion in regard to the city manager and parking management services. Mayor Keyserling reviewed the history of this matter and issues that have been brought up by business owners and the public. "Everyone would love to give free parking," he said, but this has been an issue since 1934, and it's not one, he feels, that is appropriate for a "Band-Aid or a quick fix." What they have today is 15% turnover, which is what they want. He said he wants to appoint a group of stakeholders to look at parking. Council is not yet prepared to look at extending the two hours of free parking because they "haven't seen data on that."

Mayor Keyserling passed the gavel to Councilman McFee and made a motion instructing the city attorney to work with the parking management company to enter into a contract based on the parameters that council will next discuss, assuming there's an agreement. Councilman O'Kelley seconded the motion.

Mr. Harvey said the contract would include the terms and conditions of the RFP, and the terms and conditions of SP+'s proposal. In addition to addressing council's questions, the RFP has a "termination for convenience" paragraph, which is for either party for 90 days on any contract that is entered into. Mr. Harvey said right now they are on a continuation agreement with Lanier, and they need to move forward with the RFP process.

Councilman McFee withdrew his original motion and Councilman Cromer his second.

Councilman Cromer said he wouldn't enter into a contract until he's had time to read it. Mayor Keyserling said this action is "meant to acknowledge that the parameters of the RFP are there." They need to determine if they will be "locked into something if the fee structure changes," etc. There are questions that need to be addressed, he said. This vote, Mayor Keyserling said, is to determine: if they want to move ahead, what's in the document, and how they address concerns about the future. Councilman McFee reviewed the amended motion.

Councilman O'Kelley said he's hearing that they should be giving Mr. Harvey direction. When SP+ made their presentation, he had asked about reducing the amount of the ticket for parking violations, and he "heard the guy say, 'Yeah, yeah, we can work with that,'" but now he is hearing that if the price of the ticket is reduced from \$10 to \$5, then SP+ could increase the percentage that they get because of the cut to their income. Mr. Harvey said SP+ would have an "equitable adjustment to their compensation scheme." Councilman O'Kelley asked how that would be determined. He said he's concerned about leaving "the business end of the shotgun in the hands of the contractor." Councilman Cromer agreed with Councilman O'Kelley. Mayor Keyserling said the summary document from December 3 that Ms. Todd sent addresses their concerns. Mayor Keyserling said they need instructions as to whether the attorney and the contractor should work together.

Councilman Murray said he has concerns about this as well. A change order doesn't lead to the best deal. He thinks they need to explore free parking with the goal of bringing more people downtown. He thinks the issue is more complex than just parking, however. On a daily basis, he sees employees and business owners parking in front of their business. Councilman Murray advocates two hours of free parking, but it could lower the amount of business to be had if owners and employees are parking in those spots. One year, "free parking cost \$5000," he said. Councilman McFee reiterated that this vote is just about directing Mr. Harvey. Councilman Murray said they need to move forward, which he doesn't like, in order to be in compliance with statutes and the ordinance, "but as long as there is an out" if parking changes, the contract should be able to be adjusted.

Mayor Keyserling said the issue is whether they want managed parking or not. Mr. Harvey said

if they stop the process, they may find themselves with no management at all, and there is no city staff to do it right now. Mayor Keyserling said they would write in appropriate safeguards to give themselves an opportunity to adjust the system to meet the citizens' needs in the future. Mayor Keyserling asked if there were other issues. The central one has been having the flexibility to make changes without reneging on the RFP or being in jeopardy with the current ordinance.

Councilman McFee opened the floor to discussion. Mr. Ivy asked how long the term of the contract is. Councilman McFee said typically it's for five years. Mr. Ivy asked about the termination for convenience and if there was any cost associated with it. Mr. Harvey said a lot would depend on what is required of the contractor up front. They are proposing capital improvements, and if those are eliminated, it will be different than if SP+ is required to do them. Mr. Ivy asked if the termination for convenience is enforceable by law. Mayor Keyserling said typically the city manager is authorized by council to negotiate contracts.

Ms. Rodgers said, "It's been said that Lanier will continue." She feels council needs eventually to decide if it wants to do one of these options. She asked what it would do to council and its budget if they "decide to do something else." Councilman McFee said the ordinance says they won't have a service provider for more than five years, and now council is "between a rock and a hard place." Ms. Rodgers said it affects the budget because parking revenues are given to the Redevelopment Commission and Main Street Beaufort.

Councilman McFee called the question. Mayor Keyserling asked Mr. Harvey if he had any questions of council. Mr. Harvey said he had attended the workshop and with those minutes, and the minutes for this meeting, he will have what he needs.

Mayor Keyserling said he plans to create a group of stakeholders, and he has "a draft list" for that. Councilman McFee said there would be a special meeting preceding the work session on December 16. **The motion passed unanimously.**

APPOINTMENTS TO BOARDS AND COMMISSIONS

Councilman McFee made a motion, second by Councilman Cromer, to approve Jane Frederick for appointment to the Design Review Board as a design professional. The motion passed unanimously.

REPORTS BY COUNCIL

Councilman Cromer thanked the voters and said he will do his best as a councilperson. He thanked Councilwoman Beer and Councilman Sutton for their years of leadership on council. Councilman O'Kelley thanked the citizens who keep coming to council meetings and "keep us on our toes." Councilman McFee thanked past council for their guidance and welcomed the new councilmen. He thanked the Lion's Club as well.

Mayor Keyserling said he looks forward to working with the new council members.

Councilman Murray thanked the voters and “those supporters who lie outside the City of Beaufort.” He thanked those council members who had stepped down for their service.

There being no further business to come before council, **Councilman O’Kelley made a motion to adjourn the meeting. Councilman Cromer seconded. The motion passed unanimously,** and the meeting was adjourned at 8:34 p.m.