A work session of Beaufort City Council was held on April 21, 2015 at 5:00 p.m. in the City Hall Planning Conference Room, 1911 Boundary Street. In attendance were Mayor Billy Keyserling and council members Mike McFee, Stephen Murray, George O'Kelley, and Phil Cromer, and City Manager Bill Prokop.

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 special session to order at 5:00 p.m.

SPECIAL MEETING TO CONSIDER ALLOWING USE OF SOUTHSIDE PARK FOR AN ADULT KICKBALL LEAGUE

Mayor Keyserling said council had been concerned about the turf quality and whether the players would wear cleats. **Councilman Murray made a motion to approve the use of Southside Park for an adult kickball league. Councilman Cromer seconded the motion.**

Mayor Keyserling continued to list council's concerns about the matter, such as whether bathrooms would be needed, and what the cost to the city would be of doing so. There was no representative at the last council meeting to ask these questions of.

Travis Winn said last year they had played kickball at the park near the YMCA, but that costs money, so they would like to play free because they have 80+ members. The majority don't wear cleats, but they can say "no cleats would be allowed" if it's an issue. Councilman O'Kelley said soccer players had played in Waterfront Park "without permission a couple years ago and they tore it up."

Mayor Keyserling asked about the bathrooms being locked at 5:00 p.m. A member of the public said that they're not always locked; she has used them at 7:30 in the evening. Mayor Keyserling said they should be locked and asked if they would be. **Liza Hill** said the park is open from dawn to dusk. The bathroom door locks are automatic, so the time needs to be changed with the season to lock at dusk. Ms. Hill said she has been talking to Water Festival people as well about kickball at Southside Park. Mayor Keyserling asked if that was without additional cost to the city, and Ms. Hill said yes.

Councilman O'Kelley asked if there was a "beer bust" at the end of the game. Mr. Winn said that they were very conscious about cleaning up after themselves. One of the league members the previous year had brought his own trash bags and carried the trash out with him. Councilman Cromer joked that Councilman O'Kelley was asking about the beer bust so he could come. Councilman McFee asked if there were trash receptacles. Ms. Hill said there's only one, but at every park when there's an event, the city asks for the organizers to bring their own bags and carry their trash out, "and invariably, they do."

Councilman McFee asked if it were a co-ed league, and Mr. Winn said it was. **Lamar Taylor** asked if they would be parking on the grass. Ms. Hill said Mr. Winn wouldn't know, but parking

is allowed in Southside Park on one side, parallel and on the grass in the lower field area.

Councilman Murray said he's in favor of it. He thinks the city should encourage healthy activity, it puts eyes on the park, it puts an underutilized asset to work, and he commends them for asking permission instead of just using the park.

Barbara Chemsak, a Southside Park "neighbor," said she had spoken to some people who live "directly across" from that part of Southside Park and "they had no problems with it at all." They think it's a great use of the park and may eventually lead to fundraisers. She asked Mr. Winn where they set the field up, and he said, "Wherever there's space." They have bases that they put out.

Ms. Hill said she had done a sketch, and there's room for *four* kickball fields in the park, as well as volleyball, which may happen during Water Festival.

Mr. Winn said Kinghorn has offered insurance for the league once a location is secured. **The motion passed unanimously.** There was a general conversation about the insurance, and Ms. Hill asked Mr. Winn to get her the certificate the following day so that the league could play on Thursday night.

There being no further business to come before council, the special meeting was adjourned at 5:12 p.m.

Mayor Keyserling called the work session to order at 5:12 p.m.

BOARDS AND COMMISSIONS INTERVIEWS: METROPOLITAN PLANNING COMMISSION

Mayor Keyserling said **Bill Harris**, who's on the Metropolitan Planning Commission, is eligible for a second term. Mayor Keyserling asked Mr. Harris to share his experience with council and the public and to say what could make it "better overall." Mr. Harris said, "It's rewarding." Because it's "only an advisory board," matters come to council after they come to the commission, and he thinks that's good: that council gets a second look, which "seems healthy." Mr. Harris said Port Royal has their new form-based code, and "it's really clear," and it's helpful to Port Royal's work, so he looks "forward to the city's version" of that. He said he feels there's nothing council could do "that's better or worse for us." The MPC grew out of the Northern Regional Plan. There was county resistance to it at first, but it was not strong resistance.

Mayor Keyserling asked Mr. Harris if there's much conversation when the county is looking at property that is in the City of Beaufort growth boundary or the Town of Port Royal growth boundary, and if there's "consideration of what that will be. The county is supposed to tell people who come in for a development permit or seeking rezoning that they should annex if they're contiguous. If they're not contiguous, there is to be "consideration of what the city's bigger picture is, given that the growth boundary could one day be part of the city." Mr. Harris said the number of projects they've seen from the county has been minimal. He said he didn't know why: maybe the projects aren't coming along, or the county may not be playing as big of

a part as the city might like. The growth boundary adjustment this year was good, Mr. Harris said, and the Town of Port Royal seems to be making use of it more than the city, perhaps because of where that area is.

Mayor Keyserling said this begs the question of the need for a conversation about it in the Northern Regional Implementation group. He described the nature of the problem and is concerned that it's "only working halfway," and he feels "the city is not being heard in regard to the growth boundary."

Libby Anderson reiterated Mr. Harris's point that there haven't been many county projects. Councilman Murray asked Mr. Harris if he had reviewed the Civic Master Plan, and Mr. Harris replied "Absolutely . . . I've reviewed it a few times." He feels that Port Royal's "is running so smoothly," perhaps because of the annexations coming in, while the city's involves more ordinance changes, for example, than annexations and rezoning.

Mr. Harris said he'd voted for the Civic Master Plan because he "felt it was positive" and had read and understood it thoroughly. Councilman McFee and Councilman Cromer told Mr. Harris they appreciated his service and willingness to continue.

Mayor Keyserling said in the years he's been back in Beaufort, the Northern Regional Plan is one of the biggest initiatives that's been done, and it's "positive." Mr. Harris said he likes that the members of the Metropolitan Planning Commission don't just vote on or care about the projects from the city they represent. They all take part in all the discussions. Mayor Keyserling said it's "the singular institution of its sort in Beaufort County." The Southern Regional equivalent never got going, he said.

REDEVELOPMENT COMMISSION

Mayor Keyserling said he and Mr. Prokop had talked just before the meeting and they thought that they should "flip (agenda) items B and A," so they can discuss the Redevelopment Commission after hearing **Kathy Todd**'s presentation.

FY2016 GOALS AND REVENUE PROJECTIONS FOR MAJOR REVENUE SOURCES

Mr. Prokop said they had changed the presentation from the way it was done in the past, so council could "see the basis of what it's being built on." They hope this presentation will take the many pieces derived from the council retreat and establish goals for budget dollars. He thanked the department heads for coming to the meeting, because "this is *our* plan."

Mr. Prokop said he'd present an overview, and Ms. Todd would present plans for revenue. "We are not looking at a 6-month or a one-year program," he said, but instead one that is put in place for 3–5 years. If council agrees with their plan, they will go forward with the department plans. "Government is a puzzle," he said, and after the retreat, the "six large pieces" they developed were environmental sustainability, public safety, unique character, city governance, economic vitality and smart growth.

Economic vitality

- Support "the relaunch of the Redevelopment Commission as the driving force for our economic growth"
- Generate awareness of and implement incentive packages "for transformative commercial use downtown" and the commerce park (now known as the business park, he said, which is less old-fashioned)
- Focus recruiting for new industry to small businesses with technical product needs, that need the skills of existing military personnel, who are a community asset
- Support existing business with a "business climate survey," which will help determine their needs and then develop programs that would help them based on the survey results
- Engage in shaping the future of significant properties that are ripe for redevelopment, especially in the core business district and the Northwest Quadrant
- Partner with realtors and with the private sector on to identify and redevelop "transitional properties," especially city-owned properties – Council and staff need to "decide if we want to continue to be landlords," and if so, city assets need to be maintained properly, because they haven't been.
- Review and streamline the city's planning and licensing process to make requirements clearer
- Work with the Chamber of Commerce, Main Street Beaufort and other community resources to look at the city economic base in heritage tourism and better understand visitation activity and trends

Unique character

Protect and enhance Beaufort's historic neighborhoods, commercial areas, open spaces, Waterfront Park, and USCB

- Public and private development in the downtown core area and immediately adjacent areas
- Pursue the vision of the renewal of the Waterfront Park and the marina "as the gem of Beaufort County," at which the city has failed in the past – 25-30% of the plants that were in Waterfront Park are "dead or gone."
- Complete the Boundary Street projects by the end of 2016
- Pursue the acquisition of open land and land with conservation easements, and improve the entry corridors to the city and Boundary Street
- Improve neighborhoods at risk of declining through planning, codes, and police, as well as collaboration with the residents to improve the physical conditions, safety and livability of their neighborhoods.

Smart growth

- Fulfill the vision of the Civic Master Plan and finalize the Beaufort Code, ensuring their compatibility with one another
- Create a plan for expanding access to the city from the waterfront areas for more cruising and sailing activities and growth in an area that makes Beaufort unique

- Research installing electric car charging stations at the municipal complex and at Waterfront Park
- Develop the Northwest Quadrant so it serves as a harmonious transition from the Historic District to Boundary Street development
- Closely monitor annexation plans to ensure that all required services will be provided and properly funded

Public safety

- Enable police, fire, code enforcement and judicial operations to protect and serve
- Review the city's emergency operations plan to ensure it reflects current best practices and coordinates with Beaufort County's plan for response and recovery preparedness
- Respond to police and fire calls in an average of 5 minutes in the core business district; the national average is 16 minutes
- Reform parking practices based on the parking task force recommendations to maximize parking assets
- Maintain the city's excellent ISO rating (a 2) which is worth hundreds of dollars to every taxpayer in terms of property insurance
- Maintain strong community policing among neighbors – through body cameras, for instance
- Continue fire prevention and safety education programs
- Focus on code compliance and improving stability in the city's neighborhoods
- Collaborate with residents and property owners to improve neighborhood safety and livability, working with partners to clean up neighborhoods

Environmental sustainability

- Administer the stormwater management program as required
- Coordinate stormwater activities with the county to meet the upcoming EPA MS4 requirements in 2016 or 2017 – lack of preparation could cost the city hundreds of thousands of dollars
- Monitor all vendor contracts for compliance with city environmental policies
- Monitor and improve residential recycling programs – outreach on the importance of recycling – current recycling center costs may skyrocket, and they're not currently meeting EPA requirements
- Manage and enforce tree regulations
- Preserve and promote green purchases and conservation for energy needs – The energy costs for just the municipal complex buildings and streetlights are $417,000 a year.

City governance

Mr. Prokop said a few changes would be made:

- **Ivette Burgess** will become the city's human resources specialist. The human resources director position won't be filled and that money will fund an economic development director. She will also continue to be be webmaster, the City's Website.
- **Linda Roper**, courts administrator, has also been overseeing the parking operations, and

will now assume contract administrator duties as well. Mr. Prokop said this is for the $2.5–3 million in smaller contracts, such as trash collection, parking, marina, two landscaping contracts, and IT operations.

- Ms. Todd "has a full plate" of duties, especially because of the many RFPs currently out, Mr. Prokop said.
- Mr. Prokop reviewed the fire, planning, and police departments and **David Coleman**'s position
- Mr. Taylor will remain the interim Public Works director; the position's being left open at this time so that part of the salary can be used to fund the economic development director position. They will soon look for a civil engineer. They need to build up the skills of the Public Works staff as they replace those who retire.

Mr. Prokop said they would be seeking fees for services and looking for sustainable, long-term solutions with 3-year goals. They want to continue to be financially transparent, improve citizen engagement, customer service, the permitting and licensing processes, and the leadership development process.

They are beginning to implement a plan that will be fully in effect in July 2016 to end cost of living increases and automatic salary increases and will go to a performance-based system. Salary scales will be based on "what's being paid today," he said, according to annual Municipal Association data, for example, not on COLA. They want the City of Beaufort to be the best place to work and to be able to accomplish what the city's citizens want.

The key to everything is economic vitality, Mr. Prokop said. Councilman Murray thanked the staff who are taking on additional responsibilities.

REVENUE PROJECTIONS

Ms. Todd said she would cover primary revenue sources in the General Fund, which comprise 85% of the total revenue.

- Property taxes – 30% of total revenue
- Local Hospitality Tax and Accommodations Tax – 13%
- Business licenses – 19-20%
- Franchise fees – 12%
- Stormwater and utilities fees – 5%
- Refuse collection fee – 6%

In developing the property tax revenue estimate for fiscal year (FY) 2016, they started with the county tax assessor's estimated taxable assessed values for tax year (TY) 2015. The real property taxable assessed value, excluding the TIF increment, was approximately $59 million. Based on this, in comparison to monthly county billed/collected numbers, the estimate appeared to contain a 5% growth in what's going to be billed in TY2015. Councilman O'Kelley asked if the $59 million includes properties that aren't taxed like City Hall and the churches. Ms. Todd said no, "because this is taxable assessed value, and that's already excluded." The millage

rate is applied to it to come up with revenue.

Ms. Todd said personal property taxable assessed value is $9.5 million, a 35% increase over 2014. And vehicle taxable assessed value is estimated at $5.3 million, a 7% increase over TY2014.

Because she's been tracking taxable assessed value on a monthly basis for more than a year, Ms. Todd said, "we've never seen a 5% growth." She was a little concerned about building a property tax revenue estimate for the budget based on that; it could be overstated. She rolled it back to more of a 2-2.5% growth (98% of the tax assessor's estimate) Also, not all property tax is billed as collected in a given year, and since revenue is based on what is collected, not necessarily on what's billed, she used an overall collection rate of 93%, which is what's been received historically, year to year. After reassessment came through, the collection rate dropped a little, Ms. Todd said. The county "does a great job of collecting delinquent taxes," she said, and they probably net out after a few years, but they can't provide the city with the "uncollected part of the current" from year to year, so they can't tell how much of a given year is still uncollected.

Ms. Todd showed the tracking on real property taxable assessed values for TY2013 versus 2014; it showed the effect of reassessment on taxable assessed value on real property. She went on to show the trend in personal property tax; it looks flat for TY2013 month to month, then there's a spike. She has requested that the county give her more detail for the reason for this but has received no response. Council had a brief general discussion of the possible reasons for the spike.

Ms. Todd said this was how she came up with the "estimates going into the projected budget," and the real and personal taxable assessed values came out as $73.5 million. She reiterated that this does not include the TIF increment. The recommendation is to keep the millage rate the same for the budget: 47.44 mills for operations and 20.78 mills to cover the debt. The revenue shortfall was recovered through the deficit mills in FY2015; they are $25,000 shy of fulfilling it, and she expects it will be gone by June 30.

Projected revenue for property taxes is pretty close to what it was for FY2015 with the deficit mill in place, Ms. Todd said. This is good; the city is not losing any more property tax revenues.

Business License Revenues

No changes are being recommended, Ms. Todd said. It's been "pretty stable at $3.4 – 3.5 million." They're on track and anticipate no increase, so they'll keep it that way for 2016. Councilman McFee asked if they could do credits for early payments. Ms. Todd said half of it comes from business collections in and out of the city; the other half comes from MASC's collection program. Councilman O'Kelley said if the credit's not much (e.g., 1%), the business owner might feel they it's more beneficial to use the discount amount in their business from January to April instead of taking the discount and paying early. Mayor Keyserling said he pays his on April 14, and Councilman Murray said, "I don't pay late, but I don't pay early."

Councilman McFee said he pays some tax bills, like Port Royal's, early because he gets a small discount. Councilman Murray said his business offers customers small discounts for faster payment, and vendors who do the same for his business, and typically he'll pay those businesses early if he's able. Councilman O'Kelley said staff needs to "factor how much would the city lose if we give this credit?" Councilman Murray said bringing everything online and making compliance easier will lead to a small increase in collections for those "currently gambling on not getting caught."

Local Hospitality and Accommodations Taxes

Ms. Todd said the city is limited in both of these revenue sources by state law: hospitality has a 2% cap and accommodations has a 3% cap. The city is already at the cap and has "no latitude to increase those percentages," she said. However, hospitality tax has realized a 10% growth from FY2012–2015, so the estimate for revenues for FY2016 is $1.6 million, which is about $100,000 higher than they budgeted for 2015.

Local accommodations tax has realized about a 21% growth, the bulk of which was in the early years when "a couple of major hotels . . . came online" in FYs 2012 and 2013. Councilman Murray said in 2012 Parris Island also added an additional family day. Ms. Todd said they are estimating revenues at $600,000 for local accommodations. Councilman O'Kelley asked if there was a way to determine where hospitality and accommodations taxes come from. Ms. Todd said no, because those are paid by the businesses, and there's no data about to whom the business sold to. Councilman Murray said there are permits for all buses that come to town and the Chamber of Commerce or Main Street Beaufort has monthly reports. He said monthly remittals should be available for hospitality and accommodations. Ms. Todd said she has that, but the only retail information is on an annual basis.

Franchise Fees

These come mainly from BJWSA, SCE&G and phone utilities, Ms. Todd said. Revenues are expected to remain stable, other than a historically based projected increase in gross revenues from SCE&G. The BJWSA fee is based on their rate structure; they send the city a letter every year to tell the city what it will be; the city's at the same level as the last few years. Mayor Keyserling said he feels "it's like a pay-out." Ms. Todd said it's a long-standing agreement with a long termination date, which she can check on. Other franchise fees are estimated at about $1.4 million with a slight increase of about $100,000 over FY2015. No change is anticipated for refuse collection, but an RFP is out for proposals, and the city anticipates a possible increase due to commercial refuse collection which is at a "really reduced rate," Ms. Todd said, with the current contractor. There could be a change in the billing/collections/franchise fee with a new contractor, so the budget estimate is based on what they anticipate the franchise fee will be, she said.

Stormwater Fee

Ms. Todd said again there's no anticipated fee change, but the results of the stormwater utility rate study being conducted have yet to be received. Beaufort County and all of the municipalities are participating in this contract. Bluffton, Hilton Head Island, and the City of

Beaufort are all within a few dollars of each other, she said, but the county and Port Royal may change. Since the study results are unknown, stormwater fees have been left the same in the budget. Councilman Murray asked when the results might be known. Mr. Taylor said, "The end of April."

Potential New Revenue Sources

Ms. Todd said everyone knows about the limitations to collecting new revenues, but state law allows the levying of a "service charge." However, another state statute limits the use of the fee to the service for which the fees are paid. Staff is proposing that the public safety fee be based on the appraised value of all real property in the city – the same basis insurance companies use to establish rates and is a readily available, trackable monthly value – which as of March 31, 2015 was $1.85 billion. Ms. Todd said she applied a half a percent against the appraised value, which would generate approximately $909,000 in new revenues for the public safety fee, which would be used to supplement fire and police costs, which are the 2 largest departments and have the largest mandated increases. She explained how to determine an individual public safety fee if appraised value is known. She said there are multiple classifications, and she showed her calculations in each category, then explained the median and average determinations in the types of property classification.

Councilman O'Kelley said, under residential properties, the highest appraised value of some residential property in the city is $2.7 million, and he asked if that homeowner would pay $1,367. Ms. Todd said that's correct. Councilman O'Kelley said, "I understand we need revenue, but I balk at something like that." Mayor Keyserling said, "The fee itself is one way to get compensated for the service we're providing to non-taxable property. Unfortunately . . .it has to be across the board, so you have to do . . . all of these properties or none of these properties," not just the non-taxable properties.

Councilman Murray said he doesn't think $1,300 is a "big deal" to someone with a $2.7 million home, but he has a problem with raising a tax on a $200,000 home that's "basically 100 bucks" for a homeowner who's already contributing to public safety through property taxes. He understands the goal of getting non-contributing properties to contribute to public safety, but he feels this "would penalize those who are already contributing to get those who aren't contributing to contribute."

Mayor Keyserling feels public safety is where the city is "vulnerable" because of lack of revenue, particularly the police. He cited the number of officers in the past and now compared to the number of calls to police that are received. The city can look at taking some more hospitality tax money to use for public safety, but there are limits, and it will mean "we don't do other things." His biggest concern is that the city could slip on the support given to public safety, which is a principal responsibility.

Councilman O'Kelley said he understood that this was determined on appraised value, but he asked if it could be done like stormwater is, "just a flat fee." Ms. Todd said stormwater isn't a flat fee: it's $105, based on pervious square footage. Councilman O'Kelley asked if a flat fee

could be done instead of "a percentage like this." Ms. Todd said they could, but someone with a $100,000 home paying the same as someone with a $2 million home is "inequitable." Councilman O'Kelley said he wasn't suggesting that Ms. Todd should "go compute it" but was "asking if we can do a flat fee." Ms. Todd said, "Sure, you can," but Councilman McFee said he didn't think so because by state statute, "it has to be equitable." Councilman O'Kelley believes, "Equitable is if everybody has to pay the same thing." Councilman McFee said it's "not the same if you're basing it on value." Councilman O'Kelley said they could "not base it on value."

Mayor Keyserling said another option is that, while the city has cut back, a great deal of money is still invested in state-owned roads, sidewalks, sewers, and infrastructure. The county has different issues – paving dirt roads in rural areas – than the city – which tries to maintain state infrastructure. Mayor Keyserling said he doesn't like that someone would have to pay that high of a fee, but public safety needs revenue. Mr. Prokop said the owner of a $250,000 home would have a $100 fee but would spend more than that per year at Starbucks; still, the city must be equitable and look to the future, in which business license fees will be "under attack in the next 3 years," and the city will be losing money, so "we have to come up with something."

Councilman Murray said he understood that, but, he noted, "Wages have been flat for 5 or 6 years." He feels it's important to be "cognizant of the fact that 20% of Beaufort's population lives at or below the poverty line," and "15 or 20% live just above it," so while some will be drinking Starbucks every day, to others "$5 or $10 a day is a big deal." Other taxes and fees are also increasing, so the cost of living increases while wages are flat.

Councilman O'Kelley noted that 24 parcels are listed as "educational," and he said he assumes that is "the university and grammar schools." Ms. Todd interjected "TCL, probably." Councilman O'Kelley said, "The highest, you've got $16,000 plus," meaning the calculated fee. Ms. Todd said, "They're paying about $14,000 in stormwater fees now." Councilman O'Kelley said if they had to pay an additional $16,000, they "might just say, 'Well, we'll just shut down.'" Mayor Keyserling said if you look at the police calls around TCL "that those people Stephen is talking about are paying for, you'd be surprised." Councilman O'Kelley said he's "not surprised . . . I'm just saying $16,000 is a killer." Ms. Todd said they have a multi-million dollar budget. Councilman O'Kelley wondered if they would have "an extra $16,000 floating around to pay for something like this." Councilman Cromer said even a fee in lieu would be thousands of dollars.

Councilman Murray asked what the city was looking at in terms of projected revenue in addition to what we've received this year." Ms. Todd said excluding the fee under discussion, revenues are currently $17.1 million. Councilman Murray said the good news is that other revenue sources will increase without the fee or millage increase. Councilman O'Kelley said they have to factor in that only 93% would be collected. Mayor Keyserling said, "But we've been working on that." Councilman Murray said even conservative estimates show an increase in revenue, but he assumes there will be increased expenses as well. Mayor Keyserling said the city must "figure out how we're going to position ourselves" in order to "accommodate the losses that we're going to see" from the state in the future "without (experiencing) abrupt shifts."

Councilman Murray said he understands the argument for requiring entities like the hospital to contribute to public safety when they have a $500 million-plus budget and aren't currently required to do so, but he's concerned about "charging everybody." Mayor Keyserling said non-taxable properties are a challenge, and as costs go up, it's necessary to discuss this kind of fee. Ms. Todd said there are legal opinions that support a public safety fee being applied to non-taxable properties.

Mayor Keyserling asked Ms. Todd if a "fee for service" could be charged. Ms. Todd replied that there's a problem with that because of "your overhead (for) billing and collecting is much higher, your collection is lower, (and) it's tough to enforce." A fee on a tax bill, she said, "is a lot more collectable." She's audited governments that have public safety fees billed for services, and "the collection rate is less than 50%" and "usually takes 2–3 people between the billing and collections," so the net is a very low, not cost-effective amount.

Councilman Murray said the problem is the lack of "a strong commercial tax base" and the failure in economic development priorities because of an overreliance on "tourism and military money for so long." Mayor Keyserling agreed.

Ms. Todd said the adopted budget was $17.5 million last year, and with amendments, it's risen to approximately $17.7 – $17.8 million. Some came through fund balance, and some was funded through debt, neither of which are "options going forward." Revenue was $17.1 million last year, Ms. Todd said, "but we've got some increases."

Ms. Todd said council needs to be aware that if they move forward with new revenue, a public hearing and 2 readings are required to adopt a new ordinance prior to FY2016, so "timing is extremely critical." Councilman Murray asked Ms. Todd when staff would give council the expense side of the budget. Ms. Todd said department presentations would start the following week. Mr. Prokop said they know from preliminary numbers that they're "about $700,000–$750,000 short" with flat department budgets because of state retirement requirements, among other things. Contracts going down or up will "swing it either way."

REDEVELOPMENT COMMISSION

Mayor Keyserling said any solution they discuss in regard to revenue is a short-term fix. Council has concluded that it "needs to be more engaged and focused on certain parts of redevelopment activities." Applicants for the commission will be chosen with "more precise" criteria than were used in the past. Mayor Keyserling said he and Councilman Murray had had lunch with **Stu Rodman** who said the county "will be struggling for awhile with what they're going to do." They have seemed to hear that the municipalities' "mayors want to be at the table with them from a governing point of view," that cultural tourism is "important but needs to be separated from economic development," which is about offering better opportunities to the next generation. Mayor Keyserling thinks the city will be "a little more included from a policy point of view."

Councilman Murray said council has come up with 5 committee structures within the Redevelopment Commission and briefly outlined what they would work on. They have discussed the skill sets commissioners would need, a timeline, and a goal for staffing it, among other things. Mayor Keyserling said he and **Jon Verity** had discussed bringing the number of committees to four.

Mayor Keyserling said the commerce park is ready, and a separate code was passed for it. Ms. Anderson had agreed that "anyone who comes in with a complete package would have permitting within 30 days" as part of the code for the commerce park, though he doesn't know if all "light industry districts" are covered. Mayor Keyserling discussed "streamlining" of permitting and licensing, including the Beaufort Code and Boundary Street, which he feels "has to stand alone," as do economic development, infill and redevelopment. The question of housing has to be resolved as well, and there is a commitment to the Housing Authority. The city is handicapped by the budget from the planned-for $55,000, a part of which Port Royal was to pay, but they didn't budget for it and then neither did the City of Beaufort. Mayor Keyserling said the plan had been to put "two strong people in the environmental of a non-profit," sharing with Bluffton and Port Royal, and "be supportive of affordable housing that way." This fell apart, though, after about 7 years of trying to make it work.

Mayor Keyserling feels that "affordable housing doesn't fit into economic development. The land behind Boundary Street could be used for affordable housing, he said; a developer called him who wanted 10 acres to do 50 townhomes. There are probably 30–40 acres there. In a way, he said, it relates to Boundary Street and to economic development. There's also a question about materials, etc. for new housing in the Historic District. He concluded that economic development – "the jobs and the tax base – has to be at the top," of priorities, where it never has been.

They're seeing returns on Boundary Street investment, Mayor Keyserling said. Infill and redevelopment are important to the hometown character. Mr. Verity said when they redid the Boundary Street Code, they brought in architects, developers, and other parties to make the code "more compatible with future development." When they do the Beaufort Code, they need to look in the same way at how to make it work so that Beaufort is a good place to do business, he feels. Mayor Keyserling said, "Staff is pretty much done" with a draft of the Beaufort Code. Mr. Verity said, "When people are brought to the table," they should be asked what they feel the city could do to make it easier for businesses to come to Beaufort.

Councilman O'Kelley clarified that the discussion was about four additional commissioners plus five council members. Mayor Keyserling said he envisions finding those with the expertise to match the expertise of each individual council member, then building Redevelopment Commission committees, but not just with Redevelopment Commission members. This will require a different kind of commitment from council and from commissioners. Mayor Keyserling said he sees Councilman Murray on "jobs," and Councilman McFee should head a committee that will "know every single property that's out there . . . have an idea of what it's use could be and put it out there" to realtors and developers and begin to show them what

could be done. Councilman O'Kelley, Mayor Keyserling said, could work on the code, and go into streamlining permitting and licensing. Mayor Keyserling said they'd not discussed retaining existing small retail businesses. Councilman Murray said he feels this falls under economic development and explained why. Councilman McFee said he sees it as "reenergizing and maybe retention . . . Changes there may help other businesses be stronger."

Councilman Cromer said he'd feel most comfortable working with Councilman Murray, and he feels there are things that could be done to help existing businesses grow. Mayor Keyserling speculated about whether there should be a grants committee. Mr. Prokop said staff had formed a committee that the Redevelopment Commission could utilize. Councilman Cromer suggested the LCOG could be used as well.

Councilman Cromer asked about bringing in "other players" to these committees, such as the Chamber of Commerce, which could provide useful data, for example. Councilman McFee said they would serve, as they have in the past, as resource partners. Mayor Keyserling said he feels it will be up to the teams that each councilman builds. Mr. Verity said as the teams come together, there will be a lot of community interest. Clarity and commitment to goals will be key to their success, Mr. Verity feels.

In regard to the Beaufort Code, Ms. Anderson said it's "well underway." **Lauren Kelly** "is heading up that effort," Ms. Anderson said, and has excellent skills and experience to do so. She's currently working from home. Ms. Kelly needs to do one more complete read and then will turn it over to Ms. Anderson. Staff wants a complete document before it's released to a committee for review. They feel a technical review process could realistically begin in the fall; this should take place first before a more general review. The Comprehensive Plan and the Civic Master Plan have already been done to set the basis of the development code / document. Ms. Anderson said this committee should be small – 7 members – and staff has suggested who the members should be, based on their knowledge of the review process. The chairs of those boards and commissions, staff suggested, should be among those on this technical review committee, if possible. She reviewed the qualifications of the chairs of the Historic District Review Board and the Design Review Board, for serving on the committee to represent small business and their neighborhoods as well as because of their professions. Ms. Anderson said staff thought one of the two Planning Commission representatives would be a good chair for this committee because looking at the code is what they do. Mr. Harris would be a good chair, she said, owing to his qualifications.

Ms. Anderson said the committee should be able to move at a fast pace because the code will be done. If a question were to arise about something, they can turn to the chapter on that and answer the question, not write the chapter. She suggested that the technical review committee should "really focus on the code," and gave an example of how they can look at the smaller picture rather than the whole one (e.g., districts, not the whole city). If the committee meets in the fall, they could have a draft for public consumption by the spring, then take it to the neighborhood associations with a map. The goal for adoption would be for it to occur by the end of 2016.

Councilman O'Kelley said the original committee was 16–18 people, and he's "hearing that's going to be done away with," and staff recommends it "being winnowed down to about 7 people." Mayor Keyserling said, "It's a political issue that we have to discuss at some point." Councilman O'Kelley said the original committee had completed the code for Verdier Bluff "and maybe all of Pigeon Point." He doesn't know if Ms. Kelly has "incorporated those results into what she's done or whether she's completely redone it again and changed it." He said there were lawyers, contractors and others on the committee, and while he's not averse to the smaller committee idea, he doesn't "want to lose what we already hammered out." Mayor Keyserling said his assumption is that before the Lawrence Group left, they were part of finishing writing the code, and while they may have cherry-picked it, they were privy to the original committee's meetings. Councilman O'Kelley said Ms. Kelly would have to answer that question.

Councilman O'Kelley said the problem with the committee was friction among some of the personalities, and Mayor Keyserling said he felt that the group was too big. Mayor Keyserling said the committee was tasked with writing a code when there was no plan, so they started with virtually "a blank piece of paper." Councilman O'Kelley said they had a template from the Lawrence Group. Mayor Keyserling said it "didn't necessarily fit" because the Civic Master Plan "wasn't finished." The committee would've been better off, he feels, if the last chapter of the Civic Master Plan was a template for an ordinance that then went through the scrutiny, which is where they are today. Councilman O'Kelley said it would be good to have professionals looking at it. Councilman Murray added that they're professionals with real world, firsthand experience with the existing code.

Councilman O'Kelley wondered if the committee could look at it sooner than in the fall. Ms. Anderson said they "want to be completely familiar with the code," and it's April, plus its harder to get people together in the summer, so that might not be possible.

Mr. Prokop said they need a system to select who the citizen RDC members will be; they need to rewrite the ordinance in regard to what the Redevelopment Commission is, whose on it, and how it functions. What council has been discussing, Mr. Prokop said, is what the Redevelopment Commission will be doing, but they need the members and the ordinance, then to discuss what it does. Councilman Murray said the ordinance is done, and it was just the change to the composition of the Redevelopment Commission. Mr. Prokop said **Bill Harvey** didn't do anything yet, because all that had been decided was the membership change. There are many other things the new commission should look at.

Mayor Keyserling said in regard to his role, he and Mr. Verity would work on Boundary Street, as they have been. Council needs to compile a list of the applicants they have had, then put the word out with a job description for each committee on the RDC. Councilman O'Kelley asked if Mr. Harvey should send council the ordinance as it exists and then recommended changes. He said he'd be glad to work with anyone who's like to on tweaking it. Mr. Verity said the process for finding commissioners would be the same as finding other board and commission members.

Mr. Prokop said the parking task force would be good to use as an example. Mayor Keyserling said it's important to stress to potential members that council expects them to work hard and to be at most of the meetings. Mayor Keyserling said if they could get a list of all the applicants in the last 6 months, and council could add names to it. Mr. Prokop said council needs to have a date to get it done. Ms. Burgess said she could have a list by Thursday. Mr. Prokop said they could choose the first week in May as the date by which they will have advertised it and talked to the people they want to.

Mr. Verity said he'd recommend writing a letter to all current commissioners expressing appreciation for their service, saying that council is making changes, and looking for commissioners to work with members of council; council should explain what they are doing so all the current commissioners know. Mr. Verity said it's also important for the new commissioners to know that they will have staff support. Mr. Prokop suggested that Mr. Verity should send that letter, rather than Mayor Keyserling. Councilman Cromer asked who staff support would be until someone was hired: Mr. Prokop or someone he designated? There was general conversation about the process for getting the word out and when there could be a work session to interview potential commissioners.

Mr. Prokop said he welcomes feedback. Mayor Keyserling said it would take 2 or more work sessions to interview all of the candidates. There was more general discussion about timing for the interviews and fitting them into the schedule.

Mr. Prokop said the goals he and Ms. Todd had put forth were derived "from what came out of the retreat." He said council "has to come up with some sort of resource or a fee if we're going to accomplish anything." If there's not going to be a fee, council should decide now before the department heads make their presentations, so they can "start making the cuts now." Councilman Murray asked if a millage increase was on the table, and Ms. Todd answered that "there is no ability to do that. We absorbed it all last year."

Mayor Keyserling thinks everyone needs to think about it. Ms. Todd said she couldn't put anything together without direction. Councilman Murray said he needs "to see the expense side" before he could approve a fee increase. Ms. Todd said the whole budget presentation is scheduled for May 19. Mayor Keyserling told council to think about the fee.

Ms. Todd said April 27 is the deadline for publication of a public notice of a public hearing in regard to any new fee. She reiterated that the fee would need to be adopted before the budget. Councilman McFee explained that to have a public hearing on the fee on May 19, it has to be advertised by April 27. There was more general discussion about the budget calendar.

There being no further business to come before council, the work session adjourned at 7:38 p.m.