

A work session of the Beaufort City Council was held on October 27, 2015 at 5:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Council members Mike McFee, George O’Kelley, Stephen Murray, 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.

CALL TO ORDER

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

DISCUSSION OF THE ACTIVITIES AND PLANS TO FOLLOW THROUGH ON INITIATIVE #2 – TAX-EXEMPT REAL PROPERTY

Mr. Prokop said they have had discussions with legal counsel, and **Bill Harvey** intends to establish some meetings with “property owners that do not pay any taxes in town” to “try to level the playing field.” They will set up meetings and try to come up with mutual agreements, and then suggest an ordinance to council about how to go about this.

Kathy Todd said that in preparation for this, she has Greenwood’s proposed ordinance and excerpts from Beaufort’s business license ordinance. Much of the language from Greenwood’s ordinance was adopted from the Municipal Association’s model business license ordinance, so she provided that to council, too.

Mayor Keyserling asked if there were other communities doing this. Councilman Cromer said, “Columbia was talking about it”; Councilman McFee said Greenville is, too (Carolina Health Systems). Mayor Keyserling said they “have to come across something that is for everybody.” Ms. Todd said Greenwood’s ordinance and the model business ordinance identify those business-related activities that are not tax-exempt. An organization can be a tax-exempt entity but have a subsidiary that is not, and they have to pay federal taxes on the subsidiary’s revenues. Greenwood and the model business license ordinances go after those business activities that compete directly with for-profit entities providing the same services that are not tax-exempt – not those dollars that are given for charitable purposes.

Councilman Murray said Mr. Harvey might have a short list of organizations that council should communicate with; if staff was to provide that list to council, then they can sit down and have conversations. Ms. Todd said she thinks that was what Mr. Harvey was asked to do. She believes they are waiting on his feedback, but he is out of the country.

Councilman O’Kelley said the initiative says “it’s for any for-profit affiliate of a charitable organization”; he asked about Beaufort churches holding bazaars or having a bookstore. Ms. Todd said that would not qualify. Councilman O’Kelley said he doesn’t know where the line is. Ms. Todd said it’s the “990” form – the non-profit informational return – requires them to declare “unrelated business income.” If they pay federal tax on it, it could be subject to the city’s business license. They will follow IRS guidelines as to what is covered and what’s not.

Councilman O’Kelley said if they’re not filing and have a duty to, “probably no one polices that.” Councilman McFee said 990s are required. Mayor Keyserling said they would risk losing their 501c3 if they didn't.

DISCUSSION REGARDING PARKING CHANGES – ORDINANCE, FEES AND TIMES

Linda Roper gave council a plan of action form, which is now updated, she said. The parking task force’s recommendation for paid parking was 11 a.m. – 7 p.m.; it’s currently 10 a.m. – 6 p.m. The parking task force had observed that restaurants’ employees would take parking spots later in the day, so extending the paid hours into the evening might leave more spaces open, because it would make it more difficult for them to game the system. Ms. Roper said changing the start time from 10 a.m. to 11 a.m. might also benefit the merchants, because free parking early in the day might draw locals downtown before the lunch crowds got there. She said Park Beaufort could program the meters so that if people showed up early – like 10:30 a.m. – and put money in the meter, it wouldn’t register that money until 11 a.m.

Alice Wallace said they are working on that now, but they can’t adjust the POM meters; IPS meters can do it, Ms. Roper said, but Ms. Wallace said there’s a glitch. The kiosks have signs that tell everyone not to pay before 10 a.m. If they want to, they can buy a ticket, and it will reflect that it starts at 10 a.m. POMs are not the credit card-operated meters, Ms. Wallace explained; those are IPS. Ms. Roper said the meters are ordered, to allow the switch over to IPS. It should be in place by the first of the year.

Ms. Wallace said there is a credit card charge for the IPS meters. The meters in the upper part of Craven Street and the backside of Charles Street are not used as much, and “there’s a cost for the cellular.” Ms. Roper said they are having more events in that area, so they are looking to put the IPS meters there. The meters from Charles to Church Streets will remain POM meters, though, because they are used less. Ms. Wallace said the charges are about \$7 a month on average.

Councilman O’Kelley asked Ms. Wallace how Park Beaufort could do the “thank you” for first time offenders program. Ms. Wallace said Park Beaufort employees would be able to see that someone has never had a ticket. Ms. Roper said the problem with this idea is that everyone is on an even keel until they offend: the program has to start for everyone from that day on which it’s initiated. Councilman McFee asked why. Ms. Roper said they have to do that to enforce it properly, and to make the system work.

Ms. Roper said the items she’s covering are the things that she needs direction on from council in order to bring about change to the ordinance. She said she isn’t recommending (or not) any of them. Councilman O’Kelley asked Ms. Wallace how she would manage Park Beaufort employees if the hours of enforcement extend to 7 p.m. Ms. Wallace said Park Beaufort opens now at 9 a.m., but they could adjust. Enforcement employees come in at about 8:45 a.m. now, but could come at 9:45 a.m., and would work until enforcement was over.

Councilman O’Kelley said he has observed that, at 9:30 or 10 a.m., no one is parking on Bay

Street, because most stores aren't open until 10 a.m. **Gene Rugala** said the parking task force's suggestion to change the enforcement hours was also about the restaurant workers who are gaming the system and taking up prime parking spots. This change gives the free hour to anyone wants to come downtown at 10 a.m., but it also prevents that gaming. Ms. Wallace said either scenario is fine with Park Beaufort. Councilman Cromer said he likes 11 a.m. – 7 p.m., and the parking task force had recommended it.

Councilman O'Kelley said years ago, people paid for parking until 5 p.m., and he had pushed for that, because there were hardware stores and a drugstore downtown, which people might go to after work. Mayor Keyserling asked if council was comfortable "on the backend" – meaning the 7 p.m. end time. Mayor Keyserling and Councilman McFee agreed that council will have "a whole new constituency to hear from," as Mayor Keyserling said. Councilman O'Kelley said most of the stores close at 6 p.m., so mostly restaurants would be affected. Councilman Murray and Ms. Roper said more stores are opening on Sundays now, and both said Bay Street had been busy the previous weekend. Mr. Rugala said the restaurant representatives on the parking task force were OK with doing this.

Councilman Murray said the restaurant patrons should share some of the parking costs that have been paid by the retail patrons for years. Mayor Keyserling said he has n problem with that. Mr. Rugala said the parking task force had talked about creating employee parking off of Bay Street, too, with this change in the hours of paid parking. Ms. Roper said they want the ordinance to be changed and effective by January 1, post-free holiday parking.

Mayor Keyserling asked if all the councilmen were OK with 11 a.m. – 7 p.m., including establishing alternative employee parking, and there was general agreement.

Councilman O'Kelley asked Ms. Wallace if Park Beaufort had a report on how booting of vehicles was going. Ms. Wallace said the boots are painted and ready to go, but Park Beaufort is not yet booting cars. Mr. Prokop gave an example of a person who had been warned that he would be booted if he exceeded a certain amount in parking tickets, and he has. Ms. Wallace said that person is using a different vehicle to park downtown now, but when the original vehicle comes back, it will be booted.

Ms. Roper said Ms. Wallace is working on payment plans with some people who have multiple tickets to prevent booting. Ms. Wallace said, per the ordinance, to be booted, they must have at least three open citations, with the last one being at least 15 days old. Councilman McFee asked Ms. Wallace how much is currently outstanding in parking fines. Ms. Wallace said she would estimate outstanding fines at around \$4000–\$5000 right now. The amount of the fine escalates from \$10 to \$20 to \$45. It escalates at 30 days.

Ms. Roper said the parking task force had recommended only two tiers of time limits on the meters – 3 hours and 8 hours; there are currently three tiers (3, 4, and 8 hours) based on the 1998 Walker study (which was 2, 4, and 8 hours). The parking task force recommended the limit from Bay Street back to Craven Street be 3 hours, with 8 hours limits on Craven and Bay Street

Ext. Ms. Roper said most people parked for 1.78 hours, per the license plate recognition data, and those the parking task force surveyed had said two hours. They also had data that showed an average length of stay is 2.14 hours. With 3-hour limits on meters, Ms. Roper said, those who want to game the system will be more enabled to do so. Theoretically, if there's a 3-hour limit, parking on a meter can only turn over 2.5 times within the 8 hours of paid parking.

Mayor Keyserling said he thinks this matter received a close vote among those in the task force. Ms. Roper said it did. Mr. Rugala said it had been discussed at the June 30 work session. The parking task force had recommended 3 hours, but they said council should look at 2 hours. Mayor Keyserling, Councilman O'Kelley, and Councilman Murray all agreed that they were fine with a 2-hour limit, which is what the data shows is about how long people park, anyway. Ms. Roper clarified that council would like it to be a 2-hour limit from Bay Street in the first block to Port Republic, then 4 hours from Port Republic to Craven Street, then 8 hours on Craven Street and Bay Street Extension.

Ms. Roper said several businesses on that end of Bay Street use the extension to park; when the playground lot was built, it meant a lot of monthly parking spaces were lost – they went from 40-something spaces to 13 – so they lost monthly parkers there, some of whom shifted to Bay Street Ext. The inventory for monthly parkers is very limited on that end of Bay Street, while there are many monthly spaces in the marina lot. Ms. Roper asked if this was the consensus. There was general agreement that it was. The library and playground parking lots have 2-hour limits, and the others have 8-hour limits.

Mayor Keyserling asked Ms. Wallace “who is parking on those streets,” i.e., West and Scott Streets. Ms. Wallace said, “You see a lot of the morning folks who come in, open up, and then they leave” around lunchtime, “when their 2 hours” have passed. In the spots by the Beaufort Inn on West Street and back, parkers do stay 3–4 hours. Ms. Roper agreed that those parkers tend to stay 4 hours, whether they park in the morning or afternoon.

Ms. Roper said they are working with the Chamber of Commerce on a parking map. Main Street Beaufort is working on a business directory, and **LaNelle Fabian** has agreed to have information about parking in there. Mr. Rugala said, “Education will be the key.” Ms. Roper said the parking map would be on various websites.

Ms. Fabian said she would never pick up a whole brochure about parking, so she had offered space in her business directory to help. Councilman Cromer said he was thinking of a cultural corridor map, for example, and then having information about parking on the back. Ms. Fabian said that's what the Main Street Beaufort brochure will be like, with parking information on the backside. Ms. Roper the parking task force had recommended it, so they will see how the costs work out, and they may do something different than a brochure.

When asked if the parking task force would have a problem with council choosing to do three tiers of time limits, Mr. Rugala said the parking task force had made recommendations, but that's all they are. Ms. Wallace said the meters say paid parking is from 10 a.m.-6 p.m. and

what the hour limit is for that spot.

Councilman O’Kelley and Councilman Murray complimented Ms. Wallace and Park Beaufort for their “rapid response” in fixing malfunctioning meters.

Ms. Roper said the parking task force did not recommend changing rates – it’s \$1 an hour for the 2-hour meters, \$.75 “on the second block” (4-hour meters – Ms. Wallace said this rate “picks up at Port Republic”), and \$.50 on Craven Street (8-hour meters). Bay Street Ext. is \$1/hour, “but you can stay 8 hours,” Ms. Roper said. Bay, Carteret, West and Scott to PR, Councilman McFee said, are \$1/hour; Carteret, West and Scott to Craven Street are \$.75 an hour.

Ms. Fabian feels that if there needs to be a brochure to explain parking, “it’s too difficult.” Ms. Roper said currently the map shows these rate zones in color. The merchants, Ms. Fabian said, find explaining parking “too confusing” to enable them to explain it to people, so they tell people to go to Park Beaufort with questions. There was a general discussion about what they could do to make it less confusing. This is why the parking task force recommended two tiers of rates, Ms. Roper said. Councilman Cromer said he agrees with \$1 an hour and \$.50 an hour. Councilman Murray said they should keep the 2-, 4-, and 8-hour parking limits, but only have two pricing tiers – \$1 and \$.50 an hour Councilman McFee said all parking would be \$1/hour everywhere up to the north side of Port Republic, where it would be \$.50 an hour. He speculated this would affect fewer than 30 meters.

Ms. Roper asked council’s opinion about the “thank you” for first time offenders. Councilman O’Kelley said he thinks “that’s a wheel-spinner” – i.e., an exercise in futility – and he doesn’t think it will work. Councilman Murray agreed.

Ms. Roper said they have now covered all the recommendations from the parking task force, and they will have first reading of an ordinance soon. Councilman Murray asked about paying for parking by text, and Ms. Wallace said they just need to get the meters that allow that in.

Ms. Roper said council would get a suggestion about changing the rate during festivals for parking downtown; it’s currently \$1.60 per day, per event for a festival that requests it in the marina or playground lots. During the past festival season, they kept a count of how much it is costing the city vs. how much it has charged. Park Beaufort staff has to mark the spaces out, cone them, and enforce them. It was costing an average of \$2.35 per space, per day in those lots; they were only charging \$1.60, though, she said, plus staff costs should be factored into the cost of the space. Councilman Murray asked if it was fairest to do it by the space, not a flat fee, and Ms. Roper said that’s correct. The festivals think they need the space, but the monthly parkers are all displaced during that time, and there’s nowhere for them to go, which is frustrating for them, plus they are not getting the rate they would be getting were the spaces not going to the festivals at the low rate. So Ms. Roper thinks the rate should be raised; they should also try to obtain personnel costs, and council should consider if the number of spaces festivals can use should be limited to allow monthly parkers to still park there.

Ms. Roper said that monthly parkers are called ahead of time (before festivals) and told the spaces will be taken up; it's also on their contracts. Ms. Fabian said monthly parkers could park in 4-hour spaces with their hangtags – anywhere but on Bay Street – during festivals. Carteret, West, Scott and Charles Streets could be used for this during festivals, Councilman McFee said.

Councilman McFee asked if, when spots are marked off for service contractors, e.g., for renovations in front of buildings, they pay. Those rates haven't changed from \$10 a day, and Ms. Roper said she and Ms. Wallace would recommend that those rates should change. The Park Beaufort staff and Ms. Wallace have pared down the contractors' spaces, to get them off of Bay Street and to accommodate them somewhere else that's still convenient. Merchants complain about contractors in front of their businesses for a week or two at a time. There have been more lately, she said. Mayor Keyserling said, "That's a good thing."

Mayor Keyserling reviewed the points with which council agrees and disagrees with the task force recommendations. There was general agreement that there should be 3 tiers for time limits, but just 2 tiers for prices; council does not support the "thank you policy" for first-time parking offenders because of the difficulty of enforcement. Mayor Keyserling reviewed some remaining items on the task force list; he said a transit system and extending meters on Carteret and Craven Streets are irrelevant until they come up with an employee parking plan. Ms. Roper said that would mean either reconfiguring the Marina parking lot or acquisition of the Bank of America lot.

Ms. Roper said they have been working on the RFQ for the parking garage. They hope to have it to council for review and suggestions on November 9. In regard to the potential membership of the new parking committee, she will submit the list to **Ivette Burgess** by the end of the week. It is an advisory committee, she said.

QUARTERLY REPORT ON FINANCES, BUDGETED PROJECTS AND GOALS

Ms. Todd said most of the information she will present came through OpenGov. It's a three-year comparison. Total revenues are a little bit higher than normal; expenditures are a little less than last year and considerably less than in FY 2014. With revenues, property tax is very small: they are finishing up receiving it for 2014, and will bill 2015 "shortly." Local hospitality and accommodations taxes are the most significant part of revenues because they are paid monthly, Ms. Todd said.

She reviewed a more detailed breakdown of revenue types and said there's a slight increase in "other taxes," which are local hospitality and accommodations taxes. The Chamber of Commerce had reported an increase in tourism in the first quarter, which is consistent with this. Looking at the revenues pro-rated into 25% increments, Ms. Todd said, does not accurately show "how the revenues come in to us"; the actuals, however, are very consistent and accurately reflect how the revenues come in to the city. She explained a slight bump in property taxes.

Ms. Todd then reviewed the departments that fall into various first-quarter expenditure categories. Councilman McFee asked about stormwater, and Ms. Todd said revenues go into charges for services, and expenses come out of Public Works' stormwater division. She then showed a comparison of three years of expenditures by function. Departments' expenditures are way down, as are revenues. Nothing is out of line, she said.

She then reviewed the same period in a breakdown by expenditure type. 58% is personnel and employee benefits. Ms. Todd said benefit costs have been held steady, with the exception of workers' comp. She compared the pro-rated budgets last year and this year; they're about 17% below in this quarter.

Mr. Prokop said he had sent council a first-quarter report and wanted to know if this is the type of information they want. He has other details if they would like more it. Mayor Keyserling said the narrative was good.

Councilman McFee asked about the fire department, which appeared to have been off-center, but has "pulled in the straps." Mr. Prokop said in 2009 or 2010, "the fire department was on a different hourly schedule" for their shiftwork and how they were paid. They were paid an amount but then deductions were made for time off, lunch hours, etc. An agreement was made to go to a 120-120-96 work schedule, but he and Ms. Todd were not aware of that, so they were budgeting for 106-106-96. Councilman O'Kelley asked how this agreement happened. Ms. Todd said Mr. Prokop "found it buried in a file folder." Ms. Todd said it might have to be adjusted this fiscal year because of what they had budgeted for. Mr. Prokop said they wanted to see this in writing, and he had found the written agreement in the back of an HR file, so it had been done, but "it wasn't picked up."

Councilman Cromer asked about the Fair Labor Standards Act, and Mr. Prokop said that was all covered. Ms. Todd said that's where 106 comes from: that's the cap before overtime is required.

Mr. Prokop said things are popping up that weren't budgeted for, but the biggest concern is the state legislature or the SCDOT, which make decisions for the city, and the city has no control over those. For example, he said, technically, the city isn't responsible for storm drainage maintenance, but in reality, they are. There was a general discussion about stormwater situations. Councilman O'Kelley said the drains in his neighborhood "are in pretty good shape." Councilman Cromer said there are places in The Point where they are not.

Council agreed that the financial report was sufficiently detailed. Councilman Cromer said he would like to see what has happened "that you didn't plan on." Mr. Prokop said the departments would have templates to allow them to contribute to their reports to staff, which will then help Mr. Prokop and Ms. Todd to structure these reports to council. Mayor Keyserling said this is better information than he has seen in years.

There being no further business to come before council, the work session was adjourned at 6:45 p.m.

A regular meeting of the Beaufort City Council was held on October 27, 2015 at 7:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, council members Mike McFee, George O'Kelley, Stephen Murray, 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.

CALL TO ORDER

Mayor Keyserling called the regular meeting to order at 7:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Pro Tem McFee led the invocation and the Pledge of Allegiance.

MINUTES

Councilman Murray made a motion, second by Councilman McFee, to approve the minutes of the work session and regular meeting September 22, 2015. Councilman Cromer said, on p. 2 of the minutes, in the 5th paragraph, Mayor Keyserling asked said" should be "said."
On p. 2, "Talbert Road" should be "Talbird Road." This is incorrect at every use.
At the bottom of p. 3, the reference to Alice **Howard** should be Alice **Wallace**.
On p. 4, in the first paragraph, the word "is" is missing between "that" and "done."
Councilman O'Kelley said on p. 15, "Michael" was left with a question about the last name. (It should be Ahern. –steno.) **The motion to approve the minutes as amended passed unanimously.**

REQUEST FOR CO-SPONSORSHIP FOR WATERFRONT PARK FROM AGAPE HOSPICE FOR LIFE BLOOMS ETERNALLY EVENT

Councilman McFee made a motion, second by Councilman Murray, to approve the request for the November 23, 2015 event. Ms. Burgess said this is the first time the event has been in Waterfront Park. They are requesting that the fees be waived through co-sponsorship. **Susie Siegel** said the event is done in November all across the state "to raise awareness about the hospice benefit," and to honor those families of patients that the hospice has taken care of. Family members can dedicate umbrellas to their loved ones, and Ms. Siegel said they also accept donations to their foundation. She described the event and showed pictures from a similar event in Charleston this summer after the Emanuel AME Church shooting. She said she might offer invitations to other hospices to participate as well.

Ms. Siegel told Councilman Murray that Agape is a for-profit hospice, but the foundation has a 501c3, and that's who's making this request. GO said that's not what the application says. He asked Ms. Siegel how "Life Blooms Eternally figure(s) in with Agape Hospice or Agape Foundation." Ms. Siegel said Agape Hospice puts on the "Life Blooms Eternally" event. They send out invitations and put out the umbrellas, and any donations go to the foundation to be used to help those patients who need financial assistance.

Councilman O’Kelley said he has concerns: there’s a Columbia address on the application with Agape Senior Foundation, Inc., there’s the event name and the organization is Agape Hospice, with a Boundary Street, Beaufort address. Their corporate headquarters are in Columbia, Ms. Siegel said. Any money raised goes to the not-for-profit foundation in Columbia to help patients all over South Carolina. **The motion passed unanimously.**

ANNUAL REQUEST FROM SOUTHERN SCOOTER TO HOST MOTORCYCLE TOY RUN

Councilman O’Kelley made a motion, second by Councilman Cromer, to approve the request for the December 13, 2015 event. Ms. Burgess said this is an annual request, and nothing has changed: route, police and fire department awareness, etc. **The motion passed unanimously.**

MOTION TO APPROVE FY 2016 ATAX GRANT FUND ALLOCATIONS

Mayor Keyserling said there was confusion at the work session, and Mr. Prokop wants to “bring clarity to the numbers.” Mr. Prokop said he would address “what I consider misinformation that has been published about the city plans and the method and use of ATAX funds.” The amount to be spent total was \$687,132. \$106,800 went to the DMO. \$42,000 went to the city with a net balance for TDAC of \$537,532.

The city applied for \$262,121. TDAC interviewed all applicants for funding and made recommendations to council. The committee only recommended allocating \$5000 of the city’s request, Mr. Prokop said. The committee didn’t recommend funding the salaries of a tour vehicle coordinator (TVC) and another police officer at the rate the city had requested. Mr. Prokop said these costs are “tourist-related – this money was not for additional officers for downtown. It’s a cost of providing public safety for our tourists and also organizing our tours, the carriages, etc.” The committee also “did not feel the Spanish Moss Trail is yet a tourist attraction and did not recommend any funding for it.” Staff does consider the trail “is one of our key tourist attractions,” Mr. Prokop said, and believe funding should be considered.” The police department camera system “is an investment in public safety and will have definite benefit to our tourists.” At the council work session, concerns were raised about the cameras, so Mr. Prokop asked Deputy Chief **Dale McDorman** to show “a live look at Bluffton,” which he did.

Mr. Prokop said the city’s request “should not be a surprise or a cause for anyone to be perplexed.” He indicated “state accommodations funds” in the city’s budget, which “spells out exactly what the city was going to be asking for,” and said it was discussed in March, April, and May.

Mr. Prokop then read from the July 28 minutes the motion to release \$125,000 of Accommodations Tax fund balance to be used for the USCB Center for the Arts (CFA) grant “in concurrence with TDAC approval.” He said **Chip Dinkins**, the TDAC chairman, had said at the last council meeting that TDAC had made its recommendations “and now it’s up to council to either agree or make the adjustments.” Staff made “a few adjustments” to the committee’s recommendations, Mr. Prokop said, most of them to the city’s expenses and Historic Beaufort Foundation and Main Street Beaufort’s requests for funding above TDAC’s recommendations.

Councilman Murray made a motion, second by Councilman McFee to approve the revised grant allocations as presented by staff.

Councilman Murray reviewed the changes:

Santa Elena Foundation – TDAC recommended \$20,000; staff suggested \$15,000.

Historic Beaufort Foundation, Architect’s Spring Tour – TDAC recommended \$1200; staff suggested \$2000.

Historic Beaufort Foundation website development - TDAC recommended \$1000; staff suggested \$1500.

Beaufort County Historic Society – TDAC recommended \$5000; staff suggested \$0.

Beaufort Chamber of Commerce, general marketing - TDAC recommended \$95,000; staff suggested \$90,000.

SC Tourism Commission - TDAC recommended \$15,000; staff suggested \$12,000.

Main Street Beaufort - TDAC recommended \$35,000; staff suggested \$38,999.

Penn Center - TDAC recommended \$18,000; staff suggested \$12,000.

City of Beaufort, Spanish Moss Trail maintenance – request was \$30,000, TDAC recommended \$0; staff suggested \$20,000.

City of Beaufort, camera monitoring system for downtown - request was \$75,000, TDAC recommended \$0; staff suggested \$35,000.

TVC/Patrolman 3 for downtown - TDAC recommended \$5000; staff suggested \$146,325.

Councilman Murray said no group is receiving less than they did the previous year. The Chamber of Commerce’s allocation as the DMO was \$24,000 – 26,000 more than last year. Councilman Murray said council felt that “in a tight year, when all of our other departments have had to squeeze their budgets, it was fair to ask everyone else to do the same.” There was no council commentary.

David Taub congratulated the mayor, the city manager, and council for “creatively” addressing the absence of police downtown “on a regular and predictable basis.” He said “a number of citizens . . . have talked to me about the critical importance of having law enforcement visible 24-7, ideally.”

Mr. Dinkins said the recommendations of staff are not the recommendations of the TDAC committee. There are some glaring differences, and he wants council “to understand that and where we are coming from” in terms of the committee’s recommendations for grant requests. TDAC thought there should have been other bids on the cameras. The proposed \$35,000 “is a much more palatable number” than the original \$75,000 request. Mr. Dinkins said the Spanish Moss Trail, while the committee’s members all support it, there’s not enough data to support it as an attraction for tourists at this time, and when it goes to SC TERC (Tourism Expenditure Review Committee), they may have trouble explaining how it is a tourist amenity, not a community trail.

Mayor Keyserling said he thinks that staff “did a good job by the university.” He said “the

second part of the cameras” might be paid for “out of a request next year.” Staff “(split) out some of the costs,” and council has a commitment to giving USCB \$125,000 “but we’ve arranged to spread that out as well as you recommended” with an initial allocation of \$75,000 (which was TDAC’s full recommendation).

Donna Starkey, Otter Circle, said this is a complicated issue; she doesn't like the idea of law enforcement needing to be paid out of tourism dollars. She feels that should “come out of the regulation budget” or an additional tax. This “appears to be taking it out of one pot and putting it in another.” It’s not law enforcement’s function to bring tourists here, which is what she understands Accommodations Tax to be meant for. If there needs to be a tax increase to pay for additional law enforcement, Ms. Starkey would support that.

Councilman O’Kelley said the statute allows for council to pay for law enforcement functions as a part of ATAX, as long as it’s tourism-related, which is what the cameras will be. Ms. Starkey asked if sidewalks, traffic lights, etc. could be included. Councilman Murray said there is “an important distinction . . . in the statute” about where ATAX money can be used: in areas where there are deemed to be “high concentrations of tourists.” He asked Ms. Starkey, when she travels, if “you visit places where you would feel unsafe?”

Ms. Starkey said she supports law enforcement, but she doesn’t feel this fits into what her understanding of Accommodations Tax is. She said people should understand what the costs are; she’s in favor of knowing and “paying the true costs.” Mayor Keyserling said they have “had the luxury of being able to fund these things out of the General Fund,” but now they don’t, and “if we’re going to have people coming (to Beaufort), then we have to make them feel that they’re safe.” He feels Beaufort residents will benefit from this as well.

Mayor Keyserling went on to explain that the state has capped the city’s ability to raise taxes, and it may “limit our business licenses” as well, which could mean “a 20% shortfall next year if the legislature were to pass that.”

Mayor Keyserling said people are confused because they had changed – beginning in the spring with the budget process – “for certain things we’ve got to do . . . we’ve got to find the money,” and “this is a pot from which it is legal” to do that. Ms. Starkey said it’s important to say that when publicizing this. Councilman O’Kelley said it was discussed at length at a work session.

Mayor Keyserling said that police stops are not profitable to the city, only to the state, which gets “75%-ish of what we collect.” He said, “There are associated costs that the community faces for being successful with tourism.” Councilman Murray added that council approved \$219,175 last year for grant requests, and subtracting the grant for the CFA improvements, and funding all of the city’s requests, \$38,000 more is being given to community organizations than was given the year before. He said he believes this proposal is a balance of supporting tourism sales and marketing and ensuring that “our product” matches up to that.

Councilman Cromer said, “Also, other communities have been using this same source of

funding – Hilton Head, Bluffton, Charleston, all of them do it – we’re just late to the parade.”

Lolita Huckaby Watson said the numbers look different than what those that the public saw last week at council’s work session. The tour coordinator/patrolman position, she thought, was not funded. She asked how it changed from the work session to now. Mayor Keyserling said, “We took less than we requested, and we took a lot more – considerably more than the committee recommended.” Ms. Watson asked about the difference in the amount for the CFA renovation; Councilman McFee said, “It was a \$125,000 request and \$75,000” is what has been suggested to council by staff. Ms. Watson said, “I thought you couldn't divide it up last week.” Mayor Keyserling replied, “We found a way to do it.”

Councilman O’Kelley said, “We’re not going in the hole: we have this money.” Mayor Keyserling said there’s a fund balance because many of the organizations don’t spend everything they’re awarded. The city is “giving a net increase to the organizations” that applied for it compared to what those who’d applied before have received, “but we’re using up that fund balance for this . . . to absorb these costs this year.” Mayor Keyserling said TDAC would be brought into the process sooner, next year, “So they’re fully aware of what we want. That doesn’t mean they’ll agree to it.”

Susan Sauer, TDAC member, asked if there is a reserve left over, as they’d been advised. Mayor Keyserling said there’s about \$20,000, but it is forecast to get to \$70,000 – \$80,000 by the end of the fiscal year. Ms. Sauer said the committee was advised to always have \$100,000 in fund balance. Councilman Murray said, “It will be less than that.”

Don Starkey asked who would monitor the cameras. Mayor Keyserling said it’s the police department’s “proposal and it will be their responsibility.” Deputy Chief McDorman said it would not be monitored 24 hours a day, but it will be recording. Mr. Starkey said he thinks they need monitoring, instead of just having videos of crimes after they have been committed. He said the person in the TVC role could possibly do this monitoring.

Mr. Starkey asked if this “would come out of the same fund every year.” Mayor Keyserling replied, “It’s a capital expense. How we use it, we will learn.” He asked Deputy Chief McDorman to cite the statistics about Bluffton he had given at the work session. Deputy Chief McDorman said there had been 14 crimes in Old Town, and 10 of them were solved because of their cameras. Councilman Murray said that the officers could access the cameras in their patrol cars, so they could pull up footage if there’s an incident. He asked Deputy Chief McDorman if they could access and rewind footage, and he replied that they couldn't from the car, but the night’s footage would be reviewed every morning. Mayor Keyserling said, “It’s a start.”

Joe McDermott asked Mayor Keyserling to explain what he had mentioned about 25% of the fines collected. Mayor Keyserling said 75% of it goes to the state. The 25% that is kept by the city goes to the General Fund and is used for some police expenses and courts. **The motion passed unanimously.**

RESOLUTION TO COMMIT TO LAND ACQUISITION – BATTERY CREEK VISTA PROJECT

Councilman McFee made a motion, second by Councilman Murray to approve the resolution to commit to land acquisition for the Battery Creek Vista project. Mayor Keyserling described the background of the project. For several years, the Beaufort County Open Land Trust has made opening up the vista on the south side of Battery Creek a priority. The city partnered with the Open Land Trust and went to the county’s Rural and Critical Lands committee, which has “agreed conceptually to grant up to \$1.5 million matched against the city/Open Land Trust contribution of \$1.5 million toward the acquisition of properties . . . on the south side of Boundary Street.” Mayor Keyserling said this resolution “signals to the county that we are ready to pull the trigger” on the purchases that have been negotiated and want to know that the county will do their part. “The net result . . . will be (acquisition of) Sea Eagle, Huddle House, the abandoned fire station, and the United Way building – all but two of the structures on that side of the road.” The mayor went on to say, of the \$30 million investment, “We anticipate a 5 to 1 return once it’s built out” (\$150 million), which this vista “further enhances,” and it will make an impression on visitors, as well. He thanked the Open Land Trust, and said he hopes that the county will agree to match it.

Councilman Murray said his only issue with the resolution is in the first “Whereas,” which doesn’t specify the area beyond “south of Boundary Street,” and the second “Whereas” says the partnership will “purchase as many properties in this area as possible.” He is concerned that people might think this means they are trying to take out *all* of the properties on the south side of Boundary Street. He would like the language to be more specific about the properties to be acquired. He said it starts at the United Way property, going east to the Seven (*sic*) Gates Cemetery. Mayor Keyserling said, “That’s the target area.” **Councilman Murray made a motion, seconded by Councilman O’Kelley, to amend the resolution to include this more specific area.**

Councilman Cromer said he thinks it is not a good idea for council to take a lot of property off the tax rolls. He thinks it’s a low priority, and money will be needed to purchase property for a parking garage. Councilman McFee said the money to be used for this couldn’t be used for anything else. Councilman Cromer said it could be used for land for a parking garage. Mayor Keyserling said they had created this account for acquisition of open space, and they can sell properties to replenish the fund. They bought two parcels on Ribaut Road, for example, and in partnership with Open Land Trust and the county, part of the Lady’s Island Vista. Councilman O’Kelley said the amendment has to be voted on before they can discuss the larger matter further.

Maxine Lutz asked council to project the resolution from which they were reading. **The motion to amend the language of the resolution setting the boundaries of the acquisition passed unanimously.**

Dr. Taub said he has “anxieties and concerns” he wanted to share for council to consider as this project develops. One concern is the loss of property taxes by taking these properties off the rolls. Every year, they will lose the money that these properties had generated in taxes. The

return on investment counterargument, he said, is “mere speculation” at this point. Councilman O’Kelley told Dr. Taub that the gas station and Wendy’s are “not a part of the equation” at this time. Dr. Taub said he had spoken to **Dean Moss**, who had “enlightened” him, and had said acquiring those properties, too, was a long-term goal. Councilman O’Kelley said that the \$50,000 Dr. Taub was saying would be lost annually in property taxes would only be the case if he included the gas station and Wendy’s, so Dr. Taub was giving council and the public “incorrect data.” Dr. Taub replied that he wasn’t “going to get into a p***ing contest with you,” and Councilman O’Kelley reprimanded him for the use of “inappropriate language in council chambers.”

Dr. Taub continued that “when and if (those two properties) are taken off the tax rolls, that’s the money that goes out of the coffers.” The “referendum” and its amendment include those properties, he said, and then corrected “referendum” to “resolution.” Dr. Taub talked about debt service and said it was “unhealthy” in relation to the city’s budget. Mayor Keyserling alluded to the partnership he had discussed previously and reiterated that the funds for the city’s contribution came from a fund set aside for the purchase of open lands.

Dr. Taub enumerated additional expenses beyond the land’s purchase, such as clearing it and maintaining the park. He also discussed the funding of the Boundary Street project itself. Mayor Keyserling replied with some reasons for the initiation of the Boundary Street project and the new restaurants and apartments that are planned, and a new hotel that is being built.

Dean Moss said, “I’m the Open Land Trust guy, so my focus is on open space.” He sees this project over a period of 50 years, and he believes this will bring benefits to Beaufort “way into the future.” People who travel here remember Beaufort’s “signature” vistas that have been opened up. This is a unique opportunity: two of these buildings are abandoned, and the seafood processor badly wants to move, as does the United Way. The parking for all of these properties on that side will be diminished by the Boundary Street project, and the median will diminish the two-way access to those properties.

Mr. McDermott said it was said that the United Way didn’t pay taxes, but he thought that a not-for-profit would pay a reduced rate. Councilman McFee said they pay no municipal or county taxes, only stormwater fees. **The motion passed 4-1, Councilman Cromer opposed.**

REAPPOINTMENTS TO BOARDS AND COMMISSIONS

Councilman McFee made a motion to reappoint Dan Ahern to the Design Review Board; Councilman O’Kelley seconded. The motion passed unanimously.

Councilman McFee made a motion to reappoint Bill Harris to the Metropolitan Planning Commission; Councilman Murray seconded. The motion passed unanimously.

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, seconded by Councilman McFee, to enter into Executive Session for discussion of the proposed sale of property. The motion passed unanimously.**

Councilman O’Kelley made a motion, second by Councilman Murray to end the Executive Session and return to the regular session. There being no further business to come before council, **Councilman Murray made a motion to adjourn the meeting. Councilman McFee seconded. The motion passed unanimously,** and the meeting adjourned at 8:50 p.m.