

A regular meeting of the Beaufort City Council was held on September 22, 2009 at 6:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Council members Donnie Ann Beer, Gary B. Fordham, Mike Sutton, Mike McFee, and City Manager Scott Dadson. In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80(d) as amended, all local media were duly notified of the time, date, place, and agenda of this meeting.

CALL TO ORDER

The Mayor called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

The invocation was given by Dr. Robert Cuttino, Ret., Baptist Church of Beaufort. The Pledge of Allegiance was led by the Mayor.

AUDIT PRESENTATION

Shirley Hughes, finance director and assistant city manager, introduced Chuck Talbert, an auditor from McAbee, Talbert, Halliday and Co. He and Mack Cook, City of Beaufort comptroller, presented the results of the audit to council.

Mr. Talbert said the auditors' first responsibility was to report to the governing body: city council. He presented the organization's qualifications and experience, including their requirement to go through a peer review. He explained the various elements of the CAFR. He said the city has received "a clean, unqualified opinion." He suggested council spend time reading the "Management's Discussion and Analysis" section. Typically, government organizations "leave books open to let the dust settle"; the cut-off for financial reporting is 60 days, and the city reported on the first business day after that period.

Mr. Cook presented slides

- Combined Operating Results of the General and Park Funds: In 2009, the city added \$64,892 to the fund balance, ending the year in the black.
- Consolidated Principal Revenue Sources for the General and Park Fund: The economic drop-off led to revenue sources being down this year.
- Expenses as Percentages of Revenues: Percentage-wise, the pull-back wasn't targeted at one service (public service, public safety, and general government) more than another.

He said that as of June 30, the city is financially healthy. In terms of cash balance, the city is ahead of last year, thanks to the TIF 2 District. The city remained a very responsible vendor. Of long-term indebtedness, he said the city incurred no new notes in 2009.

- Changes in Government Fund Balances: Because of the capital project fund, \$9.4 million went toward the municipal building project.
- Debt Structure as of June 30, 2009: Total debt service is a little under \$2 million. Management has worked hard on the debt. Excess cash enabled them to take out some excess debt that wasn't structured right. They're looking to have "smart debt," not just debt. Solid waste debt will be under control soon; the August numbers look very good because of privatizing recycling.

Mr. Talbert said that the report shows that management's financial documents have been tested. They present qualitative aspects of the financial statements. No new accounting policies were adopted by the city in the past year. There were no transactions which didn't have authoritative data to account for them. The most significant estimate was the depreciation calculation. Claims and potential claims (D-

28) on commitments and contingencies. There were discussions about a number of things the city is involved in, i.e. Waterfront Park, Burton Fire District. Council thought it important that although these things are in process, there's no loss reflected for any of the claims or potential claims. Mr. Talbert said that the city attorney had indicated that if these claims should "settle the wrong way," they could have material impact on these statements.

Mr. Talbert said they'd had no difficulties in the conduct of their work. There were no misstatements, uncorrected audit adjustments, or disagreements with management. He commended council for taking the steps necessary to move the city forward since two years ago, when their relationship with the city began. He said that they have made substantial strides. The auditors have no formal management recommendations. They have made suggestions about possible "management future initiatives" with certain terms, i.e. transparency, fiduciary, stewardship, ethics, corporate culture. He showed a slide suggesting how to create an ethical corporate culture, including establishing an ethics hotline and using data mining, also known as forensic accounting. They're suggesting the city not just adopt some best management practices but approach it comprehensively as a single holistic program.

Councilman Fordham asked if Beaufort County had contracted with the accounting firm. Mr. Talbert said no. Councilman Fordham said it was the fastest audit he'd ever seen, and he's been in city and county government for 35 years. The city manager suggested that at the next workshop they should discuss quality assurance tests and consider naming an audit committee. Staff recommends and welcomes this audit assurance for payroll, receivables, payables, etc. Shirley Hughes commented that the 2009 CAFR is available on the city's website.

PUBLIC COMMENT

Edie Rodgers said she was speaking on behalf of the Beaufort Tea Party on July 4 and a 9-12 project rally at the Waterfront Park. She sent the council a letter about denial of permission for a sign for this second event. She felt the denial was wrongfully given. She sent an e-mail September 6 and heard back from the mayor. She read the letter for the record. For the July 4 rally, they had no problem getting a permit for a sign on private property. When they applied for the permit for the 9-12 project, Libby Anderson said that there had been a complaint about the sign, it hadn't been properly secured, and the city wants to restrict banners to commercial properties. Ms. Anderson permitted a standard special events sign that Ms. Rodgers said was too small. She was also told it was on "a sensitive corner." She wondered if any corner couldn't be called sensitive. She wants to see the applicable ordinance about private property. She brought pictures of other banners around town. The maximum size is supposed to be 2' x 10', but she said the pictures show some that are much larger. Mayor Keyserling asked for a copy of the e-mail to be entered into the record. Ms. Rodgers further commented on the state of Waterfront Park and is glad that the day dock was not built in front of the sea wall. She also stated a need for more swings in the Park.

Edna Horne, 2404 Langhorne Drive: thanked council for helping with her drainage problem as part of the Duncan-Langhorne storm water drainage improvement. Mayor Keyserling thanked her for her patience. Councilman Fordham said that he's glad they were able to do the drainage properly.

MINUTES

The minutes of the regular city council meeting of September 8, 2009 were presented to council for review. On motion by Councilwoman Beer, second by Councilman Fordham, council voted unanimously to approve the minutes.

AMENDMENT REVISING SECTION 5.1 AND 5.3.D OF THE UDO TO PERMIT OUTDOOR COOKING AT RESTAURANTS BY SPECIAL EXCEPTION

Councilwoman Beer moved and Councilman Fordham seconded approval of the amendment on second reading. The motion was approved unanimously.

AMENDMENT REVISING SECTION 6.5.I.6 OF THE UDO TO ALLOW 7' FRONT FENCES ON RESIDENTIAL LOTS ON RIBAUT ROAD

Councilman McFee moved and Councilwoman Beer seconded approval of the amendment on second reading. **Edward Dukes**, 821 Ribaut Road said that many lots on Ribaut Road drop off, and he recommended measuring from curb height as opposed to ground height or building up berms. Ms. Rodgers said she didn't know what had been discussed about this issue or the outdoor cooking amendment because the discussion about them took place largely in workshops. She expressed concern about what 7' fences would look like on Ribaut Road. Mayor Keyserling said it's been before the planning commission twice, and has been discussed in two workshops. The planning commission suggested that the required setback was the condition on which it was passed. There was a public hearing at the last meeting. Councilman McFee said the public hearing took place at the August 25 meeting. The city manager said that the UDO has a section about standardizing where the measurement comes from. Council doesn't need to do anything to the ordinance.

Mayor Keyserling addressed Ms. Rodgers' concern and said that at the public hearing 6-8 people spoke in support of this amendment. He said that Ribaut isn't the road it used to be. Councilwoman Beer explained to Ms. Rodgers that she'd had the same concern and didn't want Beaufort to look like Camden or Aiken, but she also understood the concern because of the noise from traffic on Ribaut. Ms. Von Harten said she drives down Ribaut a lot and widening it to 4 lanes changed the look of it. She said the high fences wouldn't work in other residential areas, but she thinks Ribaut is the exception. The motion was approved unanimously.

AMENDMENT REVISING SECTION 7.2.G.7 OF THE UDO TO PERMIT SANDWICH BOARD SIGNS IN ALL DESIGN DISTRICTS

Councilman McFee moved and Councilwoman Beer seconded approval of the amendment on second reading. Councilman Fordham asked if it "had a time limit." Mayor Keyserling responded that at last session of council it had been amended to a 12-month period starting in December through November of next year.

Chris Damgen, 1111 Woodward Avenue, cautioned council about the difficulty of regulating these signs. He said he understands the business concerns in a down economy, but in many communities, sandwich boards were intended for a downtown setting. It's appropriate along Bay Street, but in higher speed, high-traffic areas, a sandwich board would be difficult to read. He suggested that a larger sign allowance on more permanent signs might be more appropriate.

Mayor Keyserling said that, because he's seen them in the Historic District, he assumed sandwich boards were allowed, but they're not permitted there; those were grandfathered in. He'd asked for a map

and said that they're permitted on Lady's Island from Walgreen's to the bridge on city property and on the corner of Carteret and Boundary to Ribaut and Boundary. This proposal will extend permission to move them from Ribaut to the city limits on Highways 21 and 170 and a little of Highway 280 that's in the city, plus the commercial side (hospital to Port Royal line) on Ribaut. Staff said potentially there could be 400 commercial users who could add a sandwich board. They're supposed to be on private property, but he presented the example of campaign signs. He said it was unclear to many what the boundaries were.

Councilman McFee said he has concerns about the proliferation of signs. Given those that are currently under allowance for signs, he doesn't think they'll have that many. Councilman Sutton said he wants to hear from the Chamber of Commerce. Councilwoman Beer said she had a letter to share from the Chamber of Commerce. September 23, they'll have a meeting and Carlotta Ungaro said the issue could be tabled if council wants Chamber of Commerce input. The Chamber of Commerce has no official position at this time.

Don Starkey, 1099 Otter Circle, said he'd looked at the ordinance and as a member of the Design Review Board has reservations about signs in the area. He commented that traffic will make it impossible to read the signs at high rates of speed. He wants to know how it will be enforced, i.e., how will it be ensured that the signs are brought in at the end of business day. He asked what the penalties will be, and Councilwoman Beer replied "a fine." Mr. Starkey said the appearance of signs is important, too. There are currently some hand-lettered signs, and some sitting on the sidewalk, forcing pedestrians to walk around them. He thinks they're good for short-term, i.e., a sale for 15 – 30 days, rather than continuous signs.

Clark Trask, owner of a business on 974 Ribaut Road, said at the last council meeting that he's been getting 5-10 new patients a week because of his temporary sign. He sees struggling small business owners every day in his practice. He asked council to give business owners a chance in this bad economy. He doesn't believe there will be the proliferation that is feared. He has only counted 2 signs in the area where they're permitted. He encouraged at least a trial period. Not knowing how it will be enforced is not a reason not to pass the amendment. He added that he would love a day dock; he feels there's not enough parking with the current small day dock.

Jay Weidner, 1307 Calhoun Street, reminded council that for many years the city has tried to make the entrances into the city more attractive. The sign ordinance was difficult to put together and put the onus on business owners to improve the looks of the city. He feels sandwich boards along highways that don't have pedestrian traffic will just be visual clutter and a detriment to the city as well as causing potential traffic accidents. Mr. Dukes agreed that it's a difficult business climate, and he supports a trial period as well as a day dock.

Councilwoman Beer said she was asked by a constituent if this could be done because a small business had to take down its illegal sandwich board. She doesn't think there will be 400 signs. If it doesn't work, it can be redone in 2 readings and meanwhile it may give small business a boost. Code enforcement will do its job. While she doesn't really like them, she is going to vote for them to help small business. The city manager said as far as enforcement goes, it will be enforced as is anything else. Sometimes sweeps are done. Violators will be notified of their violation; if it's in the right-of-way, they can take it out. When it's on private property, even in violation, they'll have a letter written, etc.

Councilwoman Beer said she was considering making an exception to the amendment about businesses within shopping centers; she doesn't think signs should be out on the side of the road for businesses back in a shopping center. The sign needs to be in front of the business, not out on the highway. Councilman Sutton said he had casually surveyed the Bi-Lo shopping center. Start up businesses' greatest expense is advertising. If a sandwich board helps a business stay, he's in support of them. Shopping centers have the space for start-up businesses which are most likely to need the sandwich boards. He said many businesses in that shopping center are Mom and Pop businesses and what Councilwoman Beer has suggested will be detrimental to them. Councilwoman Beer said they could put a sandwich board directly in front of their businesses, but Councilman McFee said there would be limits because of the sidewalk. Councilwoman Beer said people already in the shopping centers could read those signs. The city manager said there are exceptions for start-up businesses for the first 6 months. Councilman Sutton said no one wants to prohibit business, but he also remembers the pre-sign ordinance days. He feels like anything that can be done to help a business is a good idea. This is why he agrees with the idea of a trial period. He wants control and enforcement. He is supporting the amendment as a trial period, realizing that it has problems. Councilwoman Beer said again that it can be changed in 2 readings. At this time she is not going to make an exception to the amendment and will take a chance.

Mayor Keyserling said he'd vote against it because of the uncertainty about what's being done. He "couldn't be more pro-business" and understands the struggles today, but this was driven by one business and then others have supported it. He doesn't believe that sandwich boards will make a significant difference to businesses. Having seen the evolution of sign ordinances, he's not convinced that this is worth the risk of "opening up a can of worms" and will impose more work on enforcement and public works. He's open to other suggestions that will help businesses.

Sue Partridge, 309 Frazier Drive, said she had recently seen a new business that opened because they had a sandwich board. People would not know that a business was there without a little sandwich sign by the side of the road. She suggested that because it's a transient area, people don't know some businesses exist.

On Councilman McFee's motion to approve the amendment on second reading, the vote was 4-1 in favor of the motion, with Mayor Keyserling objecting.

AMENDMENT TO FY 2010 BUDGET TO REFLECT GRANTS AWARDED TO THE POLICE DEPARTMENT FROM THE DEPARTMENT OF JUSTICE

Councilwoman Beer moved and Councilman Fordham seconded approval of the amendment on first reading. Ms. Hughes said the grants were a cops' grant to allow hiring two officers. It is a 3-year grant to fill slots with 2 people; the terms state that after the grant period they must be employed for at least 12 more months. Mayor Keyserling asked if the two positions would have been filled anyway. The city manager said maintaining the slots isn't difficult, but these aren't additional positions. The grant coincides with permitted numbers, so staff feels comfortable with it. They knew the grant was coming, but they didn't know when. Ms. Hughes said the amendment is only for the amount in the budget for this year.

The second grant is a one-time grant for \$18,020 to replace 30 fire arms. The ones being replaced could be traded in, and then that money would be used to get the rest of the guns needed. Councilman Sutton

asked if the city would be hiring two more officers if it hadn't been awarded the grant. The city manager said they're not additional positions, but they wouldn't have been hired without the grant. He added that billets aren't up. Ms. Hughes said staff "maintained a number until we had the grant." Councilman McFee asked if the firearms are for standardization so that there is economic benefit. The city manager said yes, so they can buy in bulk. The motion was approved unanimously.

AMENDMENT REVISING SECTION 5.1 OF THE UDO TO PERMIT INDOOR ENTERTAINMENT IN THE LIMITED INDUSTRIAL DISTRICT BY SPECIAL EXCEPTION

Councilwoman Beer moved and Councilman McFee seconded approval of the amendment on first reading. Donna Alley reviewed the provisions of the amendment. Mayor Keyserling said it doesn't grant the right, only the ability to apply.

Angela Hegstrom, 2704 Bull Street, near the end of Depot Road asked if there would be public hearings before permitting by special exception would be allowed. Ms. Alley said it would go to the Zoning Board of Appeals and public comment could be made then. Ms. Hegstrom: said "indoor entertainment" means bars, restaurants, dance halls and studios, etc. She felt that this was rezoning. The area she's speaking of is very quiet, but there are 10 "innocent businesses" among the hundreds of residences, including EMS and 2 lots that are not being used. The county wants to build a walking trail through there which means there will be more traffic. Limited industrial is very important to a city, and "everyone's happy now."

Lisa Ryan, 2701 Bull Street, said she's also opposed to the amendment. A dance studio would bring even more traffic. She feels "this has all gotten out of control," and she and her neighbors have been fighting it for years. Mayor Keyserling said that under this exception a bar couldn't be opened. The city manager added "or a restaurant." Ms. Hegstrom the read from Section 5.2 "Commercial Use Categories" to disagree. The limited industrial would have a commercial use for indoor entertainment which includes bars, theaters, etc. She and other neighbors have been fighting re-zoning for 8 years. Councilman Sutton said Ms. Hegstrom's concerns are valid but "there's always been a problem with Depot Road"; city government has been trying to work on it. There are no roads into the buildings, for example. Ms. Hegstrom said she agrees those businesses deserve road access. Councilman Sutton said retail sales and service are presently permitted outright by limited industrial zoning, but there are no roads, there's a train track, etc. He knows it's sensitive and said the We Can neighborhood association has a voice that he's looking forward to hearing. Ms. Hegstrom said she has a problem with "neighborhood associations that come and schmooze with the council."

Chris Damgen said that he's hearing conflicting statements, first about wanting to help business grow then about not allowing business. He said businesses coming in under this amendment will be special exceptions. He explained the differences in zoning and special exceptions. He said if a building doesn't fit in, "it won't be rubber-stamped." Ms. Ryan felt that the issue is about increased traffic for the 8-10 businesses already in the Depot Road area. Mayor Keyserling said maybe this matter should be a workshop issue. Mayor Keyserling invited Ms. Ryan to come next Tuesday at 4 p.m. to the presentation of the comp plan.

Councilman Fordham moved to table it until after a workshop discussion. He said he agrees with the neighborhood representatives that they've grown "accustomed to having things jammed down their throats." Ms. Rodgers said a map of light industrial areas would be helpful.

Mayor Keyserling said they're on the web site, as are the ordinances.

Councilman Fordham moved to table the amendment, and Councilwoman Beer seconded it. The motion passed unanimously. Councilman McFee said he wants to address the Depot Road area residents' concerns and concerned citizens' involvement in the neighborhood associations is what's needed. He told Ms. James and Ms. Hegstrom that they need to be at We Can meetings.

REQUEST FROM BEAUFORT COUNTY VETERANS AFFAIRS FOR A PARADE

Councilwoman Beer moved and Councilman Fordham seconded approval of the request for a Veteran's Day parade on November 11, 2009. The motion was approved unanimously.

REQUEST FROM GUILD OF BEAUFORT GALLERIES TO WAIVE THE OPEN CONTAINER ORDINANCE FOR THE FALL ARTWALK

Councilman Sutton moved and Councilman McFee seconded approval of the request for the October 24, 2009 event. The motion was approved unanimously.

RESOLUTION COMMITTING REQUIRED MATCH FOR COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION FOR BLADEN STREET STREETScape PHASE II

Councilwoman Beer moved and Councilman Sutton seconded approval of the resolution. The city manager said the city had been working for a long time on Phase 1 of improvements for Bladen Street and in the winter they discussed completing Phase 2. This is a leverage project to finish Phase 2. It's in coordination with other efforts they want to move ahead on. The motion was approved unanimously.

CITY MANAGER'S REPORT

The city manager said that on the January 2010 tax bill, the county is reassessing and coordinating their books. The budget was adopted with a set of mill rates for debt and operation based on the numbers known at that time. In an assessment year, "you can't gain a windfall based on the assessment." There may be no need to take action or the millage may have to be rolled back. The rate assigned to the value of their property is now the same as it was before. The city just received assessments so that the actual values are known. There may have to be a special meeting "to roll it into position so that the tax bills will reflect the proper millage." It's required to have notice no later than September 30. The county anticipates more appeals than usual. But all that the mill rate can be set on is the actual values on the tax rolls. The net effect for the property tax payer is the same.

MAYOR'S REPORT

In regard to minute-taking at workshops, council hasn't been doing it because no votes are taken and the roundtable format didn't lend itself to traditional minute-taking. The mayor said the question has been raised of violating freedom of information. Though that was no one's intention, it needs to be discussed. He feels there should at least be a tape made of what goes on in the workshops. He has no problem with written minutes, but meetings can be up to 5 hours long and that could be costly and bulky.

Councilwoman Beer said she had received a suggestion to record the workshops and then put them online. The city manager doesn't know if that legally meets the mandate, but it could be done whether minutes were taken or not. The issue is whether council wants minutes taken at all the meetings council has, including work sessions. When that's decided, then they'll need to discuss the style of minutes. Mayor Keyserling said it's a question of what meets the law. Mr. Harvey, city attorney, said there needs to be some kind of record. The format is left to council as to how thorough it is.

Debra Johnson, 1710 Duke Street, said she brought the matter up at the last council meeting. She knows that workshops are important to this council and asked for some kind of record-keeping. While they may be lengthy, written minutes are the standard. She would like them in the same style as other meetings' are. Councilman Sutton thinks there should be some kind of record. He's in favor of digital recording. Council participates in a lot of meetings "and they don't get a crowd." However, council is working, and people don't necessarily see that. He thinks it should be done, whatever it takes. Councilman Fordham said that "technology is beyond me, but if we can do it all digitally, let's do it."

The city manager said minutes are an official action. He approves *written* minutes, not digital. He suggests having the recorder at the next meeting at which council can discuss different ways to have discussions recorded. He said digital recording could be done more easily at the new building when it's finished, but that's not "minutes." Councilwoman Beer added that the regular meetings are taped now to allow corrections if necessary, as well as recorded as transcribed text.

The mayor said that Steve Wise, director of the Parris Island Museum, and Evan Thompson, Historic Beaufort Foundation, have a team working together to document, catalogue, reconcile and transport Arsenal artifacts to a climate-controlled facility. After that's completed, they'll develop an official process for people who want to display the artifacts. The city never has intended to sell or give away anything. The city manager said Mr.'s Wise and Thompson have asked for time to get the artifacts out, catalogued, and stored. They may have to move them into temporary storage. Ms. Alley is the point of contact on that. Mayor Keyserling said both the city and the county have tried to have museums and failed, as did Historic Beaufort Foundation..

Ms. Rodgers said so many families donated things to the museum, and they'll be locked up. Mayor Keyserling replied that they have been locked up for 2 years already but not necessarily safely. Ms. Von Harten stated that there are rumors about what's missing from the collection. Mayor Keyserling answered that he's received a lot of e-mails and knows the rumors. He said Mr. Wise agrees with Historic Beaufort Foundation: Once it's safely stored, there will be decisions about creating a museum commission. The experts - the directors of the Parris Island museum and Historic Beaufort Foundation - will get the first part done and then will look at the next phase. Councilwoman Beer said the collection hasn't been protected and was deteriorating fast. Right now it's as safe as it's ever been; some pieces have been lost because of sun damage, etc.

Mayor Keyserling said the Comprehensive Plan will be introduced at 4 p.m. at the municipal courthouse September 29. The city manager added that a current draft of the comp plan is available on the city's web site.

Mayor Keyserling said he'd like 3 issues to be addressed and get closure:

- It's been 4 weeks since a Northwest Quadrant report, and he'd like one.
- He also wants to discuss the restructuring of the Redevelopment Commission to be more citizen-than council-driven.
- Councilwoman Beer and Councilman McFee might have a way-finding sign committee proposal.

He added that the head of Lowcountry Development Network would like to speak at an Executive Session. He'd like to arrange that.

COUNCIL REPORTS

Councilman Fordham said he wants to commend the efforts on the city website; everything council members have gotten is available online. Also, he praised staff because the budget report council got was received September 1, and he thinks that's amazing. He's never seen it gotten that quickly and it's commendable.

Councilman Sutton said he'd like an update on Waterfront Park maintenance issues, and he thinks it ties in with vandalism issues. Also on Scott Street, in front of Blackstone's, there's a cone there in the loading zone for large trucks. It's from past streetscape work. He also noticed that city parking lot isn't being maintained, and he'd like to see who's responsible for it. The city manager said the city is and "We'll get on it."

EXECUTIVE SESSION

On motion of Councilwoman Beer, seconded by Councilman Sutton, council voted to move into Executive Session pursuant to Title 30, Chapter 4, Section 70(a) (2) of the South Carolina Code of Laws for receipt of legal advice from the city attorney. The motion was approved unanimously.

ADJOURNMENT

There being no further business to come before City Council, Councilwoman Beer made a motion to adjourn, seconded by Councilman Fordham. The motion was approved unanimously, and the meeting was adjourned at 9:15 p.m.

ATTEST: _____
SHIRLEY HUGHES, ACTING CITY CLERK