

A special workshop of the Beaufort City Council was held on November 20, 2004 at 8:30 a.m. in the City Hall Conference Room, 302 Carteret Street. In attendance were Mayor Bill Rauch, Mayor Pro Tem Donnie Ann Beer, Councilmen Gary B. Fordham, Billy Keyserling, and City Manager John F. McDonough. Councilman Frank Glover was at work. In accordance with 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.

The purpose of the workshop was to discuss the capital projects funding.

### **REVIEW FUNDING OPTIONS FOR CAPITAL PROJECTS**

The City Manager stated since the one percent sales tax referendum failed, staff was directed to establish recommendations regarding the funding of the major capital projects, the Waterfront Park improvements and the municipal complex project. He reviewed the several factors considered.

Of the numerous potential funding sources listed, the General Obligation Bonds, the Downtown TIF, the Gateways Corridor TIF, a revenue bond, use of the facilities maintenance account, UDAG fund, Intergovernmental funds from Beaufort County, Stormwater Utility Fund, General Fund cash balance, Parks & Tourism money, the combination of impact fees and the sale of property and the sale of ABC permits, were identified as the best options. According to the City Manager these could generate a total of \$18 million for capital projects. The cost of issuing additional debt was also addressed. The City Manager stated staff's recommendation to pay for these options is for the City to borrow \$3.5 million. The annual debt service needed to pay it off over a 15 year period would be \$310,842. Paying off the existing obligation debt of \$177,640 from the General Fund investments and the three remaining fire truck lease payments totaling \$250,000 was also recommended. With the police department moving out of the leased space on Ribaut Road and the Municipal Court moving out of their leased offices, the \$61,000 and \$15,120 amounts, respectively, for rent would be available to pay the General Obligation bonds. The third year of the \$30,000 of capital commitment for drug court will expire this year too. He said the recommendation is to take the remaining \$35,166 from General Fund revenues making a total of \$310,000 necessary for the GO debt. He recommended continuing to explore leasing space in the new facility to an outside organization as an additional source of funding.

The sources for funding the proposed budget of \$5,550,000 for the Waterfront Park Improvements and \$9,000,000 for the Municipal Complex were itemized by the City Manager for Council's review.

On motion by Councilman Fordham, second by Councilwoman Beer, Council members Fordham, Beer, and Rauch voted to proceed with the police, court, and administrative offices at Boundary Street based on the staff recommendations, endorsed the staff recommendations for financing the Waterfront Park and Municipal Complex projects and authorized staff to prepare the necessary bond ordinances/financing arrangements for Council's consideration. Councilman Keyserling voted nay. The motion passed 3 to 1.

**ADJOURNMENT**

There being no further business to come before Council, the meeting was adjourned at 9:30 a.m.

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BILL RAUCH, MAYOR

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COUNCILWOMAN DONNIE ANN BEER

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COUNCILMAN FRANK GLOVER

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COUNCILMAN GARY B. FORDHAM

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COUNCILMAN BILLY KEYSERLING

ATTEST:

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BEVERLY W. GAY, CITY CLERK