

A regular meeting of the Beaufort City Council was held on February 27, 2007 at 6:00 p.m. in the County Administration Building, 302 Carteret Street. In attendance were Mayor Bill Rauch, Mayor Pro Tem George H. O'Kelley, Councilmen Gary B. Fordham, and City Manager Scott Dadson. Council members Donnie Ann Beer and Mike Sutton were out of town attending a Municipal Association Meeting. 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.

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

An invocation was given by Dr. Carlos Williams, Pastor of Life House Church. The Pledge of Allegiance was led by the Mayor.

RECOGNITION

On motion by Councilman Fordham, second by Councilman O'Kelley, Council recognized The Beaufort Water Festival for being awarded the Event of the Year award and the Best Volunteer Group of the Year at the Annual Conference & Trade Show for South Carolina and North Carolina festival and event planners.

PROCLAMATION

On motion by Councilman Fordham, second by Councilman O'Kelley, Council voted to adopt the proclamation designating March 2007 as Disabilities Awareness Month in the City.

PUBLIC COMMENT

Robert Achurch, 130 7 Charles Street in Pigeon Point, addressed SCE&G's plans to place the high tension power lines through the neighborhood. His concerns included the progress of the Power Pole Committee stating he reviewed the franchise agreement between the City and SCE&G and it is not about transmission; it is about distribution. He asked why the citizens of Beaufort should pay for SCE&G to deliver power to Lady's Island. Also, according to the agreement, the City is supposed to approve this type of project. In his opinion, SCE&G is not giving all the facts and should not be allowed to place these poles in the City or they should reroute the lines and bury them. He suggested Council bring an action by way of an injunction because the poles will take away from the beauty of the City. The Mayor suggested Mr. Achurch contact the chairman of the Power Pole Committee and meet with them to discuss these concerns. The City Manager explained Council has approved first reading of an ordinance differentiating between transmission and distribution. Because of that ordinance, SCE&G is negotiating with the City. The Committee has met several times and are exploring all issues. Their minutes and reports have been placed on the City's web site too. They will present their recommendations to Council for action. Councilman Fordham referred to the poles erected along Sams Point Road and U.S. Highway 21 as to how they will look. He suggested the Power Pole Committee present a status report in two weeks and then have the City Attorney become involved.

MINUTES

City Council reviewed the minutes of the regular Council meeting of February 13, 2007 and on page 7, next to the last paragraph, Mr. Laing's name was misspelled. On the top of page 9, Mr. Tholen's name was misspelled, also on the same page, under Open Session, Councilman Fordham did not vote twice and Mr. O'Kelley's name should be added.

On motion by Councilman O'Kelley, second by Councilman Fordham, the minutes were approved as amended.

ORDINANCE AMENDING FY 07 BUDGET (#5)

The ordinance amending the FY07 City Budget (#5) to provide court services in the amount of \$10,000; fund a request of \$25,000 to the Beaufort Performing Arts, Inc. for this year; and to fund an update to the parking study to review the need for additional parking in the downtown area at an estimated cost of \$12,000 was presented to Council for first reading.

Councilman O'Kelley made a motion to remove the ordinance from the table. Councilman Fordham gave second. The vote was unanimous.

Councilman Fordham moved to approve the ordinance on first reading. Councilman O'Kelley gave second.

Shirley Hughes, Finance Director, explained several weeks ago a contract with the Town of Bluffton was approved to provide court services in the amount of \$10,000; the second item pertains to the Performing Arts request regarding a one time funding source of \$25,000; and the 3rd part is a request to update the parking study at an estimated amount of \$12,000 to determine if there is a need for a parking garage.

Councilman Fordham stated the Performing Arts Center is asking for money in the middle of the budget year. He asked if they received funding from another source and suggested representatives attend the next Council meeting to explain this. Addressing the parking study, he said he has a problem allocating \$12,000.

The City Manager explained the purpose of updating the study is that a needs analysis is necessary for financing and the last one performed was in 1998. This is a result of the City and Main Street USA's parking committee meeting to discuss the possibilities of a parking garage. City Council affirmed a parking garage in their goals and objectives and this is the next step.

Kevin Cuppia, Chairman of the parking committee, read a letter he prepared earlier stating the Main Street Board of Directors supports the proposal from Timothy Haahs & Associates for the Parking Study Update for downtown Beaufort. He also read Main Street's mission statement and stressed the importance of the update which will provide information to confirm current peak hour parking demand and assess the impact of existing parking conditions on limiting future developments. He asked Council to consider this investment in the downtown district.

Council voted unanimously to approve the ordinance on first reading. (Copy of ordinance at end of these minutes)

ORDINANCE REZONING A 1.16 ACRE PARCEL (A/K/A THE PICKLE FACTORY)

The ordinance rezoning a 1.16 acre parcel of property known as “The Pickle Factory,” and identified as District 120, Tax Map 5, Parcel 28, from R-1 to PUD was presented to Council for second reading and adoption.

Councilman Fordham moved to adopt the ordinance on second reading. Councilman O’Kelley seconded the motion.

Judy Nash Timmer, Chairman of the Neighborhood Association for the Hermitage Road area, said the Association has asked that the number of units be reduced to either eight or ten and asked why Council supports twelve. She also asked that the building be built to meet the standards required to be preserved in a historic manner. The Mayor asked the reasons for thinking twelve units are too many. Ms. Timmer referred to past zonings, specifically the Joyner Street property, of multi-family which was deemed inappropriate and changed. Now a multi-family building is being considered. She asked why is it appropriate now. She said she was told the developer had considered changing the number of units to ten but now he says twelve units are the lowest he can go. The developer is saying he is preserving the building for the City but he is receiving a benefit by developing 12 units which is actually 3 times the density allowed with the current zoning. Also the traffic will affect the single family neighborhood.

Mary Sharpe, Fripp Street resident, said the change in density will impact her and suggested the developer produce a reason the density should be changed. Other than twelve units being profitable to the land owners, she doesn’t understand why twelve units are being proposed. The residents of Fripp Street, the most affected by a traffic increase, have asked the density be reduced to possibly six units.

Hayes Williams, 105 Grayson Street, stated twelve units will turn the building into an apartment complex. He said the developer bought the property knowing the zoning.

Laura Von Harten, Fuller Parkway resident, said people need to understand that to preserve the rural areas, density will have to be increased. Addressing the traffic, she stated Hermitage Road has a stop light and is divided by a median and could accommodate the traffic better than a smaller road. She asked about the LEED certification stating more green buildings are needed. She mentioned setting aside one unit to remain at the market price which is being considered in Okatie.

Gary Thompson, 109 Hermitage Road, said he is for the project as presented. He added that the traffic on Hermitage Road could be reduced by blocking off Elliott Street to stop the Technical College students when class is over.

Patricia Henrickson, 1332 N. Hermitage Road, agreed that twelve units are too many because it will become a rental structure. She said this will create more traffic and cars do not slow down for pedestrian traffic now. She said this is a single family neighborhood and this could be developed at a smaller density.

Wade Tholen, 111 Elliott Street, said he has listened to the neighbors complaining that the Pickle

Factory is a crack house and having to call the police. He believes the proposal will eliminate that. If people are worried about the traffic, they should call the police, join a neighborhood watch, and take down license plate numbers. He said he is in favor of the twelve units.

John Daniel, owner/developer, said it is obvious the site needs to be revitalized. It is a unique site and has to be viewed differently because of the nature of the building. He agreed he will benefit because he believes it will be a positive investment even though they have taken a risk by decreasing density at the request of the neighborhood. At the same time it is a benefit for the neighborhood because it is a revitalization of an eye sore and this development will decrease the crime issue and increase property value. He said he doesn't understand why some think it will be apartments because the size is comparable to some of the homes in the neighborhood and the proposed price per square foot will increase the value. Previous coverage is being proposed which will decrease runoff. After meeting with the neighbors, they compromised density, use, and their zoning approach. Referring to the comment on reducing the units to ten, he said they did try to lower the density; however, it would not have been feasible for them or they would have to change the use.

Councilman Fordham said he sent an e-mail to the neighborhood association to advise them this rezoning was on the agenda. He also conducted an informal survey and some people responded. In his opinion, he thinks this is a good project. The Mayor said the building should be preserved; the question is what way is the best. The one person who showed interest in buying the building worked with the neighbors even though they are not all happy; however, the alternative is to just let the building remain as it is.

Council adopted the ordinance on second reading. (Copy of ordinance at end of February 13, 2007 minutes)

BOUNDARY STREET IMPROVEMENTS INTERGOVERNMENTAL AGREEMENT

An Agreement between the City and the County to move forward with negotiations, award, administration and management of the capital project improvements regarding Boundary Street was presented to Council.

Councilman Fordham moved to approve the agreement. Councilman O'Kelley seconded the motion.

A presentation was made by the City Manager who explained this agreement would give the City the ability to manage, in cooperation with the County, the Boundary Street street improvement project.

Council approved the agreement unanimously.

FUND BALANCE POLICY

City Council has recognized the need to establish a Five Year Financial Plan and the first step is to review and adopt policies that establish the guidelines for preparing the plan. The first policy is the Fund Balance and Net Assets Policy.

Shirley Hughes, Finance Director, said one of Council's goals is a five year financial plan and in order to obtain that goal, a number of policies need to be in place. One is a Fund Balance Policy which will state how, why, and the importance of it. Under the standards in governmental

accounting, there should be a General Fund balance of at least four months of revenues or expenses. Should more than five months worth accumulate; Council might want to consider using the extra monies for one time purchases or place it in a reserve for future capital needs. Monies in the fund balance tend to be one time revenues, she said. In the past, Council has set aside part of the fund balance to be used for specific items such as land acquisition. Additionally, at the end of the year, money has to be put aside, under the Governmental Accounting Standards Board rules, because of monies owed. Also, it is important to have money set aside in case of an emergency. Another part of the Fund Balance is to be sure there is a cash flow. The City's primary sources of revenue are property taxes and business licenses which are collected once a year. Since there are portions of the year when money is not coming in, it is important there are funds on hand to pay bills as they come due, so tax anticipation notes are not required with additional interest charges incurred. This matter will be placed on the March 13th Council meeting for adoption.

The Mayor explained that in the past, according to the Municipal Association, a responsible City had 8% as an unreserved fund balance. Whatever was over that amount was divided in half and placed in the land acquisition fund. The new formula changes the 8% to equal funds for 4 months of revenues. In reply to Councilman Fordham's inquiry of what was wrong with the old method, Ms. Hughes explained nothing, but as Council examines future needs and the City grows, it will be necessary to look at other financial sources for potential borrowing. Those rating agencies will review the City differently and will want to review the comprehensive annual financial report. They will also want to examine policies and be assured that they are being followed to ensure that the bond holders can be repaid. Further discussion ensued with the City Manager and the Finance Director answering questions.

REPORTS BY COUNCIL

MAYOR: The Mayor said several mothers have reported that students are going to the Waterfront Park playground after school and treating it as a lover's lane. He suggested preparing a procedure in which to deal with these issues.

FORDHAM: Councilman Fordham commented on a letter to the editor in the newspaper last week regarding dogs in the playground and asked if that has been addressed. The police chief said there is an ordinance which states animals are not allowed in the Park during paid events. The Public Works Director added that the playground area has been isolated and the Park Superintendent is developing a policy to present to Council to restrict dogs to a certain area near the west end of the Park.

O'KELLEY: Councilman O'Kelley announced there are two City employees, currently in training in Mississippi, who will be deploying to Afghanistan with their unit. He said he is advised that the Army will allow the troops to come home for a weekend. A fundraiser is being held this Friday night to raise \$7,700 to rent a bus for them.

ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 7:55 p.m.

BILL RAUCH, MAYOR

COUNCILWOMAN DONNIE ANN BEER

COUNCILMAN GARY B. FORDHAM

COUNCILMAN GEORGE H. O'KELLEY, JR.

COUNCILMAN MIKE SUTTON

ATTEST:

BEVERLY W. GAY, CITY CLERK