

A regular meeting of the Beaufort City Council was held on June 26, 2007 at 6:00 p.m. in the County Administration Building, Ribaut Road. In attendance were Mayor Bill Rauch, Mayor Pro Tem George H. O'Kelley, Council members Donnie Ann Beer, Gary B. Fordham, Mike Sutton, City Manager Scott Dadson. 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

The invocation was given by Cantor Sheldon Feinberg of Beth Israel Synagogue. The Pledge of Allegiance was led by the Mayor.

PROCLAMATION – BONNIE LAWRANCE

On motion by Councilwoman Beer, second by Councilman O'Kelley, Council voted to adopt the proclamation thanking Bonnie Lawrance for service to Citizens Opposed to Domestic Abuse and recognizing her retirement.

PUBLIC COMMENT

Mary Dawson, Gullah Festival representative, provided a history of the festival and stated the Gullah Festival and the Black Chamber of Commerce are two different organizations with different missions.

Jay Weidner said as a walker it is important that there be a program to plant and care for trees to form a canopy of foliage to provide shade.

Joy Locke, Main Street Beaufort Executive Director, thanked the Public Works Department for hanging the flower baskets downtown.

MINUTES

The minutes of the regular City Council meeting of June 12, 2007 were presented to Council for review. On motion by Councilwoman Beer, second by Councilman O'Kelley, Council approved the minutes as presented.

TDAC FUNDING

At the last meeting, Councilmen O'Kelley and Sutton each had revisions to the recommendations made by the Tourism Development Advisory Commission and agreed to meet, discuss this further and bring back their decision to Council.

Councilman Fordham moved to approve the recommendations presented by the TDAC except for the funding of the Beaufort Black Chamber of Commerce. The motion died for lack of a second.

Councilman Sutton began the discussion by asking the TDAC Chairman, Jeff Evans, to come forward. Mr. Evans offered to explain their process in the decision making and at the request of Councilman Sutton, explained the guidance they were given from staff and how they proceeded. Mr. Evans also mentioned that the guidelines were written by the State of South Carolina and the funds come directly from Accommodations Taxes. He added that they specifically considered the applicants that provided "heads in beds" since that is how the money is collected. Also, he said that he views their choices as a recommendation to Council. Councilman Sutton said next year he would like more information and a TDAC representative at the Council meeting to provide answers.

Councilman Sutton moved to present the budget he and Councilman O'Kelley prepared. Councilman O'Kelley gave second.

Presenting his revised budget for the Accommodations Tax Grants, Councilman Sutton explained his reasons for the changes. He also mentioned the State is questioning the funding of several organizations. He proposed increasing the TDAC's recommendation to the Beaufort Chamber of Commerce for advertising; the Arts Council of Beaufort County for their Website; the Beaufort Chamber Orchestra for their Season Promotion; the Beaufort Performing Arts for their Season Promotion; The Black Chamber of Commerce for their Visitor's Guide; and The Historic Beaufort Foundation for their Tour of Homes. The Gullah Festival's recommendation of \$15,000 from TDAC was decreased to \$5,000; the Lowcountry Tourism Commission's request and TDAC recommendation of \$12,000 was reduced to \$7,688; and Main Street Beaufort's request was reduced from \$40,000 to \$35,000. The other organization's amounts were left as recommended by TDAC. Mr. Sutton mentioned that single line events that charge entry fees should be in a different category than free events and that was his reason for cutting the Gullah Festival and Main Street. Councilman Fordham stated that several years ago, Council encouraged the Gullah Festival to apply for the A-Tax funds; therefore, he wants to restore the amount the TDAC recommended to the Gullah Festival. He reiterated that he doesn't see the need for two Chambers of Commerce and if necessary the money allotted to the Black Chamber of Commerce could be used to fund the Gullah Festival.

Councilwoman Beer said again that she did not attend the TDAC meeting and therefore did not hear the presentations made by the organizations. The Committee listens to all the presentations and it is hard work. She was satisfied with their recommendations as presented at the June 12, 2007 Council meeting.

Mr. Sutton stated two new events applied and received funding this year and there will probably be more next year making the amount received by the organizations less. If the organization solely depends on A-Tax dollars, it probably won't survive.

The Mayor suggested adopting the list prepared by Councilmen Sutton and O'Kelley and then review the A-Tax funds again when the report is received in October. If it appears the funds are higher than expected, Main Street and the Gullah Festival can be invited back and possibly grant them extra funding.

Councilmen Sutton, O'Kelley, and Rauch voted in favor of the motion. Council members Beer and Fordham voted nay. The motion passed 3 to 2.

ORDINANCE ADOPTING FY08 BUDGET

The ordinance adopting the City's FY08 budget was presented for second reading and adoption.

Councilwoman Beer moved to adopt the ordinance on second reading. Councilman O'Kelley gave second.

The Mayor stated Council asked staff to review the proposed budget and present an operations budget with no increased millage. If there is an increase later in the year, it will be for debt millage to build the municipal complex.

The City Manager stated the mills recommended for the debt millage has been moved but so has the costs. Therefore, this is the operating budget which currently represents a 1.5 mil increase above the 52.8 mills. The Public Works, Police, and Fire Department budgets were reduced in the amount of \$69,710 to keep from increasing the millage rate. He reminded Council there is no capital budget, there are no new positions and the COLA for all employees will not be effective until January, 2008.

Additionally, as Council requested last year, the Christmas bonus was made a line item and is included in this budget. The Mayor asked that Council reaffirm that amount at Christmas time for the employees.

Councilmen O'Kelley and Sutton questioned the cuts. The City Manager explained the figures were based on historical data of actual cost. Councilman Sutton stated the City has been running these departments without what they need to provide service in the future. When the five year plan was presented, he asked if the process would provide an increase in service and the reply was no. He believes the employees are stretched and it is a shame that the budget is being reduced. He asked when the citizens can expect better service. Councilwoman Beer agreed and stated for years she has felt the mills should be raised slowly.

Councilwoman Beer moved to amend the budget ordinance with attachments A-E (Fy08 budget reductions, General Fund-summary of expenditures, Tourism Fund-Summary of expenditures & revenues, Stormwater Fund-Summary, and the Solid Waste Services Summary). Councilman O'Kelley gave second. The motion passed unanimously.

Council adopted the ordinance on second reading. (Copy of Ordinance at end of June 12, 2007 minutes)

ORDINANCE SETTING THE LEVY OF TAXES

The ordinance setting the levy of taxes at 52.8 mills upon each one dollar of taxable property in the City was presented for second reading and adoption.

On motion by Councilwoman Beer, second by Councilman Fordham, Council adopted the ordinance on second reading. (Copy of ordinance at end of the June 12, 2007 minutes)

RESOLUTION – INCREASE IN SOLID WASTE FEES

A resolution increasing the monthly pickup fees for solid waste from \$10.00 to \$11.00 for garbage and trash and from \$2.50 to \$3.00 for recycling was presented for adoption.

On motion by Councilwoman Beer, second by Councilman Fordham, Council unanimously adopted the resolution. (Copy of resolution at end of these minutes)

REQUEST BY BEAUFORT WATER FESTIVAL

A letter from the Beaufort Water Festival Committee requesting use of the Waterfront Park, other facilities and closure of certain streets for dances, a bed race, and a parade for the 2007 Water Festival from July 13- 22, 2007 was presented to Council.

The City Manager stated the requests are similar to those submitted in the past including the closure of Bay Street from Bladen to Newcastle from 4:30 p.m. to 6:30 p.m. for the Bed Race; the closure of Bay Street from Charles to Carteret Street from 5:00 p.m. to 3:00 a.m. for the Street Dance; permission to hold the parade on Saturday July 21st beginning at 10:00 a.m. on Bladen Street and concluding on Bay Street adjacent to the Federal Courthouse at approximately noon, subject to approval of the Department of Transportation with security provided by the City's Police Department. They don't qualify for the waiver of administrative fees they requested. He reviewed their 17 requests stating staff's comments on each.

Erin Dean, Water Festival Commodore, answered questions posed by Council regarding entry points, gated events, and certain events.

On motion by Councilman O'Kelley, second by Councilman Fordham, Council granted the requests as agreed upon and presented by staff.

LOGISTISTICS SUPPORT TEAM

During the March 27, 2007 Council meeting, a presentation was made by the Director of the Beaufort County Emergency Management Division requesting \$5,000 for the City to participate in the County's Logistic's Support TEAM.

Councilwoman Beer moved to approve the request. Councilman Sutton gave second.

A breakdown of the cost and the participants were presented to Council. The Chief of Police and the Fire Chief stated if Council is in favor of this, they would use funds from their current FY07 budgets.

Councilman O'Kelley expressed his concerns with the departments having an excess of money in their budget. Shirley Hughes, Finance Director, stated the current budget had overages and as a result there are funds that were not spent. Councilman Sutton said it is upsetting to reduce the Police and Fire Department's upcoming budgets and then find they have an excess to fund this. Also, he said he is not comfortable with the County creating another organization with a cost. Responding to emergencies in other communities is the right thing to do but the City is asking for significant debt service next year to do something that is extremely important and this request is not tied to that. Currently, people volunteer to help in these emergencies.

The Mayor said his experience in helping Long Beach, Mississippi after Hurricane Katrina is that medium sized cities do not receive help. Larger towns get assistance from FEMA and the legislative

representatives during emergencies; therefore, he will vote for this support team. Addressing the funds available by the departments, he said that occurs every year and that's how it should be. Councilwoman Beer said she supports the request because a planned team moves more efficiently. Using the recent Blue Angel tragedy, she commented on how everybody worked together. Also, when the McTeer Bridge was being repaired, she stated everyone from the State to the local level cooperated and worked together. In her opinion, if the police and fire chiefs are willing to support this program financially, she will support it also.

Councilman O'Kelley said this is not a one-time funding. He can support it in concept but needs more information without the City departments giving up a portion of their budget.

Council members Beer and Rauch voted in favor of supporting the Logistics Team. Councilmen Fordham, O'Kelley, and Sutton voted nay. The motion failed 3 to 2.

ORDINANCE APPROVING ADDITIONAL FINANCING FOR THE WATERFRONT PARK RENOVATIONS

An ordinance was presented for first reading authorizing additional lease purchase financing for the Waterfront Park renovations.

Councilwoman Beer made a motion, seconded by Councilman Fordham, to approve the ordinance on first reading.

The City Manager explained this would be an extension of the current lease back with BB&T in the amount of \$1,500,000 at a rate of 4.36. Councilman Fordham asked the total cost of the renovations. The City Manager answered \$8.6 million.

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

CITY MANAGER'S REPORT

The City Manager reported that since the McTeer Bridge has been repaired the **Baptist Church of Beaufort** would like to go back to their original request for closing Charles Street from 1:00 to 8:00 p.m. on Saturday, June 30th for their Patriotic event. Councilwoman Beer moved to approve the original request. Councilman Fordham seconded the motion. Councilman O'Kelley said he still prefers delaying the time to 4:00 p.m. which was approved at a previous meeting because Charles Street is a major artery. Council members Beer, Rauch, Sutton, and Fordham voted in favor of the motion. Councilman O'Kelley voted nay. The motion passed 4 to 1.

The Pole Committee Report will be brought to Council for adoption at another meeting.

The City Manager stated the **Resolution Approving the Sale of Hargray Communications** needs to be added to the agenda for consideration.

Councilwoman Beer moved to **suspend the regular order of business to add an item**. Councilman O'Kelley gave second. The motion passed unanimously.

Councilman O'Kelly moved to adopt the resolution approving the sale and transfer of ownership interest of Hargray Communications Group, Inc. to Hargray Acquisition Company with the understanding it affects no one else and is simply to change the name. Councilwoman Beer seconded the motion. The resolution was adopted unanimously. (Copy of resolution at end of these

minutes)

The City Manager said he was approached by several merchants who said they like the current direction of traffic on that one block of **Scott Street** from Bay to Port Republic Street. Before the traffic is reversed to the way it was prior to the McTeer Bridge repairs, he asked for Council to decide what is best for everyone, adding that the street is functional either way. Councilman O'Kelley suggested it remain as it is through the Water Festival. The only problem he could see is that there are now two one way streets going north from Bay Street with every other block of Scott Street going south. He stated those same merchants were against the reversal at the beginning. Police Officer John O'Neill said the way it is now makes it difficult for delivery trucks to make the left hand turn onto Port Republic Street and they are driving on the sidewalk. Also, drivers don't pay attention to the signs and go the wrong direction; therefore, he recommended reversing it to the way it was. The City Manager suggested leaving it as it is and let the Main Street Transportation Parking Committee study it further. Councilman O'Kelley offered to speak to the merchants and get their opinions. Evan Thompson, Historic Beaufort Foundation Executive Director, agreed with Officer O'Neill about the drivers going the wrong direction. Also, he reiterated Councilman O'Kelley's concern about the two one way streets going north from Bay Street and the traffic jam created when the bridge opens. He suggested reversing the direction and then have the committee study a more comprehensive change. Council decided to have the parking committee and Councilman O'Kelley review it and bring a recommendation back to Council.

MAYOR'S REPORT

The Mayor reported he, the Mayor Pro Tem, and the City Manager met with the Secretary of the Navy yesterday. One comment made by the Secretary of the Navy was that he has no plans to change Oceana. If that happens, MCAS Beaufort will remain as it is and that is good news. The Mayor said he mentioned to the Secretary of the Navy that a year was a long time to spend on the 1,200 acre easement at Clarendon to get that property into protection for the AICUZ.

COUNCIL REPORTS

BEER: Councilwoman Beer commented on the event held last week for everyone involved in repairing the McTeer Bridge.

SUTTON: Councilman Sutton inquired about the inmate labor and how it affects City services.

EXECUTIVE SESSION

On motion by Councilman Sutton, second by Councilman Fordham, Council voted to move into executive session pursuant to Title 30, Chapter 4, Section 70(a)(2) of the South Carolina Code of Laws to discuss negotiations incident to proposed contractual arrangements and the appointment/reappointments to the Zoning Board of Adjustments, the Historic District Review Board and the Beaufort Housing Authority.

OPEN SESSION

Zoning Board of Adjustments

Upon returning to Open Session, Councilman O'Kelley moved to reappoint James Lane to serve a 3-year term on the ZBOA. Councilwoman Beer seconded the motion. That term will expire March of 2010. The motion passed unanimously.

Historic District Review Board

On motion by Councilwoman Beer, second by Councilman O’Kelley, Council unanimously appointed Jay Weidner to serve a two year term on the Historic District Review Board. That term will expire June of 2009.

Beaufort Housing Authority

On motion by Councilwoman Beer, second by Councilman O’Kelley, Council appointed Jon Verity to serve the unexpired term of Ben Weinberger as one of the City’s representatives on the Beaufort Housing Authority. That term will expire January, 2010.

ADJOURNMENT

There being no further business to come before Council, the meeting was adjourned at 9:45 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