

A work session of Beaufort City Council was held on April 23, 2019 at 5:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Pro Tem Mike McFee, Councilwoman Nan Sutton, Councilmen Stephen Murray and Phil Cromer, and Bill Prokop, city manager. Mayor Billy Keyserling was an excused absence.

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 Pro Tem McFee called the work session to order at 5:00 p.m.

UPDATE FROM SP+ (PARK BEAUFORT)

Alice Wallace introduced SP+'s Vice President of Municipal Services **Bob Camper** and **Jason Sutton**, regional manager.

Mr. Sutton said SP+ representatives had last come to a city council meeting in March 2018, and they would discuss changes that had been made since that time. The first topic was "collections improvements." The City of Beaufort's recommendations were all completed, he said. A customer service issue arose because, in attempting to collect on unpaid citations issued by Lanier, the previous parking vendor, SP+ was "querying" about some that were as many as ten years old, Mr. Sutton said. They corrected that issue by, among other things, querying back only as far as those citations that SP+ had issued themselves. In the last year, "we've been able to catch up all of our noticing," he said, and revenues and customer service have improved.

Mr. Sutton said booting vehicles with a number of unpaid tickets was discussed at the March 2018 meeting, and he showed the steps for a booting program that have been completed (e.g., the citation database restructuring, training, and immobilization notice printing) and those that remain to be done, including notifying the public about the policy and working out notifying the Beaufort Police Department when a boot is installed.

Councilwoman Sutton asked how many tickets a vehicle would have to receive before it would be booted. Ms. Wallace replied, "Three or more," with the last one being more than 15 days old. Mr. Sutton said 153 vehicles are eligible to be booted at this time.

Councilman Cromer asked when the booting program would start. Mr. Sutton said SP+ would begin putting out notification of the program to the public in the next 30 to 45 days. Mr. Camper said there needs to be good coordination with the police department because a booted vehicle cannot sit on the street after 6:00 p.m. on the day it's booted. If the ticket is not paid by then, Ms. Wallace said, the police will see that it is towed.

Councilman Murray asked if there is an additional fee for the booting, over the amount

of the parking tickets that were due. Ms. Wallace said yes. **George O'Kelley**, who was on city council at one point when this was discussed, recommended an additional \$100 booting fee, she said, and if the vehicle is towed, the owner has to pay towing and storage fees as well. Park Beaufort staff would attempt to find the booted vehicles' owners to let them know that they had been booted, Ms. Wallace said, so the owners wouldn't come out of work at 5:00 p.m. to find they only had an hour to pay the tickets and fees, or their vehicles would be towed.

Councilman Murray asked if the 153 people whose vehicles qualify for booting would be notified that they would be booted when the program starts. Mr. Camper said when those people violate the parking ordinance again, that violation would trigger the booting. Those people also have been receiving notices about their citations, he said. Councilman Murray asked if someone who had 6 or 7 outstanding tickets were to pay for every *new* ticket in a timely fashion if s/he would avoid getting booted. Mr. Sutton said yes; as he understands the ordinance, "they have to be in violation to get booted."

Mr. Prokop asked Ms. Wallace about violators among the 153 who had been told that their vehicles would be booted, but that haven't had that happen because the program hasn't begun yet. Ms. Wallace said, "We have several" of those people, and she has spoken to some of them personally. SP+ has put about 20 people "on a payment plan" to allow them to pay off their tickets without being booted, she said, but they have been told that if they miss a payment, they would again be eligible for booting.

Councilwoman Sutton asked if "the worst offenders" were employees of downtown businesses. Ms. Wallace said they are, and sometimes young employees were collecting unpaid tickets on their parents' vehicles.

Councilman Murray asked that SP+ be sure to coordinate "with our PR folks" to make it clear to as many people as possible "through all of the communications channels that we have" that the city is going to begin a booting program.

Mr. Sutton and Mr. Camper provided an overview of some of Park Beaufort's milestones, including expanding parking on Carteret Street, single-space meters, the "Parkmobile" program, the development of the Parking Advisory Committee, re-striping, logo and website design, and improvement of revenue and collections.

Mr. Sutton discussed the development of the Park Beaufort logo and where it might be used, with examples of it on signs, pay stations, uniform shirts, etc. The Park Beaufort website is being refreshed by SP+'s marketing group, he said.

Mr. Sutton described the Parkmobile program and said the number of transactions is still smaller than the number at parking meters or pay stations, but as in other cities, consumers are becoming more aware of the option to pay by app and are using it more. Since April 2017, there has been a 300% increase in the number of app transactions per

month in Beaufort, he said, and they expect it will continue to grow.

Mr. Sutton reviewed some of the top reasons people like to use a mobile parking app and said a survey of Parkmobile customers everywhere showed that 38% of the respondents were over 50 years old, proving that it's not just technology for millennials.

Ms. Wallace said Park Beaufort had 2,800 Parkmobile "transactions last month alone." Mr. Camper said those who use the app are "used to using it," often because they're "using it other places" that they "come to visit from." Councilwoman Sutton said she often hears people in her store say they need to stop shopping in order to go feed their meters, and she realizes that they need to be educated about the Parkmobile app.

Mr. Prokop asked about a Parkmobile rewards program, and Mr. Sutton said he's been talking to Parkmobile about such a program for years, but there is not one yet, because different municipalities would have different rewards (e.g., an event ticket, a free hour of parking). Some municipalities have given promo codes to be used on Parkmobile for a free hour of parking at a festival, he said, to give people incentive to try the app, he said. Mr. Sutton feels a card with a Parkmobile promo code for a free hour's parking would be a good way of stores and restaurants to interact with their customers to get a return visit, and it would also help the city and the parking program "by getting more people to use the app."

Mr. Sutton said Park Beaufort is interested in "removing some roadblocks to compliance; we want people to be able to pay," and as the trend moves more to using the phone app, Park Beaufort is looking at ways to "open up" to using "more apps than just Parkmobile," such as Passport, which is what's used in Charlotte, so visitors from there could use Passport here and not have to download another parking app. Mr. Camper said in Atlanta, SP+ is working on "deploying" 4 apps that would work "side by side." This is more convenient for customers and opens up competition among the apps, he said, so one might have "a lower fee" for the end user, "or share part of that fee with the municipality."

Councilman Murray said the only criticism he has "heard of the Parkmobile app is the user fee." People "who are using it on a regular basis . . . would rather just pay by card" for their parking than pay the fee. Mr. Sutton said when there is only one provider, "we're kind of limited on negotiating with them," but when there's competition for a user base, the fees the apps are charging will dictate which apps people will use. Competition will also "inspire them to create better apps," he said, such as ones that offer reserved parking or help users to find parking, and this "will ultimately be a benefit to us and the customer."

Councilman Murray said he thinks the website is clean and easy to navigate, but except for the marina parking lot, the images of the lots on it are a "stock image" of a lot with barbed wire in the background. Mr. Sutton noted this and said he feels there are still

improvements to be made on the site.

Mr. Sutton showed a slide illustrating SP+'s revenue improvement over Lanier's "best year" for each of the full years that SP+ has operated here. The improvement in 2017-2018 was 30.63% better than Lanier's best year, for example. This is without "any kind of rate change or drastic change to the program," he said. Mr. Camper said SP+ didn't make these revenue gains by writing "a whole bunch more tickets" than Lanier did; citations are "fair and consistent" and that "drives compliance."

Ms. Wallace said March was very good month, and Councilwoman Sutton noticed it was "the best March ever" of the revenue numbers presented for both companies.

Mr. Sutton said data connectivity is "part of our path forward," and SP+ has an analytics platform that they'll be bringing to Beaufort and will share the results with city leadership. Mr. Camper explained the type of data that would be gathered and said it could show when enforcement was being done at the right place and time, for example.

Councilman Murray said there are many anecdotes about the lack of available parking. The parking task force used as much data as it could get, and the more SP+ is able to provide the city with data about occupancies, times, highest utilizations, etc., he said, the better able the city would be able to make decisions about pricing, hours, etc. Mr. Sutton agreed that having "true picture" via data will help with decision-making.

Mr. Camper said that, beyond the payment system, they plan to look at "new opportunities" in enforcement systems, such as ones that are "more web-based." Mr. Sutton said there are also interesting things happening with pay stations, such as ones that "provide wayfinding and guidance," or offer coupons, not just collecting parking fees.

Mr. Sutton said there have been a number of discussions about "planning for demand" during events, which drain available parking and cause congestion. They want to find solutions for the city and consumers, such as ancillary event parking and alternative forms of transportation, he said.

Mr. Prokop said the city "hardly hear[s] any complaints" about parking now, and those complaints they do hear "are handled" by Ms. Wallace and her staff.

CITY MANAGER'S PRESENTATION OF THE CITY'S FY 2020 BUDGET

Mr. Prokop thanked Councilman Cromer for the City of Beaufort's 1959 annual report, from which he quoted some "interesting facts." Total revenues today are 100 times what they were in 1959, for example, he said. He then cited sections of an article about the need for local governments to change in *Public Management* magazine.

Mr. Prokop highlighted aspects of the "City Manager's Message" in the recommended

budget. The coming fiscal year's annual operating budget is balanced, he said; it is \$23,645,812 "across all funds," which is an increase of 2.9% over last year's budget. The only proposed increase in revenues is a 2.2% CPI increase to the property tax millage rate, according to council's direction that the CPI should increase each year, he said.

Mr. Prokop said the goal for the presentation he and **Kathy Todd** would make would be to give "the overall picture" of cost increases and anticipated revenues. He suggested that council should consider if this is the budget process that they want to take into the future and whether they are getting "the public input we want" on the budget.

Ms. Todd said council "budgets for" the following funds: General, TIF II, Parks & Tourism, Stormwater, State Accommodations, and Redevelopment.

"The deficit in the General Fund is primarily for capital," Ms. Todd said, which is "coming out of committed fund balance for vehicles and equipment. That's capital that's in the Parks & Tourism Fund as well as the General Fund." A reserve has been accumulated in the General Fund, she said, and "we're going to pull from that to cover those capital equipment costs."

\$90,000 in the TIF II Fund is "interest income" on the tax increment financing (TIF) dollars in the fund, Ms. Todd said.

A deficit will always show in the Stormwater Fund, Ms. Todd said, "as they begin to expend money from the \$6 million bond," plus there is "typically . . . a carry-forward of stormwater revenues that have not been expended yet or have been earmarked for specific projects that have to be used for future stormwater projects," so there will always be a deficit there, but "there are funding sources within fund balance in the Stormwater Fund to cover those deficits."

Ms. Todd reviewed the chart on page 8, noting that 41% of the budget goes to salaries and 15% to benefits, which is about the national average, she said. The remainder is 31% for operations, 11% for debt, and 2% for capital.

On page 9, a chart showing "where the money comes from" showed 31% is from property tax, 11% from intergovernmental revenues, 17% from licenses and permits, 15% from other taxes, 13% from charges for services, 9% from franchise fees, and then smaller (1% and less) from other sources. No debt proceeds are recommended revenue sources in this budget, Ms. Todd said.

Taxable assessed value (TAV) for Tax Year (TY) 2019 is estimated to be \$94,844,003, which is an overall projected growth of 2.1%, Ms. Todd said. Real property TAV is projected to grow 4.5% over TY 2017, but personal property is projected to decrease by 12%, and vehicle property tax is also projected to decrease by 9.7%, so the growth of real property is consumed by these decreases, she said. Councilman Murray asked why,

and Ms. Todd said it's difficult to get that kind of detailed information from the county. She told Mayor Pro Tem McFee that personal and vehicle property "don't have the same attachment" as real property. "They turn over quicker," she said, so it's different than the assessed value of a parcel "that's always going to be in your jurisdictions and always going to have some kind of value." The assessed values of personal and vehicle property depend on what people buy and sell, "and then what they report," Ms. Todd said, plus those kinds of property depreciate.

Ms. Todd said property tax in the General Fund includes an estimated growth and CPI increase *to the operating mil only* of 2.2% or 1.18 mils. "We're not recommending any change to the debt mil," she said, and are recommending a continuation of the reserve mils at 2 mils to fund future infrastructure repairs. The city is at "about a 94% . . . rate on our current property tax collections," Ms. Todd said.

"Growth on our property tax assessment side equates to about \$163,000" of the increase in property tax revenue, Ms. Todd said. The rest "comes from the CPI addition," for a total increase of about \$275,000 over last year for property tax revenue, she said.

Other significant changes include the reimbursement on the SAFER grant, which will be about \$484,000, while last year it was about \$650,000, because the reimbursement rate drops from 75% in the first part of FY 2020 to 35% in the later part of the fiscal year, Ms. Todd said. Though the Town of Port Royal's share will increase, the net effect is a 27% decrease over last year. Mr. Prokop said fire costs include the costs for the Town of Port Royal, which is credited as revenue coming to the City of Beaufort.

Overall revenue growth in the General Fund is estimated to be about .9%, and local hospitality and accommodations taxes in the Parks & Tourism Fund are "starting to level out," Ms. Todd said, so the increase is expected to be 1.5%. Stormwater Utility Fund revenues are estimated to increase 3.3%, which she believes is "a reflection primarily of the annexations."

The changes in expenditures are "fairly small," Ms. Todd said: General Fund decreases 2.93% over the prior year; Parks & Tourism Fund increases only .94%; Stormwater Fund increases the most at 16.86%, but that's to be expected, she said, "because now we've got the \$6 million to start tackling Mossy Oaks" and other stormwater costs, and State Accommodations Fund is estimated to increase only 1.04%.

Ms. Todd said the expenditures budget highlights include the following:

- 2.5 new full-time employees: a communications coordinator, a business license inspector, and a part-time administrative assistant in the fire department for a total increase in salaries and benefits of "about \$90,000."
- There is a state-mandated increase in the retirement contribution of 1%.
- General Fund salaries and benefits increased 1.8%, Parks & Tourism salaries and benefits increased .55%, and Stormwater salaries and benefits increased 18.97%.

- Overall operations decreased 2.55%, with a 3.95% decrease in the General Fund, a 1% increase in the Parks & Tourism Fund, and a 16.86% increase in the Stormwater Fund.

Ms. Todd pointed out some small changes in the budget calendar.

Property taxes are the largest source of revenue for the City of Beaufort, Ms. Todd said. The recommended 2.2% increase to the operational mil will increase it from 53.62 to 54.80, she said. The debt mil remains the same, and with the reserve mil remaining in place, the total recommended millage rate would be 75.77.

In other significant revenues, licenses and permits are budgeted at a “modest” \$32,000 increase, Ms. Todd said, but she hopes it will be higher than that. Charges for services are budgeted for \$56,108 more than in FY 2019, primarily because of lease payments from Commerce Park. Intergovernmental revenues decreased because “we’ve lost several grants in the revenue projections for the General Fund, in addition to SAFER,” she said, such as a \$160,000 Highway Safety grant received last year “that we do not have this year,” as well as the SCE&G franchise fee that is “estimated to drop pretty significantly by a couple hundred thousand dollars.”

Councilman Murray said they had planned for SAFER to diminish, and he asked the fire chief to make that grant part of the fire department’s budget presentation to council.

Ms. Todd told Councilman Cromer that the city has grant applications out, but it hasn’t received any notification about them, and the grants haven’t been awarded yet, so they were not included in the budget “unless we knew for sure we were secured.” She said provisions have been made in the budget in case the grants are awarded, so the city would have matching funds available to commit to the grant.

The approximately \$50,000 increase in Parks & Tourism Fund revenues is primarily a reflection of hospitality and accommodations taxes “being kind of flat,” Ms. Todd said. “Tourism marketing” includes a 5% (\$101,299) allocation of local hospitality fees to the Convention & Visitors Bureau (CVB) and 1.1% (\$22,286) to other nonprofit organizations.

Councilman Murray said the 1.1% Ms. Todd referred to was “council-directed,” and “the other 1.1% went to Downtown Merchants Association.” Ms. Todd said to whom the 1.1% went “depended on who presented to council” and what they requested, “and council directed how much of that \$22,000 went to which organization.” Councilman Murray asked if council didn’t “split it just 2.2[%] total.” Ms. Todd said no, it’s just 1.1%, with 5% going to the CVB.

Ms. Todd said the Stormwater Fund reflects an estimated \$35,000 increase in utility fees. The salary and benefits increases are due to the “direct salaries and benefits of the

employees who are 100% funded through Stormwater,” she said, plus “an allocation of Public Works’ administration to the various components that they oversee” (e.g., a piece of the administrative salaries goes to Stormwater, a piece goes to Parks & Tourism, “and a piece stays in the General Fund.”) Capital in the budget is for an excavator, she said, and excess expenditures will be paid for by bond proceeds.

In the State Accommodations Fund, \$150,000 for “capital” is for repairs and renovations to windows and the bathroom in The Arsenal, Ms. Todd said. “This will be part of the direct budget process, rather than part of the grant revenues that will be utilized through TDAC,” she said. “This is our share,” Mr. Prokop said. “It’s a match component to the grant for those repairs,” Ms. Todd said. The estimated portion for the CVB as the city’s designated marketing organization is \$166,500, she said, and “we have one full-time police personnel – not necessarily the officer, but the value of one FTE – dedicated to State Accommodations Fund.”

Ms. Todd briefly reviewed the funds from which city employees’ salaries and benefits would come. The overall increase to salaries is \$146,910 or 1.57%, she said, which is “modest”; benefits show an increase of \$86,360 or 2.52%. It’s 2.52% – rather than 1% – because positions budgeted for in prior years are vacant, “and all vacancies get budgeted at the highest health contribution from the city side,” which is for a family, “to play on the safe side,” Ms. Todd said.

Ms. Todd said stormwater projects are included in the Capital Projects Fund, which has “four active grant awards” in it, including the \$1 million Community Development Block Grant, and a \$500,000 Land and Water Conservation Fund grant. No new projects are recommended in the capital projects portion of the budget, she said.

ESTABLISHING A SINGLE AUTHORIZED RUN ROUTE IN THE CITY

Police Chief **Matt Clancy** said groups occasionally want to have 5K runs in the City of Beaufort, and a route has been established for this purpose for various festivals and events. A safe route is one that has the fewest intrusions – such as driveways – into the route as possible, he said. The police department knows how many people are needed to work the city’s established course, which is over the Woods Memorial Bridge and down Meridian Road, what the points of coordination are, and how to avoid inconveniencing those along the route who are not participating in the run.

Sometimes groups ask for different routes for their 5Ks, such as through “the interior of the city,” Chief Clancy said, but a lot of issues arise with this, especially because of driveways along these alternative routes. The established course is scenic and safe, and emergency vehicles can easily access it, he said, so they would like it to be the only designated 5K route.

Chief Clancy said another good thing about this established route is that a race’s “stragglers” could be moved up onto the sidewalk, so the Woods Bridge could be re-

opened to traffic.

Councilman Murray said he knows groups have asked for variances to the established route, but the police department has always recommended staying with this one, so he's unsure what Chief Clancy is asking of council. Chief Clancy said, "We'd like to make it official, so that would be the city policy." Police are working with a group now that wants to put on a race that has evolved from a walk along city sidewalks, he said. Last year, participants went into the roadway, "and it was kind of a mess," Chief Clancy said. The group and police are working on a compromise for this year.

Chief Clancy said organizations putting on runs have to contract with the police to have additional officers at "every single intersection," and on each "turn or driveway," which "gets very expensive for them." In addition, there are not enough officers who he could put on these alternate routes to guarantee the runners will be safe, he said, so a single designated route for 5Ks is the best idea.

Councilman Murray asked if Chief Clancy has "looked at the Spanish Moss Trail" for runs. Mr. Prokop said a request for this had come in today. This might work on the part of the trail that's in the city, he said, "but what happens if [a race] goes into the county's property, or goes into Port Royal?"

Councilman Murray said on the current route – over the Woods Bridge, down Meridian Road, and then turning around at a road behind Beaufort High – there are a number of residential parcels, and "we don't own Meridian Road, so we already coordinate with the Beaufort County Sheriff's Office for a portion of that" route; therefore, the Spanish Moss Trail being multi-jurisdictional isn't a reason not to hold a race on it. Mr. Prokop said the "original assumption" was that the Friends of the Spanish Moss Trail "organize" the use of it, but "they're saying, 'No, we don't.'" He said he has now learned who in the county should be talked to about the use of county portions of the trail for a run, "and we have to resolve that," but there will be questions about it like there are for non-trail run routes. (I.e., Where there are road crossings, "it's going to affect the police.") It's possible, he said, that in addition to the route Chief Clancy is suggesting as the designated city 5K route, there could be a Spanish Moss Trail 5K route in the future.

Councilman Cromer asked how many people typically are involved in 5K races. Chief Clancy said it depends: There are probably a couple hundred participants in the Water Festival 5K. Councilman Murray agreed and said there can be anywhere from 100 to 400 participants. **Rhonda Carey** said the Shrimp Festival run had "over 500." **Linda Roper** said the Turkey Trot had more than 400 participants. Councilman Cromer asked if they could "get that many people on Spanish Moss Trail." Several people responded that not all of the participants would be on the trail at the same time.

Chief Clancy said when the Spanish Moss Trail was being established, the Friends of the Spanish Moss Trail said "no group could use it to the exclusion of anybody else," so

there could be a 5K on it, but others could still use the trail during the run to walk, ride bikes, etc. There could also be an issue with making money on a run there, he said. It's "a public asset" owned by the city, the county, and Port Royal, Councilman Murray said, not by the Friends of the Spanish Moss Trail, so it shouldn't be any different than groups charging participants to run in any other 5Ks. The Friends helped build the trail and have managed it, he said, but "we're responsible for maintaining it and [the] access and use" of it.

Chief Clancy said the police department "will make it happen" if the city tells them a run will take place somewhere other than the typical route, but the police are making this suggestion to designate it as the official one because it is "the safest, most efficient" route, which is still scenic and nice for participants.

Mayor Pro Tem McFee said an ordinance would be the next step if council agrees that it would be a good idea to have a regular, designated route. Councilwoman Sutton and Councilman Cromer said they think it is. Councilman Murray said he is okay with having a standard route, which most people have chosen for their races, anyway, even without an ordinance, "primarily because of PD's position about the route." He's "not sure an ordinance gives us that much more protection," but it would give the police department "coverage to say that council says this is our standard route." The police department is already telling people that this is the route it endorses, Councilman Murray said. Councilwoman Sutton said Chief Clancy "just wants it more official."

Councilman Murray said he just wants to leave the door open, so if someone wants to have a 10K or a marathon on the Spanish Moss Trail, there can be a conversation about the number of officers that would be needed for that if "folks want to come into our city and encourage healthy, active lifestyles," which he feels council should support. Councilwoman Sutton said, "If it's bigger than a 5K, we can talk about it" when/if that arises, but for a 5K, she feels council should support to police department in saying, "This is the route."

EXECUTIVE SESSION

Pursuant to Title 30, Chapter 4, and Section 70 (a) (2) of the South Carolina Code of Law, **Councilman Murray made a motion, seconded by Councilman Cromer, to enter into Executive Session for receipt of legal advice. The motion passed unanimously.**

There being no further business to come before council, the work session was adjourned at approximately 6:42 p.m.