



City Council Special Meeting and Budget Workshop Meeting Minutes – Council Chambers – 2nd Floor

April 21, 2026

I. CALL TO ORDER

5:00 PM

Philip E. Cromer, Mayor

Members of Council in attendance - Philip Cromer, Neil Lipsitz, Michael McFee, Mitch Mitchell, Josh Scallate.

II. INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Pro Tem, Michael McFee.

III. PUBLIC COMMENT

Gene Grace, Bobby Melia, Beth Grace (written comments attached), Brenda Litchfield, Karen Schwartzman, Joe Oliver, Heather Winch, Matt McAlhaney, Sara Tetley

IV. NEW BUSINESS

- A. An ordinance amending Part 7 of the Code of Ordinances of the City of Beaufort, South Carolina and Section 3.6.2.C.2 of the Development Code to adopt provisions regarding Short-Term Rentals - First Reading.

Motion to approve was made by Councilman Lipsitz and seconded by Mayor Pro Tem, McFee.

Curt Freese, Community Development Director, went over changes which were requested coming out of the Regular Meeting on April 14, 2026.

Councilman Lipsitz made a motion to remove 7-18002 Section S - Special Exceptions in its entirety. Councilman Mitchell seconded the motion.

All were in favor of the amended motion.

Mayor Pro Tem, McFee made a motion to amend the Three Strike rules as follows: 1st strike - written warning, 2nd strike a \$500.00 fine and 3rd revocation. Amend the Caps Section to reflect the caps to be based on the appropriate percentages on allowable parcels in the neighborhoods. (i.e. lots that by right could be considered as STR appropriate excluding Covenants, Restrictions and HOA's.) The motion was seconded by Councilman Lipsitz.

At the request of the City Manager to make individual motions, Mayor Pro Tem, McFee withdrew his amendments and Councilman Lipsitz withdrew his second.

Mayor Pro Tem, McFee made a motion to amend the Three Strike rules as follows: 1st strike - written warning, 2nd strike a \$500.00 fine and 3rd revocation. The motion was seconded by Councilman Lipsitz.

All were in favor of the amended motion.

Mayor Pro Tem, McFee made a motion to amend that the Caps for both the 3 and 4 percent in the City are defined as being based on the allowable parcels in a neighborhood. The motion was seconded by Councilman Mitchell.

All were in favor of the amended motion.

All were in favor of the main motion.

V. DISCUSSION ITEMS

A. Fiscal Year 2027 Draft Recommended Budget.

Scott Marshall, City Manager, stated the recommended Fiscal Year 27 Budget is \$73,254,166.00 which includes \$25.5 million in Capital Project Funds. The overall millage rate will remain flat at 73.9 mills. The value of the mill increased from \$131,885.00 to \$153,274.00. There will be \$100,000.00 for the Housing Repair Assistance Program. He then went over the figures to be paid to our strategic partners to help provide support. New items being proposed included three Patrolman III positions for the Police Department, partially funded by a COPS Hiring Grant. First three years would be a 70/30 split. A proposed Vehicle Tag Fee of \$32.00/vehicle to help offset Right of Way maintenance and Street Sweeping on SCDOT roads. A \$1,000 annual Short-Term Rental license fee and the establishment of a Debt Service Fund to budget and record City's debt payments in one fund.

Departmental budget presentations will be given during the Worksession on April 28, 2026.

The public hearing and first reading on the Budget Ordinance will be held on May 12, 2026. The second and final reading will be held on June 9, 2026.

Alan Eisenman, Finance Director, went over the breakdown of each fund, showing expenditures and revenues related to each category along with their percentages.

Mr. Marshall and Mr. Eisenman addressed Council's questions and concerns.

Some topics of discussion included the \$32.00 Vehicle Tag Fee and funding for the acquisition/design of property near City Hall to assist with parking issues at the Municipal Complex.

The following addressed Council regarding the budget, Graham Trask, Peggy Simmer and Jared Madison.

VI. EXECUTIVE SESSION

A. Pursuant to Title 30, Chapter 4, Section 70 (a) (1) of the South Carolina Code of Law: Discussion regarding personnel appointed by City Council.

Councilman Lipsitz made a motion to go into Executive Session and seconded by Mayor Pro Tem, McFee.

All were in favor, motion carried.

Councilman Lipsitz made a motion to come out of Executive Session and seconded by Councilman Mitchell.

All were in favor, motion carried.

No actions from Executive Session.

VII. ADJOURN

9:00 PM

Councilman Lipsitz made a motion to adjourn and was seconded by Councilman Scallate.

All were in favor, motion carried.

Disclaimer: This document is a summary. All City Council Worksessions and Regular Meetings are recorded. Live stream can be found on the City's website at www.cityofbeaufort.org (Agenda section). Any questions, please contact the City Clerk, Traci Guldner at 843-525-7024 or by email at tguldner@cityofbeaufort.org.

In accordance with South Carolina Code of Laws, 1976, Section 30-4-80 (a)(d)(e), as amended, notification of regular meetings was given at the beginning of the calendar year. A copy of the agenda was posted on the City's bulletin board and website www.cityofbeaufort.org twenty-four hours prior to the meeting. A copy of the agenda was given to the local news media and requested public on file.

approved: May 12, 2024
Traci Guldner



Beth Grace- [REDACTED]

Tonight, Brenda Litchfield and I have divided up the whole new ordinance created this past week to present our concerns. We will make reference to the code sections so that we are all on the same page.

Beth Grace - [REDACTED]

Chapter 18-STR

Section 7-18002- Requirements for
Licensure of STRs

(e) (3)- There needs to be a definition for “formalized parking”. It means different things to different people.

(e) (4)- The “to be determined by the discretion” of the license official should be in alignment with SC State Planning Law. An arbitrary decision by a staff member is

probably not legally defensible. The process in this ordinance is arbitrary and vague in the determination of exceptions/ exemptions. The process is easily manipulated and side tracked. It invites legal challenge because a staff member is making decisions behind the veil with no guardrails. This clearly violates State Planning Law which requires public notice, a public hearing, ZBA review and carefully enumerated criteria. Case law in the State is settled that a committee, review board or ZBA cannot pick financial winners and losers. Another consideration in the special exceptions as proposed is that the staff nor reviewing body have the "tools" needed to determine the "hardships" as stated in this ordinance. Courts have consistently ruled against "financial hardships" for public policy. The same principles apply to medical hardships because they are highly discretionary and vague.

(f) (6)- "The prohibition of large gatherings such as weddings and reunions **unless specifically approved by the City**";

This requirement should be a flat out prohibition of large gatherings. This privilege is also addressed in:

Section 7- (r) allowing events up to 25. Events this large would entail 10-12 cars plus the original guests. It would involve loud noise (even without amplification) and congestion in a neighborhood. The Zoning Code allows events such as these in B&Bs, Inns, Motels, Hotels, Waterfront Parks etc. There are many choices for restaurants and parks. Clearly a STR is differentiated from brick and mortar commercial businesses. Small neighborhoods should not be required by the City to host events weekly or monthly which degrade the quality of life and serenity of the neighborhood. The initial intent of revising this ordinance was to

provide greater protections for residents and to reduce STRs proliferating and clustering. This defies logic and once again allows “discretionary approval” by City staff. Please remember the ordinance is being tightened to protect residents quality of life!

(g)- The details of whom to call if residents have a complaint needs to be clearly delineated. In other words, day or night, do they call 911 or City Police non-emergency number? The after hours calls should be clearly stated because that is the most likely period for complaints!

This newly drafted ordinance has significantly affected the process. Section (s) under Section 7- 18002.

Section (s) opens the City to legal challenges on many levels. It completely obliterates the original public intent of City Council to rein in STRs and to protect

residents quality of life. This section gives unequal status to some groups based on financial or medical reasons which State Planning Law most likely negates. If there are so many “grandfathered” groups of owners then why can’t our neighborhood retain grandfathering? For an investor or owner to be grandfathered because he/she is “in the process” shows inequality!

The ordinance as proposed is a significant weakening of the original. The SC State Supreme Court upheld Folly Beach’s cap for city-wide STRs. The caps are tried and tested legally which makes it a defensible choice for us. Allowing additional ADUs which do not count in the caps is another classification unequally granted. Clustering will not be relieved by this new ordinance nor will the large numbers of STRs in certain neighborhoods be relieved. This new ordinance needs significant retooling

because it is less protective than the first ordinance and is arbitrary and vague. We hope that the Public input is taken to heart because we want this issue to be settled and in the best interests of all City residents.

Thank you