

UPTOWN

MASC begins legislative year with pro-active agenda

January marks a new session of the General Assembly, meaning a clean slate for new legislative initiatives. As always, MASC has developed its legislative priorities and agenda based on input from members, affiliate groups and its board.

“We are working to take a new approach to our legislative agenda this year to reflect our goal of being pro-active and building coalitions through the *Hometown, SC* initiative,” said Howard Duvall, MASC executive director. “By pro-actively communicating the value of cities through *Hometown, SC*, we will be able to better illustrate to our legislators how these concerns tie back to their own communities.”

One focus of MASC’s advocacy program will be the Community Unification Act of 2007. The proposed legislation

will amend existing laws to allow the logical and reasonable inclusion of areas surrounded by a municipality to be included in the civic life of the municipality. The unified areas will become full partners in the growth of the community. By making our cities whole, we will be making South Carolina stronger.

Another major initiative involves maintaining local control over the comprehensive planning process. Community-wide planning allows local elected and appointed officials to protect the property rights of all citizens. Legislation proposed in the last session introduced a new concept into South Carolina called “regulatory takings.” MASC expects it to be re-introduced this year. This concept requires the government entity passing regulations that decrease the property’s value to

compensate the property owner. This proposal poses concerns for cities and towns because it would prohibit them from protecting their citizens from inappropriate development in their neighborhoods.

MASC is working with a coalition of environmental groups to prepare for the coming debate. A study committee appointed during the last legislative session will report back to the General Assembly in January.

The continuing debate over property tax reform will again be a hot topic for legislators. Within weeks of passage, many issues became evident, illustrating the piecemeal approach to tax reform enacted in 2006 wasn’t adequate to address the state’s problems. While MASC will likely be at odds with several

LEGISLATIVE continued on page 2

Making the Connection

Hometown Legislative Action Day
Marriott Hotel in Columbia
February 28

Keynote Speaker: Dr. John Daly,
University of Texas at Austin

Luncheon Speaker: Joel Smith,
Moore School of Business, USC

MASC will mail registration information in early January. Registration information will also be available on the MASC Web site (www.masc.sc). MASC will offer Sessions A and B of the Municipal Elected Officials Institute of Government. Deadline for pre-registration is February 5. The hotel reservation deadline is February 4 to receive the \$129 group rate.

December 2006

Inside This Issue

MASC cautions members when spending hospitality tax revenue
page 2

Pictometry offers new way of looking at city
page 4

MASC board leading the way to engaging local business leaders
page 5

business groups pursuing spending caps, there are other aspects of comprehensive tax reform that will logically ally municipal interests with business interests. MASC will support a comprehensive review of the state's tax system, allowing for more even distribution of the tax burden and ensuring local control of local dollars.

Watch for weekly legislative reports and alerts to keep you up to date on what's going on in Columbia during the session.

Note: MASC will no longer use the legislative listserve to distribute its legislative reports and alerts. "Beginning in January, all municipal officials will receive the weekly reports using our new association manage-

ment software," explained MASC Executive Director Howard Duvall. If you are not a municipal official and would like to receive the legislative report, complete the "Contact Form for Legislative Updates" in the "Featured Links" section of the MASC Web site (www.masc.sc).

MASC cautions members when spending hospitality tax revenue

In the Local Government Fiscal Accountability Act passed in 1997, state lawmakers gave local governments the ability to impose local accommodations and hospitality taxes by ordinance.

Local governments must use revenue from the local taxes exclusively for tourism-related projects or programs as defined by law (see box). If a county collected more than \$900,000 annually in state accommodations taxes, the local governments in the county could use the proceeds for operating and maintaining tourism-related facilities, too. Acceptable expenditures include providing police, fire and emergency medical services and emergency preparedness operations.

A new provision signed into law this summer allows local governments under the \$900,000 collection threshold to use up to 20 percent of the proceeds for operating and maintaining the tourism facilities and for activities initially constructed with funds from this tax source. This change does not affect municipalities in counties that collect more than \$900,000 in accommodations tax. They can continue to expend funds as stipulated in the original law.

To get the original legislation passed in the 1990s, municipalities and counties worked hand in hand with the hospitality and tourism industries. However, in recent years, the hospitality and tourism industries have become some of the

biggest critics of the local taxes. The groups cite local governments' use of the proceeds for projects not deemed as "tourism related."

While a local tourism expenditure review committee provides oversight for spending state accommodations tax funds, there is no similar oversight for spending local accommodations and hospitality tax proceeds.

"We strongly caution our members to stay within the law's guidelines when approving expenditures," explained Gary Cannon, MASC's director of intergovernmental relations.

There needs to be a clear connection between the facility and its use as an attraction that brings non-city residents into town. Sports facilities such as baseball fields, gyms with basketball courts or swimming pools used to host tournaments and other special events that bring in teams or players from out of town would be an appropriate use of the money.

Because of the growing concern, MASC anticipates a push to change the law to regulate these funds and their use. "One proposal we've heard is to define a 'tourist' as someone traveling more than 50 miles away from home," Cannon said. This would restrict the local government to using local accommodations and hospitality tax proceeds for tourism-related projects that meet that definition. MASC would oppose this bill if introduced.

This arbitrary number would place a hardship on coastal communities like Isle of Palms, Sullivan's Island and Folly Beach. These areas have an influx of visitors living closer than 50 miles who use their public beaches for the day. These visitors should be classified as tourists, and the communities should be allowed to use local hospitality and accommodations funds to support services they require.

"Be careful when you approve the use of these funds," Cannon cautioned. "Make sure they are used for facilities or programs that are clearly used by tourists and non-city residents."

Acceptable uses of local accommodations/hospitality funds:

- Tourism-related buildings
- Tourism-related cultural, recreational or historic facilities
- Beach access, beach re-nourishment or other tourism-related land and water access
- Highways, roads, streets and bridges providing access to tourist destinations
- Advertisements and promotions related to tourism development
- Water and sewer infrastructure to serve tourism-related demand

Proposed agreement would open door to new resources for Main Street SC

The Municipal Association of South Carolina is close to finalizing an agreement with the National Main Street Center to bring training and other services to Main Street South Carolina cities as soon as January 2007.

"If the contract is signed before the end of the year, it is our intent to have everything in place at the first of the year," said Beppie LeGrand, Main Street SC manager. A close relationship with the National Trust for Historic Preservation's Main Street Center is integral to a strong downtown and economic revitalization program in South Carolina.

"We are committing the resources to Main Street South Carolina for cities that have committed themselves to following the proven Main Street revitalization steps," said MASC Executive Director Howard Duvall.

Main Street SC members have already seen an increase in training opportunities. In October, three national speakers participated in the manager orientation program. Taking part were a veteran business development director, a state Main Street design coordinator and a Washington, DC-based consultant who has worked with, studied and

visited 400 historic districts in the United States and overseas.

"We invited all our members who might want a refresher course, in addition to our four newest managers," LeGrand said. "That training was contracted through the National Main Street Center." A half-day was dedicated to each of the Main Street Four Points – Organization, Promotion, Design and Economic Restructuring. "This is the first time we have presented orientation in this format," she added.

In November, Main Street SC held a joint meeting with the SC Community Development Association and offered a post-conference fundraising workshop for Main Street SC members.

In addition to quarterly Main Street manager training, MASC plans to add four to six new training opportunities that use national speakers and experts. LeGrand hopes to offer design training such as "Historic Preservation 101 and 102," historic colors workshops and an analyzing a building workshop (breaking down components of a building and evaluating structural integrity).

"It is my job to make sure Main Street South Carolina members receive the best training and technical assistance

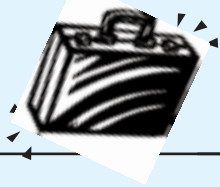
available and help each one to build strong, healthy programs and commercial districts in their downtowns," LeGrand said. "The new agreement with the National Main Street Center will go a long way toward delivering exactly that."

Main Street is a national program aimed at assisting municipalities in their efforts to revitalize their downtowns, neighborhood commercial districts and cities and towns into successful centers of commerce and community. All programs have the same goal: Ensure downtowns and central business districts are attractive, well-organized and economically viable with diverse businesses.

Main Street SC members

- Aiken
- Anderson
- Beaufort
- Bennettsville
- City Center Partnership
- Columbia Development Corp.
- Conway
- Darlington
- Florence
- Great Falls
- Hartsville
- Lancaster
- Laurens
- Marion
- Newberry
- Orangeburg
- Summerton
- Summerville
- Winnsboro

News Briefs



■ Sylvia Young, human resources assistant for the City of Chester, and Cindi Burke, benefits administrator for the Beaufort-Jasper Water and Sewer Authority, received \$500 scholarships from the Municipal Human Resources Association during its annual meeting in November. Young and Burke may use their scholarships to attend any training event to enhance their development as municipal human resources professionals.

■ The City of Spartanburg won a national marketing award for its promotion of Hub Bub (www.hub-bub.com), a Web site geared toward young people. Spartanburg won the Savvy Award in the Citizen Participation category. The City/County Communications and Marketing Association sponsors the Savvy Awards.

■ For the 14th consecutive year, readers of *Condé Nast Traveler* magazine honored Charleston as a top-10 travel destination in the United States.

■ BellSouth will honor Charleston Councilmember Louis Waring in its 2007 South Carolina African-American History Calendar. Waring is among a dozen black South Carolinians featured in the calendar. Public schools throughout the state will use the publication as a history teaching aid.

■ MASC is working on updating the Handbook for Municipal Officials in South Carolina and the 2007 Municipal Officials and Legislative Directory. Be on the lookout for these publications during Hometown Legislative Action Day on February 28.

Pictometry offers new way of looking at city

On Hilton Head Island, officials can scan the marshes for abandoned boats and count parking spaces without leaving their offices.

In Myrtle Beach, the fire department can measure the space between fire hydrants and buildings, and public works officials can locate water and sewer lines without ever making a field visit.

Both municipalities are utilizing a new technology called pictometry, which allows users to view some 20 different three-dimensional images of buildings, highways or properties. The user can measure distance, height, elevation and area from the pictures and can insert traditional geographic information system (GIS) data.

Hilton Head Island was the first South Carolina town to use pictometry. The town began using the program in May 2005, and it's "being used by virtually all our departments," said GIS Administrator Rich Hamilton. "Everyone's finding new uses for it all the time."

The town is using it for a flood-mapping project, an analysis of traffic accident sites and beach re-nourishment projects, he added. It's even being used to protect sea turtles. An ordinance calls for lights to be turned off at the beach at night, as the lights confuse turtles that come up to the beach to nest. If there's a violation, officials can locate the structure, photograph it and check it against the pictometry images to verify the location, Hamilton said.

"It's just another useful tool for us," he added.

Myrtle Beach just rolled out the software in July and is still in the training phase, said GIS Analyst Lisa Holzberger. But it has already proved to be beneficial, especially in public works, she added. Officials in the department rarely have to leave the office for field visits, thus improving efficiency, she said.



A pictometry image of Myrtle Beach City Hall taken in May shows three-dimensional detail of the building and surrounding structures.



A traditional orthoimage taken of Myrtle Beach City Hall in 2001 shows basic structures.

The municipalities are using pictometry for public safety purposes. On Hilton Head Island, the fire department uses it to pre-plan responses to fires, and the sheriff's department uses it to support tactical operations, Hamilton said.

Myrtle Beach hopes to integrate the software with its E911 computer dispatch system. This would allow the dispatcher to pull up images of the site as the call comes in and, eventually, send those pictures to a screen in the officer's cruiser, Holzberger said. This gives the officers perimeters of the scene and

images of issues they might face, such as large fences.

The pictometry software can also overlay with existing GIS data to provide more information. Traditional GIS might include maps of roads or land parcels. When pictometry is superimposed, it can offer more details, such as structures or buildings on the road, providing a better, real-life picture of the map.

"Hand in hand, the two technologies work well together," Hamilton said.

For more information on pictometry, visit www.pictometry.com.

MASC board leading the way to engaging local business leaders

Encouraging dialogue while engaging business and community leaders is one of *Hometown, SC*'s primary goals. At the Municipal Association of South Carolina's board retreat in October, several statewide business leaders joined board members for a lively and engaging exchange about the business community's perspective of the value of cities.

"A major component of *Hometown, SC* is getting the business community and the leadership in our cities and towns to better understand each other's perspectives so we can build coalitions around issues of common interest," said Howard Duvall, MASC executive director. "This roundtable meeting at the board retreat was a very positive step in that direction."

Otis Rawl with the SC Chamber of Commerce, Lewis Gossett with the SC Manufacturer's Alliance and George Fletcher with the SC Competitiveness Council participated in the business roundtable facilitated by Jane Peeples from Carolina PR.

"Our first step in building the coalitions we've been talking about with *Hometown, SC* is engaging in dialogue with business leaders at the state and local levels," said Doug Echols, MASC president. "Through the rollout of *Hometown, SC*, we've been saying community leaders instinctively understand the value of cities, but our goal is to move them from passive understanding to active support."

The theme echoed throughout the two-hour meeting was the important role cities play in providing the quality of life that is so important to attracting and keeping quality jobs in the state. "I'd say the city is the most important player in quality of life discussions when we are working with a business looking to locate in a particular area," Gossett said.

Rawl agreed, saying, "First and foremost, cities provide quality of life – that's one of the major things executives look at when deciding to locate a business."

Fletcher echoed the quality of life aspect of the business climate when talking about the "brain drain" challenge the state is facing in keeping talented young people. "Clearly, quality of life decisions are key to young people making a choice about where they want to live and work," he said.

Gossett observed one often-overlooked attribute of a city is how it deals with problems. "Whether it's homeless issues, infrastructure, transportation or generating clean power, businesses want to locate in communities where leaders know how to solve problems constructively," he said.

All three panelists agreed building coalitions between businesses and the cities and towns where they are located is a critical component to making South Carolina more competitive.

During the fall *Hometown, SC* Road Show training sessions, participants got ideas and tips on how to engage local leaders in a conversation to start building coalitions around issues of common interest. This roundtable discussion with statewide business leaders at the board retreat provided a good model for local leaders to follow in their own engagement sessions.

"We designed the meeting to be more of a dialogue session than a formal meeting to explain municipal issues, so it gave our board a chance to really listen to what these business leaders were saying," Peeples said. "I believe similar localized meetings using this same format to encourage discussion will work well as we begin this process around the state."

Local municipal leaders interested in holding their own engagement sessions may download suggested guidelines and learn about Mayor Echols' Rock Hill engagement session through the *Hometown, SC* link in the "Featured Links" section of the MASC Web site (www.masc.sc). MASC staff is available to help facilitate these meetings. Contact Reba Campbell at rcampbell@masc.sc or 803.933.1245 for more information.

Hometown, SC is a long-range and sustainable initiative that will build relationships to raise hometown voices to a new level of influence. The goal of the initiative is to demonstrate the value of South Carolina's cities and towns to their residents and illustrate to policy makers and key influencers the important roles cities and towns play in our state's economic prosperity.

Hometown, SC Web site goes live

On November 1, the new *Hometown, SC* Web site targeted to external audiences of key influencers, business leaders, policy makers and the general public launched at www.hometownsc.org. The site has information to help these groups of local leaders understand the value of South Carolina cities. MASC encourages cities to link to this new site from their municipality's Web site. This new site is intended for external audiences; the one-stop shop to download *Hometown, SC* message points and other internal resources will continue to be found at www.masc.sc.

Workers' compensation in South Carolina is broken, but calls for reform have fallen on deaf ears in the General Assembly

South Carolina faces annually double-digit rate increases to match extremely generous benefits awarded by the Workers' Compensation Commission. According to a report released by the Washington Alliance for a Competitive Economy, the benefits being awarded are the *14th highest* in the nation and the *highest* in the Southeast. Compare the benefit levels to the fact South Carolina has the eighth-lowest premiums in the nation.

In September, an administrative law judge ruled the rate increase filed by the National Council on Compensation Insurance (NCCI) in 2005 was too large and reduced the filing from a 32.9 percent increase to 18.4 percent. NCCI determines the rate of increase needed by all commercial insurers to support the level of benefits being awarded by the workers' compensation system.

Harvey Mathias, director of the Municipal Association of South Carolina's Risk Management Services, said, "No commercial insurer is likely to support the benefit levels being awarded given the allowable premiums. Many insurers may pack up their tents and go home. Even carriers domiciled in South Carolina like Companion P&C have said they will no longer write new workers' compensation coverage in South Carolina as long as this environment persists."

This isn't an issue that only municipalities are struggling with. The South Carolina Chamber of Commerce sees the workers' compensation challenge as a real threat to the state's competitiveness. "Between 2001 and 2005, employer premium costs increased by almost \$277 million, placing a huge financial burden on businesses in the state," said

Hunter Howard, the chamber's executive director. "The South Carolina Chamber supports a predictable, consistent and accountable workers' compensation system."

Self-insurers struggle, too

Reform opponents allege greedy insurance companies are causing the workers' compensation problem in South Carolina. "This could not be further from the truth," Mathias explained. Approximately 40 percent of the workers in South Carolina are covered by companies that either self-insure or operate nonprofit association programs (like the SC Municipal Insurance Trust, or SCMIT, MASC's member-owned workers' compensation insurance program). SCMIT continues to be hit

COMPENSATION continued on page 7



Hometown Happenings

Hometown Happenings is a new service to municipalities as part of the *Hometown, SC* initiative.

Each month, municipal officials will receive a packet of information to help them share the value of cities and towns with the community and, more specifically, their key influencers and the news media. Through each suggested activity and its corresponding material, municipal leadership will form partnerships with the local business community, the media, local nonprofit organizations and policy makers.

MASC mailed the packet for January *Hometown Happenings* in November. The turnkey packets are mailed in advance to allow for planning time and localizing the information.

This packet included sample press releases, sample letters to the editor and guest editorials, suggested events and Web site links for the suggested activities.

January 2007 Hometown Happenings

- **Martin Luther King Jr. Day is observed Monday, January 15.**
- **The YMCA promotes its "Shrinkdown" through which local YMCA chapters, cities, colleges and universities, and local businesses sponsor healthy living challenges to residents.**
- **The SC General Assembly convenes January 9. Look for talking points from MASC the first week of January.**
- **Governor Mark Sanford will give his "State of the State" address. On the day of the speech, MASC will e-mail talking points in response to items of municipal interest.**

Visit the "Featured Links" section of the MASC Web site (www.masc.sc) to download the materials.

Compensation continued from page 6

by the same forces that affect commercial insurers and has to spread the increased costs among its membership. The SCMIT board of trustees approved an overall 5 percent rate increase for 2007. This follows a 15 percent rate increase in 2006.

Second Injury Fund problems persist

The SCMIT board also approved a \$1.5 million assessment for the upcoming year to offset the \$2.2 million assessment from the Second Injury Fund this year and to cover lingering costs from last year's assessments. The Workers' Compensation Commission is requiring SCMIT to improve its total net assets.

"One of the most critical factors affecting SCMIT's financial position is the Second Injury Fund assessment levied annually against all workers' compensation carriers and self-insurers," Mathias said. "The \$2.2 million assessment for the 2005 year is a staggering

amount given the scope of the Second Injury Fund's mission."

12,800 jobs lost in South Carolina

According to the South Carolina Chamber, SC employers spent \$387,981,574 on workers' compensation premiums in 2001. In 2005, employers spent \$664,955,355 – an increase of \$277 million. With an average income of \$21,500 for South Carolina employees, this translates into 2,800 jobs sacrificed due to increasing workers' compensation costs.

If South Carolina is to remain a hospitable place for industry – and the jobs that come with it – the General Assembly has to listen up and take action to reform workers' compensation. MASC will work closely with the South Carolina Chamber and other business interests to help move workers' compensation reforms through during the 2007 legislative session.



Classifieds

■ The City of Orangeburg is accepting applications for an assistant city administrator. Submit applications to the City Administrator's Office, 979 Middleton Street, Orangeburg, SC 29115. For more information or an application, visit www.orangeburg.sc.us. Deadline for applications is December 21.

■ The City of Columbia is accepting applications for a telecommunications director. For more information, visit www.columbiasc.net.

■ Greer Development Corporation is accepting applications for an executive director. Submit cover letter, resume and salary history to Greer Development Corporation, Attn: Executive Director Search, 111B S. Main Street, Greer, SC 29650 or e-mail edriggers@cityofgreer.org. For more information, visit www.greerdevelopment.com.

■ The City of Greer is accepting applications for a human resources manager. Submit resume to Greer City Hall, 106 S. Main Street, Greer, SC 29650. For more information or an application, visit www.cityofgreer.org or call 864.848.2150.

■ The City of Myrtle Beach is accepting applications for a youth program assistant. Submit resume to PO Box 2468, Myrtle Beach, SC 29578. For more information, visit www.cityofmyrtlebeach.org, call 843.918.1121 or visit the City Services Building at 921A Oak Street, Myrtle Beach, SC.

■ The Town of Pageland is accepting applications for a town administrator. Submit resume to Mayor Carroll Faile, 126 N. Pearl Street, Pageland, SC 29728.

Get ready for the 2007 Achievement Awards



Do you have a unique or innovative program to share with other South Carolina municipalities?

If so, this is your opportunity to shine! Plan to enter the 2007 Achievement Awards program and let others know about the exciting things happening in your municipality. MASC will recognize the winners during the 2007 Annual Meeting in July.

Winning entries are featured in a video shown at the Annual Meeting, in the Achievements Awards brochure, in *Uptown*, during Hometown Network broadcasts and on the MASC Web site.

MASC will mail entry information in late January, and the information will be available under the "Featured Links" section on MASC's Web site, www.masc.sc. Proposals must be submitted by March 8. Judging will take place April 2.



Educational Opportunities

SC Association of Municipal Power Systems

■ **December 11**, will hold a Membership Meeting at SCE&G's Pine Island Club in Columbia.

Hometown Connection

■ **January 30**, municipal officials from Abbeville, Chesterfield, Clarendon, Darlington, Edgefield, Greenwood, Kershaw, Laurens, Lee, Marlboro, McCormick, Newberry, Saluda, Sumter and Union counties visit with their state legislators. Officials will meet at MASC's office at 1411 Gervais Street in Columbia at 10:30 a.m.

Municipal Elected Officials Institute of Government

■ **February 27**, will hold Sessions A and B at the Columbia Marriott. Officials must attend Session A before they can register for Session B. Session A topics include conducting public meetings, planning and zoning, and personnel. Session B topics include annexation, business licensing, liability and finance.

MASC

■ **February 28**, will hold its Hometown Legislative Action Day at the Columbia Marriott. (See box on page 1.)

SC Utility Billing Association

■ **March 21-23**, will hold its Annual Meeting at the Marriott Resort at Grand Dunes in Myrtle Beach.

Municipal Elected Officials Institute of Government

■ **March 22**, will present "Basic Budgeting for Municipal Officials." The session will be broadcast via satellite to the 10 regional councils of government.

Hometown Connection

■ **March 27**, municipal officials from Beaufort, Berkeley, Charleston, Colleton, Dorchester, Dillon, Florence, Georgetown, Hampton, Horry, Jasper, Marion and Williamsburg counties visit with their state legislators. Officials will meet at MASC's office at 1411 Gervais Street in Columbia at 10:30 a.m.

Hometown Connection

■ **April 24**, municipal officials from Anderson, Cherokee, Chester, Fairfield, Greenville, Lancaster, Oconee, Pickens, Spartanburg and York counties visit with their state legislators. Officials will meet at MASC's office at 1411 Gervais Street in Columbia at 10:30 a.m.

For more information about these meetings or other MASC meetings not listed, please call 803.799.9574, or visit our Web site at www.masc.sc.



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