

Cities and *towns* supporting the state's competitiveness the Municipal Association's 2009 legislative agenda

By Mayor Carol Burdette, Municipal Association First Vice President and Legislative Committee Chair



As chair of the Municipal Association's legislative committee this year, I presided over the committee's annual meeting on November 18. The Association's board tasks the committee with developing the Association's legislative agenda for the upcoming year.

The committee consists of 24 rotating members that include mayors, councilmembers and city staff members. In addition, the president of each of the Municipal Association's affiliate organization sits on the committee along with representatives from several local government organizations such as the SC Police Chiefs Association and the SC Water Quality Association.

Several years ago, the Association began developing the legislative agenda around supporting the state's competitiveness, a movement by business leaders to help push our state toward economic competitiveness in the new knowledge economy. The Association identified three overall principles: promote economic growth, enhance positive quality of life and encourage local accountability and fiscal responsibility. These three principles guide our way of thinking when developing our legislative agenda (visit www.masc.sc to download the Association's 2009 legislative agenda).

Beginning in the summer, the Association staff traveled across the state talking to local officials about issues that are important to hometowns. Through the October

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For a list of current municipal job openings, visit www.masc.sc/misc/jobs.htm

From the dome To your home

A legislative update from the Municipal Association of SC

Legislative Tracking System

Your link to the State House

With the General Assembly back in session, it is important to stay updated on subcommittee and committee action and new legislation that could affect cities and towns.

Use the Municipal Association's tracking system to follow legislation, read fiscal and revenue impact statements on specific bills, and see up-to-the minute action from subcommittees and committees in the House and Senate.

Use the comment feature to give Association staff your feedback on legislation. We want your opinion on how bills under consideration affect your residents and businesses.

Bills are categorized by bill number, sponsor, tracking level (Priority, Work, Of Interest, Graveyard and Passed), subject and keyword, date introduced, and date action was taken by a subcommittee, committee or the full House or Senate. The system is linked throughout the Association's weekly legislative report, *From the Dome to Your Home*, distributed every Friday morning during the legislative session. Contact Casey Fields (803.933.1256 or cfields@masc.sc) with questions or comments on the tracking system or specific bills in the system.

Celebrating 70th anniversary

The Municipal Association is celebrating its 70th anniversary this year. In each Uptown issue leading up to the Annual Meeting, we will provide a snapshot of each decade, highlighting events and issues impacting local governments and the Association.

The World's Fair offered people a glimpse into the world of tomorrow by showcasing its vision of the future. Americans, unable to forget the Great Depression, made conservatism and cooperation the general rule. A small group of local elected officials realized they had to pool their knowledge to meet the

challenges of the changing times, pool their knowledge to meet the challenges of the changing times, and the Municipal Association of SC officially organized. During the

1940s, the Association's sole mission was lobbying at the State House for municipal governments. Local officials' top issues were access to alternative sources of revenue, high insurance rates and taxes.

Association members studied the possibility of establishing funds for self-insurance and pursued a fair tax on liquor, beer and wine to relieve the burden on the property tax.



CITIES: CONTINUED FROM PAGE 1


Hometown, SC Road Shows, the fall managers and administrators meeting and the field service managers' daily contact with local officials, staff gathered input about important issues at the local level. Association staff also talked with other organizations that share our vision of cities and towns as a critical part of the state's economy. We needed to understand what issues will be high priorities for them this year.

Next, our staff visited with legislators – both incumbents and those newly elected. The goal with these meetings was not necessarily to talk specific issues for the 2009 session but rather to introduce the new association leadership and continue to maintain positive relationships at the State House.

Finally, staff members evaluated how they can be more effective in activating our grassroots network through the resources of the *Hometown, SC* initiative. Through your input, Association staff has also looked at ways to be more effective in keeping local leaders well informed about legislative issues.

The Association has put a larger framework around local issues so municipal leaders, as well as legislators and key community leaders, can better understand how these issues affect them as citizens or business owners – not just how the issues affect the cities and towns as government entities. This new way of framing our issues does not change what's important – protecting the ability to run cities and towns in the manner that works best for our own communities and the people who live there. By framing our issues in this statewide context, we help position cities and towns as partners with the state in long-term economic competitiveness.

From building our grassroots network at the local level to developing our legislative agenda, the Municipal Association and its member cities and towns stand ready to support the state's competitiveness and future economic prosperity in the knowledge economy. The Association and our members support legislation that recognizes cities and towns as engines that drive the state's success and allows the leaders closest to the people to govern with both flexibility and accountability.

The state of the current global economy requires local and state leaders to work together to ensure our state's future economic success. As local elected leaders, we are striving to build our cities and towns as hubs of business and industry that provide excellent services to our residents. We are all ready to work with legislators on positive ways to contribute to the success of the state. 

The Association will present its legislative agenda at the Hometown, SC Legislative Action Day on February 18 in Columbia. For more information about the meeting or to download the 2009 legislative agenda, visit www.masc.sc.

Legislative principles

The Municipal Association of South Carolina supports the state's efforts to compete locally and globally in the new knowledge economy. Local elected leaders recognize the importance of cities and towns as the catalysts for a successful economy through regional collaboration and public-private partnerships. The municipal legislative agenda supports the efforts of cities and towns to make the state competitive, while also focusing on the best interests of the citizens of South Carolina hometowns.

Three Competitiveness Principles

Promoting economic growth

South Carolina hometowns are the core of economic growth and prosperity for our state. The success of our state's economic development efforts depends on the strength of our cities and towns to provide the quality services and amenities citizens and businesses demand. South Carolina hometowns support legislation that encourages economic growth of cities and towns to make our state competitive within the global economy.

Enhancing positive quality of life

Businesses repeatedly point to "quality of life" as one of the determining factors in making a decision where to locate. South Carolina's hometowns are the primary source of the valuable elements that create a positive quality of life supporting tourism, public safety, recreation, the arts, and cultural activities. South Carolina's cities and towns support legislative efforts to provide residents and businesses with cost-effective and efficient programs and services that support a positive quality of life.

Encouraging local accountability and fiscal responsibility

Local municipal leadership must have the ability to provide resources in a manner that best supports each community's local needs. Research indicates residents want local control over the laws and regulations that affect the growth and development of their hometowns. With responsibility comes accountability. South Carolina hometowns support local fiscal accountability and management of resources that are critical to supporting well-run cities.

Municipal Association affiliates elect 2009 board of directors

- The American League of Bicyclists has declared **Columbia** one of 96 Bike Friendly Communities in the country. Columbia's application stressed the number of bicycle-education events held each year, informational meetings between police and cycling advocates, the increase in "Share The Ride" signs and pledges by city officials to improve cycling infrastructure.

- BusinessWeek* magazine named **Rock Hill** as the top city in South Carolina to raise kids. The magazine named **Charleston** and **Mount Pleasant** as runners up. The magazine selected towns with at least 50,000 residents and a median family income between \$40,000 and \$100,000. It used the following criteria to rank the cities: school performance; number of schools; household expenditures; crime rates; air quality; job growth; family income; museums, parks, theaters, and other amenities; and diversity.

- The Isle of Palms'** newly constructed Fire Station 2 received a Silver Award for Station Design from *Fire Chief* magazine (www.firechief.com). The award recognizes the accomplishment of designing a facility that meets several unique challenges, including cost effectiveness.

- The Government Finance Officers Association recognized the **City of Beaufort** with a Certificate of Achievement for Excellence in Financial Reporting. The Certificate is the highest form of recognition in governmental accounting and financial reporting.

- The SC Chapter of the International Association of Business Communicators recognized the **Municipal Association** with two Palmetto Awards. The Association won an Award of Merit in the Communications Management category for the 2007 Road Show Toolkit and an Award of Excellence in the Writing category for an editorial on comprehensive tax reform.

Municipal Technology Association of SC

President Tony Westmoreland, GIS coordinator, Columbia

Vice President Sophia James, clerk/treasurer, Ridgeville

Secretary/Treasurer Daniel Byrd, information technologies manager, Greenwood

Member-at-Large Jimmy Bagley, chief information officer, Rock Hill

Member-at-Large Lisa Holzberger, GIS analyst, Myrtle Beach

Member-at-Large Ryan Byrd, information technology director, Goose Creek

SC Municipal Human Resources Association

President Kenny Cook, human resources director, Aiken

First Vice President Cynthia Brown, human resources director, Summerville

Second Vice President Carla Roof, human resources manager, Chester

Member-at-Large Ken Holliday, human resources manager, Greer Commission of Public Works

SC Municipal Finance Officers, Clerks and Treasurers Association

President Kelly Lovette, city clerk, Goose Creek

Vice President David Seifert, director of finance and information technology, Greer

Secretary/Treasurer Dora Perry, assistant city manager, Tega Cay

Member-at-Large Becky Hildebrand, clerk, Lexington

Member-at-Large Patricia Brown, treasurer, Marion

Member-at-Large Steven Gibson, administrative services director, Rock Hill

Member-at-Large Donna Young, city clerk, North Augusta

SC Municipal Attorneys Association

President Ken Gaines, city attorney, Columbia

Vice President Hugh Rogers, town attorney, Pelion

Secretary-Treasurer Carey Ayer, town attorney, Batesburg-Leesville

SC Association of Stormwater Managers

President Tom Garigen, stormwater manager, Horry County

Vice President Neil Desai, environmental engineer, Charleston County

Secretary/Treasurer Lillian Hanley, stormwater engineer, Greer

Member-at-Large Joseph Fersner, senior engineer, Woolpert, Inc.

SC Business Licensing Officials Association

President Debra Paulson, business licensing director, Hanahan

Vice President Tami Fralick, revenue collection manager, Charleston County

Secretary/Treasurer Blake Foster, license and codes officer, Belton

Member-at-Large Ken Mullinax, business license and risk management administrator, Anderson

Member-at-Large Sonya Lee, accountant I, Lexington

Member-at-Large Teresa Eaton, revenue officer/administrative coordinator, Florence

For more information about the Municipal Association's affiliate associations, visit www.masc.sc/affiliates/listing.htm. Membership renewals for all groups are due January 30.

+ Additional Common Usage Problems

By Dr. Henry T. Price

A person's entire life is spent communicating, from children on a playground to a mayor addressing city council. The success of South Carolina's cities and towns depend heavily on the effectiveness of how each entity communicates within itself and to the outside world.

When I taught journalism at the University of South Carolina, I gave my students a quick and simple grammar and usage test on the first day of class. The test didn't count toward their grades, for which many of them were deeply grateful.

What it did do, however, was to get their attention. Most of us think we know all we need to know about grammar and usage. After all, English is our native language. The best grades on my grammar test, however, almost always went to students for whom English was a second language because they spent years actually studying it.

Some months ago, we looked at a few of the more common usage problems in English. Here are some more of them.

- **All ready/already:** "All ready" means everyone is prepared; "already" means by now.
- **Amend/emend:** "Amend" means to change formally; "emend" means to correct
- **Anticipate/expect:** Both mean to foresee, but "anticipate" carries the possibility of preventing; "expect" means to foresee without necessarily being able to prevent.
- **Anxious/eager:** "Anxious" means to be worried and uneasy; "eager" means intensely desirous.

- **Appraise/apprise:** "Appraise" means to evaluate; "apprise" means to inform.
- **Chomping at the bit:** Horses don't "chomp" at a bit; they "champ" at it.
- **Compose/comprise:** To "compose" is to create or put together (the whole is composed of its parts); to "comprise" is to contain (the whole comprises its parts).
- **Continual/continuous:** "Continual" is repeated, with breaks; "continuous" is uninterrupted.



- **Envelop/envelope:** "Envelop" is a verb that means to surround or cover; "Envelope" is a noun that means a container for a letter.
- **Every one/everyone:** "Every one" means each single one; "everyone" means everybody.
- **Forego/forgo:** To "forego" is to precede; to "forgo" is to go without.
- **Hanged/hung:** "Hanged" means executed; "hung" means to put up. One way to remember it is that people are hung, things are hanged.
- **Hone/home:** "Hone" is a verb that means to sharpen; "home" is a noun that means a place where a person or family lives. You hone in on a target.

- **Imply/infer:** To "imply" is to hint; to "infer" is to deduce. Sources imply; receivers infer.
- **It's/its:** For some reason this gives us a lot of trouble. "It's" can only be used for one of two things, the contraction of "it is" or "it has." If it doesn't make sense reading it as one of those two, you want "its."
- **Lend/loan:** "Lend" is a verb, the past tense of which is "lent"; "loan" is a noun.
- **Media/medium:** "Media" is plural; "medium" is singular. (A newspaper is a mass medium, but it is one of the mass media.).
 - **Moot point:** Many people use this to mean the point isn't worth arguing because it's settled. Actually it means just the opposite—a moot point is an arguable point.
 - **More than/over:** "More than" is used with figures, as in "More than 100 people attended"; "over" refers to a spatial situation as in "The airplane flew over the building."
- **Proved/proven:** "Proved" is a verb and the past tense of prove; "proven" is an adjective and means tested and found effective.
- **Uninterested/disinterested:** "Uninterested" means indifferent or uncaring; "disinterested" means impartial.

There are, of course, many more words that can give us usage problems. If you would like to know more about them, may I suggest *Working with Words*, by Brian Brooks, James Pinson and Jean Gaddy Wilson.

Dr. Price, a consultant with Sam McCuen and Associates, taught copy editing and writing for more than 30 years at the University of South Carolina. Article reprinted with permission from South Carolina Business, SC Chamber of Commerce.



Taking the reins of economic development through special source bonds or credits

By April Lucas, Esquire
Nexsen Pruet, LLC

How often does your mayor join an economic development trade mission with the intent of landing a prospect for the industrial park outside the city limits? How often do the papers ballyhoo the new shopping mall just a little further down the interstate from the mall built 15 years ago? How many vacant storefronts do you count around your town square? How many empty textile mills? How many empty big boxes in the old strip malls?

We all know the answers — too often and too many. We also know that the work of attracting businesses to our town centers is constant and challenging. It takes money, time, chutzpah and persistence to stem the tide of businesses leaving or avoiding our cities and towns. Fortunately, there is an array of economic development incentives to bring to bear on this problem.

To know which incentive program to use, we must determine what problems we are trying to solve. Some business prospects forgo the amenities of our city centers because they fear traffic and parking problems and municipal taxes. Strategic planning and money can provide roads, parking facilities and other infrastructure that the businesses expect to see. Tax breaks require thoughtful use.

South Carolina's Special Source program offers a means of addressing both the funding of infrastructure and tax breaks. Instead of just recruiting businesses to the business park on the bypass, some towns and cities are using this program to promote annexation and to recruit businesses back to the city center. In short, special source bonds and credits can help our municipalities take the reins of economic development and control their destiny.

First, let's address the funding aspect of this program. Special source revenue bonds work much like tax increment financing without many of the burdensome procedural requirements associated with a TIF district.

Special source revenue bonds must comply with the constitutional requirement that revenue bonds be "payable solely from a revenue-producing project or from a special source, which source does not involve revenues from any tax or license." Hence, the name special source revenue bonds.

As with TIF financing, special source revenue bonds often fund infrastructure associated with a single major project that will generate significant new property tax revenues. The governmental entity pledges all or a portion of these new revenues to support the bonds. To avoid the constitutional prohibition against pledging taxes or license fees to secure revenue bonds, the county council designates the project site as part of a multi-county industrial or business park.

Property in such a park generates a fee in lieu of tax instead of ad valorem taxes pursuant to a second



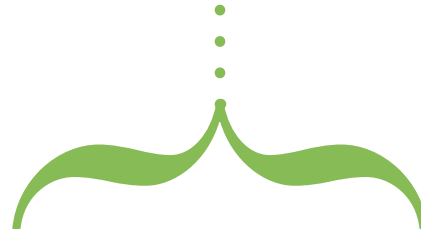


constitutional provision specifically authorizing multi-county parks. Because property in the park generates fees instead of taxes, there is no violation of the Article X prohibition on pledging taxes to secure revenue bonds. Our state Supreme Court upheld the constitutionality of the special source revenue bonds program in *Horry County School District vs. Horry County*.

Cities may use the proceeds of special source revenue bonds to fund infrastructure or to fund land and buildings operated by manufacturer's or commercial entities. Bond proceeds may not, as a general matter, be used to fund equipment and other personal property unless it clearly constitutes infrastructure. The prospective business can purchase the bonds or the city may agree to place the debt with a third party such as a local bank.

The parties should anticipate that a bank will ask for covenants and security arrangements which will ensure that sufficient revenues will be payable under the fee in lieu of tax to pay debt service on the bonds. Such arrangements may include a mortgage and covenants to maintain a certain level of investment while the bonds are outstanding.

Because of the delicacy of negotiating such covenants with banks during the recruiting process, many governmental entities prefer to offer special source credits, rather than to bring in a bank to buy the bonds. The issuer has the right to use fee in lieu of tax revenues for the same purposes for which the proceeds of the bonds could have been used without issuing the bonds. Instead of issuing a bond to pay for land to be given to a prospect, the prospect would pay for the land and receive a credit against a portion of its annual fee in lieu of tax payments until it recoups the cost of the land.



*It takes money,
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The credits have the added advantage of being self-adjusting. If the company fails to invest as much as it anticipates and within the time anticipated, the company simply does not earn the credit to the full extent anticipated. In contrast, a bank that owns a bond will undoubtedly want recourse against the company if the tax revenues fail to materialize as expected.

Whether bonds or credits are used, there is no pledge of the full faith and credit of the governmental entity. The obligations are payable solely from the pledged fee in lieu of tax revenues to the extent that they materialize.

Some governmental entities have looked to special source revenue bonds to finance economic development infrastructure, such as new industrial or business parks, spec buildings, roads, and water and sewer expansions. By combining fee in lieu of tax revenues from a large number of projects, the issuer can achieve a blended credit that banks can fund or offer publicly as bonds. For communities with a lower volume of projects, planning should start several years in advance to allow a critical mass of revenues to aggregate.

A multi-county park designation requires approval by the county council in which the project is located, as well as one or more

partner counties. The counties must share in the revenues and/or expenses to establish adequate consideration for the agreement. Most counties split the revenues 99 percent to the host county and 1 percent to the non-host county. The county has the right under such a park arrangement to control the distribution of all park revenues among the taxing entities within its jurisdiction. If any part of a multi-county park is within the municipal limits, the municipal council must consent. Cities have the opportunity to control and coordinate business recruitment efforts through the county.

The City of Hartsville negotiated arrangements with Darlington County to provide a discount on taxes through a special source credit for all businesses locating within its downtown revitalization district. As a result, Walmart located its new supercenter inside the city limits instead of closing the old facility—that was outside city limits—and moving to another town.

The City of Greenwood successfully used special source credits to reduce taxes and entice businesses to annex into the city. These are just two examples of municipalities that have used special source credits to allay businesses' fears of high municipal taxes.

Special source bonds and credits are flexible, powerful tools for economic development. By establishing a working relationship with the county council, municipalities may take advantage of these unique economic development tools. Through cooperation, they work just as well for cities as they do for counties.

Lucas heads the economic development and municipal finance practices at Nexsen Pruet, LLC.



Association-sponsored insurance programs continue to prove their worth



SCMIRF reduces tort liability rates 10 percent, returns \$1 million to its membership; SCMIT maintains rates

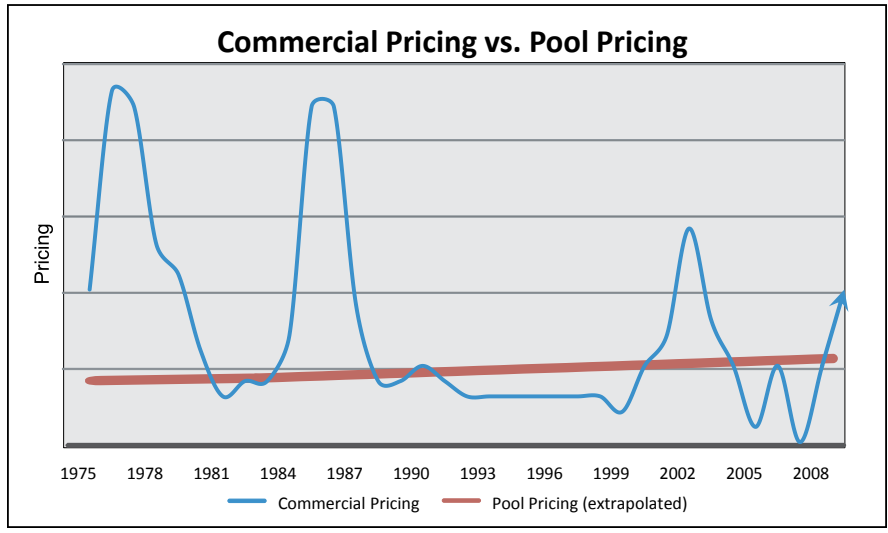
In these difficult economic times, the South Carolina Municipal Insurance Trust and the South Carolina Municipal Insurance and Risk Financing Fund recently provided their members with some much needed good news. SCMIRF reduced its tort, law enforcement and public officials liability rates by 10 percent and returned \$1 million to its members due to lower than normal losses over the last several years. SCMIT did not increase its rates for the upcoming year and even reduced rates in the law enforcement and firefighting categories.

Harvey Mathias, director of risk management services, said, "The Municipal Association-sponsored insurance programs are as strong financially and programmatically as they have ever been. We must continue to strive to maintain strong financial positions in our

programs. Our newly-announced 2009 rates allow us to do that, as well as help some of our struggling cities and towns."

"Stable rates, as well as continued availability of insurance coverage, have long been the primary goals of insurance pools like SCMIT and SCMIRF. In good

economic times, commercial insurance competitors nip at the heels of pooling programs, promising unsustainable low rates with an unlimited hunger for new business. In tough economic times, however, commercial insurers' capacity to write new business evaporates. Pricing increases at a staggering pace."





Jeff Thompson, assistant director of risk management services, noted, “Insurance markets are typically lagging indicators of what is going on in the overall economy. When investment options dry up – or worse yet – when their investments plunge in value, commercial insurers see their financial wherewithal diminish and begin to pull back on what they are willing to insure. We’ve only begun to see this happen in this most recent cycle. With AIG’s capacity diminished and the stock market losing 40 percent of its value in just November, I look for a deterioration in the commercial insurance marketplace for at least the next couple of years.”

That deterioration is in stark contrast to the current positions of SCMIT and SCMIRF. Mathias noted, “SCMIT and SCMIRF may not always be the cheapest insurance product at any one time, but they prove their worth during tough times by dampening the blows of a struggling economy and continuing to provide affordable insurance protection.

“We share a graph with our members showing how pool pricing compares to commercial insurance pricing. That graph (shown on page 8) clearly shows overall stable pricing for pools and very cyclical pricing for commercial insurers. By participating in a self-insured pool like SCMIT and SCMIRF, you are not only purchasing insurance, you are assuring the continued availability of your municipality’s insurance in tough economic times like we’re seeing now.”

SCMIT writes municipal workers’ compensation coverage, and SCMIRF covers property and liability exposures. For more information on SCMIT and SCMIRF, visit www.masc.sc/rms.

New trust formed for GASB 45

In response to a recent state Supreme Court ruling and the defeated constitutional amendment to allow local governments to invest in equities, the SC ORBIT board dissolved the SC Other Retirement Benefits Investment Trust and formed a new trust, the SC Other Retirement Benefits Employer Trust.

In mid-August, the South Carolina Supreme Court issued an opinion on *O’Brien, vs. South Carolina ORBIT, et al.* The O’Brien case was a friendly lawsuit filed by a City of Charleston employee at the request of the Municipal Association of SC and the SC ORBIT board to determine if the Trust could invest in equity securities. The Court stated without a change to the constitution the SC Other Retirement Benefits Investment Trust could not invest in equities and ordered the Trust dissolved. The Association filed a petition for rehearing in late August on the dissolution order noting the Trust had not invested in equities and would not based on the Court’s order. By early November 2008, the Court had not responded to the petition.

“For several local governments, it was important that a qualified trust vehicle be available to make their annual required contribution before the end of 2008,” said Heather McBride, chief financial officer for risk management services at the Municipal Association. To accomplish that goal, the SC ORBIT board met on November 19, dissolved the Trust and directed staff to disburse the Trust’s assets back to the participating employers. “While the board still disagreed with the Court’s order regarding the dissolution of the Trust, the board believed that prudence required the petition for rehearing to be withdrawn,” explained McBride.

SC ORBET was established by action of the Municipal Association Executive Committee. The Trust will purchase the same types of investments as permitted for local governments pursuant to constitutional restrictions and statutes. The trust documents were approved by the SC ORBET board on November 19, and SC ORBET is now available for membership.

For further information on the new SC ORBET trust or actuarial valuations, contact Heather McBride, at 803.933.1258 or hmcbride@masc.sc.



Long-term financial planning

Long-term financial planning combines financial forecasting with strategizing. It is a highly collaborative process that considers future scenarios and helps governments navigate challenges. Long-term financial planning works best as part of an overall strategic plan.

Financial forecasting is the process of projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables.

Long-term financial planning is the process of aligning financial capacity with long-term service objectives. Financial planning uses forecasts to provide insight into future financial capacity so that strategies can be developed to achieve long-term sustainability in light of the government's service objectives and financial challenges.

Many governments have a comprehensive long-term financial planning process because it stimulates discussion and engenders a long-range perspective for decision makers. It can be used as a tool to prevent financial challenges; it stimulates long-term and strategic thinking; it can give consensus on long-term financial direction; and it is useful for communications with internal and external stakeholders.

The Government Finance Officers Association recommends that all governments regularly engage in long-term financial planning that encompasses the following elements and essential steps.

A long-term financial plan should include these elements.

1 Time Horizon. A plan should look at least five to ten years into the future.

Governments may elect to extend their planning horizon further if conditions warrant.

2 Scope. A plan should consider all appropriated funds, but especially those funds that are used to account for the issues of top concern to elected officials and the community.

3 Frequency. Governments should update long-term planning activities as needed in order to provide direction to the budget process, though not every element of the long-range plan must be repeated.

4 Content. A plan should include an analysis of the financial environment, revenue and expenditure forecasts, debt position and affordability analysis, strategies for achieving and maintaining financial balance, and plan monitoring mechanisms, such as scorecard of key indicators of financial health.

5 Visibility. The public and elected officials should be able to easily learn about the long-term financial prospects of the government and strategies for financial balance. Hence, governments should devise an effective means for communicating this information, through either separate plan documents or by integrating it with existing communication devices.



A long-term financial plan should include these steps.

1 Mobilization Phase.

The mobilization phase prepares the organization for long-term planning by creating consensus on what the purpose and results of the planning process should be. The mobilization phase includes the following items.

a. Alignment of Resources.

This step includes determining the composition of the project team, identifying the project sponsor, and formulating a strategy for involving other important stakeholders. This step also involves the creation of a high-level project plan to serve as a roadmap for the process.

b. Preliminary Analysis. This step helps raise awareness of special issues among planning participants, such as the board or non-financial executive staff. A scan of the financial environment is common at this point.

c. Identification of Service Policies and Priorities.

Service policies and priorities have important implications on how resources will be spent and how revenues will be raised. A strategic plan or a priority setting session with elected officials could be useful in identifying service policies and priorities.

d. Validation and Promulgation of Financial Policies.

Financial policies set baseline standards for financial stewardship and perpetuate structural balance, so a planning process must corroborate

policies in place (as well as the organization's compliance with those policies) and also identify new policies that may be needed.

e. Definition of Purpose and Scope of Planning.

The purpose and scope of the planning effort will become clear as a result of the foregoing activities, but the process should include a forum for developing and recognizing their explicit purpose and scope.

2 Analysis Phase. The analysis phase is designed to produce information that supports planning and strategizing. The analysis phase includes the projections and financial analysis commonly associated with long-term financial planning. The analysis phase involves information gathering, trend projection, and analysis as follows:

a. Information Gathering.

This is where the government analyzes the environment in order to gain a better understanding of the forces that affect financial stability. Improved understanding of environmental factors should lead to better forecasting and strategizing.

b. Trend Projection. After the environment has been analyzed, the planners can project various elements of long-term revenue, expenditure, and debt trends.

c. Analysis. The forecasts can then be used to identify potential challenges to fiscal stability (e.g., "imbalances"). These could be fiscal deficits (e.g., expenditures outpacing

revenues), environmental challenges (e.g., unfavorable trends in the environment), or policy weaknesses (e.g., weaknesses in the financial policy structure). Scenario analysis can be used to present both optimistic, base, and pessimistic cases.

3 Decision Phase. After the analysis phase is completed, the government must decide how to use the information provided. Key to the decision phase is a highly participative process that involves elected officials, staff, and the public. The decision phase also includes a culminating event where the stakeholders can assess the planning process to evaluate whether the purposes for the plan described in the mobilization phase were fulfilled and where a sense of closure and accomplishment can be generated. Finally, the decision phase should address the processes for executing the plan to ensure tangible results are realized.

4 Execution Phase. After the plan is officially adopted, strategies must be put into action (e.g. funding required in achieving goals). The execution phase is where the strategies become operational through the budget, financial performance measures, and action plans. Regular monitoring should be part of this phase.

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MCTI Grads

In November, six individuals graduated from the Municipal Clerks and Treasurers Institute, a three-year program designed to provide municipal clerks and treasurers with the skills critical to their profession. The fall 2008 graduates are LaKesha Shannon, clerk of Marion; Vikki Woods, office manager/clerk of Estill; Loretta Beckett, clerk of court of Estill; Lakisha Youmans, assistant town administrator of Estill; Russell Miller, judicial clerk of Manning; and Maralene Simpson, clerk/treasurer of Rowesville.

To receive their certificates, the graduates attended more than 100 class hours on topics such as financial management, overview of government, public administration, conducting meetings and the role of the municipal clerk.

Completion of the Institute satisfies the education requirements for certification from the International Institute of Municipal Clerks and the Association of Public Treasurers.

During the Fall Institute, Tonya Fowler, town administrator for Salem, received a three-year scholarship to attend MCTI. In her scholarship application, Fowler



wrote, "I know that the education I will receive will help me ... be more efficient in our day-to-day operations, as well as the services we provide to our residents." The scholarship is sponsored by the Municipal Finance Officers, Clerks and Treasurers Association and is underwritten by SCANA Corporation.

The Institute is sponsored by the Municipal Association; the Municipal Finance Officers, Clerks and Treasurers Association and the Center for Governmental Services at the University of South Carolina's Institute of Public Service and Policy Research.

For more information about the Municipal Clerks and Treasurers Institute, call James McCallister at 803.933.1238 or visit www.masc.sc/education/mcti.htm.

Cities use GIS data for numerous services

In Rock Hill, citizens can go online to see their voting ward location and school district, or to check on house values or property taxes. Police can check a map to find out which areas are experiencing high crime rates, or what intersections have the most car wrecks. The city's utility department personnel can pinpoint power outages.

The information is all available through geographic information system, or GIS, data. GIS uses hardware, software and data for capturing, managing, analyzing and displaying geographically referenced information, according to www.gis.com. The technology then allows the user to view data in ways that reveal patterns or trends in the form of maps, reports and charts, according to the site.

GIS maps have long been used as a planning tool for municipalities. Its applications, however, extend far beyond the basic uses of the past.

Rock Hill uses GIS for every aspect of business, according to Chief Information Officer Jimmy Bagley.

"People's jobs are changing," Bagley said. "We're more of a data-driven economy."

Rock Hill has a forward-thinking city council that saw the need for this technology, Bagley said. While the technology can be expensive, the city cannot afford to not use it, he said.

GIS can be used for recruiting, as a research tool for companies looking to locate in the area, Bagley explained. It also helps city departments save time and manpower, such as allowing police officers to stay working on the streets by providing them access to any information in their cars.

"How can you put a price on that kind of time-savings?" Bagley said.

The city's data is maintained real-time throughout the day, and all departments use the same core information, eliminating duplications, Bagley said.

Cities such as Florence, as well as Boise, Idaho, and Denver, Colorado, have recently used GIS technology and other tools to assess the accessibility of local youth programs. These tools have also helped municipal officials map key indicators — like school attendance, juvenile crime and afterschool program participation — and

CONTINUED PAGE 14

Say a *little* prayer?

By Bill Huggins, field services manager

For many people, praying before an important event is more than a habit — they consider it the right thing to do. What if that important event is a council meeting? What if praying beforehand makes someone uncomfortable?

The South Carolina Public Invocation Act, passed in May, outlines three methods governing bodies could adopt as a policy to allow an opening prayer at council meetings. The first allows the public officials themselves to say a prayer of their choice aloud,

as long as the opportunity for invocation duty is regularly and objectively rotated among all members of the council. The second suggests electing a chaplain.

The third involves inviting rotating speakers chosen from a wide pool of religious leaders throughout the community. Annually, the city would compile a list of all known, established religious congregations and assemblies and mail them an invitation to offer an invocation. To comply with the law, the city should request the speaker not use the public invocation opportunity to proselytize, advance or disparage any faith or belief. The city should schedule each respondent who accepts the invitation to deliver an invocation at an upcoming meeting on a first-come, first-served basis.

There is an important distinction here. Enacting a policy locally is not required for offering a prayer before a meeting. However, if the city adopts a policy following one of the three methods outlines above, the state's attorney general would help the city defend itself against a constitutional challenge (Section 6-1-160).



Each month, municipal officials have the opportunity through national observances to share the value of cities and towns with the community and more specifically their key influencers. For each suggested national observance, municipal leadership can localize the observance and form partnerships with the local business community, the media, local non-profit organizations and policymakers.

“Cities Mean Business” Month — Once again, cities and towns across the state are celebrating “Cities Mean Business” month in February. This campaign encourages new and stronger collaboration between local elected leaders and business leaders to reinforce the fact that strong cities are the economic engines that help drive the state’s competitiveness. For sample proclamations, ads and other materials, visit www.masc.sc/hometownsc/citiesmeanbusiness.htm.

Black History Month — Black History Month is a unique time in our nation to recognize municipal officials, staff and residents who have dedicated themselves to the quality of life and prosperity of your city or town. Take the opportunity to partner with community organizations to honor those individuals who have made a difference. For more information on Black History Month, visit www.scafricanamericanhistory.com or www.history.com/minisites/blackhistory.

Souper Bowl of Caring — Based in Columbia, the Souper Bowl of Caring is a nationwide effort to raise

money on Super Bowl Sunday to combat hunger and poverty. Many local businesses, churches and other non-profits participate in this youth-led opportunity to serve others through collecting monetary donations as well as canned goods and other nonperishable food items. For more information on the Souper Bowl of Caring and for a list of participating faith groups, visit www.souperbowl.org.

American Heart Month — Since 1963, the United State Congress requires every President to declare February as American Heart Month to raise awareness of cardiovascular diseases. During the month of February, volunteers raise money for research and educate friends and neighbors on the importance of a heart healthy lifestyle. For more information on American Heart Month, visit www.americanheart.org/presenter.jhtml?identifier=4441.

Let the Municipal Association know if you participate in a Hometown Happening. Call Casey Fields at 803.933.1256 or e-mail cfields@masc.sc.

Don't forget

February is "Cities Mean Business" month

The Municipal Association is recognizing February as "Cities Mean Business" month and encourages all cities and towns to participate in creating a state-wide buzz about the important relationship between municipalities and businesses. Visit the "Cities Mean Business" section on the Association's Web page for resources, sample proclamations and ads to help your city or town celebrate this important month in building successful partnerships between local elected leaders and business leaders.

Here's an idea – start your own "If I were mayor for a day" writing contest in a local school.

For more information on this idea and many others, visit www.masc.sc/hometownsc/citiesmeanbusiness.htm.

Important *Hometown, SC*

Legislative Action Day deadlines

January 17

Deadline for housing reservations. Make hotel reservations at the Columbia Marriott by calling 803.771.7000 or toll free at 1.800.627.7468. The Association's room rate is \$139.

February 6

Deadline to pre-register for meeting or MEO A and B

February 6

Deadline to cancel registrations and receive a refund

February 17

Municipal Elected Officials Institute of Government Sessions A and B

February 18

Hometown, SC Legislative Action Day

compare that data with the location of a broad range of services for children and youth. The data gathered from these local mapping efforts can be critical to ensuring that young people have access to the programs and services they need most.

After learning that some neighborhoods had disproportionately fewer afterschool programs, Florence partnered with the school district, housing authority and community leaders to expand afterschool opportunities for youth in those neighborhoods.

GIS data can be expensive to gather and update, which is why many officials recommend cities and counties share data.


It is important that cities coordinate their information, according to Carol Andersen, information services director for the Appalachian Council of Government. Cities and counties often use the same data, such as roadways, and it is more cost-effective to share information and avoid duplicating tasks or positions. Through coordination, municipalities also can share the costs of training personnel and buying equipment, she said.

GIS data has many uses, said Tim DeTroy, state GIS coordinator. Staff can use the data to identify areas of manholes, and locate them on maps for utility structures; mark fire hydrants so firefighters can find them in the dark; allow law enforcement officers to identify abandoned properties or high crime areas; or even allow citizens to identify trash pickup days by viewing color-coded maps. The data also is helping census takers to get a more accurate assessment of where people live for the 2010 Census, he said.

"Sharing data can benefit each group," DeTroy said. "The more people that can use it and access it, the more valuable it becomes."

"I extol the potential benefits gained through the implementation of GIS technology every chance I get," said James McCallister, Municipal Association staff associate who works with the Municipal Technology Association of SC. MTASC was founded to promote the effective use of information technology by municipalities.

The affiliate group offers education and training on how to provide better services and achieve greater efficiencies using the latest technological innovations for municipal government.

"The Municipal Technology Association of South Carolina regards GIS as an invaluable information sharing and planning tool," McCallister said. "It's exciting when our MTASC members gather and begin to discuss how they are applying GIS technologies to interpret and help resolve many of the challenges facing their municipalities." 

For more information about the Municipal Technology Association of South Carolina, visit www.masc.sc/affiliates/mtasc/description.htm.

Experts recommend a **business continuity plan** for municipalities



The most important asset to any organization is its workforce. So imagine a situation where up to a third of your employees were stricken with a pandemic influenza. Could your municipality continue to operate without key personnel?

It's a frightening question that many municipalities are reviewing. Many experts recommend that municipalities, as well as businesses, create a business continuity plan that would allow the city to continue to operate and provide services despite a catastrophic situation.

The operations of a municipality could be disrupted by local incidents such as fires, train accidents or chemical spills; regional incidents like hurricanes or earthquakes; and national incidents like the pandemic influenza described above. When creating a plan, officials need to consider the potential impact of these disruptions: Will the city be able to process checks? Can employees still come to work? Have critical records been retained? Are there reconstruction costs? Can the city still provide key services and information to its citizens?

Local leaders need to consider which city services are critical, such as provision of utilities, public safety and general administrative services. They also need to determine who are the essential personnel needed to run the city, and decide how operations can continue if these people are not available. In addition, officials need to review where these people would work if their facilities were no longer accessible.

A strong business continuity plan also would contain information on whom to notify about the disruption, such as employees, citizens and the media, and how to do it, whether it be through a phone tree or the city's Web site.

Some Lowcountry municipalities already have begun discussions on consolidating services in the event of a pandemic. Officials with Sullivan's Island, Isle of Palms, Mount Pleasant and Mount Pleasant Waterworks created an informal outline on how to merge services and political control in a disaster, said Mount Pleasant Town Manager Mac Burdette.

The Town of Mount Pleasant has had several meetings discussing how it would go about providing services in a disaster and which of those services are most critical, Burdette said. They also have started cross-referencing skill levels of employees in various departments to see if people could be shifted over to other duties in an emergency.

Burdette notes that there are countless other things the town needs to worry about – the economy, for one – but says that business continuity planning still is a valuable and necessary action.

"The chances of something like this happening are so remote, but if we don't have any discussions about it, it could be disastrous," Burdette said.

events

CALENDAR

JANUARY

22 Federal Red Flag legislation/SC Identity Theft Protection Act. Clarion Town House Hotel, Columbia. Sponsored by the Municipal Association of SC.

29 Hometown Connection. Municipal Association's office, Columbia. Municipal officials from cities in Aiken, Anderson, Calhoun, Cherokee, Chester, Fairfield, Greenville, Lancaster, Lexington, Oconee, Orangeburg, Pickens, Richland, Spartanburg and York counties.

FEBRUARY

17 SC Municipal Elected Officials Institute of Government Sessions A and B. Marriott, Columbia. Topics include: conducting public meetings, annexation, teamwork, business licensing and liability of municipal officials.

18 Hometown, SC Legislative Action Day. Marriott, Columbia. See related story on page 1.

MARCH

11-13 South Carolina Utility Billing Association Annual Meeting. Pawleys Plantation, Pawleys Island.

19 SC Municipal Elected Officials Institute of Government, "Basic Budgeting," via satellite.

25 Hometown Connection. Municipal Association's office, Columbia. Municipal officials from cities in Abbeville, Chesterfield, Clarendon, Darlington, Edgefield, Greenwood, Kershaw, Laurens, Lee, Marlboro, McCormick, Newberry, Saluda, Sumter and Union counties.

APRIL

8 Hometown Connection. Municipal Association's office, Columbia. Municipal officials from cities in Allendale, Bamberg, Barnwell, Beaufort, Berkeley, Charleston, Colleton, Dorchester, Dillon, Florence, Georgetown, Hampton, Horry, Jasper, Marion and Williamsburg counties.

14 SC Association of Municipal Power Systems Legislative Reception at the Clarion Town House Hotel in Columbia.

17 Municipal Court Administration Association Spring Meeting. Columbia Convention Center, Columbia.



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