

UPTOWN

Municipal revenue kept whole for another legislative session

Even with a slow economy and the state in a bad financial position, the second half of the 114th General Assembly session ended with no direct hits to municipal government revenue. Other states were not as lucky. In North Carolina, municipalities lost two quarters of shared revenue from the state – a loss of \$129 million.

“The Municipal Association of SC will continue to encourage legislators to recognize the Local Government Fund’s importance,” said Howard Duvall, MASC’s executive director. “But keeping the Local Government Fund out of the budget debate was

only one of the victories for municipalities this year. MASC pushed several bills that will have a positive affect on municipalities, such as increasing tax increment financing flexibility and balancing the interests of both municipalities and the telecommunications industry regarding government-owned telecommunication service providers.”

Following are the major bills of municipal interest passed by the General Assembly this year. More information about all of these issues can be found through MASC’s Web site (www.masc.state.sc.us) in the legislative section.

Government-owned Telecommunications Service Providers

In a last-minute effort to get a “level playing field” telecommunications bill passed this year, the telecommunications companies agreed to compromise language in S290 that was more favorable to municipalities. This legislation will affect only municipalities interested in offering telecommunications services – such as local phone service – to their citizens.

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Charleston’s choices

MASC’s Annual Meeting focuses on *Building Quality Cities and Towns: By Choice, Not by Chance*

Since becoming mayor more than 25 years ago, MASC’s Annual Meeting keynote speaker Joe Riley has led the City of Charleston through many difficult choices to ensure the City remained focused on its vision for the future. Mayor Riley’s leadership has helped the City survive disasters, such as devastating hurricanes, and has continued to provide citizens exceptional service. Making the right decisions for the City and its citizens has allowed

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The bill as passed would require a government-owned telecommunications service provider

- to establish the service as a separate entity for accounting purposes.
- to not use governmental subsidies to fund the service.
- to pay all taxes and fees paid by a private service provider (although the taxes and fees would be paid to the municipality's general fund). This requirement levels the playing field between government-owned and private telecommunication companies because these costs will be included in the rate calculation of both private and government-owned providers.
- to calculate the cost of capital required to provide the service when establishing the rates by using equitable financing rates as used by a private service provider.
- to file the rate calculations with the S.C. Public Service Commission.

The bill would allow the government-owned telecommunications service provider to use tax exempt financing, as currently allowed, and to be covered under the S.C. Tort Claims Act.

Public Utilities Contracts

The governor signed H3601, a real estate disclosure bill, making tenants have the sole financial responsibility for gas, electric, water, sewerage or garbage services. An entity or utility providing these services cannot require a landlord to sign an agreement taking responsibility for charges billed to the premises leased by a tenant. An entity cannot discontinue service to a property if the landlord refuses to be responsible for these charges. MASC opposed this legislation because it impedes municipal government's ability to set policies and regulations regarding service contracts.

Municipal Court – Assessments

The budget bill increased the state assessments on municipal court fines from 100 percent to 107.5 percent as of July 1. \$1.45 million of the additional funds generated by this increase will be used to fund the Department of Juvenile Justice's Juvenile Arbitration Program, the Marine Institute and the Regional Offender Program. \$1.75 million will be used for the Office of Indigent Defense. The July remittance to the State Treasurer for the June collections should be calculated at the previous 100 percent level. The August remittance for the July collections should be calculated at the new 107.5 percent rate. Of the assessments collected, municipalities still must send 88.84 percent to the State Treasurer's Office. Municipalities should keep the remaining 11.16 percent of the assessment for the local Victim's Assistance Program.

Example of new rate calculation:

Municipal Court Fine	\$100.00
State Assessment (107.5%)	<u>\$107.50</u>
Total Collected	\$207.50

Remitted to State Treasurer's Office:
 $\$107.5 \times 88.84\% = \95.50
Retained for local Victim's Assistance Program: $\$107.5 \times 11.16\% = \12.00

Municipal Court – Collections

H3905, signed by the governor in May, clarifies the law allowing the payment of municipal court fines by credit or debit cards. The law allows the court to add any surcharge from the credit card company to the court fine/cost amount. MASC expects this legislation will help increase collection rates by making it easier for offenders to pay their fines. Also, accepting credit cards opens the door for your municipality to move further into e-government and accept payments over the Internet 24 hours a day.

Accommodations Tax

H3851 changes several areas of the accommodations tax law, giving municipalities more options on how to spend accommodations tax funds. It

- removes all definitions of "tourist" in the state and local accommodations tax statute. Because "tourist" is no longer defined as a visitor who stays overnight, municipalities have more flexibility when allocating funds for tourism-related expenditures.
- increases the requirement for having a local accommodations tax committee from \$25,000 to \$50,000. Before this law was passed, municipalities receiving at least \$25,000 in state accommodations tax funds were required to create this committee, even if they received only \$100 more than the limit. Anything under \$25,000 went directly into the general fund with no committee oversight. Under the new law, \$25,000 still goes directly into the general fund. Any funds between \$25,000 and \$50,000 must be spent for tourism-related expenses, but the expenditures do not require committee oversight. Any amount more than \$50,000 requires a local accommodations tax committee to review the expenditures.
- expands the allowable use of funds for tourism-related lands and water access expenditures, such as for parks and boat ramps.

Tax Increment Financing

S675 was signed into law in April. This legislation allows funds generated by a TIF district to be used on a project outside the district if the municipality determines the redevelopment would benefit the TIF area. Also, the law extends the time the city is allowed to issue bonds to fund the TIF project

from five years to 10 years. More information on this issue was printed in the June edition of *Uptown*.

Law Enforcement Retirement

This year's budget bill included a provision removing the earnings limitation for retirees falling under the S.C. Police Officers Retirement who return to work for a member agency. Previously, the retiree was limited to earning \$50,000 per year. Also, the bill reduces the required separation period from 60 days to 15 days before the retiree can return to work. Unlike the TERI program, in which the employee immediately enters the program and employment is not interrupted, the S.C. Police Officers Retirement program gives the employer the right to employ or not employ the retiree after the 15-day separation – employers are not required to offer the retiree a position.

Bills of municipal interest that did not pass

Because this was the end of a two-year session, any bills that did not pass are dead.

"Municipal officials should continue talking with their legislators about the important issues that did not pass this year," said Gary Cannon, MASC's director of intergovernmental relations. "These issues are likely to be reintroduced next year, so officials must make sure their senators and representatives keep municipal interests in mind."

Municipal Capital Projects Sales Tax

This bill would have allowed a municipality, by ordinance, to enact a one-cent sales tax for capital projects if it is approved through a referendum. The S.C. Association of Counties

strongly opposed H4805 because they believed municipalities that had their own capital project sales taxes could stop the counties from imposing one as well (to impose a county capital project sales tax, the county must form a committee of three county and three municipal representatives). The S.C. Merchants Association also opposed the legislation – they oppose any bill adding additional taxes because new taxes require merchants to reprogram their cash registers. MASC will push this legislation again next year.

Municipal Finance Oversight Act

H4740 would have created a commission to assist municipal governments with financial management if there are indications of inadequate fiscal management. The commission would have no authority over any municipal government complying with current financial accountability and reporting laws.

Although this bill passed the House, it stalled in the Senate. MASC will work with interested parties during the interim and push the legislation next year.

Municipal Elections

The original bill would have required all municipal elections to be conducted in either April or November. The bill was amended near the end of the session to strike the original language and include language that did not concern municipal elections in any way. This bill went to a conference committee that never met, so the bill did not make it to a final vote.

Freedom of Information Act

Although many bills affecting FOIA were discussed, none affecting municipalities passed. MASC expects more FOIA bills to appear again next year.

Annexation – Enclaves

H3596 would have allowed municipalities to annex enclaves

of unincorporated areas by ordinance. MASC will push this legislation again next year.

Private Property Rights

MASC is closely monitoring any legislation addressing takings. Previous bills would make it easier for property owners to be paid when new laws keep them from using their land as they wish. However, they could prevent local governments from enacting needed zoning laws for fear of having to pay property owners.

MASC will continue to work with other interested parties on this issue before the next session to draft legislation that finds a balance between protecting private property rights and managing growth

For more information on these or other legislative issues, call Gary Cannon at 803.933.1203 or e-mail gcannon@masc.state.sc.us.

News Briefs



■ MASC has posted two new listserves for members of the S.C. Association of Stormwater Managers (<http://listsrv.masc.state.sc.us/mailman/listinfo/stormwater>) and the S.C. Community Development Association (<http://listsrv.masc.state.sc.us/mailman/listinfo/sccda>). To subscribe to the appropriate list, visit the Web site and follow the provided instructions.

■ *Governing* magazine, which helps state and local government officials set policy for and manage the day-to-day operations of cities, counties and states, offers free subscriptions to these officials. To subscribe, call 888.955.4688 or visit <http://governing.com/sub2b.htm>.

Choices continued from cover

Charleston to become a world-class city. During the last quarter-century, the City has realigned its main economic base from a military post to a tourist destination that is ranked as a top-10 destination worldwide.

These successes didn't just happen — they occurred because Charleston's leadership was willing to make the right choices, not leaving the outcomes open to chance. Municipal officials in every municipality are faced with identical situations daily, such as:

- Do we preserve our heritage, or do we compromise to encourage development?
- Do we protect the environment, or do we allow polluting businesses to remain open and employ our citizens?
- Do we provide for a revenue base adequate to provide services to the citizens, or do we take a pledge of no new taxes?

"Choices like these make the difference between a thriving city and one that is not rising to the challenges of providing good government," said Howard Duvall, MASC's executive director. "Our cities have to meet those challenges to ensure a better future for South Carolina."

Duvall explained that the choices municipal officials face are endless. "Cities can have minimal zoning or be restrictive in the historic districts," he said. "They can allow building construction of any height, or they can

Are you a first-timer?

Will you be attending MASC's Annual Meeting for the first time? If so, the first timers' programs on July 25 and 27 are just for you. These programs are designed to introduce new attendees to one another, the Annual Meeting and MASC's board, staff and services.

Other Annual Meeting sessions

- Employee Benefits that Protect and are Cost Effective
- Stormwater Permitting: Phase II
- Marketing Your Municipality
- Make Banking Work for Your Town
- Is Free Labor Really Free?

require new construction to blend with existing structures."

According to Duvall, municipalities can turn a polluted brownsfield area into a major tourist attraction, like Charleston did with the South Carolina Aquarium. "They made the choice to redevelop an area that was severely polluted and turn it into something the entire state can benefit from," he said.

Municipal officials attending MASC's Annual Meeting can get a closer look at the South Carolina Aquarium during the meeting's Opening Celebration on Thursday, July 25. The aquarium, opened in 2000 on the historic Charleston harbor, houses more than 60 exhibits that hold more than 10,000 creatures. Each exhibit communicates how everyone in the

state is connected to the waters that surround them, from the Atlantic Ocean and the nearby salt marshes to our 18 major lakes and more than 8,000 miles of rivers and streams.

During the Opening General Session, Mayor Riley will discuss the choices the City of Charleston faced concerning the aquarium and other developments in the port city. Mayor Riley is one of the longest-serving mayors in South Carolina and is the longest-serving mayor of any United States city with a population more than 100,000. He is nationally recognized for his emphasis on design for city development. He founded the Mayor's Institute for City Design in Williamsburg, Va. Mayor Riley has also served as president of the U.S. Conference of Mayors and the Municipal Association of South Carolina. In 2000, he received the U.S. Conference of Mayors' first President's Award for outstanding leadership and the Urban Land Institute's J.C. Nichols Prize for Visionary Urban Development. In 2002, he received the American Architectural Foundation's Keystone Award for exemplary leadership while using architecture to transform his community.

Meet the candidates

Voting for elected representatives is one of the most powerful rights we enjoy as Americans. But how do you know you're voting for the person who would best represent you? Who would respect the interests of your municipality? To help you make the best decision when Election Day rolls around, MASC has invited the Republican and Democratic candidates for governor, lieutenant governor and the U.S. Senate to participate in a Candidates' Forum during the Annual Meeting.

Jim Hodges (candidate for governor), Phil Leventis (candidate for lieutenant governor) and Alex Sanders (candidate for U.S. Senate) have been invited to represent the Democratic ticket. Mark Sanford (candidate for governor), André Bauer (candidate for lieutenant governor) and Lindsay Graham (candidate for U.S. Senate) have been invited to represent the Republican ticket.

SCCDA recognizes community development excellence

In May, the S.C. Community Development Association (SCCDA), an affiliate of MASC, recognized excellence in community development by presenting the Hettie Rickett Award to Florene Linnen of Brown's Ferry and the Award of Excellence to Georgetown County.

Hettie Rickett Award

SCCDA presents this award annually to a community development volunteer, staff member or official who went above and beyond the call of duty to make a difference in their hometowns. This year, SCCDA presented the award to Florene Linnen.

Although she has always been active in her community, Linnen — a 16-year diabetes sufferer — became more active after attending a diabetes support group meeting in Myrtle Beach. She formed the Diabetes CORE (Community Outreach and Referral Educational) Group for diabetes patients in Georgetown County. The group now has 14 members, who have shared diabetes training with thousands of county residents and have helped diabetes patients find assistance obtaining medical supplies. As a result of her efforts, the Diabetes CORE Group and the Georgetown County DHEC received funding from the S.C. Diabetes Program through the Medical University of South Carolina. This funding will allow the group to provide even more outreach to the community.

After founding the CORE Group, Linnen helped persuade Georgetown County to purchase a recently closed high school to create a "one-stop-shop health center." She believed this project was vital to the Brown's Ferry community because the nearest doctors and



TOP: Georgetown County's Poplar Place subdivision provides affordable housing for low-income, first-time buyers.



LEFT: Florene Linnen of the Brown's Ferry community accepts the Hettie Rickett Award at SCCDA's Annual Meeting in Asheville, N.C.

social service agencies were almost 25 miles away in the City of Georgetown. Linnen worked tirelessly to inform the community of the need for this health center, gain a Community Development Block Grant (CDBG) to fund the project and keep the County Council and citizens focused on the project. When completed, the health center will house a branch of the St. James Santee Medical Center that provides affordable health care for people with and without insurance, a branch of the DHEC Women/Infants/Children (WIC) program, a Georgetown County Alcohol and Drug Abuse center, the Diabetes CORE Group and a branch of Waccamaw Mental Health.

Award of Excellence

SCCDA presents this award annually to organizations whose projects have significantly improved their community and have the potential to be a catalyst for further improvements to the quality of life. The project must involve diverse segments of the community, address the community's most important needs and involve creative

use/leveraging of community resources. This year, SCCDA presented the award to Georgetown County.

With increasing development costs and property values because of its proximity to the beach, houses in Pawley's Island mainland area average \$300,000. Georgetown County recognized a need to provide affordable housing for low-income, first-time home buyers. The County began the Poplar Place subdivision project by using CDBG funding in creative ways: by forming a subrecipient relationship with the Five Rivers Community Development

Corporation (CDC) to assist with the construction, by using the CDBG funding for down payment and closing cost assistance for the home buyers and by offering home buyer training classes to equip potential home owners with the skills necessary to obtain a mortgage and maintain their homes. "This is the first time CDBG funding from the small cities program was used to sponsor new home ownership construction through an eligible subrecipient," said Sarah Smith of the Waccamaw Regional Planning Council.

Because of high property values, Georgetown County had a difficult time finding affordable land and builders interested in building low-income housing. But with the help of the CDBG, the County and Five Rivers CDC completed and sold all eight homes.

"The day of the closing — there is no way I could ever describe it," said Pleshette Greggs, one of the first home owners in Poplar Place. "It felt like the finish line, and I was so excited. There's nothing like turning the key to your own spot."

Eighteen graduate from BLOA Training Program

In May, 18 people graduated from the S.C. Business Licensing Officials Association (BLOA) Training Program. The three-year program is designed to improve the professional and administrative skills of participating licensing officials through a series of educational sessions.

Completion of the program is a prerequisite for attaining the Accredited in Business Licensing (ABL) designation. Successful candidates must also achieve certain experience/professional development levels and pass a comprehensive examination.

BLOA, an affiliate of the Municipal Association of South Carolina, helps members remedy the problems associated with administering and enforcing the local business and professional license tax. BLOA addresses these issues through training sessions and its newsletter.



2002 BLOA Training Program graduates: Gayle Austin, Town of Holly Hill; Billy Ayres, City of Florence; Lisa Beavers, Town of Moncks Corner; Freda Burdette, City of Anderson; Melvin Curtis, City of Sumter; Byron Foster, Charleston County; Tami Fralick, Charleston County; Sandra Gowan, Town of Reidville; Eldred Johnson, City of Conway; Donya Jordan, City of North Myrtle Beach; Cynthia Kelley, City of Seneca; Steve Landrith, City of Greenville; Steve Martin, City of Cayce; Shannon Nix, Town of Clover; Linda Peeples, Town of Edisto Beach; Ellen Ravenell, City of West Columbia; Donna Stoudemire, Town of Holly Hill; and Donna Ward, City of Goose Creek.
NOTE: Graduates are listed in alphabetical order, and some may not appear in the photo.

Focus on Technology

MASC listserves well-received by members

More than 600 municipal officials and employees are taking advantage of the networking and informational listserves offered by MASC. Besides listserves for members of the nine affiliate groups, MASC is offering technology, legislative and managers listserves.

Many users find the listserves helpful. "The listserve is a great resource tool," said Steve Landrith, building codes and business license administrator for Greenville. "The listserve provides quick access to other professionals who have similar problems or who may be able to provide insight into solutions that worked for

them. City Council recently requested I use the listserve to discover if any jurisdiction had an ordinance that exempted any type of businesses. I received six replies within a couple of hours and an additional five replies the next day. I was able to put the information in our weekly council information packet within two days of the original inquiry."

S.C. Municipal Personnel Association President Lois Martin of Columbia agrees. "It is beneficial to communicate with fellow members," she said. "It is great way to gather information from other municipalities when you have a quick need for the information."

An important thing to remember when using listserves — including those offered by MASC — is to make sure your Out of Office Assistant works only in-house, not over the Internet. Some listserve moderators will exclude you from the list if this feature sends out an out-of-office message to the entire list.

"As a general rule, your Out of Office Assistant should be turned off to the Internet," said Alan Tumey, MASC's director of information technology. "Turning it on to outside e-mail can cause problems, such as e-mail loops." An e-mail loop, he explained,

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2001 Achievement Award Winner

Public Works Category: Town of Hilton Head Island

Town combines stormwater solution with public park

During large storms, the Town experienced severe flooding in the Main Street commercial areas, the public school complex and nearby residential areas. In 1996, the Town decided to expand the existing Jarvis Creek Ditch stormwater drainage system to alleviate the problem. However, the project as planned was expensive and would destroy large areas of upland habitat and freshwater wetlands.

Deciding to take a different approach, the Town purchased a 50-acre tract adjacent to the Jarvis Creek Ditch and constructed a 13-acre lake capable of storing and releasing stormwater as needed. As an added feature, the Town created a community park around the lake. The park includes interpretative trails winding around existing trees. A boardwalk guides visitors through the wetland area while signs teach them about wetland mitigation.

The Town constructed a pump station to pump stormwater into the lake through four 48-inch pipes. The park's entrance road was built on top of the pipes, so only one small area of land needed to be cleared. The system is designed for stormwater to flow into the lake through the vegetated wetland mitigation site into an existing bottom-land hardwood wetland and then into a freshwater creek. The detention time in

the lake and the filtering effect of the wetlands are designed to improve the water quality flowing into Jarvis Creek.

With this innovative approach, the Town was able to solve its stormwater drainage problem while protecting its wetlands. The majority of the site will be left in its natural state as a haven for wildlife, with all wetlands areas protected by restrictive covenants.

Contact: Steven Grant, 843.341.4686



Then-MASC President Mayor Floyd Nicholson of Greenwood, right, presents Mayor Tom Peebles with the Town's 2001 Achievement Award trophy.



To help alleviate flooding problems, stormwater is pumped into a 13-acre lake through four 48-inch pipes. The lake is surrounded by a community park.

Listserve continued from page 6

occurs when a message is sent to an e-mail listserve where more than one person has Out of Office Assistant turned on. The assistants send messages out to everyone on the listserve, including one another. Every time they receive a new message, even if it's someone else's out-of-office reply, it sends out another reply. This can continue until the listserve administrator excludes the individual from the list or the individual returns to the office.

Tumey recommends using your voice mail to let people know you're out of the office and when you're expected back. Because the Out

of Office Assistant will still work internally, your coworkers will know you are not available.

"MASC listserve has a layer of protection," said Tumey. "A computer script searches all subject lines for the phrase 'out of office.' Items with that phrase in the subject line will not be forwarded to the group." However, Tumey warns that some out-of-office replies have different subject lines and are not stopped by this script. "It is not a 100-percent solution."

If you choose to leave your out-of-office replies open to outside e-mail — at your work or home

e-mail address — be cautious about saying your whereabouts. If it responds to everyone who sends you an e-mail, such as listserve recipients, vendors and junk mailers, others will have an idea of when you're not at home. Though the possibility is remote, someone can use this information and decide to break into your home.

"Out of Office Assistant is a wonderful tool that can assist in your daily work process when all aspects of its impact are known," said Tumey. "But it does have drawbacks users should be aware of."



Educational Opportunities

Setoff Debt Collections Program

■ **July 22**, will hold a training session for programmers of municipalities participating in the program at MASC's office in Columbia.

MASC Annual Meeting

■ **July 25-28**, MASC will hold the Annual Meeting at Charleston Place Orient-Express Hotel in Charleston. Although the pre-registration deadline is passed, you can register on site. Meeting and hotel information is available on MASC's Web site (www.masc.state.sc.us).

Setoff Debt Collections Program

■ **August 13**, will hold a training session for new participants and new employees of current participants at MASC's office in Columbia.

Setoff Debt Collections Program

■ **August 20**, will hold a training session for current participants at the Sheraton Hotel in Columbia.

Hometown Network

■ **Sept. 12**, the Municipal Elected Officials Institute of Government will present "The Forms of Municipal Government" and "Benefits and Pitfalls of Economic Development." This session will be broadcast via satellite to the 10 regional councils of governments.

Municipal Finance Officers, Clerks and Treasurers Association

■ **Oct. 15-17**, will hold its Annual Meeting at Ocean Drive Resort in North Myrtle Beach.

Business Licensing Officials Association

■ **Oct. 16-18**, will hold its Annual Meeting at Ocean Drive Resort in North Myrtle Beach.

Community Builders

■ **Nov. 13-15**, will hold the Community Builders Conference at the Hyatt Regency in Greenville.

S.C. Municipal Personnel Association

■ **Dec. 4-6**, will hold its Annual Meeting at the Myrtle Beach Wyndham Resort.

S.C. Municipal Insurance and Risk Financing Fund

■ **Dec. 4**, will hold its members' meeting at the Sheraton Hotel in Columbia

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.state.sc.us

UPTOWN

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