



UPTOWN

a publication of the municipal association of south carolina

5 questions

with new Municipal Association Executive Director Miriam Hair



Municipal Association President Mayor Rick Danner and Executive Director Miriam Hair

1. You have seen the Association change and adapt to meet its members' needs for more than 20 years. What is your vision for the future?

The Municipal Association has always focused on helping South Carolina's cities and towns come together to realize their visions and reach their respective goals. That will not change.

Building and maintaining great places to call home does not just happen. It takes the vision and hard work of elected and appointed municipal leaders working closely with residents and businesses. As their visions change and challenges arise, the Municipal Association will offer services that support

these visions and help meet these challenges.

2. The Association was formed in 1939 to lobby the State House, specifically on annexation legislation. Will lobbying continue to be a major focus for the Association?

By all means. The future of South Carolina depends on cities and towns realizing their full potential as great places to call home. Municipal leaders and Association staff must be vocal during public policy debates to ensure this value is recognized and supported. Also, Association staff and local elected leaders

must explain to legislators in specific terms how potential legislation will affect individual cities and towns.

Educating business and community leaders about municipal issues will also be a priority. By every city and town fully committing to our *Hometown, SC* initiative, we can build a strong network of influential

Miriam Hair became the Municipal Association's fifth executive director on October 1. Hair is a 23-year veteran of the Association. She joined the staff as a senior associate and was deputy executive director for 10 years.

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



Deputy Director Reba Campbell and Executive Director Miriam Hair

leaders in every community across the state speaking up on behalf of cities and towns. In addition, the Association will build relationships around the state with organizations that share our vision of building competitive cities and towns.

This is why a few months ago I announced Reba Campbell will serve as our deputy executive director. Under Reba's leadership these past three years as director of advocacy and communications, the Association has worked successfully with municipal officials to build these relationships and demonstrate to state leaders the value of cities and towns to the future of the state.

Reba's 20-year career in governmental affairs, communications and management at the state and federal levels makes her uniquely qualified to assist us in building partnerships with organizations that share similar goals. We see a growing need for Reba's collaborative leadership style both internally and externally. She is always looking for opportunities to listen and make the connection with other people and organizations and to bring staff from different departments together on Association-wide projects to benefit cities and towns.

3. You talked about the value of great cities and towns to the future of South Carolina. Talk about priorities for the programs and services the Association is providing to city officials to build great cities.

Our training and technical assistance programs are the primary ways we equip municipal officials with the tools they need to lead and manage our cities and towns. One of my responsibilities when I was hired was creating the Municipal Elected Officials Institute of Government. Another was staffing our first affiliate organization, the SC Association of Municipal Power Systems. Today, we have 10 such associations that provide training and networking for municipal employee groups. For the future, we have a vision to create an advanced institute for elected officials.

However, in today's world, we know that municipal officials and staff cannot always travel out-of-town to participate in training. A major focus going forward will be using technology to deliver accessible training in various

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Successful Leadership Requires Collaboration, Convening Skills

By Donna Zajonc, co-founder,
Bainbridge Leadership Center

A local public leader must now embody an entirely new set of skills and beliefs to help him or her be a successful and effective leader. In days past, the local government leader was often the president of the school PTO or Chamber of Commerce. They had been a tireless volunteer and ready for a larger role in their community as a public leader. Most local government challenges were fairly straightforward: roads, police and fire safety.

Today contemporary issues such as education excellence, economic development, health care, transportation programs and more recently, complex environmental issues have been added to the local government agenda. These issues have multifaceted root causes and constituencies.

It is simply impossible for one person to understand fully the multitude of issues and dynamics that face our communities. Old styles of leadership allowed local government leaders to take charge of straightforward situations and make decisions among a fairly narrow section of the community. The nature and complexity of today's problems and the environment in which leaders lead require a much more sophisticated skill set.

The public leader as a convener is a new talent that utilizes their influence and power to bring a broad spectrum of people together. This requires a keen awareness of the issues, who the stakeholders are and ways of listening and synthesizing that empowers people.

Convening is a way of taking action without taking sides and requires a different way of interacting with the public. Helping the stakeholders learn to work together across polarizing lines means the public leader may not have the solution but they inspire people to come together and persuade them to keep working together when momentum wanes.

Collaboration and convening are skill sets that are talked about, yet very few public leaders have learned the art and nuance of applying these new roles. The results are powerful and contagious and others who watch the process will want to apply these new skills to their concerns. Leaders who learn these skills develop a deeper understanding of when and how to lead as a collaborator and convener. The result is powerful new partnerships!

The Municipal Association offered a session entitled "Public Leaders as Collaborators and Conveners: Creating Powerful Partnerships" led by Zajonc as a pre-conference session during the July Annual Meeting. Attendees received credit for the National League of Cities' Leadership Training Institute. See related story on page 5.



Creating and Communicating a **Compelling Vision**

by Martha Lasley, Business Coach,
Leadership that Works

Henry Ford dreamed of a car for every family and Steven Jobs dreamed of a computer in every classroom. At the time, skeptics thought their dreams were impossible. In the face of adversity, their persistence changed the world.

We instantly recognize people with vision because they aren't afraid to share their hopes, their dreams and their longings. They express their love for the big picture and offer an irresistible image of the future. Visionaries are deeply involved with righting social injustices, and they love to break new ground.

They know that the best way to predict the future is to create it. Instead of following the path, visionaries go where there is no path and blaze a new trail.

Great visionaries:

- are inherently curious
- convey a clear sense of passion
- explore their own nature unceasingly
- communicate a desire to make life better for others
- do more than expected
- cultivate an optimistic outlook
- expand the sense of possibility

A positive outlook helps you see things in terms of what is possible. Focusing on expanding these possibilities helps you find your vision.

When you project a longing for the future, people are often drawn to the picture you paint. Your optimism is contagious. Helen Keller said, "No pessimist ever discovered the secrets of the stars or sailed to an uncharted land or opened a new heaven to the human spirit." Indeed, the vision quest often begins with a sense of dissatisfaction or an internal struggle. Gandhi and Martin Luther King, Jr. both went through agony before they were able to get in touch with their values and discover their visions.

Obstacles are those frightful things you see when you take your mind off your goals. But Goethe said, "One never goes as far as when one doesn't know where one is going." There is a delicate balance between knowing where you are going and remaining open to possibility. If we limit ourselves to what the mind can imagine, we can miss out on countless possibilities. Learning to think and live beyond what you think is possible is like using a new set of muscles. Everyday use helps you overcome the resistance to making the impossible happen.

Sometimes, we make the mistake of thinking that only the leader of an organization holds the vision. In actuality, visionaries are everywhere from the boardroom to the boiler room. A vision can be as focused as seeing all your files in perfect order or as broad as Muhammad Yunus' vision of social entrepreneurs having easy access to credit.

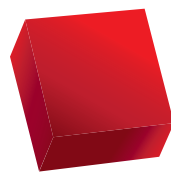
Great leaders can tell you where they are going, what they plan to do along the way and who will share the adventure. A powerful vision arises from the deepest parts of yourself, your inner system of beliefs. This means trusting your soul, thoughts and feelings.

According to “Leadership” magazine, communicating a vision is one of the most frustrating areas of leading an organization. An effective vision is filled with visual imagery. Like a good story, it uses the senses to draw people in. A vision filled with sights, sounds, feelings, tastes and smells, attracts people like a good restaurant. After visiting a carnival with his daughter, Walt Disney wanted to create a place of magic that was fun for the whole family. He dramatically expressed his dream of Disneyland in terms of discovery, nostalgia, joy, hope and beauty.

Developing a vision is sometimes thought of as a solitary process. Yet the more people you involve in shaping your vision, the more help you can get to carry it through. Involvement leads to commitment and a willingness to help implement the plan. An effective vision can act as a catalyst for other people to expand their goals.

That doesn’t mean you design your vision by following the consensus of other people’s opinions. All the players involved in the vision make their own commitment to it. When your vision of the future is well communicated, you help people search for and discover new opportunities.

The Municipal Association offered a session entitled “Creating and Communicating a Compelling Vision” led by Lashley as a pre-conference session during the July Annual Meeting. Attendees received credit for the National League of Cities’ Leadership Training Institute. See related story on this page.



National League of Cities offers **Leadership Training Institute**

As part of its mission to create stronger communities, the National League of Cities offers a Leadership Training Institute. The training program was created to provide training and leadership development for the nation’s local municipal leaders.

The Leadership Training Institute teaches participants to strengthen their leadership skills and encourages sharing and recognizes innovative thinking and initiatives in community leadership. Nearly 3,000 mayors, councilmembers and local leaders participate annually in more than 30 different LTI leadership seminars and programs.

Seminars and Programs

The National League of Cities offers LTI seminars at both the Congressional City Conference and Congress of Cities and Exhibition. The Congressional City Conference is held every March in Washington, DC, while the Congress of Cities Conference and Exhibition is hosted by a different U.S. city every fall.

In addition, NLC holds an Annual Leadership Summit, which features presentations by leadership scholars and includes opportunities for interaction with local leaders from across the country.

NLC also offers regional Institute Training Programs and partners with state municipal leagues to offer seminars at state conferences. In these venues, LTI provides training seminars on topics of specific interest to state league members. The Leadership Training Institute has successfully partnered with the Municipal Association of SC for several years by offering pre-conference sessions prior to the Association’s Annual Meeting. (See related stories on pages 3 and 4.)

Scholarships

The Leadership Training Council offers scholarships for seminars at NLC’s Annual Conferences and for other Leadership Training Institute events. All elected or appointed officials who have not previously participated in any LTI seminar are eligible to apply.

Information about scholarship opportunities, application forms to download and deadlines for applications are available on the NLC Web site (www.nlc.org) in the Leadership Training Institute section.

Local, state leadership programs prove

invaluable for city employees

Tim Fowler was a local businessperson looking to make connections and learn about his city when he took a leadership class offered by the City of Clemson.

Fowler learned so much about local government that he ended up running for city council – and won – despite having no previous political aspirations.

Local leadership programs can help to groom potential leaders, as in Fowler's case, and provide additional training and resources for elected officials and key personnel. Many cities and counties have their own leadership development programs, which the chamber of commerce typically runs.

Fowler said his class opened his eyes to the complexities of local government.

"It exposed me to a lot of things I had never thought about before, involving the day to day running of the city," Fowler said.

He said he decided to run for office after discussions with other class members, who said there needed to be more people on city council who were business-oriented.

Most leadership programs end with a community service project. Fowler's group raised money for charity. Class members in Leadership Greenville have renovated shelters for the homeless, planted trees and planned and built a dog park.

Some cities have programs for up-and-coming leaders. The Spartanburg Area Chamber of Commerce, for instance, offers the Junior Leadership Spartanburg program, which teaches students about local government, health care issues and the economy, as well as leadership skills.

The state also has a program, Leadership South Carolina, established in 1979 by the governor's office and the state's business community. Applicants selected for the program learn skills to help advance their leadership qualities and information to further their knowledge of issues facing the state.

City of Manning Mayor Kevin Johnson graduated from Leadership South Carolina in 1995. He still continues to network with other participants from the program and said the program was very beneficial.

"It taught and emphasized a lot of leadership traits and schools. It centered on many aspects of leadership and covered different topics," Johnson said. "It also gave me the opportunity to meet and share ideas and concerns with leaders from other parts of the state who had a variety of experiences and were of different professions."

"The networks and partnerships formed in these programs are central to building stronger communities. When cities work together, they can better demonstrate their value to residents and show policy makers and key influencers the important role they play in the state's economic prosperity."

Two Manning city employees, Judicial Clerk Russell Miller and Finance Director Mary Prince, participated in last year's Leadership Clarendon program. The county program gave participants insight on local school districts and law enforcement agencies and details about area municipalities, businesses and the farming industry.

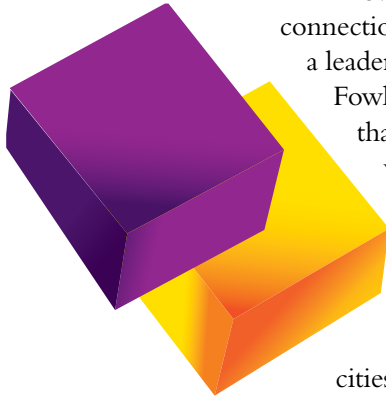
Miller said he learned new things about Clarendon County, despite having lived there all his life.

"Especially if you're in a leadership position, you need to learn more about your community," he said.

For Prince, it reaffirmed her notion to stay the course and continue working with others to build a better community.

"I encourage anybody who has the opportunity to participate in a leadership program," Prince said. "It makes you realize the true ownership we have in our government, locally and statewide."

Johnson noted an added benefit of these leadership programs is the opportunity for local elected leaders and city staff to work closely with local in business, non-profits and education. "These programs help community members better understand the workings of local government through the connections they make by getting to know elected officials and city staff outside of their role of a city official."



10 Thou Shalt Follow Commandments for Effective Local Leadership

By Cherie Duvall

Imprinted with humorous cartoons instead of engraved in stone, the “Ten Commandments of Community Leadership” is set to give divine principles for building strong communities and inspiring confidence in local government.

In this quick-read book, intended for local leaders who already have enough paperwork to read on their desks, authors Maury Forman, director of education and training for the Washington State Department of Community, Trade and Economic Development, and Michelle Harvey, communications coordinator for the Association of Washington Cities, have created a leadership doctrine for which to create successful communities.

“The commandments and their bulleted points give leaders a framework for making decisions and taking actions based on what is right for their communities,” Harvey explained. “The book is about being a role model and developing leaders for the next generation.”

With the help of two-time Pulitzer Prize winning editorial cartoonist David Horsey’s whimsical cartoons to bring the commandments to life, the flexible and adaptable suggestions act as a tool kit for leaders, inspiring them with “shalts” to “focus on what can be done, not what can’t be done.”

For example, under the first commandment, “Thou shalt create a vision for the future,” the book suggests leaders:

- Incorporate community values and beliefs;
- Break out of routine thinking;
- Listen to different community voices;
- Encourage youth to participate in their future;
- Focus on what could be, not what is;
- Build on community assets;

- Cultivate ownership of ideas;
- Preserve historic and artistic culture;
- Imagine an economy without borders; and
- Dream of whole communities.

It also reminds readers that a community’s future is especially shaped by the attitudes of its young people. The youth of today are learning to be the leaders of tomorrow; hence the little boy in each illustration who’s observing each commandment in action in a “Where’s Waldo?” fashion.

“The book is not just for leaders of today, but for leaders of the next generation,” said Harvey.

But the book has also had a positive response across the country with non-city officials — from involved citizens to organizations working on community visioning projects.

With such great feedback, consideration of adding another component to the commandments is in the works. “We don’t want to stop at the book,” Harvey said. “We want to take each commandment and build a training

module so they come off the page and become training components for leaders.”

“The Ten Commandments of Community Leadership” was created in partnership with the Department of Community, Trade and Economic Development and the Association of Washington Cities.

To learn more about the book or to order a copy, go to the Association of Washington Cities’ Web site at www.awcnet.org.

Reprinted from Nation’s Cities Weekly, a newsletter from the National League of Cities.

B Counted

The 2010 Census may still seem far off but the Census Bureau's LUCA program is already in full force. The Local Update of Census Addresses program, also known as LUCA, utilizes local knowledge to update the Census Bureau's address list and maps.

"We need to lay the groundwork for the 2010 Census in 2008," says William Hatcher, regional director for the Charlotte region. "Our early operations help ensure that we'll get the best count possible two years from now, and that South Carolina gets its fair share of the power and money that follows a Census."

United States™
Census
2010

Last year, the Municipal Association and the SC Office of Research and Statistics helped the Census Bureau contact every city and town about the LUCA program. The Census Bureau then held training sessions and provided

each volunteer with the information and tools necessary to identify and submit new addresses.

Over the next six to 12 months, the Bureau will conduct an address canvassing survey to verify the new addresses submitted by LUCA representatives. In spring 2009, the representatives will receive the Bureau's feedback about which addresses were accepted and added, and which were not. The representatives will then have the opportunity to appeal those decisions.

Until then, LUCA representatives should keep their gathered materials in a secure location.

David Wiggins of the Charlotte Regional Census Center explains, "Municipalities will have one more chance after the appeals process to update the Bureau with new constructions." More information on the New Constructions Program will be released in 2009.

Latest estimates show almost 4.4 million people living in South Carolina. That's a growth rate of nearly 10 percent, making South Carolina the 11th fastest-growing state.

For more information on the Census, contact Melissa Carter at 803.933.1251 (mcarter@masc.sc) or visit the US Census Bureau's Web site at www.census.gov.

November 1

Red Flag deadline is fast approaching

Municipal utilities have until November 1 to put their plans in place to detect and mitigate identity theft. The Municipal Association is offering a half-day training session to help officials develop their plan for complying with state and federal Red Flag rules.

"Our staff reviewed the federal and state laws and concluded utility departments in municipalities bear the most responsibility for compliance," explained Executive Director Miriam Hair. The federal law specifically names utilities as being covered by the Red Flag rule.

Participants in the Association-sponsored training session will receive a simple, straightforward explanation of the Red Flag requirements provided by NXG Strategies, LLC, one of the nation's top consulting firms in the area of identity theft solutions. The presenters will review a comprehensive checklist that will help attendees quickly and easily identify and document where the municipality is already in compliance and where there are gaps. Each municipality represented will receive a complete template for writing its individual compliance plan.

Through a contract with the Association, NXG Strategies will provide each municipality with a one-year subscription to its IdSafeResponse service. NXG Strategies will help a municipality formulate a response in the event of an information security breach. Also, the company will assess notification requirements, draft sample notification letters and create an action plan with timelines to respond to the incident.

"We strongly encourage each municipality with a utility department to send representatives to this important training session," said Hair.

For more information or to register online, visit www.masc.sc.

Red Flag Workshop

Dates: October 16, 1 - 4 p.m. or
October 17, 9:30 a.m. - 12:30 p.m.

Location: Clarion Townhouse Hotel, Columbia

Price: \$135

Register online at www.masc.sc.

Cities consider affordable housing as economic development tool

With rising housing costs and a drop in median income levels, the American dream of owning a home has moved out of reach for many people. Yet strong neighborhoods are important to maintaining property values, keeping jobs stable and attracting industry. That is why many cities are making affordable housing a priority.

The need is to create “housing that is affordable to the individuals and families that live and work in our communities,” according to Tammie Hoy, executive director of the Lowcountry Housing Trust.

The organization was created to provide a dedicated, ongoing source of funding for affordable housing and work toward implementing policies that reduce unnecessary regulatory barriers to the production of affordable housing in Berkeley, Charleston and Dorchester counties.

“The primary problem across the country and more recently in South Carolina is that housing prices well outweigh what people earn,” Hoy said.

This especially is a problem along the coast. In 2007, average home

prices were \$377,039 in Charleston County, \$225,518 in Berkeley County and \$213,935 in Dorchester County, according to the Lowcountry Housing Trust. Similar homes sell for about \$100,000 less in Greenville, despite the fact that incomes in both areas remain about the same, Hoy said.

Over the past decade, South Carolina has experienced a significant amount of growth and has become a desirable place to live, resulting in the construction of higher priced homes, Hoy said. Yet the state’s economy remains primarily service-related with an emphasis on hospitality jobs, all of which receive lower pay, she said.



“Therefore what happens is people and families are forced to live further outside of urban areas and further away from job centers or forced to live in sub-standard housing or housing they simply cannot afford,” Hoy said. “We are experiencing the effects of that now with families that bought overpriced housing

with crazy mortgages and are now challenged to keep their homes.”

Both the Lowcountry and the City of Greenville have been successfully working toward providing safe, affordable housing and creating economic opportunities for their communities.

The Greenville Housing Fund was formed in January through a partnership with the City, the Greenville County Redevelopment Authority and the United Way of Greenville County. This housing trust fund seeks to educate the community about affordable housing needs and to reduce and subsidize the costs of affordable housing. The Housing Fund hopes to make hundreds of affordable units available to low-income and working class residents.

The housing trust also helps subsidize rents for low-income elderly residents and has started a program to help teachers – many of whom cannot afford a median-priced home in Greenville despite having a master’s degree – afford homes, according to Greenville Housing Fund Executive Director Deborah McKetty.

CONTINUED PAGE 10

- The Government Finance Officers Association of the United States and Canada recently awarded 27 South Carolina municipalities the Certificate of Achievement for Excellence in Financial Reporting. Cities recognized are Abbeville, Aiken, Anderson, Cayce, Charleston, Clemson, Clinton, Conway, Florence, Georgetown, Greenville, Greer, Hilton Head Island, Kiawah Island, Lexington, Mauldin, Mount Pleasant, Myrtle Beach, Newberry, North Augusta, North Charleston, North Myrtle Beach, Rock Hill, Simpsonville, Spartanburg, Surfside Beach and West Columbia. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting.

- Seven municipalities received the Distinguished Budget Presentation Award from the Government Finance Officers Association of the United States and Canada. Cities recognized are Anderson, Charleston, Georgetown, Greenville, Hilton Head Island, Myrtle Beach and Rock Hill. In addition, the Town of Kiawah Island received a Popular Annual Financial Reporting Award. The Award recognizes local governments that produce an accessible and easily understood financial report for the general public.

HOUSING: CONTINUED FROM PAGE 9

Across the state, other cities also are working to make affordable housing available to residents, according to Bonnie Ammons from the S.C. Department of Commerce. Habitat for Humanity is helping to provide affordable housing for people in Bluffton to allow them to live closer to their work. Officials in Darlington are working to provide housing in buildings around the Town Square as part of an effort to revitalize the downtown and increase local economic development.

The Commerce Department also has implemented two new programs designed to help make communities more economically competitive, Ammons said. The first seeks to attract first year teachers to rural districts by providing low cost rental housing. Ammons said the lack of housing in rural communities often is cited as a barrier in attracting teachers to these areas. The second program, Village Renaissance, is designed to revitalize low and moderate-income neighborhoods adjacent to downtowns by extending successful downtown improvement programs into the neighborhoods.


The state has been addressing the issue, as well. In 2007, the

General Assembly passed the William Mescher Affordable Housing Trust Fund Enabling Act, which allows local governments to create and operate local or regional housing trust funds to provide affordable housing for residents. The bill had the support of a coalition of South Carolina mayors.

The Lt. Governor's Affordable Housing Study Committee has been reviewing the issue and will recommend possible changes to the state's law. Committee member Chandra Dillard, Greenville city councilmember, said that affordable housing is on the top ten list of recruiting needs for businesses.

"Folks come into the area and one of the first things they ask is, 'Do you have affordable housing,'" Dillard said. "It's definitely an economic stimulus for our state, our cities and our towns."

South Carolina has a high rate of home ownership, but a lot of that is substandard housing, Dillard said. The need is great for safe, decent, affordable housing and good rental properties, she added.

"It changes lives. It changes the economy in a neighborhood," Dillard said. 

QUESTIONS: CONTINUED FROM PAGE 2

formats because as the saying goes, "one size does not fit all."

Another new way we are reaching out is through the field services program. Our three field service managers have strong backgrounds in municipal government. They are available to visit councils and city employees to work with them on ways to help their cities and towns reach their goals.

4. What other programs and services will the members see in the near future?

Plans currently in the pipeline include a program to help local governments comply with the state and federal identity theft regulations (see article on page 8) and a service to assist cities transitioning to a business licensing ordinance based on the NAICS Code.

In early 2009, we will unveil our redeveloped Web site that will make it easier to access the many resources that are available online. We are also


researching financial software small cities could access online.

5. You often mention Don Wray and Howard Duvall (previous Municipal Association executive directors) as your mentors. As you follow in their footsteps, what lessons are you taking with you?

My first thought is how lucky I have been to work with two excellent executive directors.

Don was the executive director from 1974 to 1993. He had a wonderful way of relating to people. Through his friendships, he brought officials from the different cities and towns together and demonstrated how they could benefit by working together through the Association. Don demonstrated his core value of responsiveness and customer service. That will remain the number one value of this Association.

When the board appointed Howard as executive director in 1992, he built on Don's successes by continuing to rely on the core value of responsiveness. He encouraged the staff to "think outside the box," anticipate potential new services and then implement the services successfully.

Don and Howard understood a successful organization is built on people. They believed, as I do, in building a strong team that lives the organization's mission and vision every day. Whether it is answering a question from one of our members or offering a program that responds to a shared need of our cities, the Municipal Association will always be responsive to the cities and towns of South Carolina. After all, that is the only reason we exist. 

New immigration legislation adds step to hiring process

Immigration reform is a hot topic around the country. State legislators tackled the issue last year by passing a new law, The South Carolina Illegal Immigration Reform Act (Act 280), to prohibit any illegal immigrant from getting a job in South Carolina. To some, it may seem like yet another addition to the already lengthy new-hire process.

Here is what it means for municipal hiring.

"This reform requires employers to verify the citizenship of new employees," explained the Municipal Association of SC's Operations Manager Donna Weathersbee. "For most human resource departments, this will be just another step in their hiring practice."

Once an employee submits his I-9 form, the employer must go to the E-verify Web site and key in the information from the form. The Department of Homeland Security (providing 444 million of the records in the database) and the Social Security Administration (60 million records) operate the site.

If the information clears, the employee and employer are good to go. If it does not, there are steps to ensure the employer keyed in the information accurately. If the system still cannot verify eligibility, it provides additional instructions. For instance, if the system cannot verify the social security number, the employer will refer the employee to the Social Security Administration to resolve the issue. If the system matches a number

but not the name, the Department of Homeland Security will take over, and the employer does not need to take additional steps.

If a municipality is using an outside contractor, the city must obtain an affidavit (or some certification) that the contractor is compliant with the new laws.

Other states such as Georgia and North Carolina have already begun using the E-verify system. Registering for the service is free and easy and can be completed online. On average, registration for E-verify grows by 1,000 employers each week, according to the Department of Homeland Security.

Complying with this new law is not only mandatory but also beneficial to small organizations that need protection from liability and lawsuits. In the event of an accident, "Failure to complete any of the proper hiring procedures would certainly serve as a difficult hurdle to establishing a defense that your municipality did everything it could to avoid an incident," Jeff Thompson, assistant director of Risk Management Services, explains.

Response to E-verify so far has been positive. Quick and painless, the system provides an added layer of protection and peace of mind to the hiring process.

For more information, visit the Department of Homeland Security's Web site (www.dhs.gov/index.shtml) and search for "E-verify."

GASB 45

Questions on the Ballot in November

When voters go to the polls in November, they will cast ballots on an issue that affects retirement benefits paid by local governments for employees. The proposed amendment to the state constitution, #3 on the ballot, will allow funds for post-retirement employment benefits from local governments to be invested in equities, subject to the same limitations already in place for the SC Retirement system. A second amendment, #2, will allow a state trust fund for state retirees the same option of investing in equities.

This amendment to the constitution is necessary because GASB Statement 45 requires local governments to account for post-retirement benefits, such as health insurance, when the benefits are earned rather than when they are paid. This new requirement puts a considerable financial burden on municipalities that must adapt their accounting practices to accommodate this new accounting requirement.

To assist municipalities in lowering their GASB 45 liabilities, the Association staff worked with legislative staff on S463, a joint resolution proposing an amendment to the state Constitution. The proposed amendment would permit trusts to invest in equities subject to the same limitations as the South Carolina Retirement System. By investing in equities, the trust is more likely to have a higher rate of return thus saving money for the municipalities over the long run.

The state constitutional amendment will be on the November ballot. (See box for the wording of the questions and an explanation of each.) Local officials need to be aware of this proposed amendment and encourage their councilmembers and staff to vote in favor of the amendment.

In late August, the SC Supreme Court ruled against the South Carolina Other Retirement Benefits Investment Trust's ability to invest in equities on behalf of cities and towns across the state. A City of Charleston employee filed the friendly lawsuit at the request of the Trust board and the Municipal Association. Although the Trust agreed to invest only in government securities if the Court found that investing in equities was not allowed, the Court ruled to dissolve the Trust altogether.

The Trust filed a petition for rehearing with the Supreme Court. This is not to challenge the decision but to request the Trust be allowed to return to its former capacity and continue investing in government securities. The Trust was not created solely as a vehicle for cities and towns to invest in equities. It was created primarily as a tool for South Carolina local governments to address the new GASB 45 accounting standard. At press time, the SC Supreme Court had not ruled whether it would grant a rehearing.

Question 2

Must Section 16, Article X of the Constitution of this State relating to benefits and funding of public employee pension plans in this State and the investments allowed for funds of the various state-operated retirement systems be amended so as to provide that the funds of any trust fund established by law for the funding of post-employment benefits for state employees and public school teachers may be invested and reinvested in equity securities subject to the same limitations on such investments applicable for the funds of the various state-operated retirement systems?

Yes No

Explanation:

“Post-employment benefits” are benefits, mainly health insurance, provided to eligible state government and school district retirees.

To comply with a change in accounting standards, the state created trust funds to pay for these post-employment benefits. This amendment addresses how the money in these trust funds may be invested.

A “yes” vote would give the state government the option to invest these funds in equity securities (stocks).

A “no” vote would mean that state government is not allowed to invest these funds in any kind of equity securities (stocks).

Question 3

Must Section 16, Article X of the Constitution of this State relating to benefits and funding of public employee pension plans in this State and the investments allowed for funds of the various state-operated retirement systems be amended so as to provide that the funds of any political subdivision of this State that have been set aside for the funding of post-employment benefits for the political subdivision's employees, including those invested in independent trusts established for that purpose, may be invested or reinvested in equity securities of the type permitted for investment by the various state operated retirement systems, as provided for by the General Assembly?

Yes No

Explanation:

This question is identical to Question 2, except it applies to local governments instead of the state.

City Concerns in Presidential Race

The National League of Cities' American Cities '08, the Road to the White House Runs Through America's Hometowns project is a focused effort to raise the voice and concerns of cities in the ongoing presidential campaign. Using the Web, video, YouTube, buttons and more traditional publications, the project asks a series of tough questions of the candidates and identifies seven core policy areas where cities will seek a two-way partnership with the federal government instead of the trickle-down attitude of the past.

"We are at an important crossroads in our history," said Cynthia McCollum, NLC president and Madison, Ala., councilmember. "Hometown issues are national issues. Huge challenges face all of us – the ongoing housing crisis, our crumbling infrastructure, the changing pattern of jobs, the need for neighborhood redevelopment, public safety, support for young families and children. These are issues that matter to the majority of Americans whether they live in downtown Philadelphia, a prosperous suburban city or a rural town."

NLC's new Web site, www.americancities08.org, provides information for the presidential candidates, local elected officials and citizens who want to know more about how national policies affect cities and towns. It highlights seven policy areas that impact hometowns,

and includes questions for the candidates to answer. The site also features statements from the candidates on these important issues, where available.

NLC also has a video, available through the Web site and on YouTube, where local officials ask some tough questions about city issues:

- Traffic congestion is a major problem for cities, but the Highway Trust Fund may run out of money by next year and the transportation reauthorization is in limbo. The question: As president, what will you do to fund transportation?
- The mortgage crisis is already exacerbating the affordable housing crunch, and blight is now a growing problem. The question: What will you do to increase the supply of affordable housing and stimulate the revitalization of neighborhoods, and how will you pay for it?
- The percentage of people living in poverty hasn't changed much during the past 40 years despite our best efforts. The question: What will you do to ensure the adequacy of comprehensive assistance programs to meet the basic needs of families and children?

- Cities generate 90 percent of the nation's economic output. The question: What will you do to spur investment in America's cities?

McCollum noted that while the candidates have been discussing many of these issues, they have not addressed how they will work with local elected officials, who are responsible for implementing federal policies as well as providing daily services under increasingly difficult fiscal constraints. In 1978, federal funding accounted for 17 percent of municipal budgets.

By 2005, it had dropped to 5 percent. Because state government contributions stayed roughly the same during this time period, cities absorbed the entire drop in federal aid by increasing revenues from their own local sources.

McCollum said this trend can't continue if cities are to thrive in the future. "Aside from homeland security funding, cities haven't had a raise in more than 35 years," McCollum said, stressing the point that cities and towns are not just looking for funding. "Instead, the next administration should use the innovative work being done in cities across the country as national models for effective investment."

"We need a renewed commitment from the next administration to work together with local governments to build thriving communities," McCollum said.



For more information on American Cities '08, visit www.americancities08.org.



Remote management

of computer networks helps cities spend less time and money on repairs

The Town of Edisto Beach has unspoiled beaches and little commercialization. It's perfect for a quiet vacation, but the distance from a major metropolitan area could mean extra time and expense for town officials if there is a problem with their computer network.

Edisto Beach officials turned to remote network management as their solution. The remote network management concept involves structuring the computer network to allow someone to connect to it from a remote location. For example, if a server has an issue at 2 a.m., the network issues an

alert. An on-call service person could fix the problem remotely before the workday begins. Having technical support readily available is especially important for small towns such as Edisto Beach, which is about 45 miles south of Charleston and in a remote area without many IT firms nearby.

According to Government Technology Magazine, "the provider is able to fix most IT problems within 15 minutes and without making an in-person service call."

Remote network management is an attractive option for cities that do not have or do not want to devote re-

sources to a full-time IT person. Edisto Beach does not have any IT people on staff, said Town Manager Linda Woods. However, "we need somebody with the expertise to keep our systems going." Edisto Beach uses VC3, the technology partner of the Municipal Association, as its network management company.

The solution offers other advantages beyond rapid response to network problems. Cities receive program updates without having a technician physically go to town hall, and the city has access to a wide circle of technology experts.

Over the past 12 months, the City of Sumter used the services of 20 different VC3 employees, including those who specialize in the Web, networks and security.

The subject of remote network management was presented as one of the 15-minute technology demonstrations at the Association's Annual Meeting in July. For a copy of the presentation, "Building Computer Networks for Offsite Management," visit www.masc.sc/education/08ammeeting_wrap.htm.



finance corner

by Stephanie O'Cain, Chief Financial Officer

Did you know sophisticated thieves could take money out of your bank account? Fraud rings are using new technology to make these unauthorized withdrawals. The municipality only has a 24-hour window to notify the bank of an unauthorized electronic withdrawal or the municipality is liable for the losses.

How do you protect your bank account? Your bank clears these transfers through an automated clearinghouse. Using a service called an ACH block or filter, you can allow cash into the account but only pre-approved transfers out. Check with your bank and make sure you have your ACH filter turned "on."



Hometown

NOVEMBER HAPPENINGS

Each month, municipal officials have the opportunity to download materials that will help them share the value of cities and towns with the community and more specifically their key influencers. Through each suggested activity and corresponding materials, municipal leadership will form partnerships with the local business community, the media, local non-profit organizations and policy makers.

The Municipal Association posted October *Hometown Happenings* information on its Web site in early November.

Let Casey Fields know if you participate in a Hometown Happening by e-mailing cfields@masc.sc or calling 803.933.1256.

Veterans Day – Always observed on Nov. 11, Veterans Day is a time to honor military servicemen and women who have served in peace and wartime. Host a parade to say “thank you” to all residents who serve or previously served in a branch of the armed forces. Send thank-you notes home in every water and electric bill urging residents to display American flags and yellow ribbons. Honor servicemen and women by passing a proclamation. Send care packages overseas to servicemen and women who will be in Iraq or Afghanistan on Veterans Day. Take this day, and every day, to say “thank you” for their service and “thank you” to their families for their sacrifice.

Thanksgiving Day – Thanksgiving began as an opportunity to give thanks for a bountiful harvest and a day for expressing thanks for the good things in life. Take this time to give thanks for a successful hometown, your municipal employees and the quality of life enjoyed in your community. Host a Thanksgiving Day lunch for employees, pass a proclamation or write a letter to the editor listing the things in your community for which you are thankful or sponsor a 10K run (called the Turkey Trot) the day after Thanksgiving and run off the goodies.

America Recycles Day – Celebrated on Nov. 15, this day is the only nationally recognized day that encourages Americans to recycle and buy recycled products. Contact your local health department for more information on the recycling pledge and recycling opportunities through Keep America Beautiful in your community. Inform your residents about recycling efforts led by your hometown. Offer your residents the recycling pledge in their water or electricity bills or include it in your municipal newsletter and on your Web site. Educate residents on the importance of recycling and its positive impact on your community.

Road show

Reminder

Don't miss the 2008 *Hometown, SC* Road Shows starting on Oct. 7 in Columbia. To RSVP for one of these training sessions, contact Michelle Willm at 803.933.1259, mwillm@masc.sc or visit www.masc.sc. Get insider tips on engaging key influencers in your community, and hear what issues will be important during the 2009 legislative session.

Look for more information in the weekly “Uptown Update.”

Tuesday, Oct. 7; 11:30 a.m.

Municipal Association training room, 1411 Gervais Street, Columbia

Thursday, Oct. 9; 11:30 a.m.

Municipal Conference Center, Aiken

Thursday, Oct. 16; 5:30 p.m.

Patriots Point aboard the USS Yorktown, Mount Pleasant

Friday, Oct. 17; 11:30 a.m.

City Hall, Georgetown

Tuesday, Oct. 21; 11:30 a.m.

Pavilion at Lawton Park, Hartsville

Wednesday, Oct. 22; 11:30 a.m.

York Technical College Baxter M. Hood Center, Rock Hill

Thursday, Oct. 23, 11:30 a.m.

Hub Bub, Spartanburg, City Hall

Wednesday, October 29; 11:30 a.m.

City Hall, Port Royal

events

CALENDAR

OCTOBER

7-29 *Hometown, SC Road Shows*, See schedule on page 15.

8 **SC Utility Billing Association Fall Meeting**. SC Hospital Association, Columbia
Topics: electronic deposits, fuel conservation and workforce management.

31 **Municipal Association of SC Managers meeting**. 10:00 a.m., Clarion Townhouse, 1615 Gervais Street, Columbia.

NOVEMBER

5-7 **SC Municipal Human Resources Association Annual Meeting**. Kingston Planta-

tion, Myrtle Beach. Topics: compensation and classification plans, hiring process, identity theft protection and GASB 45.

7 **SC Association of Stormwater Managers Quarterly Meeting**. Columbia Conference Center, Columbia.

12-14 **Municipal Clerks and Treasurers Institute**, Radisson Hotel, Columbia

20 **SC Municipal Insurance Trust and SC Municipal Insurance and Risk Financing Fund Annual Meetings**. Embassy Suites, Columbia.

DECEMBER

5 **SC Municipal Attorneys Association Annual Meeting**. Embassy Suites, Columbia.

FEBRUARY

17 **SC Municipal Elected Officials Institute of Government Sessions A and B**. Marriott Columbia.

18 *Hometown, SC Legislative Action Day*. Marriott, Columbia.

For more information about these meetings or other association meetings not listed, please call 803.799.9574 or visit www.masc.sc.



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