

a publication of the municipal association of south carolina

As soon as coronavirus definitively arrived in South Carolina in March, it began causing major disruptions to public health, safety and economic stability. Since the virus' arrival, the state's cities and towns have worked to provide leadership and support for their residents and businesses, and they have found ways to continue their operations and public meetings under unprecedented circumstances.

Business support

Faced with orders to close or reduce operations to fight the virus' spread, many businesses have faced hardship, and municipalities have found ways to help. Many cities and towns have served as valuable sources of information, connecting business owners with current information on federal assistance programs and other resources. In other cases, cities have amplified the message that their local businesses remain open through website listings, social media, and even by posting signage for dedicated pickup locations for curbside restaurant service.

Resources that can help with these efforts are available at www.masc.sc (keyword: small business support). Also, there are steps cities can take to help with business license administration during this disruption (see Page 2).

Council, finance operations

City and town councils found ways to continue their public meetings and address pressing business items while using caution. They achieved this through virtual meetings — working their way through technical issues, learning curves and maintaining compliance with the SC Freedom of Information Act — and through applying social distancing at in-person meetings.

Other issues have grown more important as the emergency has progressed. Municipalities with a fiscal year start date of July 1 have needed to develop and pass budgets, all in an environment where the COVID-19 effect on revenue sources is still not completely clear. Some public bodies have had to find ways to safely receive input for public hearings that could not be delayed. They have gathered public input through premeeting submissions, virtual participation during meetings and even

Recovering From COVID-19



publicly available computer stations. Cities can find guidance on these operational topics in a videocast series at www.masc.sc (keyword: Municipal Resources for COVID-19).

Coronavirus and the Municipal Association's Annual Meeting

The Municipal Association of SC Annual Meeting is now planned for a shorter schedule running from July 16 – 18 at the Charleston Place Hotel, with an agenda focused on COVID-19 recovery.

To lessen the financial strain of attending, the Association has eliminated the registration fee for municipal officials and staff and renegotiated the hotel room rates.

Attendees will use a special registration method this year. Rather than using a municipal representative with the appointment registration process, cities and towns will be responsible for contacting the hotels directly to reserve and pay for lodging. Registration for the meeting itself will be handled online on the Association's website.

The deadline to register for the meeting is June 29. Refunds for nonmunicipal officials will not be available after 5 p.m. on June 29. See the hotel information for the hotel cutoff dates for reservations.

Meeting registration information and updated agenda information will be available as it is finalized at www.masc.sc (keyword: Annual Meeting).

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Business License Tax Renewal Options

The extreme disruptions of COVID-19 have put many businesses in a position where they face difficulty paying their business license taxes in full. At the same time, the revenue from business license taxes are still vitally necessary to provide the services businesses need — police, fire, sanitation and others.

To help businesses manage their business license tax payments during the COVID-19 crisis, cities and towns have several options they can consider.

Waiving penalties or extending due dates

Cities could choose to maintain their existing business license tax due dates, but waive penalties for nonpayment until a later date. Cities could also simply extend the due date for the tax, thereby giving businesses more time to pay.

However, it's important to understand the potential problems either of these options could cause.

Consider a case where a city extends a due date for its 2020 business license tax. When the delayed due date finally does come around, it could be only months away from the regular due date for the 2021 business license tax bill. Business owners could then be confused and angry about the requirement that they pay the tax twice within one year. Waiving penalties can ease this concern.

Also, keep in mind the accounting requirements that exist if a city receives payments in a different fiscal year than when those payments were owed.

Incremental payments

Setting up a plan for incremental payments allows businesses to spread out the business license tax they owe to the city. When using this route, be sure to have a drop-dead date that full payment must be made, such as September 30 or December 30. The plan could be

- monthly for a certain amount of months or date,
- bimonthly for a certain amount of months or date, or
- quarterly for a certain amount of months or date.

Discounts and declining discounts

Offering a discount would involve providing a reduction for the payment by the business if they pay their business license tax by a certain date. An example would be a 20% reduction in the amount owed if paid in full by June 30.

Cities could provide a declining discount to the business based on how quickly the payments are submitted to the city. This could be a 20% reduction in the amount paid by June 30, but only a 10% reduction in the amount if paid by September 30.

Credit card fees

Finally, consider waiving any credit card fees that the city may have imposed, allowing the business to pay the tax using a credit card.

For questions on business licensing policies and procedures, contact Research and Legislative Liaison Melissa Harrill at mharrill@masc.sc or 803.933.1251. Find more resources at www.masc.sc (keyword: business license).



Association Highlight:

Accreditation in Business Licensing, Master in Business Licensing

Many municipal job positions have specific training and networking needs, and the Municipal Association of South Carolina's affiliate associations and training institutes offer opportunities to meet those needs.

The Accreditation in Business Licensing designation, sponsored by the SC Business Licensing Officials Association, requires officials to complete the three-year Business Licensing Officials Training

Institute. Training sessions A, B and C take place at the BLOA Spring Academy each year. After completing all courses and graduating, officials can take the Accreditation in Business Licensing exam. The ABL credential assures the public that business license officials have been trained to fairly and accurately administer their jurisdiction's business license ordinance. Officials must also pledge to follow the ABL Code of Ethics.

Those wanting to further their professional development can work to obtain the Master in Business Licensing designation. MBL designees have earned their ABL designation and have also achieved 50 experience points within seven years immediately before their application for the MBL designation.

Learn more at www.masc.sc (keyword: ABL).



Test yourself monthly quiz

True or False:

A municipality may offer publicly funded incentives to businesses in the form of grants or loans for any purpose.

Answer: False

A municipality may offer publicly funded incentives in the form of grants or loans as long as it uses the funds for a public purpose. In South Carolina, council can only expend public funds for a "public purpose." The South Carolina

Supreme Court has defined "public purpose" as one that "has for its objective the promotion of the public health, safety, morals, general welfare, security, prosperity, and contentment." Eligibility for incentive participation must not be arbitrary and must treat all members of the class of eligible business activities in a similar manner under similar circumstances. For more information visit www.masc.sc

(keyword: economic development incentives whitepaper).

The Municipal Elected Officials Institute of Government offers in-person and online courses. The next in-person courses, "Forms of Municipal Government" and "Municipal Economic Development," will take place September 22 at the regional councils of governments area locations. Learn more at www.masc.sc (keyword: MEOI).





Shrinking the Food Desert

Cities Work to Improve Food Access

Improving access to healthy food is an important but challenging goal faced by municipal leaders who know that a poor diet can affect the health and well-being of residents.

Several South Carolina cities have addressed the issues of food deserts, the name given to U.S. Census tracts that have many low-income residents lacking easy access to stores selling healthy, affordable food. Food deserts, where people live miles away from grocery stores or farmer's markets and lack transportation to reach them, often have high concentrations of diet-related illnesses and obesity.

One of those cities working on the issue is Florence, which created a Food, Artisan and Warehouse District designed to address goals identified in the city's comprehensive plan, especially in the areas of community health and livability. The plan aims to remove food access barriers along with promoting the overall wellness of the community.

"The city is aware that the Pee Dee region is ground-zero for lifestyle diseases and a significant portion of the city is a

USDA-designated food desert," Florence City Manager Drew Griffin said.

Griffin said Florence worked to create a sense of place where healthy choices are easy to make. It included a farmers market facility with a commercial kitchen, along with locating a public transportation hub in the district. Florence located the city's health and wellness campus, which includes the Barnes Street Activity Center and a playground created in partnership with I PLAY Florence, as part of the district.

The project required a substantial financial commitment. The city first built a \$5.4 million gymnasium. It then obtained local foundation funds to relocate the regional transportation hub to the development district. Next, the city partnered with I PLAY Florence to build the \$500,000 all-inclusive park. Florence invested \$1.8 million to construct the City Center Farmers Market and commercial kitchen, and contributed \$625,000 toward the cost of a downtown grocery store, to which the Palmetto Housing Authority also committed \$800,000.

"These efforts were efficiently funded by using TIF [tax increment financing], hospitality and foundation grant funds, minimizing the impact on city taxpayers," Griffin said.

In Spartanburg, the Hub City Farmers Market is committed to increasing the supply, demand and access to healthy local food, all while addressing food-related health issues.

Five years ago, the city and its partners built Northside Harvest Park, the cornerstone of the Northside development initiative. Each Saturday, a market is set up at the park, while the nonprofit Butterfly Foundation operates the Monarch Café and Food Store that also is open during the week.

The organization also features a Mobile Market, which purchases produce and other goods from local farmers and entrepreneurs and resells it.

Jordan Wolfe, executive director of Hub City Farmers Market, noted that about 35,300 people in Spartanburg County are considered food insecure or have limited access to grocery stores.

“A lot of that concentrated poverty is in the southside and northside areas of the city, and it’s been this way for a long time,” she said. “The city worked with us because they realize there needed to be a change and there needed to be champions in place to make that happen.”

Northside Harvest Park has elements of community food centers that are popping up all over the country, Wolfe said.

“Our version has an urban farm. When you consider the northside is a food desert, it’s kind of cool to think that we grow 2,000 pounds of produce there every year. That gets sold on our Mobile Market, which goes around to 100% food deserts.”

Products from local farmers are also sold through the Mobile Market, a large truck that drives to locations around Spartanburg, offering fresh produce, bread, meat, juice, honey and other items.

Spartanburg is also looking at the core issue of convincing people of the importance of eating healthy food and making good choices.

“We’re only open four hours, once a week. We can’t change the obesity situation that’s going on, but we can work with community partners, getting to the core issues,” she said. That includes educating children through a nutrition education program, which allows students who complete the program to receive vouchers to purchase healthy food at the market.

The Town of Elgin is home to two grocery stores, but there is a problem for lower income people in nearby communities trying to access healthy food, according to Elgin Mayor Melissa Emmons.

She said Elgin works closely with the United Way of Kershaw County’s Mobile Nutrition Center Program, which features a truck offering fresh fruits and vegetables, and Kershaw County Food for the Soul, which partners with the town to distribute meals.

“There is a need, not necessarily in town, but in our surrounding area. That could be one street over from where we are located. Our town limits are small,” she said. “This is a great way to show your community you are here for them, that



Northside Harvest Park in Spartanburg is home to the Hub City Farmers Market’s urban farm. Photo: Hub City Farmers Market.



The City Center Farmers Market is part of Florence’s Food, Artisan and Warehouse District. Photo: True Light Photography.

you do what you can to help. We do not limit ourselves to the town limits. When we serve, we serve as many as we can in the surrounding areas.”

Emmons said Elgin worked with a nonprofit insurance company about two years ago to add a “blessings box” at town hall, a tiny food pantry where residents leave nonperishable food for people in need.

“We needed an avenue to get food to them. People help us keep it stocked, and those who need food, take some. The community loved it,” she said. “That worked out so well that a local Girl Scout troop built another one and put it at the side of the building of the Family Dollar. People do the same thing there. Those in need take what they need. The goal is that one day, they’ll pay it forward.”

She said whether working with nonprofits or other organizations, it’s important to keep communication — and food — flowing.



Elgin Town Hall has a “kindness box” for donating nonperishable food. Photo: Town of Elgin.

“We can’t solve all the problems on our own. So many organizations are trying to accomplish the same goal. When you pool your resources, you can make a larger impact,” Emmons said.



Minimizing Ransomware, Email Risks

COVID-19 disruptions rapidly changed both the IT landscape for cities and towns as well as the associated technology risks. Not only were municipal councils suddenly conducting meetings by videoconference using home internet connections, but also many employees were working from home. This combination of events significantly increased the vulnerability of cyberattacks since users were connecting to municipal servers by using personal devices.

Hackers, meanwhile, lost no time taking advantage of the coronavirus situation. Security company Barracuda Networks counted 137 email phishing attacks related to COVID-19 in January, which exploded to 1,188 in February and 9,116 in the first three weeks of March. The scams involved topics like coronavirus cures, face masks, fake charities or investments in vaccine development.

A phishing attack involves emails from what appear to be trusted senders as a way of gathering sensitive information, such as login credentials. Once hackers use this information to break into a city's computer system, they might encrypt the city's files or its entire computer system. The cybercriminal can then demand a ransom through the untraceable Bitcoin cryptocurrency to restore access. Beyond losing access to records and files, a city could also lose access to its email and phone systems.

Local governments can and do pay the ransom sometimes. Some examples from 2019 include ransoms ranging from \$400,000 to \$600,000. The City of New Orleans, LA caught an attacker relatively early in the process and did not pay, but still wound up with \$7 million in damages.

Be ready for email attacks

Cities and towns can take steps to make their operations safer, with training to help staff identify incoming phishing attempts at the top of the list. Hackers can pull organizational information from a city's website or social media to create an email address that looks as though it's coming from a high-ranking member of staff or council. Emails are then sent with a virus as an attachment or link, or the email includes a request for sensitive information. Things for municipal officials and staff to watch out for include

- urgent language that demands or encourages immediate action,
- failure to address the recipient by name,
- email addresses with the wrong domain name, or which otherwise don't match up with the supposed sender's actual email address,
- unexpected email attachments,
- links with unknown or suspicious destinations, and
- large numbers of typos or grammar errors.

Technology staff and others can help with training by showing users the text of actual incoming emails identified as phishing attempts. Users should be trained and encouraged to send all suspicious emails to the IT department for evaluation. Some departments stage drills with dummy phishing attempts as a way of encouraging vigilance and identifying training needs.

Data backups

If a city does experience a cyberattack and cannot conduct regular business, municipal officials can face the difficult choice of whether to pay the ransom or rebuild from nothing if the city does not have adequate data backups. Data backups offer a less painful way to rebuild, although it still costs resources and significant delays in getting operations running again.

Data backups and the appropriate infrastructure can be handled through an IT contractor or the municipal staff. If a city handles its own nightly backups, the data should be stored offsite, or at least in a physically separate location from wherever the primary copies of data are located.

Cybersecurity is a frequent meeting topic for the Municipal Technology Association of South Carolina. Find materials from past meetings at www.masc.sc (keyword: MTASC).

COVID-19 Disrupts Legislative Session



To say that the 2020 legislative session in South Carolina was different than any other would be an understatement. The session began with fast-moving action, with the amended business license bill passing the House of Representatives and the state budget showing an unprecedented surplus. Education reform was at the forefront of debate. Lawmakers held hearings on reforming or selling Santee Cooper, the state-owned utility, and worked on bills involving everything from wildlife to taxes to telecommunications.

The legislative session then came to a halt when COVID-19 began making its way through the state. The Senate met on March 17 to approve a bill to release \$45 million to the SC Department of Health and Environmental Control to combat the spread of the coronavirus in South Carolina. The House of Representatives met on March 19 to concur with the Senate bill and send the bill to the governor for his signature. The House and Senate then adjourned until Jay Lucas, speaker of the House, and Harvey Peeler, the president of the Senate, deemed it necessary to call them back into session.

Both chambers returned to Columbia on April 8 to debate a budget bill to continue funding state government and a

sine die resolution governing future legislative action. Reforming Santee Cooper, the state-owned utility, became the center of debate in both chambers.

The Senate introduced and adopted S1194, the sine die resolution that governs when each chamber of the General Assembly can return to session in Columbia and what bills can be debated.

The House and Senate each passed their own versions of a continuing budget bill, both of which fund state government at current levels. The House amended and adopted H3485, which includes language that appropriates recurring funding for FY 2020-2021.

The Senate amended and adopted H3411 to include language that appropriates recurring funding for FY 2020-2021. The bill includes similar language to that of H3485, but not the exact same language related to the operation of Santee Cooper.

Since legislators could not agree on a continuing budget bill or sine die resolution in April, both chambers returned to Columbia on May 12 to complete work on those two pieces of legislation. House and Senate members adopted a sine die resolution that will bring legislators back to Columbia in September. The resolution sets September 15, 16 and 17 as well as

September 22, 23 and 24 as dates when the General Assembly will be back in session to consider certain legislation. The resolution also allows legislators to debate and take action on any bill that has passed one chamber before May 14, budget-related legislation, legislation related to COVID-19, and consideration of conference reports and appointments. After the General Assembly adjourns on September 24, the resolution narrows to allow consideration of only specific items before November 8.

Legislators also adopted H3411, a continuing budget bill that includes language that appropriates recurring funding for FY 2020-2021. Items funded with nonrecurring funds in the current fiscal year budget are not included in the continuing budget bill. It allows the governor to accept federal funding for COVID-19 response through a special Coronavirus Relief Fund account in the Executive Budget Office. The bill allows the governor to directly disperse the funds, with the approval of the Joint Bond Review Committee. The bill also outlines limitations on operational management of Santee Cooper until the September session.

For more information, visit www.masc.sc (keyword: advocacy) for resources related to legislative action.



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Calendar

For a complete listing of the Association's training opportunities, visit www.masc.sc to view the calendar.

Please note that the schedule for meetings in June and July is subject to either the removal of mandatory social distancing standards or a reduction in these standards.

JUNE

23 – 24 Municipal Court Administration Association 101 – Session B. Municipal Association of SC, Columbia. Topics include dispositions, finalization and an introduction to court financials.

JULY

16 – 18 Municipal Association of SC Annual Meeting. Charleston Place Hotel. The Annual Meeting will have a shortened schedule and agenda focused on COVID-19 recovery. Find more information as it becomes available at www.masc.sc (keyword: Annual Meeting).

20 SCMIT/SCMIRF Law Enforcement Training. Location to be determined.

28 Setoff Debt Collection Program Mandatory Training Session for Interested Participants. Municipal Association of SC, Columbia.

30 Setoff Debt Collection Program Mandatory Training Session for New Employees of Current Participants. Municipal Association of SC, Columbia.

AUGUST

2 – 5 SC Association of Municipal Power Systems Annual Meeting. Embassy Suites Kingston Plantation, Myrtle Beach.

5 SCMIT and SCMIRF Workers' Compensation Nuts and Bolts. The Phillips Market Center, West Columbia.

11 Main Street South Carolina New Director Orientation. Municipal Association of SC, Columbia.

11 SC Business Licensing Officials Association ABL Exam. Municipal Association of SC, Columbia.

18 Regional Advocacy Meeting. Georgetown Police Department. Waccamaw Regional Council of Governments area.

19 Regional Advocacy Meeting. Lessie B. Price Aiken Senior and Youth Center. Lower Savannah Council of Governments area.

20 Regional Advocacy Meeting. Rollins Edwards Community Center, Summerville. Berkeley-Charleston-Dorchester Council of Governments area.

25 Regional Advocacy Meeting. C.C. Woodson Recreation Center, Spartanburg. Appalachian Council of Governments area.

26 – 28 Municipal Court Administration Association of SC Annual Meeting. Hyatt House Charleston.

26 Regional Advocacy Meeting. Walterboro Wildlife Center. Lowcountry Council of Governments area.