

a publication of the municipal association of south carolina

## Supreme Court decides against sign code



Illustration by Art Lien

In *Reed v. Town of Gilbert*, the U.S. Supreme Court held unanimously that Gilbert, Arizona's sign code, which treated various categories of temporary signs differently based on the information they convey, violated the First Amendment.

As the Court detailed in its majority opinion, Gilbert's sign code restrictions on temporary directional signs regarding size, location and duration amounted to a content-based restriction of speech. Central to the Court's opinion was the fact that

temporary directional signs such as those used by the plaintiff, Pastor Reed, to direct parishioners to his church were treated less favorably than political signs and ideological signs.

Content-based laws are only constitutional if they pass strict scrutiny—if they are narrowly tailored to serve a compelling government interest. Despite arguments that Gilbert's sign categories are based on function, the Court concluded they are

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### SPECIAL



**In October, South Carolinians faced flooding of historic proportions. Read "Cities on frontline of flood rescue and recovery"**

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based on content and, as such, must pass strict scrutiny.

Gilbert’s sign code failed strict scrutiny because its purposes—preserving aesthetic and traffic safety—were “hopelessly underinclusive,” according to the Court. Temporary directional signs are “no greater an eyesore” and pose no greater threat to public safety than ideological or political signs that were not subject to the same restrictions.


As municipal attorneys study the decision, there appears to be a prevailing expectation that the Court’s decision would require many local governments to make modifications to existing sign laws, explained Tigerron Wells, the Association’s government affairs liaison. It may have broader implications than just the temporary sign restrictions that were the focus in Reed. Nevertheless,

there also appeared to be consensus that the case should not be interpreted to overrule prior sign-related Court precedent.

Municipal officials should examine their existing sign laws in light of this case but not take extreme intermediate steps such as instituting an across-the-board moratorium on temporary signs. Such a move could temporarily solve one problem only to expose the municipality to other First Amendment claims.

This is an issue that will continue to receive much attention and legal thought in the coming months. The South Carolina Municipal Attorneys Association will discuss the issue during its annual meeting on December 4.

For more information about MAA and its annual meeting, visit [www.masc.sc](http://www.masc.sc) (keyword: MAA).



# NEWS BRIEFS

**Chaconas Parson**, town clerk for the Town of Andrews, received a three-year scholarship to attend the Municipal Clerks and Treasurers Institute. Available only to SC Municipal Finance Officers, Clerks and Treasurers Association members, the scholarship is underwritten by the Municipal Association.

The **City of Rock Hill** ranked fifth in the large company category of the 2015 *Charlotte Observer’s* Top Workplace report. Rock Hill was the only government entity named among private, public and nonprofit companies in their category.

In September, members of the **Municipal Technology Association of SC** elected their 2015-2016 officers and board members. President: Jarvis Driggers, City of Lancaster; Vice President: Jim Ridgill, City of Greer; Secretary/Treasurer: Phil Hasty, City of Clinton; and Board Members: Jason Thomton, Town of Fort Mill; Mark Cunningham, City of Anderson; and Ryan Byrd, City of Goose Creek.



Sumter, SC

# Cities on frontline of flood rescue and recovery

In October, South Carolinians faced flooding of historic proportions when up to 24 inches of rain soaked the state. Governor Haley described it as a “1,000-year level of rain” during an afternoon news conference on Sunday, October 4. Another downpour a week later added more rain to the already saturated state.

In its wake, the flooding left communities devastated and the state’s infrastructure crippled.

One week after the storm, there were still more than 300 road and bridge closures around the state, including a 15-mile stretch of I-95 from Turbeville to Manning.

Coastal communities like Georgetown flooded not once, but twice—first when a foot of water flowed through downtown then again when stormwater from the Midlands and Upstate crested riverbanks along its path to the ocean.

Similar to other natural disasters, municipal services, sometimes taken for granted, were thrust into the spotlight.

First responders carried out heroic rescues as fast-moving water quickly overwhelmed residents and motorists. Firefighters provided much-needed

medical assistance while police officers enforced curfews and blocked unsafe roads to protect residents.

Providing safe drinking water is a basic city service that normally happens behind the scenes without consumers giving much thought to it. Safe drinking water became a top-of-mind concern for thousands of South Carolinians as city utility workers worked nonstop to repair broken lines caused by the flooding and, in some cases, reengineered their systems to compensate for compromised treatment plants.

In the days following the flooding, the City of Manning’s new wastewater treatment plant had four to six feet of standing water, and thousands of City of Columbia water customers were without potable water as the Columbia Canal ran dry after suffering a 60-foot breach. The Canal supplies water to the city’s downtown water treatment plant that serves almost 200,000 customers.

As the flood waters receded, the focus shifted from rescue to recovery.

Local officials are working with the SC Emergency Management Division and the Federal Emergency Management Agency to rebuild their communities.

As this newsletter was going to print, 34 counties had received a federal major disaster declaration. The declaration meant the counties and municipalities within them were eligible to apply for federal public assistance.

Reimbursement is contingent upon proper documentation. “The more organized and detailed your information is now, the easier it will be to proceed through the Public Assistance process,” according to FEMA.

“Be sure to track labor, equipment, and material costs, as well as any contracted costs. Also, store this information in multiple formats to ensure no data is lost should something happen to your primary copies. Computers will crash, and you don’t want to lose all your information without any form of backup documentation.”

For FEMA to reimburse a local government for work performed under a contract, the local entity must ensure the contract meets FEMA’s procurement requirements.

*For more information about FEMA assistance and other recovery-related resources, visit [www.masc.sc](http://www.masc.sc) (keyword: flood).*



# Cities must disclose tax abatements

*Information provided by the National League of Cities*

Local governments commonly use tax abatements to attract and retain businesses and jobs in a community. In exchange for the abatement or agreement by the local government to forego tax revenues, the company commits to making certain investments in a community that contribute to economic growth and development.

State and local laws govern the use of tax abatements. They generally require a transparent process for approving the abatement agreement and compliance by both the local government and the company in filing reports regarding the abatement.

Recently, the Governmental Accounting Standards Board approved new guidelines, Statement 77, that require state and local governments for the first time to disclose on financial statements information about their tax abatement agreements.

Although many governments offer tax abatements and provide information to the public about them, “they do not always provide the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future,” according to GASB.

Local governments must disclose information about (1) tax abatement agreements and (2) abatement agreements entered

into by other governments that reduce the reporting government’s tax revenues.

The following information must now be disclosed by the government that entered into the agreement:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients;
- The gross dollar amount of taxes abated during the period; and
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

The requirements of Statement 77 are effective for financial statements for periods beginning after December 15, 2015.

In its comments to GASB during the drafting process, the National League of Cities cautioned that the narrow focus on the taxes abated would be misleading by painting an incomplete picture of the impact of the abatement on the local government’s overall financial position.

*GASB 77 is the topic of an educational session on November 18. For more information visit [www.masc.sc](http://www.masc.sc) (keyword: GASB 77)*

## Audits begin reflecting impact of GASB 68

City officials will see the impact of the Governmental Accounting Standards Board’s Statement 68 on financial audits that report on fiscal years beginning after June 15, 2014. This means that a city with a July 1 to June 30 fiscal year is implementing Statement 68 for the first time in its financial audit covering the period July 1, 2014 to June 30, 2015.

The audit will show the city’s net pension liability. This is the city’s proportional share of the funds that have not yet been contributed to a government pension (retirement) plan, such as South Carolina’s Public Employee Benefit Authority’s retirement systems, but are expected to be needed to meet all retirement obligations.

It is important to note that the new GASB reporting requirement does not change the city’s **actual** pension liability. It relates only to accounting and financial reporting aspects—how pension expense and obligations are measured and reported in audited external financial reports. Previously, GASB viewed the unfunded pension liability as a future liability.

The city’s cash flow situation will not change as a result of recording the liability on financial statements. Pension costs are paid off over long periods—much like home mortgages—through regular contributions paid to the pension plan.

In many cases, the net pension liability being reported will represent a significant amount and could dwarf assets reported on financial statements. This could give the public the incorrect impression that the city has a large debt that must be paid immediately and/or is insolvent.

GASB issued Statement 68 in 2012 with the intention of improving pension reporting information and increasing transparency, consistency and comparability of pension information.

*More information, including talking points, are available at [www.masc.sc](http://www.masc.sc) (keyword: GASB).*

# Annual database review

Along with gearing up for pumpkin spice everything, filling up on turkey and holiday shopping, November is the time of year for the Association's annual database cleanup. Right after the elections on November 3, the Association will ask municipal clerks to review, update and verify their city's information contained in the Association's database.

The database allows the Association to communicate important information to municipal elected officials and staff ranging from legislation essential to local governments and training opportunities offered by the affiliate associations and Risk Management Services to registration

deadlines for the Annual Meeting and legal updates.

The Association also uses the information provided for the online and print versions of the 2016 Municipal Officials and Legislative Directory. They provide easy access to key demographic information, contact information, and names of elected officials, and key municipal personnel.

Municipal clerks will receive an email from the Association in early

November asking them to make updates by November 20 using the Municipal Information Dashboard accessible from the Association's website. While the Dashboard can be accessed and updated throughout the year, it is important that the information is updated in November as the Association prepares the 2016 directory for print.

Contact Ashleigh Hair at [ahair@masc.sc](mailto:ahair@masc.sc) or 803.933.1288 with any questions.



## Before taking office, file SEI



November is a big month for municipal elections with 137 cities and towns holding general elections.

Before being sworn in, newly elected officials must electronically file a Statement of Economic Interest with the SC Ethics Commission through its website ([ethics.sc.gov](http://ethics.sc.gov)). Officials must file the form even if there are no economic interests to

disclose. Once filed, the information is immediately available to the public on the Commission's website.

November is also a good time for all municipal officials who must file an annual SEI form to begin gathering the necessary information. The filing deadline is noon on March 30 covering the previous calendar year (January 1 - December 31).

Failure to file or intentionally misrepresenting information is a misdemeanor and could result in a fine, jail time or both. If a municipal official discovers errors or omissions after filing, he should amend his SEI form as soon as possible.

Additionally, officials must continue to file quarterly campaign disclosure reports until their campaign account is closed, regardless of whether their campaign account had any financial activity that quarter.

Once the account is closed, the former candidate must file a final campaign disclosure report with the Commission. There must be a zero balance in the campaign account and no outstanding campaign debts. Once the final report is filed, a candidate may not accept or spend any funds for the campaign.

Visit [ethics.sc.gov](http://ethics.sc.gov) for more information.

# Advance MEO Institute update

The Advanced Municipal Elected Officials Institute reached a milestone in the program's history in October. The Institute completed its first cycle of six courses.

The Association offers two training days for the Advanced Institute each year, one the day prior to the February Hometown Legislative Action Day and the other in October. To complete the Advanced Institute, participants must take four of the six courses offered.

During the 2016 Hometown Legislative Action Day's opening session on February 3, the Association will recognize the first group of municipal elected officials that have completed the Advanced Institute.

Elected officials wanting to begin or continue participation in the Advanced Institute will have the opportunity on February 2 to attend one of two advanced courses offered. The courses are "Advanced

Municipal Economic Development" and "Public Safety Policy and Administration."

Registration information will be included with the Hometown Legislative Action Day materials available in December.

Launched in 2014, the Advanced Institute offers graduates of the Municipal Elected Officials Institute the opportunity to expand their knowledge by participating in continuing education that includes classroom instruction and interaction with experienced peers.



## Hometown Legislative Action Day and MEO important dates

### Municipal Elected Officials Institute of Government and Advanced Institute

Tuesday, February 2  
Columbia Marriott

### Hometown Legislative Action Day

Wednesday, February 3  
Columbia, Marriott

### Brochures mailed and available on website ([www.masc.sc](http://www.masc.sc))

Thursday, December 10

### Hotel reservations deadline

Sunday, January 10  
Make hotel reservations at the Marriott Columbia by calling 1.800.593.6465 or 1.803.771.7000 and asking for the Municipal Association of SC HLAD rate of \$149 plus taxes.

### Registration deadline

Monday, January 18

## MCTI has eight new graduates

The fall Municipal Clerks and Treasurers Institute graduates are Merianne Cowley, finance director, Town of Kingstree; Laura Foster, clerk/treasurer, Town of Blacksburg; Aubrie Giroux, senior policy analyst, Town of Bluffton; Karen Hanner, assistant municipal clerk, Town of Lexington; Deborah Hargis, municipal clerk, Town of Edisto Beach; Phyllis Long, human resources director, City of Simpsonville; April Smith, clerk/treasurer, Town of Jonesville; and Yadira Solano-Hurtado, clerk of court/town clerk, Town of Gaston.





# Operating financially sustainable utilities

*Information provided by the Rural Community Assistance Partnership*

Safe, affordable drinking water and sanitary waste disposal are vital to a city's public health and environment. They are building blocks for community growth and development, economic development, and job creation and retention.

Local officials have an obligation to ensure the city's water and wastewater utilities operate as financially sustainable enterprises. When a utility is financially sustainable, the city is selling water or wastewater-disposal services to customers at a fair rate that consistently generates enough revenue to at least meet all of the utility's short- and long-term expenses.

At the very least, the utility should be financially self-supporting, according to the Rural Community Assistance Partnership, a national network of nonprofit organizations working to ensure that rural and small communities have access to safe drinking water and sanitary wastewater disposal.

RCAP points out that successful systems do more than just break even. They establish user rates sufficient to meet the system's future needs, such as emergency outages, equipment replacement and repair, and facility improvements.

For many cities, the water and/or wastewater utility may be the largest single capital investment in the community. From this standpoint alone, it is important to preserve the value of this infrastructure investment, according to RCAP.

Historically one of the biggest problem areas for small utilities has been the failure to plan for the future. It is important to look beyond the annual budget year and look at the system's needs in future years—both operational and capital improvement needs. Projecting financial needs is a key part of a financially sustainable utility.

## Financial planning

One of the most important responsibilities for local officials is to plan for the water/wastewater utility's financial future. A financial plan is basically a two-part process composed of forecasting the utility's future financial needs (operating and capital) and determining how to meet those needs.

## Capital-improvement planning

A capital-improvement plan (called a CIP for short or sometimes called a long-range plan) is a written document that specifies

- what facility improvements will be needed in the future,
- when the improvements will be needed and when they will be undertaken,
- how much the improvements will cost, and
- what financing options are available for the improvements.

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A capital-improvement plan helps council make informed decisions about rate setting, future debt-service requirements and future revenue requirements. RCAP recommends the plan cover at least a ten-year period of time into the future.

In preparing a utility capital-improvements plan, a number of considerations are taken into account, such as:

- Will current facilities reach their design capacity in the near future?
- What new equipment, services or facilities are needed to meet customer demand?
- What current system components will require major repair, rehabilitation or replacement?
- Will failure to upgrade existing facilities result in regulatory violations or enforcement actions?
- What are the most critical improvement needs, and what is the urgency of meeting those needs?
- What benefits do the improvements provide to the system and to its customers?
- What are the available options for financing the improvements?
- Which capital projects can be financed through the regular resources of the system, and which projects will require outside financing?
- How do financing options for improvements relate to the annual budgeting process?
- Will rates need to be adjusted to pay for the improvements? If so, how will it impact customers?

### Separating capital needs and projects

There is a tendency to talk of capital improvements planning in terms of short-term and long-term needs. A more practical approach for separating capital improvements projects is to develop separate schedules of improvement projects based on how those projects will be financed, such as

- improvements that can be undertaken and completed with the utility's own financial resources, and

- major capital improvements that can be completed only with outside financial assistance (bond issues, loans, grants, etc.).

### The role of financial reserve accounts

The purpose of financial reserve accounts is to hold funds that are dedicated for specific uses. Financial reserve accounts are built up over time with revenues from operating the utility. RCAP recommends a minimum of four specific reserve accounts for water and wastewater utilities. Local bond ordinances and covenants may specify the actual number of required accounts and minimum funding levels.

- 1. Debt service reserve:** A debt service reserve is usually required by a lender or bond covenant agreements. The debt service reserve is used to make regular debt-service payments should other funds not be available. For example, USDA Rural Utilities Service requires a debt service reserve of 10 percent of the annual principal and interest payment, accumulated over a ten-year period.
- 2. Emergency reserve:** An emergency reserve fund is for unforeseen and unplanned emergency repairs that may occur during the year, such as major line breaks, pump breakdowns, etc. The recommended fund level for emergency reserves will vary from system to system. Officials should review the average annual amounts spent on emergency repairs for the past five years to get an estimate for what emergency reserve levels could be.
- 3. Planned equipment repair/replacement reserve:** This reserve fund is intended for the planned repair, rehabilitation or replacement of equipment. In particular, this reserve is meant for replacing items that have a useful life that is significantly shorter than the system as a whole. This reserve may also be called a short-lived assets reserve.
- 4. Major capital improvements reserve:** A capital improvements reserve is the accumulation of funds that will be devoted to help pay for large, future capital improvement projects that might be needed for the upgrade of existing facilities or construction of new facilities. Most of the cost for major

capital improvement projects will be paid with outside sources of financing.

### Planned repair and replacement

A planned equipment replacement, repair and rehabilitation program is an example of how a utility can use its own financial resources to fund minor capital improvements.

Through a planning process sometimes referred to as "asset management," decision-makers identify, prioritize and schedule the repair, replacement or rehabilitation of critical system components. The cost of completing these types of improvements would be funded through an equipment repair/replacement reserve described above.

### Annual operating budget

Unlike the planned repair and replacement budget or the major capital improvements budget, the annual operating budget is a short-term, usually 12-month financial plan. The operating budget coincides with the city's fiscal year and is simply a one-year forecast of the utility's expected revenues and expenses.

The budget helps decision makers keep adequate control of the finances and provide adequate funding to the highest-priority areas of the system. The operating budget may be a separate document, but it should be compatible with the utility's long-range financial plans.

When preparing the budget, local officials should take into consideration:

- Expenses from the past two to three fiscal years
- Current debt-service requirements
- Any unplanned, "emergency" expenses that occurred within the past year
- Revenues from customer billing and other sources for the past several years
- Required "reserve" levels for the coming year.
- Anticipated changes in operating expenses, such as wage/salary increases; changes in costs of materials, transportation, electricity; and adjustments for inflation.
- Anticipated changes in debt-service expenses, including anticipated new debt
- Anticipated changes in revenues due to expected rate adjustments, growth or decline in the customer base, etc.



- Expected transfers to/from financial reserves.
- The impact of unusual weather conditions (i.e. droughts, excessive rain, and extreme heat or cold) which may have skewed system revenues and/or expenses.

### Oversight and monitoring

Providing effective financial oversight not only means monitoring the current operating budget but also understanding common financial statements (such as the balance sheet, annual income statement and audit reports) and making informed decisions about the future based on the information provided in these statements.

### Using unit-of-service measures

It is often simpler to understand the “business” of a utility by developing and reviewing shorthand unit-of-service measurements. The utility is not only generating revenues and expenses. It

also produces and sells a product for a number of customers. Reviewing a utility’s operation from a unit-of-service perspective can give decision makers a better understanding of how the utility is performing over time. Common unit-of-service measurements can be calculated from information provided in annual financial statements. Examples of unit-of-service measurements are the average revenue per customer per month, total expense per customer per month, total cost to produce water and total debt service per customer per month.

### Review user rates annually

Local officials should review user rates/fees every year to ensure that projected revenues will be sufficient to cover all anticipated expenses. The best time to review user rates is during the annual budget preparation process. The

projected expense portion of the annual budget should be realistic in stating the full cost of running the system, including operations and maintenance expenses plus annual debt service and funding of appropriate reserves.

Generally, it is good to adjust user rates at least once every five to six years. Allowing very long intervals between rate adjustments usually leads to needing a major increase at some point, resulting in “customer rate shock.” RCAP offers a publication on rate setting, “Formulate Great Rates: The Guide to Conducting a Rate Study for a Water System.” It is available at [www.rcap.org](http://www.rcap.org) (select “Publications & Resources from the main menu).

*Information in this article is excerpted from RCAP’s publication, “The Basics of Financial Management for Small-community Utilities.” For additional resources, trainings and technical assistance, visit [www.rcap.org](http://www.rcap.org).*

# More road funding available

**C** Funds are state gas tax revenues collected annually and sent to each county based on a formula stipulated in state law. These funds are distributed to city and county governments by the County Transportation Committee in each county. Cities and towns may request funding from their CTCs for local and state road projects.

As part of the FY 15-16 budget, the South Carolina General Assembly appropriated \$287 million for the state’s “C” Fund program. This appropriation is extraordinary because it represents an additional \$216 million beyond the previous allocation of around \$71 million. The additional funds currently available to local governments represent a great opportunity for cities and towns to address local road needs.

The new, one-time \$216 million appropriated by the General Assembly may only be used on state-owned roads. “However, cities and towns should take advantage of this new money by meeting with their CTCs and asking for a portion of it to improve



state roads within municipal boundaries,” advised Scott Slatton, the Association’s legislative and public policy advocate.

Each CTC is appointed by the county’s state legislative delegation with little guidance from state law as to who should be appointed. In an attempt to ensure municipalities are fairly represented, the Municipal Association supports language included in H.3579, the “South Carolina Infrastructure Finance Reform and Tax Relief Act.”

The bill, passed by the House of Representatives and currently awaiting debate in the Senate, requires that at least

one mayor, one city councilmember and one city employee from different municipalities in the county be appointed to each CTC. The language does not limit the number of municipal representatives that can be appointed.

Road funding will remain a top priority for the South Carolina General Assembly in 2016. Cities and towns across the state have an opportunity to shape the debate. Legislators need to hear from local officials about supporting municipal representation on CTCs and long-term funding solutions for municipal road needs.



Upgrading sewer line,  
Town of Pageland

## Resources for utility infrastructure needs

Three years after the General Assembly created the SC Rural Infrastructure Authority, the demand from rural communities for assistance with updating and improving South Carolina's water and sewer infrastructure continues to increase.

Utility infrastructure refers to the pipes, treatment plants and other critical components that deliver safe drinking water to taps and remove wastewater from homes and other buildings. It is not only critical to protecting public health and environmental quality, but it is also vital to supporting business and industry.

In 2013, the American Society of Civil Engineers identified \$1.6 billion in drinking water and another \$566 million in wastewater repairs needed statewide, and those estimates are considered by many to be conservative. Many rural communities are dealing with water and sewer infrastructure that has far exceeded its life expectancy. Recent RIA-funded projects addressed pipes that were 75 to 100 years old.

To date, the RIA has provided \$36 million in financial assistance to address

the growing need for improvements to water, wastewater and stormwater facilities.

For example, the Town of Pageland was facing health and environmental concerns due to excessive infiltration and inflow of stormwater into the sewer system. This negatively impacted the capacity of the town's wastewater treatment plant.

With a \$350,000 RIA grant, Pageland upgraded manholes and sewer lines, essentially eliminating infiltration and inflow within the project area. Because Pageland's entire system dates back to the 1930s, the town secured additional funds from a Community Development Block Grant and is seeking a \$1.4 million USDA Rural Development loan to continue system improvements.

The City of Barnwell, with a population of just over 4,600, has a water distribution system that is plagued with frequent line breaks, poor fire flow and dead-end lines that impact water quality. The city secured a \$313,000 RIA grant award to make improvements to increase

the flow, pressure and fire protection for a neighborhood of about 40 residents.

According to John Zawacki, the city's administrator, "The grant provided much needed improvement to the quality of life for some of our most disadvantaged residents. Water is now clean and safe to drink, and pipes are clear."

Another priority is the investment in infrastructure to attract economic development. Grant-funded improvements to a sewer force main and pump station resulted in a commitment by Orchid Paper Products Company to create 134 new jobs in this rural community.

The Town of Ridgeland is also undertaking a significant project with a \$14 million expansion of its wastewater treatment facility. These upgrades are necessary to meet regulatory standards as well as serve two nearby industrial parks. The RIA's \$500,000 grant will help Ridgeland meet those needs.

For more information on how the RIA can assist a community, visit [www.ria.sc.gov](http://www.ria.sc.gov).



## State Revolving Fund changes

For more than 27 years, the State Revolving Fund has provided low-cost financing to South Carolina communities for clean water and drinking water facilities. During that time, local governments and utilities have received more than \$1.2 billion in SRF loans

The SRF offers fixed-rate financing options with terms of up to 30 years for wastewater treatment and collection, drinking water supply and distribution, water quality and stormwater infrastructure.

Interested applicants must complete a project questionnaire and submit it to the SC Department of Health and Environmental Control which handles SRF's technical and programmatic requirements.

The Office of Local Government is responsible for the financial and loan components. The Restructuring Act of 2014 transferred the OLG, formerly within the SC Budget and Control Board, to the SC Rural Infrastructure Authority effective July 1, 2015.

For more information, visit [www.ria.sc.gov](http://www.ria.sc.gov) or [www.scdhec.gov/srf](http://www.scdhec.gov/srf).

# A mountain of risk

Trenching is one of the most dangerous jobs that public works and utility employees perform. If workers do not follow safety procedures, a trenching job could turn into a hazardous, even deadly, situation. According to national statistics, two workers are killed every month in trench collapses.

A cave-in is the biggest threat because walls can collapse quickly and without warning, burying workers in a mountain of soil. A cubic yard of soil weighs about 2,700 pounds, the weight of a mid-sized automobile. A trench collapse may contain three to five cubic feet of soil.

In addition to cave-ins, other potentially fatal hazards exist including asphyxiation, due to lack of oxygen in a confined space, inhalation of toxic fumes and drowning. Electrocutation or explosions can occur when workers contact underground utilities.

As the regulatory agency in charge of ensuring workplace safety, OSHA has developed standards addressing trenching and excavations.

OSHA requires employers to have a "competent person" on site who is trained and knowledgeable in soil analysis, protective systems and OSHA requirements. The "competent person" must inspect trenches daily and as conditions change, ensure all excavation hazards are eliminated. He must have the authority to take prompt corrective measures to eliminate these hazards and conditions.

The South Carolina Municipal Insurance Trust, the Municipal Association's workers' compensation program, offered trenching/excavation training for its members in October. "Protecting our cities' and towns' most valuable assets, their employees, is of critical importance to SCMIT members," stated Heather Ricard, director of risk management services. "Ongoing training for trenching safety procedures is key to protecting lives."

OSHA defines a trench as a narrow excavation (in relation to its length) made below the surface of the ground. In general,

the depth is greater than the width, but the width of a trench (measured at the bottom) is not greater than 15 feet.

For trenches five-feet deep or greater, OSHA requires a protective system unless the excavation is made entirely in stable rock. If less than five-feet deep, a "competent person" may determine that a protective system is not required.

For trenches 20 feet deep or greater, OSHA requires the protective system be designed by a registered professional engineer or be based on tabulated data prepared and/or approved by a registered professional engineer in accordance with OSHA standards.

There are different types of protective systems. Sloping involves cutting back the trench wall at an angle inclined away from the excavation. Shoring requires installing aluminum hydraulic or other types of supports to prevent soil movement and cave-ins. Shielding protects workers by using trench boxes or other types of supports to prevent soil cave-ins.

Designing a protective system can be complex because of the many factors that must be considered: soil classification, depth of cut, water content of soil, changes due to weather or climate, surcharge loads (e.g., spoil, other materials to be used in the trench) and other operations in the vicinity.

OSHA also requires safe access and egress to all excavations, including ladders, steps, ramps or other safe means of exit for employees working in trench excavations four feet or deeper. These devices must be located within 25 feet of all workers.

The SC Municipal Insurance Trust's Public Works Equipment Cost-Sharing Program provides grants to reimburse SCMIT members for up to \$2,000 or a 50 percent match of the purchase price for equipment designed to improve worker safety in and around work zones. SCMIT members can use the grant to purchase items such as trench boxes, shoring equipment and portable ladders.

For more information about the SCMIT cost-sharing program, contact Jennifer Gray at [jgray@masc.sc](mailto:jgray@masc.sc) or 803.933.1260.

Big Sweep, Myrtle Beach, SC



# Putting best foot forward *reaps dividends*

Infrastructure

**Y**ou never get a second chance to make a first impression. It's a saying city leaders take to heart as they focus on anti-litter and beautification efforts in their municipalities.

Clean roadways, parks, neighborhoods and city facilities make an impact on residents and visitors alike and can affect tourism and economic development activities.

For a tourism town, overall appearance is a critical issue, according to Myrtle Beach City Manager John Pedersen.

"The key of our tourism strategy is to get people here the first time. If we do that then we believe they will return to enjoy what we have to offer," Pedersen said. "That being said, cleanliness is critical because it creates the all-important first impression of a community. It doesn't matter how nice the hotel is or how fun the attractions are or how beautiful it is on the beach if the first impression is a turn-off. We tell our litter crews that they are instrumental to our

success because they are responsible for that first impression."

The City of Myrtle Beach focuses a great deal of effort on maintaining the minimum standards of the state Building Code and International Property

has allowed city officials to deal with issues ranging from weedy lots to closing structures with high levels of criminal activity.

This year, city council approved two initiatives that focus on bringing unkempt structures and vacant properties up to code. The Neighborhood Initiative focuses on fragile residential communities, while the Downtown Initiative focuses on the redevelopment of original downtown properties near the ocean. An extra inspector has been proposed for the FY 2015-16 budget to split time between these two areas, Pedersen said.

Tourism also plays an important role in Walterboro's economy, making it essential that the city provide an attractive, clean, welcoming environment for visitors, said Walterboro City Manager

Jeff Molinari.

Walterboro contracts with Colleton Industries, an employment program for people with special needs and disabilities, to pick up litter on 25 streets inside the



"Help a Critter - Don't Litter" posters are available from the SC Department of Natural Resources' website at [www.dnr.sc.gov/up2u](http://www.dnr.sc.gov/up2u).

Maintenance Code within residential neighborhoods, Pedersen said. The city's nuisance abatement process allows them to expedite compliance through an administrative procedure. This process

city, including the entire downtown area, on a weekly basis. Also, the City Appearance Board organizes city-wide cleanups where individuals can volunteer to pick up litter, Molinari said.

Easily accessible from exits 53 and 57 along the I-95 corridor, Walterboro has extensively landscaped the interchanges at those exits with the city's Parks Department maintaining the landscaping.

Walterboro recently completed a downtown arborscape project that included new tree plantings, sidewalk and curbing repairs, and specialty paving crosswalks. Brick monument columns were placed at key intersections.

The most significant beautification project that the city has undertaken is the I-95 Business Loop, Molinari said. The city has identified a 6.35 mile transportation corridor that runs through the city from I-95 exit 53 to exit 57. The project will include sidewalks, crosswalks, landscaped medians, wayfinding signage, ornamental street lighting and decorative mast arms. The arborscape and landscaping projects have been a great source of pride for residents and have been very well-received by visitors, Molinari reported.

A visitor's first impression is often the streetscape that they see as they enter a community, agreed Florence City Manager Drew Griffin.

"If that streetscape is well tended and generally litter-free then that is the impression that is imprinted in their mind," Griffin said. "You only get that chance once."

A clean streetscape also speaks volumes to businesses and developers, he added.

"New industry and other business interests want to invest in a strong community with residents who are involved and concerned about their physical environment," Griffin said. "It speaks to responsibility and a good work ethic. In general terms the physical environment speaks to the quality of life and to community pride. Those same qualities are what employers are looking for when they hire."

In recent years, the City of Florence has constructed 20 miles of trails and preserved more than 1000 acres of open



Walterboro, SC

space. The Keep Florence Beautiful Committee holds annual litter collections. Neighborhood groups work with the city and hold neighborhood clean-up days.

City officials are investing more than \$25 million over a three-year period in streetscape and beautification projects within the downtown and other important highways and street corridors. Some of these funds are being invested in a manner that connects neighborhoods and makes the city more walkable. As people walk more they will become more connected to the physical environment and will in turn recognize the importance of beautification, Griffin said.

The Town of Mount Pleasant has a very high standard for how its public

spaces are maintained, which includes keeping roads, parks, town facilities, and natural assets like the marshes and Shem Creek free from litter and maintained at a certain level, according to Mount Pleasant Assistant Town Administrator Katherine Hendricks.

There is an economic benefit to tourism, and in tourism, image is everything, Hendricks said.

"Take for example Shem Creek as a destination. Having a waterway that is litter-free and clean helps keep the local economy vibrant so visitors want to come and recreate on the creek and think local when it comes to dining out for fresh seafood," she said.

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Anti-litter and beautification efforts help foster the tourism industry, which has a tangible financial impact on the town as demonstrated through its accommodations and hospitality tax revenues, Hendricks said. These funds are used to support tourism activities and even employ 16 police officers and 30 firefighters.

“Mount Pleasant is known for its natural beauty and high quality amenities, and it takes everyone working together to maintain the quality of life everyone has come to enjoy,” she added.

New legislation approved this year sets up a Litter Commission through the state Department of Natural Resources, aimed at tackling the state’s litter problem. Previously, the state’s litter efforts had been hit or miss, said Rep. Gilda Cobb-Hunter, who introduced the legislation.

“The problem for me has been a lack of a coordinated, collaborative, consistent approach to picking up litter in this state,” Cobb-Hunter said.

The new Litter Commission is comprised of 12 entities, both state and private. It was created so the expertise of various agencies, organizations and resources could be united under one umbrella as a way to bridge communications and facilitate action surrounding the issues of litter removal, prevention, education and litter law enforcement for the state, according to Valerie Shannon, DNR’s litter program coordinator.

Allen Hutto, government relations officer for the SC Department of Transportation, worked closely with Rep. Cobb-Hunter in establishing the coalition. SCDOT serves as the vice chair of the Commission.

Hutto said bringing stakeholders together is crucial because there are so many agencies and jurisdictions that are responsible for litter prevention and removal.

“As an example of the importance of partnerships, the Department of Corrections provides inmate labor for cleanup on the interstates. We recently signed a Memorandum of Understanding with DOC and the Department of Public Safety that



*Florence, SC*

ensures we give prior notice to DOC before we mow a certain area. This way, the area is cleaned before mowing, and there are not little pieces of trash strewn all over the roadside,” Hutto said.

“Partnering and communication are also important with local jurisdictions and other state agencies such as the courts and SC Department of Probation, Parole and Pardon Services. A local jurisdiction may not have enough personnel to perform litter removal, but partnering with the courts or DPP opens up a potential source for them.”

Cobb-Hunter and other lawmakers know litter prevention efforts are important on both the state and local levels.

A clean community instills pride in residents and affects economic development, said state Sen. Kevin Johnson, former mayor of Manning.

“You never know who’s driving through your community,” he said. “It’s very important to keep it clean and neat. That could be the one deciding factor for an industry or residents looking to move there.”



# Planning for *infrastructure needs*

It is through a strategic planning process that residents and local officials articulate their vision for the community then plot a realistic course for achieving that vision.

Long-range planning is especially critical for identifying and addressing public infrastructure needs. These capital improvement projects are big-ticket items and usually require a great deal of coordination among numerous public and private-sector entities.

In 2007, the General Assembly added a priority investment element to the list of nine mandatory elements that cities must include in their comprehensive plan. Examples of other required elements include housing, community facilities, economic development, transportation and natural resources.

By law, municipalities with zoning must have a comprehensive plan to guide public and private development within the city. The plan forces local leaders to think long-term

and set a plan for growth and development for the decade ahead.

The priority investment element requires local officials to evaluate public infrastructure needs such as roads, water, sewer and schools; identify potential federal, state and local funds for public infrastructure improvements during the next 10 years; and prioritize projects for expenditure of those funds.

The element also encourages strong intergovernmental planning and coordination. The municipality must coordinate its recommendations with adjacent and relevant jurisdictions and agencies (counties, other municipalities, school districts, public and private utilities, transportation agencies, and any other public group that may be affected by the projects).

State law requires the planning process for each element include an inventory of existing conditions; a statement of needs

and goals, with long- and short-range goals identified; and implementation strategies with timeframes that include specific objectives, steps and strategies for accomplishing the objectives.

It is the planning commission's responsibility to prepare and recommend the comprehensive plan to the local governing body for adoption. The governing body adopts the comprehensive plan by ordinance after holding a public hearing. The public hearing is held after publishing at least a 30-day notice of the hearing's time and place in a general circulation newspaper in the community.

State law (S.C. Code §§ 6-29-340, 6-29-510(E)) requires the local officials to re-evaluate their comprehensive plan at least every five years and update it every ten years. Failure to do so could leave the municipality vulnerable to legal challenges of its zoning decisions.



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# Calendar

For a complete listing of training opportunities, visit [www.masc.sc](http://www.masc.sc) to view the calendar.

## NOVEMBER

**4-6 SC Municipal Human Resources Association Annual Meeting.** Embassy Suites at Kingston Plantation, Myrtle Beach. Topics include Affordable Care Act reporting, Fair Labor Standards Act update, employee wellness plans, and best practices for attracting, recruiting, onboarding, developing and retaining employees.

**12 Risk Management Services Annual Members' Meeting.** DoubleTree Hotel, Columbia.

**18 GASB 77 seminar.** Columbia Conference Center. For managers, finance officers, attorneys and economic development staff.

**19 SC Association of Stormwater Managers Fourth Quarter Meeting.** Columbia Conference Center. Topics include stream restoration, collaborative water quality monitoring and nonpoint source contaminants.

## DECEMBER

**4 SC Municipal Attorneys Association Annual Meeting.** Embassy Suites Columbia. Topics include federal case law update, ethics and continuing disclosure requirements.

## FEBRUARY

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

**2 Advanced Municipal Elected Officials Institute of Government.** Columbia Marriott. Courses offered: "Advanced Municipal Economic Development" and "Public Safety Policy and Administration."

**3 Hometown Legislative Action Day.** Columbia Marriott.

## MARCH

**2-4 SC Utility Billing Association Annual Meeting.** Wild Dunes Resort, Isle of Palms.

**9-11 Municipal Clerks and Treasurers Institute – Session 1A.** Hyatt Place Columbia/Downtown/The Vista

**17 Municipal Elected Officials Institute of Government.** Councils of Governments' offices. Course offered: "Basic Budgeting and Municipal Finance."

**24 Municipal Technology Association of SC Spring Meeting.** Columbia Conference Center.