

UPTOWN

MASC board identifies legislative threats and opportunities

At its December meeting, MASC's board of directors considered more than 40 legislative issues that may be debated in the General Assembly this year. The board identified several issues that are most important to municipalities. For more information on all the legislative agenda issues identified by the board, visit the legislative section of MASC's Web site at www.masc.sc.

Top issues

Annexation

Annexation is always a top priority for MASC. Last year, MASC was unsuccessful in adding a method to annex enclaves. This year, MASC

plans to continue pushing the enclave annexation issue and several other amendments to the annexation law:

- Reduce the number of signatures and assessed value on the 75/75 petition-ordinance method.
- Allow properties in an unincorporated enclave to be attached or included in a petition used in a 75 percent petition-ordinance method and the 25 percent petition election method.
- Allow an unincorporated enclave to be annexed by ordinance if it contains no more than 50 acres or 25 registered voters.

Telecommunications

After a long legislative battle, the legislature passed the Telecommunication Act of 1999. The Act established a municipal tax rate on telecommunication services and began a five-year phase-in process, with the final rate of at least 0.75 percent becoming effective in 2004. The 0.75 percent is significantly less than the 3 percent of local recurring charges, which was the historical amount municipalities charged.

MASC has successfully implemented the Telecommunication Tax Collection Program, collecting taxes for 1999-2002. The collections are

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Study shows local zoning is working well

Topic will be discussed at MASC's Winter Meeting and Legislative Conference

The private property rights issue, also known as "takings," continues to be debated by the General Assembly. Contrary to what many lawmakers have been told by takings legislation proponents, a recent study presented to the state Senate Judiciary Committee by Clemson University shows that current local zoning practices are working well.

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based on the companies' revenue from the prior year. MASC has used the data gathered from previous years to forecast the collections for 2003 and 2004.

Based on MASC's present forecast, the final rate of 0.75 percent is not sufficient to keep many municipalities from experiencing a severe revenue decline in 2004. About one-third of South Carolina's population will be negatively affected when their municipalities lose money because of the 0.75 rate. Municipalities that had efficient collection programs prior to 1998 are the most likely to have a shortfall in 2004.

A 1.5-percent rate will prevent almost all municipalities from experiencing a shortfall. This rate is low compared to that of neighboring states.

Private property rights

During the last legislative session, several pieces of legislation dealing with private property rights, or "takings," were introduced. Each bill required a governmental agency to compensate a private property owner if a law, ordinance or regulation enacted by the government agency caused a reduction in the property's value.

After the 2002 legislative session ended, Sen. Glenn McConnell appointed a task force to conduct public hearings across the state to obtain input from citizens about this issue. A committee is preparing draft legislation for consideration by the task force. The task force asked the committee to consider six elements when drafting the legislation:

- To provide for separate and appropriate processes at the state and local levels.
- To refrain from proposing or debating any takings standard.
- To consider whether a process assessing the takings impact of proposed laws, regulations or ordinances should be implemented.
- To establish orientation and continuing education requirements for officials and certification requirements for staff involved with regulatory and zoning decisions.
- To develop a process for using mediation and/or arbitration to assist in resolving disputes.
- To consider whether a private property ombudsman might be utilized to help provide information.

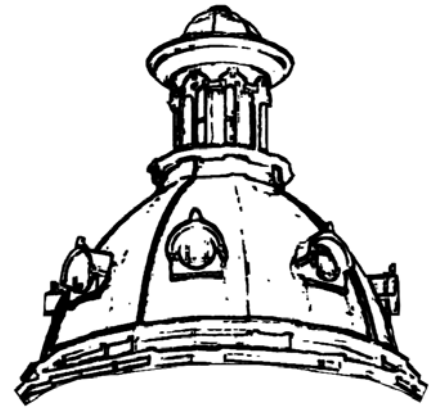
MASC has shared with the committee the results of a recent study conducted by Clemson University that shows current local zoning practices are working well. The study supports MASC's position that takings legislation should not interfere with local governments' current zoning practices. (See related article, page 1).

The board directed MASC staff to support takings legislation that incorporates the Smart Growth Principles it adopted in 2001. The Smart Growth Principles are available on MASC's Web site, or contact Gary Cannon at 803.933.1203 or e-mail gcannon@masc.sc.

Electric service territory rights

The law authorizes electric cooperatives to sell electricity only in "rural areas" (areas not included in cities or towns with a population higher than 2,500). However, the law provides two exceptions: the "annexation exception" and the "principle supplier exception."

- Annexation exception: In areas annexed by the city, the cooperative may continue to serve existing customers within the area if it was serving those customers when the



area was annexed. If it already was serving customers in the area, the cooperative may extend its lines to serve new customers in the newly annexed area only if permitted to do so by city council.

- Principal supplier exception: If the cooperative was the principle supplier in the town before the population grew to exceed 2,500, it may continue to serve its customers.

MASC expects the cooperatives to make a major effort to abolish the 2,500 rule or substantially raise the population limit. If such legislation passes, it will drastically affect the 21 municipalities that provide electric service to their citizens. The board instructed MASC to actively oppose any such legislation.

Municipal Fiscal Responsibility Act

The board supports and encourages MASC's continuing effort to provide technical assistance to municipalities in administration, budgeting and financial accounting with the goal of reaching municipalities before they find themselves in financial trouble. MASC supports the Municipal Fiscal Responsibility Act as a way to provide additional encouragement for municipalities to follow the current law, which helps municipalities recognize symptoms of financial trouble in time to request assistance. The law includes the requirement for an annual audit,

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Local Zoning continued from cover

“This survey supports MASC’s position that any private property rights legislation should not interfere with local governments’ zoning abilities,” said Howard Duvall, MASC’s executive director. “MASC will support proper legislation that finds a balance between municipal zoning rights and the rights of property owners.”

The study, which was sent to city and county governments statewide, shows most of the jurisdictions have adopted comprehensive plans and have land use regulations to guide growth and maintain public safety, health and welfare. The processes these jurisdictions use comply with the Comprehensive Planning Act of 1994. “It appears local governments are making an earnest effort to provide a timely process for permitting and review,” explained Duvall.

According to the study, most of the applications for review of land use requests are approved. A few are denied, but only a fraction of these are taken to Circuit Court. In the past four years, the majority of the cases taken to court were upheld in favor of the local government. This suggests the courts found local governments’ zoning actions were consistent with local plans and legal precedents.

“The Comprehensive Planning Act of 1994 helps communities strike a balance between protecting private property rights and managing growth by requiring large amounts of public input into zoning regulations,” said Duvall. “This study shows the Act is working. We need to allow local governments to continue working under these guidelines, which have proved to be in the best interests of their communities.”

Conclusions

- **Land use decisions should stay local.** The study’s findings show the current local process appears to work efficiently. Land use decisions should remain local for expediency and for more accurate and complete knowledge of the issues. Review of literature from various national organizations, such as the American Planning Association and the National Association of Home Builders, supports this position.
- **Educate all interested parties,** such as the applicants, the boards or commissions involved in reviewing zoning issues, councilmembers and other professionals, including designers, developers, engineers and attorneys.

- **Consider mediation and other methods that avoid bogging down the court system.**

Although developing a proper mediation process takes time and money, its benefits far outweigh the costs. The study suggested researching similar administrative options in place in other states. Mediation should be considered as an attempt to solve disputes before entering the court process. It works faster and appears to be more cost-effective for the property owner and the municipality.

For a complete copy of Clemson’s report, visit the Legislative Section of MASC’s Web site (www.masc.sc) and click on “Hot Issues.”

The private property rights issue and other important legislative topics will be discussed in depth at MASC’s Winter Meeting and Legislative Conference, which will be held Feb. 26 at the Adam’s Mark Hotel in Columbia. Registration forms are available on MASC’s Web site at www.masc.sc (see “Featured Links” on the home page). For more information on the meeting, call Nancy Walborn at 803.933.1205 or e-mail nwalborn@masc.sc.

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the submission of the Municipal Finance Reporting Form to the comptroller general and the proper remittance of employee/employer withholdings. Currently, the penalties for failing to comply with existing state law are not severe enough to encourage compliance.

In an effort to address this problem in a proactive manner, last year MASC worked with the comptroller general and the Office of the Governor to

propose legislation creating an oversight committee for municipal finance. The oversight committee would be composed of municipal officials and administrators with the technical expertise to review municipal financial records of those municipalities not complying with existing laws.

Municipal local option sales tax — capital projects

Last year, MASC supported a bill

authorizing a local option sales tax for capital projects. This would allow municipalities to conduct a referendum to impose a 1-percent sales tax for funding municipal capital projects. If enacted, the sales tax is limited to seven years, and the funds generated may only be used for the capital project(s) specified in the referendum. The board instructed MASC to continue supporting such legislation.

Understand and plan: The formula for lobbying success

Hometown Connection is one chance to learn what you need to know

As a municipal official, part of your job is to educate state and federal legislators on how certain bills will affect your municipality and its citizens. Before you talk to your lawmakers, there are two things you should do: **understand** the issue fully and **plan** what you need to say to help your legislator understand it, too. Legislators are very busy, and they respond best to a well-planned, concise approach.

As issues — such as private property rights — continue to evolve over the years in the General Assembly, they become more complex. As an elected official, it's your responsibility to understand the issues completely so you can explain your community's point of view to legislators and discuss the issues intelligently.

"Your legislators may ask you questions you can't answer, and that's OK," said Gary Cannon, MASC's director of intergovernmental relations. "If they do, there's nothing wrong with writing down the question and telling your legislator you or one of MASC's lobbyists will call back with a response. However, the more you know up front, the easier it will be to convince your legislators to vote in the best interests of your municipality."

MASC offers several avenues to help municipal officials learn more about pertinent legislative issues:

- Hometown Connection program
- Winter Meeting and Legislative Conference
- Legislative Alerts
- MASC Web site (www.masc.sc)
- *Uptown* newsletter
- Legislative Listserve (<http://listsrv.masc.state.sc.us/mailman/listinfo/legis>)

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Tips from 'Personal Political Power' by Joel Blackwell, a Washington, D.C.-based grass roots consultant known as "The Grass Roots Guy"

- You don't need to be a professional lobbyist to influence your legislators. Your value lies in your ability to communicate to the person you vote for about how the issue will affect other voters in your hometown.
- Legislators want to know three things from municipal officials: How an issue affects the people back home, how much the people back home care and who (or what constituency) cares the most. You can provide this information better and with more credibility than the professional lobbyist.
- Elected officials have a critical role in communicating their perspective as experts who live in the district.
- Lawmakers are more likely to pay attention to volunteer lobbyists who are accurate, brief and tell them something new.
- Be sure to offer recognition if the legislator helps you. Thank the legislator publicly, perhaps in a letter to the editor.

Hometown Connection calendar

Municipal officials should come to the MASC office at 1411 Gervais Street, Columbia, Wednesdays at 10:30 a.m. on their county's designated date.

Jan. 29 — Anderson, Cherokee, Chester, Fairfield, Greenville, Lancaster, Oconee, Pickens, Spartanburg, York

Feb. 26 — All municipalities for MASC Winter Meeting and Legislative Conference

March 26 — Aiken, Allendale, Bamberg, Barnwell, Calhoun, Lexington, Orangeburg, Richland

April 30 — Abbeville, Chesterfield, Clarendon, Darlington, Edgefield, Greenwood, Kershaw, Laurens, Lee, Marlboro, McCormick, Newberry, Saluda, Sumter, Union

May 28 — Beaufort, Berkeley, Charleston, Colleton, Dorchester, Dillon, Florence, Georgetown, Hampton, Horry, Jasper, Marion, Williamsburg

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“Although we try to send the most important information to every municipality, officials must be proactive in seeking information,” explained Cannon. “Don’t wait on *Uptown*, an e-mail or letter from us to learn about the hot issues. You can easily keep updated by using the information we put on our Web site and by signing up for the Legislative Listserve.” He added that MASC tries to provide background information and talking points for the major issues.

Hometown Connection

One way to learn more about pressing legislative issues is to attend the Hometown Connection program. This program offers municipal officials the opportunity to travel to Columbia and discuss issues with lawmakers. MASC has designated one day for each month of the legislative session for municipalities in specific counties to come to Columbia for their Hometown Connection. Municipal officials should come to the MASC office at 1411 Gervais Street, Columbia, at 10:30 a.m. on their county’s designated date. See page 12 or page 4 for upcoming Hometown Connection dates, or visit MASC’s Web site at www.masc.sc. Under Legislative Services, click on “Hometown Connection.”

On Hometown Connection days, MASC staff briefs visiting municipal officials on pending legislation of municipal interest and provides them written background information and talking points the officials can share with their legislators. Then MASC staff goes with the officials to the Statehouse to meet with their legislators, attend committee meetings or listen to floor debates.

Although the Hometown Connection program is an excellent opportunity for municipal officials to

talk with lawmakers, Cannon encourages officials to communicate with legislators at home throughout the year, not just during the session. “It’s much easier to get your legislator to listen to you about a big issue if that legislator already knows who you are,” said Cannon.

He emphasized the importance of municipal officials attending their Hometown Connection days as a way to continue the connection created at home. “Your Hometown Connection day is a chance for us to show legislators we have a substantial number of municipal officials concerned enough about the issues to take a day off work to come to Columbia,” he said. “It’s a great chance for you to learn your way around the Statehouse and more about the legislative process.”

Winter Meeting and Legislative Conference

MASC’s Winter Meeting and Legislative Conference, which will be held Feb. 26 at the Adam’s Mark Hotel in Columbia, is another opportunity for officials to learn more about the issues and share their concerns with legislators.

“We have time set aside for officials to visit the Statehouse, and we invite legislators to our reception that evening,” explained Cannon. “We spend the day giving our officials details of the issues, and they can then use that information to fight for the best interests of their municipalities.”

For more information on Hometown Connection or hot legislative issues, call Gary Cannon at 803.933.1203 or e-mail gcannon@masc.sc. For more information on the Winter Meeting and Legislative Conference, call Nancy Walborn at 803.933.1205 or e-mail nwalborn@masc.sc.

News Briefs



■ MASC is pleased to welcome a new general counsel, Danny Crowe, who joined the staff in January. He has a longtime relationship with MASC as a member and former officer of the S.C. Municipal Attorneys Association (an affiliate of MASC) and as a speaker at various affiliate meetings. Crowe will be monitoring court decisions to determine their impact on municipal government and will be the in-house legal reference. He can be reached at 803.933.1270 or by e-mail at dcrowe@masc.sc.

■ In November, S.C. Association of Stormwater Managers members elected their 2002-2003 board: President — Scott Liggett of Hilton Head Island, Vice President — Thomas Zeaser of North Augusta, Secretary/Treasurer — Steve Moore of Myrtle Beach, Member At Large — Hal Clarkson of Woolpert Engineering and Past President — Matt Halter of Summerville.

■ In December, S.C. Municipal Personnel Association members elected their 2003 board: President — Jim Hemphill of Spartanburg, 1st Vice President — Verlinda Jones of North Myrtle Beach, 2nd Vice President — Perry Register of Sumter, Member At Large — JoAn Roland of Cayce and Past President — Lois Martin of Columbia.

■ In December, S.C. Municipal Insurance Trust members elected three new board members for a three-year term: Steve Riley of Hilton Head Island, Mark Williams of Summerville and Sam Bennett of Clinton.

■ In December, S.C. Municipal Attorneys Association members elected their 2003 board: President — William Harvey of Harvey & Battey, P.A., Vice President — Tom Ellenburg of Myrtle Beach, Secretary — Gary Cannon of MASC and Past President — Kathleen Kempe of Greenville.

Background check FAQs

Employers have become more wary about hiring employees without conducting background checks — and rightly so. Often, simple investigations into an applicant’s background alert the unsuspecting employer to issues that may predict the applicant’s future job performance. Background checks can be a cost-effective method of screening applicants for employment, saving everyone involved significant time and money. However, as state and federal laws regarding background checks become increasingly complex, employers often find it difficult to manage the maze of legal requirements attached to the endeavor.

What is typically involved in a background check?

Background checks for employment purposes may involve nothing more than checking an applicant’s listed employment references. Or background checks can be much more extensive by including educational verification, Social Security number traces, criminal history review, credit checks and drug testing.

Background checks can be a cost-effective method of screening applicants for employment, saving everyone involved significant time and money.

Many human resources practitioners limit the amount of information about former employees they release to prospective employers. Some only verify the former employee’s name, dates of employment and job title. However, former employers can offer more information. Some states, including South Carolina, offer statutory immunity to requests for employment references that meet certain criteria outlined in the statute. Presenting the reference request in writing and securing a release from the applicant (releasing the prospective and the previous employer from any liability associated with the sharing of previous employment information) will yield additional, performance-related information. Moreover, employers that know of a previous employee’s propensity for violence may have a duty to warn prospective employers, especially if violence contributed to the employee’s separation from employment.

How do consumer reporting laws affect employment background checks?

First, employers must consider whether the type of background check they are conducting falls under the federal Fair Credit Reporting Act (FCRA). Employers using third-party contractors to conduct background investigations and gather information relating to applicants for employment must comply with all notice and reporting requirements outlined by the FCRA. Some states have passed FCRA-type statutes with more stringent requirements than the federal law. Although South Carolina has no additional requirements, employers should consult with legal counsel when checking backgrounds

of individuals in other states. Like the federal law, many states require that employers requesting background information provide applicants with copies of any reports generated as a result of such a request.

Can I consider arrest or conviction information?

Again, employers should always check state-specific requirements before inquiring about applicants’ criminal records. Unlike South Carolina, many states have strict prohibitions against inquiries into any criminal information that did not lead to a conviction. The Equal Employment Opportunity Commission (EEOC) has stated statistics show minorities are arrested at a disproportionately higher rate than non-minorities. Therefore, reliance on arrest records alone in making personnel decisions may result in a disparate impact on minorities. The EEOC explains, “whereas an employer may consider a conviction as conclusive evidence that a person has committed the crime alleged, arrests can only be considered as a means of ‘triggering’ further inquiry into that person’s character or prior conduct.”

While conviction records are considered a more reliable indicator that the individual actually engaged in the alleged conduct, courts still reject reliance on conviction information alone for barring employment. The EEOC and many states require employers to conduct a “business-necessity” analysis before disqualifying someone from employment solely because of a past conviction. In so doing, employers should consider, at a minimum, three factors (some states may require more):

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1. The date of the conviction.
2. The nature and gravity of the offense.
3. Whether the position for which the applicant is applying directly relates to the offense. Employers should conduct this analysis on a case-by-case basis. For example, an embezzlement conviction would be highly relevant to someone applying for a job as a finance director. Positions requiring entry into citizens' homes or handling of weapons may justify weighing certain convictions more heavily than administrative positions with little citizen contact. The EEOC also requires employers to allow applicants a meaningful opportunity to explain the circumstances of the arrest and to make a reasonable effort to determine whether the explanation is credible before eliminating them from employment consideration.

Isn't there a seven-year rule?

Before Congress amended the FCRA in 1998, the statute prohibited consumer reporting agencies from including information more than seven years old. The 1998 amendments to the FCRA eliminated this restriction. Some states, such as Maryland, New Hampshire and Washington, still prohibit consumer reporting agencies from including any adverse information, including convictions and bankruptcies, older than seven years. However, the statutes typically do not apply to jobs for which employers reasonably expect

Information disclosed in the report should be shared only with those members of the organization who have a "need to know."

to pay \$20,000 per year or more. Employers should consult legal counsel regarding each state's limitations before requesting such information.

How do we do a criminal background check?

In South Carolina, counties report conviction information to the State Law Enforcement Division (SLED). Employers may request criminal background information on applicants by submitting a written request to SLED, along with the records collection fee. If the employer requests the information directly from SLED — without using a third-party collection agency — it does not trigger the FCRA requirements of disclosure and reporting to the applicant. However, if the employer uses the services of an outside contractor, it must first acquire written consent from the applicant before requesting the background check.

Many states do not have a central repository for criminal background information. Even states with central repositories only require periodic reporting from counties, which means the repositories' information may not be the most up to date. The most thorough search is often completed by

conducting a county-by-county search of the applicant's most recent residences. Many counties do not maintain electronic records, and employers may have to search records by hand at individual county court-houses.

What do we do with a report once we have it?

Employers must provide copies of reports procured through a credit reporting agency to the applicant with information regarding how the applicant can contest inaccurate information. Employers should treat all results of background investigations with the utmost security and sensitivity. Information disclosed in the report should be shared only with those members of the organization who have a "need to know." Likewise, access to the files should be limited as with all other confidential, personnel information such as medical files.

This topic and others were discussed at the S.C. Municipal Personnel Association (MPA) meeting Dec. 4-6. For more information on MPA, visit www.masc.sc, call Nancy Walborn at 803.933.1205 or e-mail nwalborn@masc.sc.

This article was provided by Edwards Ballard Law Firm of Spartanburg, South Carolina. Edwards Ballard restricts its practice to the representation of public and private sector employers in employment and labor issues. The information contained in this article is meant to provide a general overview of the employment law issue addressed and is intended for informational purposes only. If you have questions about labor-related issues, please contact your attorney.

Looking at road design from a new direction

Most of us are of two minds when it comes to roads: When we are trying to get to work or from point A to point B, we want the quickest route with the least traffic. We want more lanes for more capacity. However, when it comes to the roads that pass through the places we live, we want tranquil, beautiful, safe and slow.

“Unfortunately, the roads that take us where we want to go often pass through someone else’s neighborhood,” said Bill Steiner, Community Builders’ director. “Adding capacity generates more traffic, which ultimately defeats the purpose of adding capacity. We need a better way.”

The closing session at the annual Community Builders Conference in November focused on community participation in the road-planning and decision-making process. Two speakers presented innovative approaches working in other parts of the country. Gary Toth with New Jersey’s Department of Transportation (NJDOT) discussed context-sensitive design, in which all

NJDOT’s employees are being trained. K. Lynn Berry with the Federal Highway Administration introduced the community impact assessment process, which helps state departments of transportation involve the community in road planning and decision making.

Both of these processes take an entirely different approach to road building and design than has been practiced in the past. The processes recognize that roads have an impact on communities and must be seen as an integral part of the community (roads make up one-quarter to one-third of the physical fabric of a town). These two processes are based on the following principles: evaluate the context of the road, evaluate the effects of the road on the community, exploit flexibility in engineering and policy principals, and collaborate with the community in problem identification and problem solving. “This is not simply dressing up a road project,” said Steiner.

Context-sensitive design

New Jersey examined its internal policies and discovered all NJDOT actions contradicted community involvement. NJDOT began a culture change that includes a policy stating, “Transportation both shapes the growth of our communities and affects the quality of life statewide, so all future NJDOT projects will strive to improve the overall quality of life in our state; mobility is just part of that picture.” NJDOT defines the context of the road before designing it. The idea of “context” recognizes roads do not exist in isolation. They pass through a variety of physical environments that must be assessed. Context is defined by the community, the environment and the transportation needs.

Community impact assessment

The community impact assessment earnestly engages citizens. These are

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Seat belt violations do not require court assessments

In 2001, the General Assembly set a maximum fine of \$50 for violating the seat belt law and prohibited assessments or surcharges to the fine. (*Sec. 56-5-6540*)

In July 2002, the Court Administration confirmed this when its assessment breakdown showed zero assessments required for seat belt violations. This includes child restraint violations.

“Thanks to Stephanie Dorn, finance director for the City of Greenwood, we were notified that some municipalities were collecting assessments on seat belt violations,” said Gary Cannon, MASC’s director of intergovernmental relations. “No assessments should be added to seat belt fines. The entire \$50 fine collected should remain with the municipality.”

Cannon recommended municipalities check with their municipal clerk of court to ensure they are not collecting assessments on seat belt fines. Any municipalities that have remitted seat belt assessments to the state should write to the State Treasurer’s Office for a refund.

For more information, call Gary Cannon at 803.933.1203 or e-mail gcannon@masc.sc.

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not token efforts, nor is citizen participation simply paid lip service. The result is greater flexibility in design while not sacrificing safety. In fact, studies show that more community-sensitive design increases safety.

- 2001 study: Showed that reducing lanes from four to three reduced crash rates up to 42 percent.
- 2000 study: Showed that increasing speed from 20 mph to 30 mph led to a 7.6-times greater risk to pedestrians.
- Colorado study of 20,000 crashes: Showed crash rates increased with road width and straighter roads.

The design manual used by traffic engineers supports design flexibility. The American Association of State Highway and Transportation Officials (AASHTO) produces the *Green Book*, which is the design “bible” for engineers. It encourages consideration of things beyond moving traffic, such as shared uses and pedestrian needs:

- “Additional emphasis has been placed on the joint use of transportation

corridors by pedestrians, cyclists and public transit vehicles. Designers must recognize the implications of this sharing ... A more comprehensive transportation program is thereby emphasized.” In other words, roads are not just for cars.

- “ ... It is extremely difficult to make adequate provisions for pedestrians. Yet, this must be done, because pedestrians are the lifeblood of our urban areas ...”

Context-sensitive design is an emerging national trend. The Federal Highway Administration has pilot programs in Minnesota, Utah, Connecticut, Maryland and Kentucky, with plans to implement it in all 50 states over the next few years.

So where is South Carolina?

Elizabeth Mabry, executive director of the S.C. Department of Transportation (SCDOT), said SCDOT has been practicing context-sensitive design. However, SCDOT has not gone as far as NJDOT in changing its culture to embrace the concept.

“If you care about your community, you have to get involved with planning its road system,” emphasized Steiner. “We need to get involved sooner in the process and be aware that there is flexibility. Indeed, not only is there flexibility, the traffic world’s own manuals call for it. These are our roads, they affect our lives, and we do ourselves a disservice if we do not take an active role in their planning and design.”

Steiner encouraged all municipal officials to talk with their SCDOT district engineers and their regional council of governments to see what road-building plans exist. “Use the community facilities element of your municipality’s comprehensive plan to lay out your vision for the road system,” he said.

Community Builders, an affiliate of MASC, works with communities in the design of their places. Community Builders has completed many charrettes dealing with road design and planning. If you are interested in taking a proactive approach to your roads, call Bill Steiner at 803.933.1227 or e-mail bsteiner@masc.sc.

Budget cuts reduce Local Government Fund

When the Budget and Control Board voted Dec. 10 to cut state agencies’ budgets by 5 percent, it also cut the Local Government Fund by the maximum allowed by law — 3.07 percent. According to state law, the Board may not reduce the Local Government Fund’s level to below that received in the previous fiscal year.

Legislators, called to Columbia for a special session to resolve the \$348-million budget crisis, quickly deferred the issue to the Budget and Control Board. Of the 5 percent across-the-board cut to state agencies, the Board left open the possibility that agencies could receive 0.5 percent of the money back if the economy rebounds.

MASC will continue to monitor threats to municipal revenue, including the Local Government Fund, throughout the legislative session. If you have any questions, call Gary Cannon at 803.933.1203 or e-mail gcannon@masc.sc.



FAQ

Who is legally responsible for the proper remittance of municipal employee withholdings?

The municipal elected officials have the ultimate responsibility to make sure all federal and state withholdings are sent to the proper agency.

2002 Achievement Award Winner

Economic Development Category:
City of Newberry

Opera House breathes new life into downtown

During the 1970s and 80s, downtown Newberry experienced a slow but steady decline. To combat this issue, the City Council made it a priority to renovate the Newberry Opera House, built in 1882. The Council envisioned a first-class performing arts center to serve as a catalyst for economic development and downtown revitalization. To accomplish this mission, the Council created the Newberry Opera House Foundation and charged it with:

- Renovating and expanding the Opera House into a first-class performing arts center with an elegant but intimate setting.
- Developing a diverse performance schedule to host more than 150 world-renowned performers during each nine-month season.
- Marketing the performances locally and regionally to establish Newberry as a performing arts destination.
- Using the Opera House renovation to motivate private property owners to improve their downtown buildings.
- Using the high disposable-income customer base generated by Opera House performances to support existing businesses and create a market for new businesses.

Using tax increment finance funding, donations and grant money, the City opened the restored Opera House in 1998. Since its opening, the 462-seat facility has averaged 170 performances per year, ranging from chamber music to country music to acrobats. More than 200,000 patrons — 70 percent of whom reside outside Newberry County — have attended these performances.

The Opera House has been a catalyst for downtown revitalization. Since the renovation began, 20 downtown buildings have been restored, 17 second-floor apartments have been constructed and six restaurants have been added. In 2002, a 72-room Hampton Inn opened adjacent to the Opera House — the first Hampton Inn to be located in a



The Newberry Opera House has brought nationwide attention and more than 200,000 patrons to downtown.

downtown outside of a major metropolitan area. During the first six months of fiscal year 2002, restaurants reported a 26-percent increase in sales.

The City and the Opera House have been featured in numerous publications, including the *Wall Street Journal*, *Governing* magazine, *Southern Living* and the *New York Times*. In 1995, Macmillan Publishing Company named Newberry one of the “100 Best Small Towns in America.” In 2001, Peachtree Publishing named Newberry as one of the “50 Best Small Southern Towns.”

Contact: Eric Budds, 803.324.1000

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New technology trend: application service providers

MASC sets the standard with new Setoff Debt application

When MASC launched the new Setoff Debt Collection program software application in August, the Association took a step into the future by offering the software as an Application Service Provider (ASP). ASPs deliver and manage software from remote data centers to multiple users via the Internet. The Setoff Debt program is hosted by VC3, a Columbia-based technology company, and is available to Setoff Debt participants over the Internet.

ASPs, whether customized systems like the Setoff Debt program or “out-of-the-box” programs, offer many benefits:

- Because the software and data is housed on the ASP’s network, more space is available on the user’s local network.
 - Users do not have to worry about installing software upgrades or backing up databases — this is all handled at the host location.
 - Because the ASP is responsible for managing the software, municipal information technology departments do not update or maintain the software or data. ASPs help reduce stress on municipal IT departments by providing the staff, expertise and state-of-the-art equipment to maintain the most reliable service.
 - Citizens are beginning to demand e-commerce options, and applications offered by ASPs can help make the daunting task more manageable for municipalities.
- Purchasing a new software package is a hefty one-time cost that is often hard to budget. ASPs allow municipalities to pay a fixed amount monthly instead of huge startup costs.
 - Municipalities often get new programs implemented only to discover the next release of the program is on the horizon. ASPs provide perpetual maintenance and the latest version of a program without requiring any time or effort from the municipality. Users simply notice the upgrade the next time they log on to the program.

Setoff Debt program as ASP

Recognizing ASPs are growing exponentially, MASC found that providing the Setoff Debt software as an ASP was a good fit. “I think long-term, ASPs are the way to go,” said Marie Hickman, finance director for Newberry. “I’ve been very pleased with the new Setoff Debt program. Newer technology is the way things are moving, and we need to be part of that.”

Susan Porter, water/sewer billing clerk and assistant zoning administrator for Pendleton, agreed.

“I think the new system is great — it’s much more user friendly than the former program,” she said. “The new system is better able to serve users’ needs by upgrading the software online instead of making upgrade disks and mailing them to each participant.” She said the week after she requested a specific reporting feature, it was available online to all participants without the hassle of having to install the upgrade.

Because participants and MASC have access to the same database, MASC is able to offer participants a higher level of customer service by resolving questions faster. MASC took special care to ensure the information is secure.

“MASC is leading other municipal associations by offering this technology to municipalities,” said Howard Duvall, MASC’s executive director. “Other associations have reviewed our program and will likely be following our lead in the near future.”

The Setoff Debt Collection program allows MASC to compile and forward to the Department of Revenue each December a database of delinquent accounts and debts owed to participating entities. If an individual who owes a debt is scheduled to receive a state income tax refund, the Department of Revenue reduces the refund by the debt amount. The amount collected is forwarded to MASC, which, in turn, forwards it to the reporting entity.

For more information on the Setoff Debt Collection program, call Gail Hampton at 803.933.1213 or e-mail ghampton@masc.sc.

The International Data Corporation (IDC), a Framingham, Mass.-based technology research firm, estimates customers worldwide spent \$300 million on ASP services last year. IDC predicts customers will spend more than \$7.7 billion on ASP services by 2004.



Educational Opportunities

Hometown Connection

• **Jan. 29**, municipal officials from Anderson, Cherokee, Chester, Fairfield, Greenville, Lancaster, Oconee, Pickens, Spartanburg and York counties visit with their state legislators. Officials should meet at MASC's office in Columbia at 10:30 a.m. See related article on page 4.

Municipal Elected Officials Institute of Government

• **Feb. 25**, Sessions A&B will be held at the Adam's Mark Hotel in Columbia.

MASC Winter Meeting and Legislative Conference

• **Feb. 26**, will be held at the Adam's Mark Hotel in Columbia. See related article on page 1.

S.C. Utility Billing Association

• **March 19-21**, will hold its Annual Meeting at Ocean Drive Resort in North Myrtle Beach.

Hometown Connection

• **March 26**, municipal officials from Aiken, Allendale, Bamberg, Barnwell, Calhoun, Lexington, Orangeburg and Richland counties visit with their state legislators. Officials should meet at MASC's office in Columbia at 10:30 a.m.

Hometown Network

• **March 27**, the Municipal Elected Officials Institute of Government will present "Basic Budgeting." This session will be broadcast via satellite to the 10 regional councils of governments.

Hometown Connection

• **April 30**, municipal officials from Abbeville, Chesterfield, Clarendon, Darlington, Edgefield, Greenwood, Kershaw, Laurens, Lee, Marlboro, McCormick, Newberry, Saluda, Sumter and Union counties visit with their state

legislators. Officials should meet at MASC's office in Columbia at 10:30 a.m.

Hometown Network

• **May 1**, the Municipal Elected Officials Institute of Government will present "You've Been Elected — Now What?" and "The Freedom of Information Act." These sessions will be broadcast via satellite to the 10 regional councils of governments.

Hometown Connection

• **May 28**, municipal officials from Beaufort, Berkeley, Charleston, Colleton, Dorchester, Dillon, Florence, Georgetown, Hampton, Horry, Jasper, Marion and Williamsburg counties visit with their state legislators. Officials should meet at MASC's office in Columbia at 10:30 a.m.

For more information about these meetings or other MASC meetings not listed, please call 803.799.9574, or visit our Web site at www.masc.sc

UPTOWN

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