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## Speakers Address Important Issues at SCAC's 28th Annual Mid-Year Conference

Approximately 160 South Carolina county officials attended SCAC's 28th Annual Mid-Year Conference on Feb. 18 at Embassy Suites in Columbia.

From 10:05 a.m. to 12:30 p.m., state legislators provided an overview of the 2015 Session of the S.C. General Assembly. Other speakers addressed important issues facing counties.

From 1:30 to 5:30 p.m., county officials visited the State House to meet with state legislators. From 5:30 to 7 p.m., they attended a legislative reception at Embassy Suites.

SCAC President James R. Frazier (Horry County Council Member) presided over the conference.

### Legislators Provide Overview of 2015 Session

Providing a legislative overview from the State House were: Rep. Thomas E. Pope (District 47), Speaker Pro Tempore; Rep. J. Gary Simrill (District 46); and Sen. C. Bradley Hutto (District 40).

Rep. Thomas E. Pope, who discussed ethics legislation, said it is important to conduct independent investigations and to seek clarity in ethics legislation. He mentioned the Local Government Fund (LGF), and said it is important to address the number one issue—fixing our state's infrastructure, including roads, for our communities and

businesses.

"My greatest fear," Rep. Pope added, "is that after all the political rangling over who has the best plan, at the end of the day we end up doing but not properly funding the work. There are tough questions to be answered, but I think we've got to deal with our infrastructure."

Rep. J. Gary Simrill said, as Chairman of the Transportation Infrastructure & Management Ad Hoc Committee, that he has been charged with determining if there is a better way for the S.C. Department of Transportation (SC DOT) to operate.

He said SC DOT is responsible for maintaining 41,000 miles of roads, the fourth largest network of roads in the nation. But, he added, New Jersey's DOT, which has about the same budget as South Carolina's DOT, is responsible



SCAC President James R. Frazier  
(Horry County Council Member)



SCAC's 28th Annual Mid-Year Conference, Embassy Suites, Columbia, Feb. 18



for maintaining only 4,000 miles of roads.

Rep. Simrill briefly explained the history of Home Rule, the governance of SC DOT and the State Infrastructure Bank before talking about a three-year phase-in of the ceding of roads to counties with a funding component. Noting the lack of trust that county officials have expressed in the state's proposal to cede roads to counties, especially after their experience with the LGF, he explained why the ceding of roads and funding of such would be different.

Rep. Simrill claimed that counties would be able to "opt out" and not accept the responsibility for roads, and explained various methods that could be used to raise \$400 million more per year that SC DOT estimates is needed to maintain the status quo on the state's roads.

The ad hoc committee, which Rep. Simrill chairs, has submitted a bill that would provide one source of funding.

Gov. Nikki Haley has submitted another bill to increase the gas tax 10 cents over three years and to include a 10-year reduction from seven to five percent in the state income tax.

**Sen. C. Bradley Hutto** spoke next.

"We're doing y'all wrong," Sen. Hutto said, referring to the General Assembly. "A funny thing happened on the way to the

2015 Legislature, which was supposed to be all about the Local Government Fund. The Local Government Fund got side-tracked this year as it has gotten side-tracked every single year, and it's not going to get fixed until we get back on track. We made a promise to you, and we need to fulfill that promise. We need to do what the law says we're supposed to do, and there is sentiment in the Senate to do that. And we need to do that.

"But there are some other things that have come up that we're going to need to do, too," he added. "We need to fix roads and bridges. Now, y'all have heard their plan. You've read the Governor's plan, and I've heard someone say 'smoke and mirrors.' They all seem like smoke and mirrors to me."

Sen. Hutto said other states—including North Carolina, Georgia and Florida—have better roads than South Carolina does, because such states have raised gas taxes.

"It's fairly simple," he added. "Raise the gas tax and fix the roads."

Sen. Hutto has sponsored a bill for four consecutive years to put a toll on I-95, so travelers passing through the state could help pay for the wear and tear on our state's roads. He said South Carolina also needs to fix its schools, and that it was unfortunate that problems at South Carolina State University in Orangeburg had dominated the news in recent weeks. But he added that, while changes and reforms

must be made at South Carolina State, the university would not be closed.

Sen. Hutto concluded his talk by emphasizing that the "big picture" for South Carolina was quality of life issues that help



Rep. Thomas E. Pope (District 47)



Rep. J. Gary Simrill (District 46)



Sen. C. Bradley Hutto (District 40)



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South Carolina Association of Counties

P.O. Box 8207  
Columbia, SC 29202-8207

www.sccounties.org

(803) 252-7255

Fax: (803) 252-0379  
smorgan@scac.sc

SCAC PRESIDENT  
James R. Frazier

Horry County Council Member

EXECUTIVE DIRECTOR  
Michael B. Cone

EDITOR & PHOTOGRAPHER  
W. Stuart Morgan III



attract people to the state.

“Whether it’s hospitals, schools or roads, we’ve got to focus on the big picture, get it done, and make local government whole,” he said. “I’m committed to that.”

**The Honorable Alan M. Wilson, S.C. Attorney General**

S.C. Attorney General Alan M. Wilson, who talked about “Criminal Domestic Violence Sentencing Reform,” said South Carolina has ranked first and second in the nation respectively during the past two years for the number of women murdered by men.

Attorney General Wilson talked about the high rate of domestic violence in the state, and said, “In South Carolina, you can beat your dog and get five years, and you can beat your spouse and get 30 days.”

“This is just not reflective of our values as a society,” he added. “Every year, I invite you to come to the State House to see our silent witness ceremony, where we bring out the silhouettes—some of you have probably seen them—to represent those who lost their lives the previous calendar year to domestic violence.”

Attorney General Wilson said we must change the way we approach domestic violence.

“We need to give front line law enforcement, front line prosecutors, more tools—legally speaking—to address the domestic violence crime in South Carolina,” he explained. “For instance, instead of calling it domestic violence and basing the penalties on the number of times you come before the court, base it on the harm caused to the victim. Instead of a first, second and third offense, have a first, second and third degree.”

Attorney General Wilson said his office has proposed tiered penalties for first, second and third degree domestic violence offenses, and that the General Assembly is debating the proposal.

He then explained some of the reasons, including cultural reasons, why South Carolina ranks so high for domestic violence, and suggested changing laws to increase penalties. He also suggested bumping up penalties in certain domestic violence situations, for example, when children witness domestic violence.

Attorney General Wilson also recommended working proactively to change the culture in which domestic violence is so high.



**The Honorable Alan M. Wilson**  
S.C. Attorney General

“I don’t want to shelve people in jail, and I don’t want to demonize them” he said. “I want to get them help, so we can put South Carolina on track to attacking this plague in our state. We’ve got to educate everybody across the board, everybody who is a stakeholder in this.”

Attorney General Wilson encouraged county officials to call his office and meet with him to discuss this issue.

**Frank A. Rainwater, Executive Director, S.C. Revenue and Fiscal Affairs Office**

Frank A. Rainwater, Executive Director, S.C. Revenue and Fiscal Affairs Office (previously part of the S.C. Budget and Control Board), provided updates on the economy, finances and re-establishing county boundaries.

“It took almost 4.5 years from the bottom of the recession for South Carolina’s total employment level to reach the 1.96 million peak that it reached in May 2008 before the recession,”



**Frank A. Rainwater**  
Executive Director  
S.C. Revenue and Fiscal Affairs Office

Rainwater said. “We’ve recovered back to the pre-recession level, but it feels a little bit different out there.

“We lost 10 percent of our workforce during the recession, but the growth rate in employment now is about as good as it was prior to the recession,” he added. “We’re running about at the growth rate we were prior to

the recession, and we don’t see a lot of factors out there making us grow any faster. We think that there are some negatives, we’ve got some downside potential as far as the budget and the economy are concerned, but we don’t think we’re going to be growing much faster. Still, we’ve had some pretty steady growth.”

According to Rainwater, the state has recovered, but the situation has been a little bit different from the county perspective. He provided data, illustrating employment growth by county from January 2008 to June 2014, that showed that the employment has been uneven among counties and basically remained level. Some counties have grown particularly well, but the majority of counties are still below their pre-recession employment levels.

He discussed the percentage of change in personal income by county from 2007 to 2013. Personal income in South Carolina was growing at the rate of 6 to 8 percent prior to the recession, but has been growing at the rate of 2 to 5 percent since the recession. Personal income increased up to 10 percent in five coun-



ties, from 10.1 to 20.0 percent for 31 counties, and greater than 20 percent in 10 counties from 2007 to 2013. Overall, during this five-year period, personal income increased by 19 percent as inflation increased 12.4 percent.

“So, when you’re talking about the ability of your citizens to pay property taxes and your citizens’ ability to pay for certain services and other fees,” Rainwater said, “the economy has been a mixed bag around the state, and I kind of think that this underscores some of the frustration I’ve heard here today about the ability to meet local services.”

He talked about the growth of the state’s General Fund revenue, and noted that 2008 was a tough time because the state lost \$1 billion or 20 percent of its revenue due to the recession. “This triggered all of the discussion about the Local Government Fund,” Rainwater explained. “The 4.5 percent formula worked pretty well while the economy was growing, but then we lost about 20 percent of our revenue.”

According to Rainwater, the General Fund is not growing as fast as the economy. “Sales tax and individual income tax are about 85 percent of the state’s revenue, and this is totally dependent on the number of jobs and the income we have in the state,” he explained. “But overall, the General Fund as a percentage of income, has declined. We’re not growing as fast as the economy is growing. This is great news for taxpayers. There’s not as much money coming out of their pockets into the state coffers, but it is a challenge for state budget writers to show where the money is going and how we’re going to allocate those resources.”

Rainwater discussed the state’s General Fund (net tax relief Trust Fund), Education Improvement Act, General Fund Surplus, Capital Reserve Fund, Lottery Proceeds, Tobacco Settlement Revenue and Cigarette Surtax—totaling \$8.221 billion for FY 2014-15.

“In all, compared to last year,” he said, “budget makers have about \$92 million more this year than they had last year to spend in total—about a 1.13 percent difference.”

Rainwater provided data illustrating how sources of county revenue changed from FY 2003 to FY 2013. Revenue generated by property taxes, fees and state funds has declined, but revenue generated by Local Option Sales taxes has grown. The number of counties with three Local Option Sales taxes has increased from one to six, and the number of counties with two Local Option Sales taxes has increased from five to 13. While only 13 counties did not have the Local Option Sales tax in 2003, only six did not have the Local Option Sales tax in 2013.

“More and more counties,” he said, “are looking to local options.”

The General Assembly is discussing the distribution of the property tax base, according to Rainwater.

“Forty-four percent of property taxes are coming from commercial property, and owner-occupied property represents a smaller share of the property

tax base partly due to Act 388 and other changes,” he explained. “Manufacturing overall has decreased, and some of it has been offset by fee-in-lieu, but property, utility, business and personal property, as percentages, are decreasing. The burden is being shifted to commercial.”

Rainwater said North Carolina and South Carolina officials have been cooperating to accurately determine state borders.

He also explained similar issues with county boundaries. Instead of relying on old state statutes that make it difficult if not impossible to accurately determine boundaries, the S.C. Revenue and Fiscal Affairs Office is conducting research and trying to use GPS satellite systems to pinpoint by latitude and longitude and accurately define 1,250 miles of county boundaries prior to the 2020 U.S. Census.

Rainwater encouraged county officials to read an article on this subject in the winter issue of *County Focus Magazine* (Vol. 25, No. 4).

**Ashley M. Brindle, CPA, S.C. Public Employee Benefit Authority (PEBA)**, talked about, “Financial Reporting Requirements for Pensions, GASB 68.”

Brindle discussed two pension reporting standards that the Governmental Accounting Standards Board (GASB) issued in June 2012: GASB 67, Financial Reporting for Pension Plans, and GASB 68, Accounting and Financial Reporting for Pensions. She explained that employers who issue Generally Accepted Accounting Principles (GAAP) based financial statements will be required to:

- Record a liability for their proportionate share of the plans’ collective Net Pension Liability (NPL) as well as Deferred Inflows and Outflows of Resources in their Statement of Net Position;
- Record pension expense based on their proportionate share of an actuarially calculated Pension Expense in their Statement of Changes in Net Position; and
- Include expanded note disclosures and additional required supplementary information in their financial statements.

Brindle noted that, according to GASB, the new standards are intended to:

1) Improve the way state and local governments report pension liabilities and expenses providing a more realistic representation of the complete impact of pension obligations, and

2) Improve the decision-usefulness of the reported information and increase the transparency, consistency, and comparability of pension information across state and local governments.

She said GASB believes pension benefits are part of overall compensation package, and that certain pension-related costs should be included in employer’s financial statements.

Brindle pointed out some concerns for participating employers, such as a new liability being reflected in their fi-



Ashley M. Brindle, CPA  
S.C. Public Employees Benefit Authority



financial statements, which will more than likely make them appear insolvent as well as the complexity associated with the new requirements, questions regarding the impact on bond ratings, and the potential increase in external audit fees.

“This liability is going to be very large, but it is not a liability that you can pay down,” she explained. “You cannot pay extra, and you cannot pay it off. You just have to record it in your financial statements.”

Brindle said PEBA plans to post an educational series for employers to PEBA’s GASB Resource Center website at:

[www.retirement.sc.gov/gasb/resourcecenter.htm](http://www.retirement.sc.gov/gasb/resourcecenter.htm)

She encouraged county officials to e-mail PEBA Retirement Benefits staff at [PensionGASB@peba.sc.gov](mailto:PensionGASB@peba.sc.gov) with questions or concerns. She stated that county officials can sign up for the PEBA Retirement Benefits Employer RSS feed at:

<http://www.retirement.sc.gov/employers/default.htm>

SCAC Legislative Committee Chairman John Q. Atkinson (Marion County Council Member) explained SCAC’s Legislative Policy Process.

As part of SCAC’s legislative policy development process, all 46 counties have input in the legislative policies

adopted by the Association. SCAC’s four policy steering Committees develop draft issues each fall that are refined and then presented to Association’s Legislative Committee, which consists of county council chairmen or their designees and SCAC’s Board of Directors for approval.

“This process is driven by you—county officials who have identified the issues and proposed the position statements,” Atkinson said. “Once the positions have been adopted, it is up to all of us to see that they get carried out. You can become part of this process by staying in touch with your legislative delegation and contacting them when asked to do so by our staff.

“The relationships that you have formed with members of the General Assembly are more valuable than any contact that the SCAC staff can make,” he added. “So, please do your part to assist SCAC’s legislative lobbying efforts.”



SCAC Legislative Committee Chairman John Q. Atkinson (Marion County Council Member)



Robert S. Croom SCAC Deputy General Counsel

Robert Croom, SCAC’s Deputy General Counsel, presented SCAC’s legislative overview. He provided updates on the status of various bills, including problems with H. 3374 relating to the LGF, and three major roads bills (H. 3579, H. 3580 and H. 3579) relating to SC DOT’s proposed transfer of roads to

## County Officials Speak and Ask Questions

County officials attending SCAC’s 28th Annual Mid-Year Conference had opportunities to speak and ask questions after each speaker’s presentation.

The following were among the many county officials who did:



Gwendolyn C. Shealy Saluda County Council Member



Charlene McGriff Lancaster County Council Member



Joseph Frank Hart Union County Supervisor/Chairman



Steve Willis Lancaster County Administrator



South Carolina's counties.

Croom encouraged county officials to meet with their state legislators from 1:30 to 5:30 p.m.

For county officials attending the mid-year conference, SCAC provided information on the LGF, including estimates

of LGF distribution by county for FY 2015-16. The Association also provided information on the bottom line effects of SC DOT transferring roads to counties.



## Institute of Government for County Officials Held on Feb. 19th

The Institute of Government for County Officials was held from 10 a.m. to 5 p.m. on Thursday, Feb. 19, following SCAC's 28th Annual Conference.

Sponsored by the SCAC; Strom Thurmond Institute, Clemson University; and the Joseph P. Riley, Jr. Center for Livable Communities, College of Charleston, the Institute offered courses during the morning and afternoon sessions.

The Institute of Government, a certificate program that helps county officials enhance their skills and abilities, offers courses each year at SCAC's Annual and Mid-Year conferences and County Council Coalition Meeting.

Sara L. Nalley, Professor Emerita of Communication and Theatre, Columbia College, taught "Public Speaking."

## Chester County Dedicates New EMS Facility and Coroner's Office on Jan. 31st

Chester County officials dedicated a new \$2 million EMS facility and Coroner's Office on Saturday, Jan. 31.

The new 18,000-square-foot building, located in front of the Carlisle Roddey Government Complex in Chester, includes an emergency generator and space for training, cooking and EMS vehicles.

The new facility will be featured in the spring issue of *County Focus Magazine* (Vol. 26, No. 1).

Talking about "Economic Development" were: Bonnie J. Ammons, Executive Director, S.C. Rural Infrastructure Authority; J. Mark Farris, President and CEO, Greenville Area Development Corporation; and Cyndy S. Turnipseed, Legal Counsel, and J. Edwin West, Senior Manager, Small Business and Rural Development, S.C. Department of Commerce.

Jon B. Pierce, Ph.D., Senior Fellow, Institute for Public Service and Policy Research, USC, lectured on "Strategic Planning."

William E. Tomes, Fellow, spoke on "Measuring and Reporting County Performance."



Chester County Supervisor R. Carlisle Roddey speaks at the dedication ceremony inside the EMS portion of the new building before everyone moves outside for a ribbon-cutting ceremony (below-left).



**RIBBON-CUTTING CEREMONY**—(L to r) Tim Minors, EMT; Terry Tinker, County Coroner; Alex Oliphant, J. Archie Lucas and John Wayne Holcombe, Council Members; Rep. F. Gregory "Greg" Delleney, Jr. (District 43); Mary Alice Guy, Council Member; R. Carlisle Roddey, County Supervisor; Joe Branham, Council Vice Chairman; and Britt Lineberger, EMS Director.

## Georgetown County Opens New Waccamaw Branch Library on March 19th

Georgetown County held a ribbon-cutting ceremony on March 19 to open its new \$3.5 million Waccamaw Branch Library at 41 St. Paul Place, just off Willbrook Blvd. The library includes 17,000 square feet of floor space, about 10,000 square feet more than the old library building on Library Lane.

It features an auditorium capable of seating more than 200 persons; two small meeting rooms; separate technology areas for teens and adults; a children's room; exhibit space for displays on art, science, literature, history and culture; and book areas for children, teens and adults.





# SCCWCT and SCCP&LT Hold 2015 Annual Insurance Trusts Membership Meeting, Kershaw County Wins Most Improved

The S.C. Counties Workers' Compensation Trust and S.C. Counties Property & Liability Trust (SCCWCT and SCCP&LT) held their annual Insurance Trusts Membership Meeting on January 28th and 29th in Myrtle Beach.

The purpose of the meeting, which was attended by 115 county officials, was to promote risk management education and brief members on the Insurance Trusts. Attendees heard from several speakers on a variety of risk management topics.

The meeting included presentations from: Robert Collins, Robert Benfield, John Henderson and John Jervey, SCAC; Linda Edwards, Gignilliat Savitz & Bettis Law; David Morrison, Morrison Law Firm; and Van Henson, SC LLR.

A risk management roundtable discussion was also held that included: Linda Edwards, David Morrison and Van Henson; and Lang Kohel and John Deloache, SCAC.

Risk management awards were presented to counties at the end of the meeting.

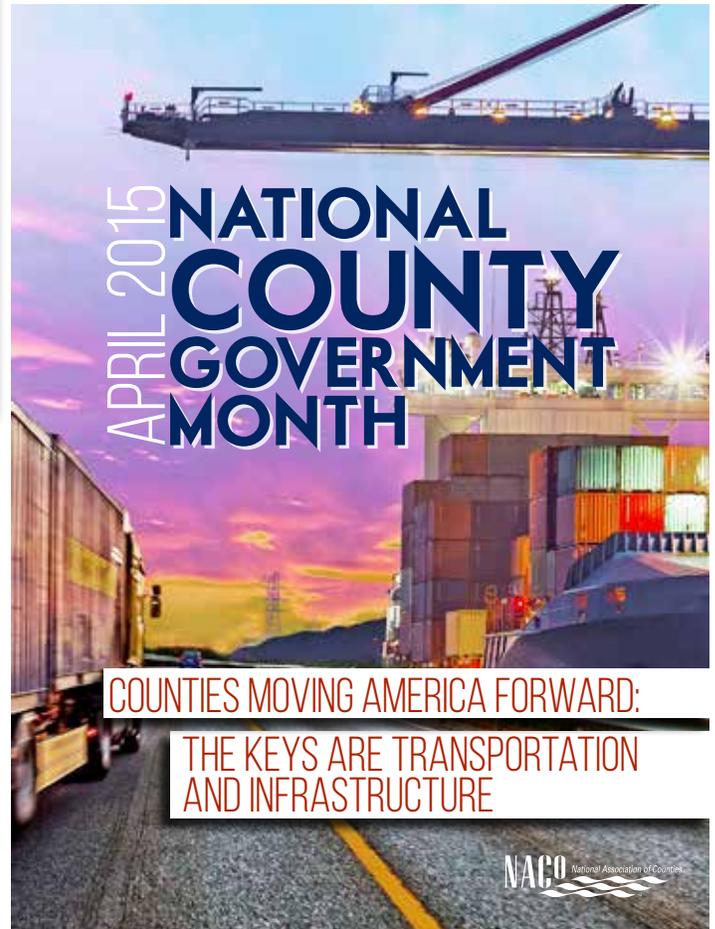
The top award for the Most Improved County was presented to Kershaw County.

Additional information, including photos of risk management award winners, was published in the winter issue of *County Focus Magazine* (Vol. 25, No. 4).

County governments have long recognized that investment in risk management and safety programs is good stewardship of taxpayer dollars.



Barry Catoe (left), Kershaw County Risk Manager, accepts a Service Award and the Most Improved County Award from the SCCWCT for Kershaw County from John D. Henderson, SCAC's Director of Risk Management Services.



SCAC's 2015 *Directory of County Officials* was published and distributed in March. So, purchase a copy if you want to know "Who's Who" in South Carolina county government.

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P.O. Box 8207  
Columbia, S.C. 29202-8207  
(803) 252-7255

Email: [smorgan@scac.sc](mailto:smorgan@scac.sc)

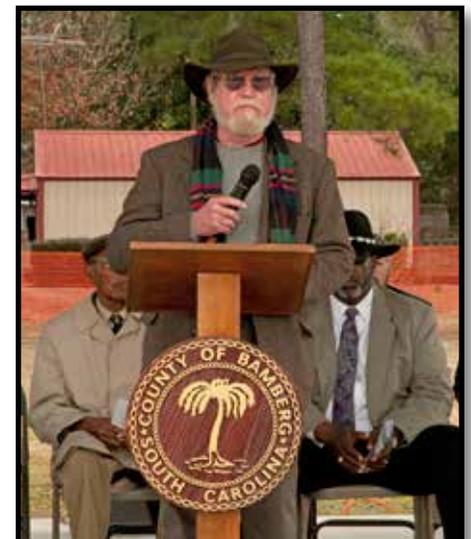
**Bamberg County Hosts Groundbreaking for New Court Annex and Administration Building on Feb. 10th**

**Bamberg County** officials hosted a groundbreaking on Tuesday, Feb. 10 for the county's new \$2.7 million court annex and administration building.

The 12,000-square-foot building is scheduled to be constructed by March 2016.



Breaking ground for Bamberg County's new court annex and administration building are (1 to r) Mayor Blain Crosby, City of Bamberg; Rep. Justin Bamberg (District 90); Jerry Bell, Executive Director, Bamberg County Chamber of Commerce; Evert Comer, Jr., Alzena Robinson and the Rev. Isaiah Odom, Bamberg County Council Members; Joe Guess, Bamberg County Council Chairman; Larry Haynes, Bamberg County Council Member; Trent Kinard, Bamberg County Capital Penny Sales Tax Committee Chairman; Chris Wilson, Attorney; Mayor Walter O'Rear, Town of Olar; Alice Johnson, Non-Profit Chairman and Treasurer, and Margaret Meyer, Member and Auditor, Bamberg County Facilities Corporation.



Bamberg County Council Chairman Joe Guess (shown above) was among those speaking at Bamberg County's recent groundbreaking ceremony.



**Broadcast Location: SCAC Office**

**Thursday, March 26, 2015**  
9 a.m. to 12 Noon  
Making the Right Hire: Effective Recruiting and Hiring Practices

**Thursday, May 21, 2015**  
9 a.m. to 12:30 p.m.  
Planning and Zoning Continuing Education

For more information, please contact Leslie Christy-Jennings, SCAC, at (803) 252-7255 or [ljennings@scac.sc](mailto:ljennings@scac.sc). Or visit SCAC's Webcast page at: <http://www.sccounties.org/webcast-training>

**SCAC's 2015 Conference Calendar**

Aug. 1 & 2 Aug. 2-5	Institute of Government SCAC Annual Conference <i>Hilton Head Marriott, Hilton Head Island</i>
Aug. 17	Setoff Debt/GEAR Meeting <i>Embassy Suites, Columbia</i>
Oct. 22 Oct. 23	Institute of Government County Council Coalition Meeting <i>Embassy Suites, Columbia</i>
Nov. 20	S.C. Local Government Attorney's Institute <i>Embassy Suites, Columbia</i>
Dec. 3&4	Legislative Conference <i>The Mills House, Charleston</i>

**NACO** National Association of Counties  
*Counties Care for America*

**NACo's 2015 Conference Calendar**

July 10 – 13      Annual Conference  
*Charlotte, N.C.*