



South Carolina Association of Counties



2007 *President's Report* President Belinda D. Copeland



40TH ANNUAL CONFERENCE • AUGUST 2-5, 2007
MARRIOTT ON HILTON HEAD ISLAND • SC



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South Carolina Association of Counties

Belinda D. Copeland, President
Darlington County

Michael B. Cone
Executive Director

A Letter from the President

Dear County Officials,

The **President's Report** is a reflection of the many programs and activities undertaken by the South Carolina Association of Counties (SCAC) since last year's Annual Conference. As you know, it has been a very active and productive year. This is in no small part attributable to each one of you and the role you play in keeping this Association responsive to the ever-changing needs of county government.

We hope you will take the time to read through this report to learn more about the Association's many service programs and how they can assist your county. SCAC is one of the premier county associations in the country. We are fortunate to have strong leadership in our Board of Directors and in a staff that is knowledgeable, capable and responsive to your requests for assistance.

I encourage you to continue to be an active participant in this Association. We face enormous challenges in the years ahead. Our success is dependent on your involvement and commitment to our goal of "*Building Stronger Counties for Tomorrow.*"

It has been a privilege to serve with you in county government. Thank you for allowing me the honor of serving as SCAC President. It is a memory I will cherish always.

Sincerely,

Belinda D. Copeland

Belinda D. Copeland
Darlington County Treasurer
2006-2007 SCAC President

PRESIDENT'S REPORT

South Carolina Association of Counties

40TH ANNUAL CONFERENCE • AUGUST 2–5, 2007
MARRIOTT ON HILTON HEAD ISLAND • SOUTH CAROLINA

President Belinda D. Copeland

*This Report to the Membership of the South Carolina Association of Counties
Covers the Period from August 2006 to August 2007*

General Information

The South Carolina Association of Counties (SCAC) was chartered on June 22, 1967, and operates as a non-partisan, nonprofit corporation under the laws of the State of South Carolina. It is the only organization dedicated to the statewide representation of county government in South Carolina. The Association strives to ***Build Stronger Counties for Tomorrow*** by working with member counties in the fields of research, information exchange, educational promotion, and legislative reporting.

Membership in SCAC includes all 46 counties, which are represented by elected and appointed county officials dedicated to improving county government. By virtue of a county's membership, all of its officials become participants in the Association. SCAC operates under a Constitution and Bylaws established by the membership and is governed by a 29-member Board of Directors composed of county officials from across South Carolina, selected by county officials at the Association's Annual Conference.

The Association owns office facilities in Columbia and employs a 29-member staff. The SCAC offices are located at 1919 Thurmond Mall in the Pavilion Office Park off of Richland Street in the Congaree Vista in the City of Columbia, Richland County. The building is used exclusively for service programs offered by the Association to its membership. Numerous state and local government groups use the building facilities for their meetings. In addition, the training room provides a comfortable environment for SCAC training programs and teleconferences.



SCAC's offices at 1919 Thurmond Mall in the Pavilion Office Park, off of Richland Street in the City of Columbia, Richland County.



Conferences

SCAC provides many opportunities for county officials to meet and learn, among them:

- **Mid-Year Conference for County Officials** — Held in late winter in Columbia, this conference enables all county officials to become better informed about the Association's legislative program. The Association also hosts a reception for all members of the legislature during this conference.
- **Annual Conference** — Held in August, this conference is open to all elected and appointed officials. The conference includes educational programs, workshops, group meetings, business and general sessions, and exhibits of county products and services.
- **Legislative Conference** — Held in December, this conference allows members of the Legislative Committee to discuss and adopt a legislative program for the coming year. The committee is composed of each council chair along with the Association's Board of Directors.

Education and Training

Institute of Government for County Officials

In 1989, SCAC, in cooperation with the Institute for Public Service & Policy Research at the University of South Carolina, and the Strom Thurmond Institute of Government & Public Affairs at Clemson University, established the **Institute of Government for County Officials**. The Institute is a training program designed to provide county officials with the tools needed to enhance their skills and abilities to function more effectively in their positions. Level II was added in 1992, and an Advanced Level was added in 1994.

Much has changed since the Institute began. In 2002, the Institute was completely revamped, and the courses and curriculum were updated to reflect the information that county officials need to know to be effective leaders. Requirements for certification are 27 contact hours for Level I and 18 contact hours for Level II.

Each year, a minimum of 16 courses are offered: courses are offered prior to the Association's Mid-Year Conference, Annual Conference, and Fall Meeting of the County Council Coalition. Participants must complete a form at the end of each class to certify that they have attended and



completed the course. Total class attendance during the past year exceeded 1,000 persons, showing county officials' commitment to educating themselves about their roles in county government.

In 2006, the State Education Planning Advisory Committee approved five of the Institute of Government's courses for continuing education credit for local government planning and zoning officials and employees (See *Training for Local Planning/Zoning Officials and Employees*).

Participants in the Institute of Government — Level I Class on Developing Good Leadership Skills demonstrate the challenges of communication and teamwork through a "Helium Stick" exercise.

Teleconference Training

For more than 11 years, SCAC has provided education and training through the use of teleconferences to better serve county officials and employees. Through its partnership with the S.C. Educational Television Network (SCETV), the Association offers three to four teleconferences per year. Each teleconference presents a great opportunity for county personnel to receive training on topics relevant to their professional responsibilities. In this time of economic constraints, the SCAC teleconferences are a valuable tool for providing training to county employees at NO COST to the counties. The success of these teleconferences can be seen by the numbers of counties and employees who regularly participate.

In 2005, SCAC strengthened its teleconferencing capabilities even more by providing orientation training to local government planning and zoning officials and employees. In 2006, the continuing education component of the planning and zoning training was added (See *Training for Local Planning/Zoning Officials and Employees*).

SCAC's teleconferences can be viewed by every county from any of ETV's 1,413 downlink sites which include the SCAC training room in Columbia. In addition, participants can be part of the live studio audience at the ETV Studios. The Association also tapes these programs and provides them to counties unable to watch the live telecast for viewing and training at a later date. That way, counties can benefit from these training opportunities at their convenience.

- Linda Sloan of Taylor & Associates presented **Forging Productive Interpersonal Relationships** on August 24, 2006. This three-hour interactive teleconference provided county employees with the tools to improve their professional and personal relationships. More than 300 county employees from 13 counties attended.
- Wrapping up the 2006 SCAC teleconference roster on November 9, 2006, was **Ethics is More than the Law**. Ed Thomas, Director of the Center for Governance, Institute for Public Service & Policy Research, USC, made the presentation. This session was approved for three hours of continuing education credit for planning and zoning officials and employees. It provided participants with an understanding of public service values, the principles of public service ethics, and various guidelines and frameworks for making ethical decisions, including the AICP Code of Ethics for planning and zoning officials. Over 400 county employees from 25 counties were in attendance.
- Starting off in 2007, SCAC participated with the Municipal Association, the School Boards Association and the Press Association in providing a one-hour teleconference on **The Importance of Open Government** on March 15 during "Sunshine Week."
- On May 31, JoAnn Summers Moss, President of Human Resource Dynamics, presented **Managing Your Time for Maximum Productivity**. This three-hour interactive teleconference showed county employees how to become better organized while reducing stress levels as many different requests, demands, deadlines and interruptions are dealt with during the course of a day. More than 250 county employees from 12 counties participated.
- On August 23, Merry Taylor of Taylor & Associates will conduct a teleconference on **Success as a Supervisor**. This seminar will focus on key skills crucial to a supervisor's success and tips for those who are in transition to a supervisor's role.
- The final teleconference of the year, **Affordable Housing**, will provide another opportunity for three hours of continuing education credit for planning and zoning officials and employees. This teleconference is scheduled for November 15.

Training for Local Planning/Zoning Officials and Employees

Act 204 of 2003 requires appointed officials who serve on a planning commission, board of zoning appeals, or board of architectural review, and professional employees who are employed as a planning professional, zoning administrator/official, or as a deputy/assistant to these positions, to attend at least six hours of orientation training. Counties over 35,000 population had to complete requirements by January 1, 2006; those under 35,000 had to complete requirements by January 1, 2007. SCAC is continually rebroadcasting its successful **Orientation Training** first telecast in May (Part I) and August (Part II) of 2005 over the SCETV Network so that newly-appointed officials and new hires can have easy access to this training.

Part I of the orientation provides an overview of the Local Government Comprehensive Planning Enabling Act, followed by discussions on conducting meetings, the Freedom of Information Act, and the South Carolina Ethics Act. Part II covers the planning and zoning process and legal concepts in planning and zoning.

The dates and times of the rebroadcasts for orientation training can be found on the SCAC website. Tapes of the orientation training are also available on loan from the SCAC Offices. **SCAC was the first entity to receive approval from the State Planning Education Advisory Committee to provide this required training to local planning and zoning officials and employees.**

Act 204 of 2003 also requires three hours of continuing education after the initial orientation training. **Once again, SCAC was the first entity to receive approval from the State Planning Education Advisory Committee to provide this training.** The first teleconference approved for three hours of continuing education credit, **Introduction to GIS**, was led by Patrick J. Bresnahan, PH.D., Richland County GIO, and Alex Smith, Richland County Senior GIS Analyst. This session emphasized the use of GIS in the local government planning and zoning process. Over 400 county officials and employees representing 28 counties registered for the original telecast on May 18, 2006. As with the orientation training, this telecast has been rebroadcast on a regular basis. The program is also available on DVD on loan from the SCAC Offices.

On November 9, 2006, SCAC presented a second teleconference approved for continuing education credit. **Ethics is More Than the Law** was led by Ed Thomas, Director of the Center for Governance, Institute for Public Service & Policy Research, USC. Over 400 county employees from 25 counties were in attendance. This telecast also has been rebroadcast on a regular basis and is available on loan from the SCAC Offices.

One more continuing education course for planning and zoning officials and employees will be held in 2007. Focusing on the subject of **Affordable Housing**, this three-hour interactive teleconference will provide information on the various means to provide housing for citizens in lower-income brackets. This teleconference is scheduled for November 15.

The State Planning Education Advisory Committee has also approved five of the Institute of Government courses for continuing education credit for local government planning and zoning officials and employees. These courses are: **Economic Development; Planning and Zoning; Managing and Conducting Meetings; Ethics and Public Service; and Strategic Planning.** All courses offered are three contact hours, so any one course will fulfill the annual continuing education requirement for local government planning and zoning officials and employees.

SCAC and the Center for Governance at USC's Institute for Public Service and Policy Research provided a full day of orientation for 50 newly-elected council members in December, 2006.



Orientation Training for Newly-Elected Council Members

Once again, SCAC, in cooperation with the Center for Governance at USC's Institute for Public Service & Policy Research, provided a full day of orientation training for newly-elected council members. This training was held on Tuesday, December 5, 2006, at SCAC's Offices in Columbia and was free of charge to these newly-elected officials.

Topics covered included the roles and responsibilities of county council; characteristics of an effective council; forms of county government and county government services; county risk management; the Freedom of Information Act; budget basics and funding sources; and ethics in government. Participants learned how to communicate with constituents; develop good relationships with other county officials and staff; and monitor and evaluate organizational performance.

A total of 50 of the 65 county council members elected in November 2006 attended this orientation training and received credit for six of the required 27 contact hours of instruction toward their certificate in Level I of the Institute of Government for County Officials. For those who were unable to attend the December training, an opportunity was provided during SCAC's Mid-Year Conference to receive this information.

Annual Conference Workshops

Training is also provided at the Association's Annual Conference. Association Group meetings provide opportunities for county officials to keep current with changes in a particular field of county government operations. In addition, county officials attending the Annual Conference may participate in up to two workshops offered concurrently on Friday, August 3, from 2:00–3:00 P.M. and repeated from 3:00–4:00 P.M.:

- **Brownfields: Assessment, Cleanup and Financing**
- **Dealing with the Public Fiscal Impact of Development**
- **Eminent Domain and the Future of Land Use Regulation**
- **Financing Capital Projects with Local Option Sales Taxes**
- **GASB 45/OPEB: What It Means, What Is Required, What Can Be Done?**
- **Reducing the Impacts of Growth through Land Preservation**

SCAC Scholarship Programs

Presidential and Board of Directors Scholarships

SCAC awarded scholarships to two South Carolina seniors planning to attend a South Carolina college or university this fall. The \$2,000 **Presidential Scholarship** is awarded annually to a graduating high school senior who resides in the same county as the current SCAC President (Belinda D. Copeland, Darlington County Treasurer). **Ms. Miracle O. Martin**, a senior at Hartsville High School in Darlington County, was awarded the 2007 Presidential Scholarship.

The \$2,000 **Board of Directors Scholarship** is awarded annually to a graduating high school senior and a resident of a county selected by lot by the Association. Sumter County was the selected county for 2007. **Ms. Lauren M. Solomon**, a senior at Crestwood High School in Sumter County, was awarded the 2007 Board of Directors Scholarship.

The Presidential Scholarship Selection Committee was chaired by Waymon Mumford, Florence County Council Vice Chairman. Other members of the committee were L. Gregory Pearce Jr., Richland County Council, and Rose Dobson-Elliott, Bamberg County Administrator.

The Board of Directors Scholarship Selection Committee was chaired by Dennis Lambries of the Survey Research Lab, Institute for Public Service & Policy Research, USC. Other committee members were Diane B. Anderson, Laurens County Council Vice Chairman, and Belinda D. Copeland, Darlington County Treasurer.

Applicants were required to complete an application form and write an essay about their goals and aspirations. They also were required to submit two letters of recommendation, a transcript of their grades, and a description of community involvement. Financial need, as it related to the receipt of other scholarship awards, was also considered by the committee.

Each year, SCAC presents plaques to each scholarship recipient, usually at their high school awards ceremony. The Association also recognizes the achievements of the scholarship recipients by placing their names on large commemorative plaques in the SCAC offices in Columbia and announcing the awards in the Association's newsletter, *Carolina Counties*.

South Carolina Executive Institute Scholarships

Since 1994, the SCAC Board of Directors has funded three scholarships per year for county administrators interested in attending the South Carolina Executive Institute. Awarded scholarships to attend the 2007–2008 South Carolina Executive Institute were **Sabrena Graham, Hampton County Administrator; Katherine L. Hubbard, Lexington County Administrator; and R. Cecil Kimrey, Marlboro County Administrator**. Each received a full scholarship award of \$1,350 to attend the Executive Institute.

Established in 1991, the Executive Institute, administered by the State Budget and Control Board, offers a curriculum tailored for public sector leaders and designed to meet evolving needs of governmental leaders in South Carolina. Sessions deal with decision-making at the policy level and are designed to build awareness of new management and organizational systems and techniques.

SCAC offers a variety of research and technical publications in an effort to keep county officials and staff informed.



Research and Technical Assistance

Every year, the Association staff responds to hundreds of inquiries from county officials and employees ranging from simple requests for a sample ordinance to more complex questions requiring considerable research. SCAC conducts numerous surveys and has developed many helpful research publications that are updated on a regular basis in an effort to keep county officials and staff informed. Many of these resources are available on SCAC's Research and Technical Assistance website at:

www.sccounties.org/research/research.htm

This makes it easier than ever to obtain information about South Carolina's counties.

Surveys

A sample of county surveys conducted over the past year includes topics such as active duty military benefits, animal control policies, the cost of paid holidays, state-sentenced inmates in county jails, county risk manager staffing, hold-out tax notices, and budget transfer authority. Once responses are finalized for each survey, a summary of results is published on the Association's website.

Property Tax Report

SCAC produced ***2006 Property Tax Rates by County*** in February 2007. This report contains the most comprehensive and up-to-date listing of South Carolina property tax millages available. Detailed information was gathered from county auditors regarding their county's operating millages, municipal millages, special purpose and special tax district millages, special fees, industrial trial abatements, local options sales tax credits, and the value of one mil.

Property Tax Rates by County is the sole source of statewide county property taxes and, as such, is widely used by local and state officials, the legislature, developers, and the general public. Previously published by the State Department of Commerce, the 2007 report represents the second annual edition published by SCAC.

Alternate Sources of Revenue

SCAC is nearing completion of the 2007 edition of its ***Alternate Sources of Revenue*** publication. The book provides a synopsis of each of the major alternative sources of revenue available to counties; examples of user fees currently assessed by county governments; and information on which counties impose various taxes, charges and user fees. Release of this publication is expected in September 2007. Meanwhile, updated information on local option taxes and fees imposed by counties are available on the SCAC research web pages.

County Profiles

A statistical profile for each county is maintained on-line and continually updated throughout the year as new information becomes available. Each county is represented with a one-page profile containing a brief county history, recent population trends, economic data, tax data, and county financial and employment data. County comparison tables that correlate to each of the facts and statistics represented on the individual profiles are also available online. The *County Profiles* booklet is published biennially, and the next publication is scheduled for Spring 2008.

Wage and Salary Survey

The *2007 Wage and Salary Report* was published in January 2007. Personnel contacts from each county were asked to provide wage and salary information for over 175 county positions, the results of which were compiled and made available in a hard copy publication and on-line. In addition to detailed salary data by county and position, the publication includes annual and sick leave benefits, holidays, budgets, payrolls, and employee totals.

Preliminary work for the FY 2008 Wage and Salary Survey is currently underway, and the resulting publication is expected to be released in late 2007.

County Resources

Also available online are a variety of county publications obtained from various county websites. These are organized on SCAC's research web pages for convenient access. Among the available documents are individual county budgets and CAFRs; council rules of procedure; personnel policies; planning and zoning documents; purchasing ordinances and RFPs; and links to county codes of ordinances and online services.

SCAC also maintains on its research web pages the latest practical data on issues of particular importance to counties, such as the most recent Local Government Funds and Millage Rate Caps.

Website

SCAC continually finds ways to make its website, www.sccounties.org, more useful and informative to our membership. The website provides current in-depth information about SCAC programs, services, meetings, legislative information, research, training opportunities, legal assistance, financial services and SCAC publications.

The site includes general information on all 46 counties including names and addresses of county officials; links to county government websites; county job announcements; and links to statistical tables that address frequently-asked questions about county government. Each county has a profile page that contains general government information; a brief county history; recent population trends; economic data; tax data; county financial and employment figures; and links to outside sources of county-level data. The comparison tables allow users to quickly compare all 46 counties in any category of interest, such as county millage rates or county employment.

The obvious benefit of the website is creating a line of communication between SCAC, county officials and other related individuals and groups. SCAC provides immediate online information about issues affecting county government. The website also includes links to a list serve forum for county chief administrative officers; a forum for county risk managers; and a forum for registration and election officials.

Legislative Program

The legislative program is one of the most visible facets of the Association's service package. The legislative program allows county officials to come together to speak with one voice and achieve a result greater than that reached by each of those voices acting independently. The more participants there are in the legislative program, the greater the results.

The policy positions of SCAC are developed by county officials through the Association's Legislative Committee. The Legislative Committee Chairman for FY 2006–07 was K.G. "Rusty" Smith, Florence County Council Chairman and First Vice President of the Association.

The Legislative Committee is comprised of 75 members: each county council chairman or their designee (46) and the SCAC Board of Directors (29). An additional 25 members with expertise in various policy areas are appointed by the SCAC President to serve on one of four steering committees:

- **County Government & Intergovernmental Relations**
- **Land Use, Natural Resources & Transportation**
- **Public Safety, Corrections & Judicial**
- **Revenue, Finance & Economic Development**

The Committee begins its work by requesting input from more than 1,200 county officials and employees. Those suggestions may be issues that crop up on a daily basis in a particular office, issues that have come up in the process of developing a new project, or issues that are brought to the Association by other groups or agencies.

These suggestions are assigned to the appropriate steering committees for their review at work sessions in September and November. The County Council Coalition also provides input to the steering committees on the draft policy positions. After review and study, the steering committees develop initial policy positions for consideration by the SCAC Legislative Committee in December.

In December 2006, SCAC's Legislative Committee adopted numerous policy positions to set the course for the 2007 Legislative Program. Those positions were published in a document entitled ***Policy Positions for the 2007 Session of the South Carolina General Assembly***. These policy positions are also available on the SCAC website — www.sccounties.org. Once policy positions are adopted, it is the responsibility of the membership and the SCAC staff to advocate for their implementation.

The Association provides a number of tools to get county officials involved in the legislative process. The ***Friday Report*** is the most valuable of these. The ***Friday Report*** is prepared and sent via e-mail or regular mail every Friday of the legislative session. It is also available on the SCAC website. This publication keeps county officials informed about legislation that affects county government operations. It may be the only place certain bills of interest to county officials are discussed in any detail. It also provides a forum to discuss the impact of legislation upon county functions.

SCAC's staff works throughout the week to prepare information for the ***Friday Report***. There are numerous subcommittee and committee meetings attended each week by staff who monitor the discussions and report this information to county officials. The actions of the House and Senate are monitored every day the General Assembly is in session. That includes the review of each bill or amendment introduced in the House or Senate and requesting input from county officials to determine its impact upon county government. When legislative action is occurring too quickly for the ***Friday Report*** to deliver, special ***Legislative Alerts*** are faxed or e-mailed, or individual telephone calls are made.

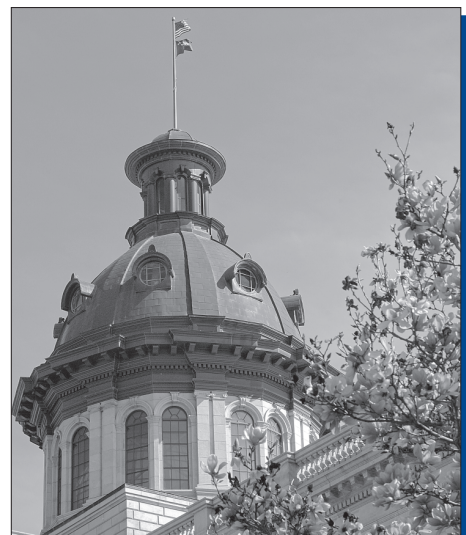
All of these steps are taken to support, amplify and target the voices of county officials so that our participation in the legislative process is timely and effective. This was a tough year. However, thanks to the hard work of numerous county officials, the 2007 Session of the General Assembly was a very successful year for SCAC's Legislative Program.

During the 2007 legislative session, 2,159 bills were introduced. SCAC monitored more than 700 of these bills that affected counties; thus, one of every three bills introduced was tracked or monitored by SCAC.

SCAC achieved the following legislative priorities this year:

- **Act No. 57** (S. 367, R. 89) — makes several changes to clean up last year's property tax legislation. For purposes of the local government millage increase limitation, if an entity experiences a reduction in population, the percentage change in population is deemed to be zero. Please note a June 8 **Technical Bulletin** providing an overview of millage rate limitations that is available on the SCAC website.
- **Act No. 110** (S. 91, R. 107) — makes several property tax changes and broadens the allowed investment options for political subdivisions.
- **Act No. 116** (H. 3749, R. 177) — is one of the omnibus tax bills that was ratified this session. It contains many of the provisions in R. 107 and adds some additional property tax provisions.
- **Act No. 111** (S.332, R. 163) — reforms the state's workers' compensation laws. The most notable provision of this legislation is that it does away with the Second Injury Fund as of July 1, 2013. This legislation should temper workers' compensation insurance premium increases during the coming years.
- The State Budget for FY 2007–08 includes **Proviso 37.36** entitled "Quota Elimination" and \$1.9 million to fund the Department of Corrections to increase their Reception and Evaluation capacity sufficiently to eliminate the bottleneck in receiving sentenced prisoners from counties.
- **Act No. 45** (H. 3456, R. 71) — permits local governments and individuals to remove abandoned and derelict mobile homes through the magistrates' courts. Local governments are permitted to levy a fee, not to exceed \$25, on mobile homes when they are registered in the county. The fee is to defray costs of removing derelict mobile homes.
- **Act No. 113** (S. 65, R. 170) — was amended to address a concern raised by several county attorneys and planners regarding a provision in Act No. 45 that prohibits the issuance of permits where the government had notice of restrictive covenants. The amended language clearly requires **actual** notice of a restrictive covenant from the permit application, material accompanying the application, or from other sources (including the property owners). If the permitting agency receives actual notice, it must not issue a permit that is contrary to, conflicts with, or is prohibited by the covenant. The permitting agency is not required to conduct searches in records offices for covenants.

During the 2007 legislative session, 2,159 bills were introduced. SCAC monitored more than 700 of these bills that affected counties; thus, one of every three bills introduced was tracked or monitored by SCAC.



Successes because they **didn't** pass:

- **Local Spending Limitation** (H. 3615) — This bill would cap local expenditures from all sources at the previous year's level plus an increase equal to the increase in the Consumer Price Index plus population growth. This legislation would impede home rule and hinder local economic development.
- **Eminent Domain and Bad Neighbor Bill** — The Eminent Domain Study Committee has not finalized a report and will continue to meet through January, 2008. The study committee will produce a report with recommendations to the legislature that will be the basis of future legislation on eminent domain. The concept of the "Bad Neighbor Bill" would change our constitutional provisions and standards of governing when compensation is due a landowner.

A comprehensive overview of results of the legislative session was prepared and distributed by the Association staff at the conclusion of the session. That publication is entitled ***Acts Affecting Counties*** and gives county officials notice of new or revised laws that may affect county government or the manner in which we serve our counties.

Legal Assistance Program

The Association's legal staff responds to numerous requests from county officials through phone, letter, and e-mail seeking guidance and advice on legal issues affecting county government operations. The staff works through the county attorney and outside counsel, if retained by a county, on these issues.

The Association's legal services include providing informal telephone consultations, researching and providing pertinent statutes, case law and Attorney General's opinions on request, assisting counties involving statewide interest at the trial and appellate levels, preparing informal advisory opinions and appearing as an *Amicus Curiae* (friend of the court). This year, five significant cases of interest for SCAC members were pending or decided in the courts.

- In a case dating back to 2004, ***Hardin v. SCDOT***, Horry County asked the Association to take a position in support of the Department of Transportation. The issue in *Hardin* was whether and to what extent owners, whose property is not taken, must be compensated when governments use the police power to change traffic flow, thereby reducing the value as commercial property. The Court of Appeals had, over the last decade or so, expanded the scope of what property interests must be compensated. The Association staff filed an *Amicus* brief in support of the Department's request that the Supreme Court take up the issue on appeal. The Department's motion was granted, and the case has now been decided along with a similar case, ***Tallent v. SCDOT***, in the Supreme Court. On February 12, 2007, the Court agreed with the position taken by the Association, concluding that the focus of whether a road configuration amounts to a taking is on how the reconfiguration affects the property owner's easements to access the public road system; and that the Department's reconfiguration of the divided highway and road did not constitute a taking.
- In November 2005, Newberry County requested staff assistance in its defense in the case of ***Eagle Container v. Newberry***, which involved the siting of a construction and demotion (C&D) landfill in the county in violation of the county's zoning ordinance. SCAC Staff filed an *Amicus* brief in support of Newberry County's position on August 3, 2006. The case is still pending with oral arguments yet to be scheduled.
- In December 2005, the Association was asked to assist Barnwell County in the case of ***Barnwell County v. Fickling***, which involved the distribution of Title IV-D funds. SCAC staff provided assistance to the county's counsel in this suit. The suit was settled prior to a trial on the merits.

- In October 2006, Anderson County requested staff assistance and support of the Anderson County Administrator in *M. Cindy Wilson v. Joey R. Preston*, a case involving the issue of attorney-client privilege in light of statutory authority governing the county council-administrator relationship. On June 4, 2007, SCAC staff filed an *Amicus* brief in support of the Anderson County Administrator. The case is still pending in the Supreme Court, and oral arguments have yet to be scheduled.
- In May 2007, Laurens County requested staff support of Laurens County's position in *Crusader Servicing Corp. v. Laurens County and Southeastern Housing Foundation*, a case involving whether a county and an original property owner are joint and severally liable for interest paid to the original property owner, as opposed to the successful bidder, amidst fluctuating tax exemption rulings by the State Department of Revenue. The case is pending in the Court of Appeals and is in the initial briefing stages from the parties.

Also in December of 2006, SCAC sponsored the **S.C. Local Government Attorneys' Institute**. This year's Institute featured presentations by USC Law School Professor John Freeman; the Honorable Alison Lee, Circuit Judge at Large; the Honorable Reginald Lloyd, U.S. Attorney; the Honorable Trey Gowdy, Solicitor — 7th Judicial Circuit; Cathy Hazelwood, S.C. Ethics Commission; Linda P. Edwards, Gignilliat, Savitz, and Bettis; and the Honorable Marvin Kittrell, Chief Administrative Law Judge, among several others.

Consistently, more than 230 attorneys attend the Institute each year. The Institute remains one of the largest seminars for public sector attorneys in the state and is attended by attorneys from the counties, municipalities, and state agencies. This event remains a favorite CLE function as it consistently provides a forum for legal instruction through dynamic faculty with valuable opportunities for networking and fellowship. The program qualifies for six hours of Continuing Legal Education.

Financial Service Programs

Self-Funded Insurance Programs

The Association sponsors two self-insurance pools which are open to member counties and to agencies with county government-related functions. The **S.C. Counties Workers' Compensation Trust** was formed in the fall of 1984 by the SCAC Board of Directors in response to a crisis in the commercial insurance market. Similarly, the **S.C. Counties Property & Liability Trust** was formed in August 1995, in response to rapidly rising liability insurance premiums.

Boards of Trustees S.C. Counties Workers' Compensation and Property & Liability Trusts



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Orangeburg County
Council Member



Waymon Mumford
Florence County Council
Vice Chairman



William T. Noonan
Sumter County
Administrator



SECRETARY/TREAS.
Michael B. Cone
SCAC Executive Director

Both the Workers' Compensation and the Property & Liability Trusts are governed by Boards of Trustees appointed by the SCAC Board of Directors. All trustees are county officials — county council members and chief administrative officers.

The Workers' Compensation Trust currently has 87 members, including 44 of the 46 counties. The Property & Liability Trust has 25 members, including 17 counties. The Trust also employs independent auditors and actuaries to ensure the pools are financially strong. The key to the success of both programs is the adoption and enforcement of strong risk management programs by participating member counties.

Since 1999, the entire administration for the Property & Liability Trust has been handled in-house by SCAC staff. General administration and risk management for the Workers' Compensation Trust are also handled in-house by staff, with claims management provided under contract by Companion Property & Casualty Company.

The insurance industry continues to be affected by the cost of reinsurance and excess insurance. Many excess carriers no longer write business in South Carolina. This has reduced the ability to obtain excess insurance at a reasonable rate and retention level, especially for the Workers' Compensation Trust.

Workers' compensation rates in South Carolina continue to increase as evidenced by rate increase requests to the Insurance Department from the National Council on Compensation Insurance (NCCI). These rate increases are driven by Second Injury Fund (SIF) assessments, increases in awards by the Workers' Compensation Commission, increases in the cost and utilization of medical treatment, and excess insurance cost. In addition to the SIF factor in rates, the SIF assessment is a direct cost that is passed on each year to the Trust for payment.

In June, the Governor signed into law a reform bill for the workers' compensation law. This is a significant piece of legislation. It addressed all but one issue the Association had supported (strict construction of the statute). It abolished the Second Injury Fund, it changed the award for a 50% disability to the back (no longer automatically a permanent and total injury), and it reversed several recent liberal decisions of the Supreme Court. The Association, operating with other members of the S.C. Self-Insurers Association, actively worked for passage of this legislation. Because the bill is so comprehensive, it will take some time to realize what effect the reforms will have. Immediate rate reductions are not anticipated; however, if premium rates stabilize and if insurers can predict their losses, the system will be vastly improved.

Setoff Debt/GEAR Collection Programs

The Association assists participants in the **Setoff Debt Collection Program** to collect delinquent accounts and debts through the S.C. Department of Revenue. 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 amount of the debt, which is returned to the participating member through the Association. Over \$39 million has been returned to county participants in 2007.

The Association is also working with the Department of Revenue to collect debts under the **Governmental Enterprise Accounts Receivable (or GEAR) program**. Using GEAR, delinquent debts may be collected through additional methods such as garnishment of wages and seizure of bank accounts. To date in 2007, SCAC has returned over \$5.1 million to GEAR participants.

Since 2001, the Association's collections for counties have grown from \$27.1 million to \$44.1 million, a 63 percent increase. The number of county entities participating in the program has increased from 81 entities in 2001 to 148 entities in 2007. Much of this growth can be attributed to an increase in participation by county courts.

SCAC is continuing to implement technological improvements to the program. This year, SCAC released an improved Windows version of the debt collection software that provides more management tools and introduces greater compatibility with other software applications. The new software simplifies procedures for viewing and managing data; electronically sending and receiving encrypted data files; printing the required notification letters; and uploading new addresses from the tax system. The software is simple to use and has proven very successful with our participants.

SCAC has also released a new SCAC debt collection website linked from www.sccounties.org. This website provides tools for participating in the debt collection programs showing step-by-step procedures; a calendar of important dates; payment schedules; data formats; forms; and links to legislation and online resources.

SCAC is continuing to provide services for electronic bank deposits to our county participants. This has allowed participants to receive their money quicker, with greater security and less paperwork. SCAC is also continuing to monitor HIPAA regulations to ensure compliance with all new privacy and security requirements for medical-related information. SCAC has signed business associate agreements with participants to safeguard this information. We also continue to maximize safeguards in transferring data electronically and in sharing information with our participating counties.

The Setoff Debt and GEAR Collection programs return monies for county operations such as emergency medical services, court fines and fees, delinquent taxes, solid waste services, hospitals, business licenses, water and sewer services, housing services and recreation services. These programs have proven very successful in allowing counties to continue to collect debts which would otherwise go uncollected.

Cooperative Agreements

Office Products Purchasing Program

Since 1997, the Association has participated in a purchase agreement program for office products sponsored through NACo and U.S. Communities. The program allows counties to obtain most office products at discounts of approximately 60 percent below market price. The program uses the purchasing power of a vast number of local governments to develop a large enough account to justify the deep discounts. Under this program, even the smallest governmental entities can purchase office products at a cost lower than can be obtained from a competitive bid by the largest counties in this state.

Surplus Equipment — GovDeals

The Association also participates in a program for internet auction of surplus equipment through GovDeals.com. GovDeals provides a platform for county and local governments to sell surplus equipment and assets and confiscated and seized assets via online auction. Currently, GovDeals has over 1,300 clients in 37 states with 71 governments and agencies in South Carolina. Included in this figure are 20 participating county governments, seven of which joined the program for the first time since last year's conference.

Since the program's inception in early 2004, assets valued at \$6 million have been sold by South Carolina counties through GovDeals. The benefits provided by GovDeals to our county governments are primarily increased revenue from surplus equipment and assets—most clients claim



20 to 50 percent more revenue from assets and equipment than they had ever received via local public auction. Added benefits are reduced asset depreciation and reduced storage and transportation costs, because GovDeals allows governments to sell equipment and assets immediately without need of long-term storage in anticipation of a local auction.

Cooperative agreements offer significant benefits to Association members, including a platform for selling surplus equipment and seized assets via online auction.

Cable Franchise Agreements

Last year, the Association entered into an agreement with Telecommunications Consulting Associates (TCA) to assist counties with cable television franchise agreements subsequent to the passage of the South Carolina Competitive Cable Services Act, which provides for state-issued cable franchise agreements.

Counties can no longer issue local cable franchise agreements and, under certain circumstances, existing franchises can be terminated by incumbent cable providers. Provisions in the Act address compensation counties can receive in exchange for cable providers' use of the public rights of way and also allow counties to establish PEG (public, education and government) channels. Under the agreement, TCA assists counties in protecting their interests under the Act. Additionally, TCA offers a wide range of services relating to communications through the existing contract.

GASB 45/OPEB Program

The Association staff is currently developing a new program to assist counties in dealing with a new requirement to account for funds committed to other (than pension) post employment benefits (OPEB) for their employees. In 2004, the Governmental Accounting Standards Board published a new standard that requires both state and local governments to compute and to publish their amount of OPEB liability as it is "earned" by the employees. Although the only requirement is to compute the liability and include it in the audited financial statements, it is anticipated that many state and local governments will begin to set aside funds for this purpose. Failure to pre-fund OPEB requirements could eventually degrade a government's bond ratings.

The Association has entered into an agreement with Gabriel, Roeder, Smith & Company, a nationally-recognized actuarial firm experienced with GASB 45/OPEB requirements, to assist counties in determining their OPEB liabilities. Additionally, the Association is in the process of creating a trust that would allow counties to pool their OPEB funds and to invest them in instruments yielding the highest rate of return, in the same manner as State agencies. The staff will continue to inform counties of the progress in the development of this program.

Publications and Public Information

SCAC publishes an annual *Directory of County Officials* listing addresses and telephone numbers of county offices and their elected and appointed officials. The Association also publishes *Carolina Counties* newsletter five times a year to keep the Association's membership informed about legislation and various county news. *County Focus* magazine is published four times a year and features articles on county trends, innovations and other subjects of interest to county officials and includes a section called *County Update*.

SCAC received a "Best in the Business Award" for *Carolina Counties* Newsletter from the South Carolina Society of Association Executives in SCSAE's 2007 Awards Program. SCAC also received a Meritorious Award for Writing in the 2007 Awards of Excellence Competition, sponsored by the National Association of County Information Officers, an affiliate of the National Association of Counties. SCAC received an Award of Merit for *Carolina Counties* in the 2006 Palmetto Awards Competition, sponsored by the International Association of Business Communicators.

Other SCAC publications include:

- *Acts That Affect Counties*
- *Alternate Sources of Revenue for Counties*
- *Case Law Affecting Counties*
- *County Profiles*
- *Freedom of Information Handbook*
- *Handbook for County Government*
- *Home Rule Handbook*
- *Legislative Policy Positions*
- *Legislative Priorities*
- *Model Rules of Parliamentary Procedure*
- *NACo/SCAC Leadership Handbook*
- *Property Tax Rates*
- *Revenue Resources*
- *Wage and Salary Survey*

Closing

SCAC is fully committed to providing an array of service programs to help county officials better serve their citizens. The President's Report summarizes these service programs and the activities that occurred in these program areas over the past year.

The Association is in excellent condition and is well-positioned to continue to meet the ever-changing needs of county governments into the 21st Century. The SCAC President and Board of Directors are confident that the Association will continue to meet the service needs of South Carolina county governments...now...and into the future!



South Carolina Association of Counties:
Building Stronger Counties for Tomorrow

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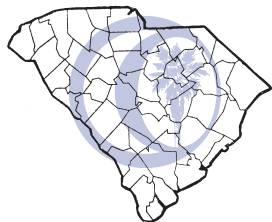
Marty D. Barwick

Preparing Counties for Tomorrow ...



WHAT IS THE SCAC?

The South Carolina Association of Counties, chartered on June 22, 1967, is the only organization dedicated to statewide representation of county government in South Carolina.



A nonpartisan, nonprofit organization with a full-time staff in Columbia, the SCAC is governed by a 29-member Board of Directors selected

by county officials at the Association's Annual Conference.

Counties have made tremendous progress since the enactment of the Home Rule Act in 1975. A lot has changed, and so has county government. As county government becomes more important to the quality of life in the state, the SCAC is committed to preparing county officials for the 21st Century and beyond.

CONFERENCES

■ SCAC provides many opportunities for county officials to meet and learn, among them:

★ **Mid-Year Conference** — Held in late winter in Columbia, this conference enables all county officials to become better informed about the Association's legislative program. The Association also hosts a reception for all members of the legislature during this conference.

★ **Annual Conference** — Held in August, this conference is open to all elected and appointed officials. The conference includes a business session, general session, workshops, group meetings, and exhibits of county products and services.

★ **Legislative Conference** — Held in December, this conference allows members of the Legislative Committee to discuss and adopt a legislative program for the upcoming year. The committee is composed of each Council Chairman along with the Association's Board of Directors.

EDUCATION

■ The Association, in cooperation with the Institute for Public Service and Policy Research at the University of South Carolina and the Strom Thurmond Institute at Clemson University, conducts an Institute of Government (Level I, Level II, and Advanced Level) for County Officials.

This certificate program helps county officials enhance their skills and abilities. Courses are offered at the Annual and Mid-Year Conferences and at the County Council Coalition Meeting in the fall.

SCAC also sponsors a number of workshops throughout the year on specific issues and works with the South Carolina Educational Television Public Services Network to provide several teleconference training opportunities to county employees. The Association has prepared an educational video entitled **SOUTH CAROLINA COUNTIES: GOVERNMENT THAT WORKS!**

FINANCIAL SERVICES

■ The SCAC offers a number of financial services to its member counties. SCAC sponsors two self-funded insurance Trusts, designed specifically to meet the needs and requirements of local government agencies, including the Workers' Compensation Trust and the Property and Liability Trust. In cooperation with the National Association of Counties Financial Services Center, SCAC is now offering purchase cooperative agreements with Office Depot, GovDeals.com, Tariff Billing Specialists Corp., Bencor, Inc., and the Insurance Center for Local Government.

LEGAL ASSISTANCE

■ SCAC provides legal assistance to county governments by rendering legal opinions, preparing Amicus Briefs, drafting ordinances, and consulting with other county officials.

The Association provides support to counties involved in litigation, which might affect other counties. It also sponsors the Local Government Attorneys' Institute, which provides six hours of continuing legal education for local government attorneys.

SETOFF DEBT PROGRAM

■ South Carolina counties are able to collect delinquent emergency medical services debts, magistrate and family court fines, hospital debts, as well as other fees owed to the counties through SCAC's Setoff Debt Collection Program.

Debts are submitted through the Association to the South Carolina Department of Revenue to be matched with income tax refunds. The debt is deducted from a refund and returned through SCAC to the claimant.

LEGISLATIVE INFORMATION

■ The South Carolina General Assembly convenes each January in Columbia and adjourns sine die in June. One in every four bills introduced affects county governments.

SCAC monitors each bill as it is introduced and keeps its members up-to-date on all legislative activity with a weekly **FRIDAY REPORT**. The Association also dispatches Legislative Action Alerts and publishes **ACTS THAT AFFECT COUNTIES**.

PUBLIC INFORMATION

■ The SCAC publishes an annual **DIRECTORY OF COUNTY OFFICIALS** listing addresses and telephone numbers of county offices and their elected and appointed officials. The Association also publishes **CAROLINA COUNTIES NEWSLETTER** five times a year to keep the Association's membership informed about legislation and various county news. **COUNTY FOCUS MAGAZINE** is published four times a year and features articles on county trends, innovations, and various other subjects of interest to county officials. The magazine includes a section called "County Update."

RESEARCH AND TECHNICAL ASSISTANCE

■ SCAC provides research and technical assistance in many areas to those counties which request it. The Association staff annually responds to hundreds of inquiries from county officials ranging from simple requests for a sample ordinance to more complex questions requiring considerable research. The Association also develops technical research bulletins and conducts surveys on a variety of subjects. Regular publications such as the **ANNUAL WAGE AND SALARY REPORT**, **ACTS THAT AFFECT COUNTIES**, **HOME RULE HANDBOOK**, **HANDBOOK FOR SOUTH CAROLINA COUNTY OFFICIALS**, and **CASE LAW AFFECTING LOCAL GOVERNMENT** are

made available to county officials. SCAC's World Wide Web site address is:

<http://www.sccounties.org>

The site provides county officials with the latest information on SCAC programs, services, and meetings as well as legislative information, research and survey results, and links to other local government resources.

SCAC BOARD OF DIRECTORS

Terms Expire 2010

Charles Arthur Beasley, Lee County Council Chairman
Gonza L. Bryant, Greenwood County Council
Charles T. Edens, Sumter County Council
Steve S. Kelly Jr., Kershaw County Council Chairman
James N. Kier, Greenwood County Manager

Terms Expire 2009

Julie J. Armstrong, Charleston County Clerk of Court
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R. Carlisle Roddey, Chester County Supervisor
W.R. "Skeet" Von Harten, Beaufort County Council Vice Chairman

Terms Expire 2008

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Alzena Robinson, Bamberg County Council
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NACo Board Member

Barbara A. Scott, Richland County Clerk of Court

S.C. Counties Workers' Compensation and Property & Liability Trusts Chairman

David K. Summers Jr., Calhoun County Council Chairman



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