



South Carolina
Association of Counties



2008 *President's Report*

President K.G. "Rusty" Smith Jr.

41ST ANNUAL CONFERENCE • JULY 31–AUGUST 3, 2008
HILTON HEAD MARRIOTT RESORT & SPA

SCAC 2007–2008 OFFICERS

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Florence County Council Chairman

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South Carolina Association of Counties

K. G. "Rusty" Smith, Jr., President
Florence 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. This 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 upon 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,

K. G. "Rusty" Smith, Jr.

Florence County Council Chairman

2007-2008 SCAC President

PRESIDENT'S REPORT

South Carolina Association of Counties

41ST ANNUAL CONFERENCE • JULY 31–AUGUST 3, 2008
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President K.G. "Rusty" Smith Jr.

*This Report to the Membership of the South Carolina Association of Counties
Covers the Period from August 2007 to August 2008*

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. SCAC's 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 members. In addition, the training room provides a comfortable environment for SCAC training programs and teleconferences. Numerous state and local government groups also use the building's facilities for their meetings.



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 members of the S.C. General Assembly during the 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 vendor 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*).

Ed Thomas of USC with Joyce Dickerson of Richland County Council; Anthony McDonald, Richland County deputy administrator and Ashley Jacobs, Dorchester County deputy administrator in the Level I Institute of Government class on Developing Good Leadership Skills.

Teleconference Training

For more than 12 years, SCAC has provided education and training through the use of teleconferences to better serve county officials and employees. Through its partnership with 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, SCAC's teleconferences are a valuable tool for providing training to employees at NO COST to the counties. The success of the teleconferences can be seen by the numbers of counties and employees who participate regularly.

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

SCAC 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.

SCAC 2007-2008 Teleconference Training Programs

- On Aug. 23, 2007, Merry Taylor of Taylor & Associates conducted a teleconference on **Supervisory Training—Skills for Success as a Supervisor**. The seminar focused on key skills crucial to a supervisor's success and tips for those transitioning to a supervisor's role. More than 400 county employees from 21 counties participated in the teleconference.
- SCAC's final teleconference for 2007, **Making Affordable Housing Happen: A Key Element of the Comprehensive Plan**, provided another opportunity for three hours of continuing education credit for planning and zoning officials and employees. The teleconference, held Nov. 15, was led by Tammie Hoy, executive director of the Lowcountry Housing Trust Fund, and featured a panel of practitioners, developers and housing advocates. More than 350 county officials from 25 counties viewed this presentation.
- Three teleconferences were planned for 2008. On May 29, Linda Edwards of Gignilliat, Savitz & Bettis, conducted a **Personnel Issues Update**. More than 600 county officials from 28 counties registered for the program. Topics covered included employee handbooks, discrimination and harassment, drug testing, grievance procedures and employment at will. Updates were also provided on the Fair Labor Standards Act, the Family Medical Leave Act and the Americans with Disabilities Act.
- On Sept. 4, Taylor & Associates will offer a **Customer Service** teleconference. This session will focus on employees who serve the public. Participants will learn how to establish immediate confidence and rapport with customers; become effective, empathetic listeners; handle complaints from angry customers and remain cool in emotionally-charged situations.
- A final teleconference (TBD) is scheduled for Nov. 13.

Training for Local Planning/Zoning Officials and Employees

Orientation Training

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. SCAC is continually rebroadcasting its successful **Orientation Training** 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 the 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.

Continuing Education

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.

More than 400 county officials and employees representing 28 counties registered for the original telecast on May 18, 2006.

On Nov. 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. More than 400 county employees from 25 counties participated in this live telecast.

A third continuing education course, **Making Affordable Housing Happen: A Key Element of the Comprehensive Plan**, was televised on Nov. 15, 2007. Led by Tammie Hoy, executive director of the Lowcountry Housing Trust, the panel included Geona Shaw Johnson, director of Housing and Community Development for the City of Charleston; Bob Holt, a private for-profit developer of affordable housing with the Charleston Development Corp. and John DeLoach, SCAC staff attorney. Over 350 county officials from 25 counties viewed the presentation from a downlink site or at the ETV studios.

As with orientation training, all three continuing education teleconferences are rebroadcast on a regular basis (check the SCAC website for schedules). All programs are also available on DVD on loan from the SCAC offices.

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.

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, Aug. 1, from 2–3 P.M. and repeated from 3–4 P.M.:

- A “Cellution” for Managing Your Cellular Expenditures

- **Gang Intervention: How to Address Gangs in Your County**
- **Multiple Accountabilities, Inevitable Misunderstandings**
- **NACo's Prescription Drug Card Program: Too Good to be True?**
- **Planning for Your Retirement**
- **Still Living with Act 388 (Property Tax Reform)**

SCAC Scholarship Programs

Since the establishment of its scholarship program in 1998, SCAC has awarded \$38,000 in scholarships to 19 students. This year, the Association proudly awarded two scholarships to high school seniors planning to attend a South Carolina college or university this fall.

A \$2,000 **Presidential Scholarship** is awarded annually to a graduating high school senior who resides in the same county as the current SCAC President (K.G. “Rusty” Smith Jr., chairman of Florence County Council). **Kasey C. English**, a senior at South Florence High School, was awarded our 2008 Presidential Scholarship.

A \$2,000 **Board of Directors Scholarship** is also awarded each year to a graduating high school senior who is a resident of a county chosen by lot by the Association. This year, Laurens County was selected for the award. **Anna E. Wilson**, a senior at Laurens District 55 High School, was awarded our 2007 Board of Directors Scholarship.

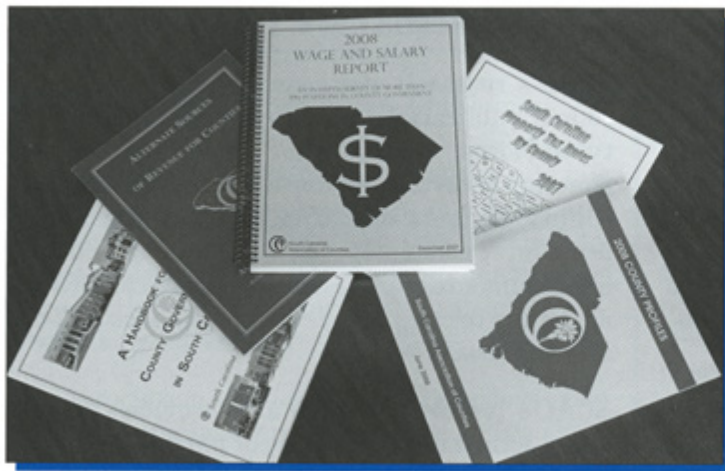
The Presidential Scholarship Selection Committee was chaired by Dennis N. Lambries of the Survey Research Lab, Institute for Public Service & Policy Research, USC.

Other members of the committee were Diane B. Anderson, Laurens County Council vice chairman, and Rose Dobson-Elliott, Bamberg County administrator.

The Board of Directors Scholarship Selection Committee was chaired by Waymon Mumford, Florence County Council vice chairman. Other committee members were Belinda D. Copeland, Darlington County Treasurer, and L. Gregory Pearce Jr. of Richland County Council.

SCAC's scholarship selection committees met in April to evaluate applicants for these awards. Applicants must complete an application form and write an essay about their goals and aspirations. They are also required to submit two letters of recommendation, a transcript and a description of their community involvement. Financial need—as it relates to the receipt of other scholarship awards—is also considered by the committees.

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 commemorative plaques in the SCAC offices in Columbia and announcing the awards in the Association's newsletter, **Carolina Counties**.



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 during the past year includes topics such as aircraft assessment ratios, animal control procedures, solid waste host agreements, veterans' affairs staffing, status of flood map updates, county appropriations to armories, county FOIA policies and installment payment of property taxes. Once responses are finalized for each survey, a summary of results is published on the Association's website.

Property Tax Report

SCAC produced **2007 Property Tax Rates by County** in January 2008. 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 mil-

lages, municipal millages, special purpose and special tax district millages, special fees, industrial abatements, local option 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 S.C. Department of Commerce, the 2008 report is the third annual edition published by SCAC.

County Profiles

The third edition of the County Profiles report, published in June 2008, presents a wide array of relevant and useful county information gathered from a variety of state and federal sources. 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.

In addition to the printed publication, individual county profiles and county tables are maintained online and continually updated throughout the year as information becomes available. This allows website users to access dynamic, up-to-the-minute statistics by selecting individual counties or county tables.

Wage and Salary Survey

The *2008 Wage and Salary Report* was published in December, 2007. This annual publication presents the results of SCAC's survey of more than 175 county government positions and is also available online. In addition to detailed salary data by county and position, the publication includes information on annual and sick leave benefits, holidays, budgets, payrolls, and employee totals.

Preliminary work for the FY 2009 Wage and Salary Survey is currently underway, and the resulting publication is expected to be released in late 2008.

Website

SCAC's website, www.sccounties.org, is an integral part of the Association's communications program. It is also the primary internet resource for information about South Carolina's counties and issues affecting county government.

The website enhances communication between SCAC, county officials and other related individuals and groups. SCAC provides immediate, online access to information about our services, meetings, legislative initiatives, research, training opportunities, legal assistance, financial programs and publications.

The website also includes links to listserve forums for county chief administrative officers, county risk managers, and registration and election officials.

Users can access general information for all 46 counties—including the 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.

County Resources

SCAC's research web pages make a variety of county publications, obtained from various county websites, available 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 on-line services.

SCAC's research website also provides the latest practical data on issues of particular importance to counties, such as the most recent Local Government Funds and Millage Rate Caps.

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 for a particular topic of interest, such as county millage rates or county employment.

In November, SCAC's staff began working to redesign the website to incorporate a fresh, contemporary design, provide quick links to the most timely topics, reorganize content for better browsing, and provide a search engine and A-Z index.

The website will also include an administrative feature to permit each county's clerk to council to update the web page that displays contact information for their local officials—ensuring that this information is as accurate as possible. The Association looks forward to unveiling the new website design this fall.

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 Association's policy positions are developed by county officials through its Legislative Committee. SCAC First Vice President L. Gregory Pearce Jr. (Richland County Council) was the Legislative Committee chairman for FY 2007-08.

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 Legislative 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 SCAC's Legislative Committee in December.

In December 2007, SCAC's Legislative Committee adopted numerous policy positions to set the course for the 2008 Legislative Program. Those positions were published in a document entitled ***Policy Positions for the 2008 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 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 also 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 news, 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 2008 session of the General Assembly was a very successful year for SCAC's legislative program.

During the 2008 legislative session, 1,605 bills were introduced. Additionally, the General Assembly continued to consider most of the 2,159 bills introduced in the 2007 legislative session.

Of 3,764 bills introduced in the two-year session, the Association monitored more than 1,050 bills that affected counties; thus, one of every three bills introduced was tracked or monitored by SCAC.

During the second year of a legislative session, success is often defined in terms of legislation that was prevented from passing in addition to bills that passed.



SCAC President K.G. "Rusty" Smith Jr. (Florence County Council chairman) presides over the Association's 2007 Legislative Conference as L. Gregory Pearce Jr. looks on. Pearce, of Richland County Council, served as the 2007 Legislative Committee chairman.

Legislative Successes: Bills That Didn't Pass

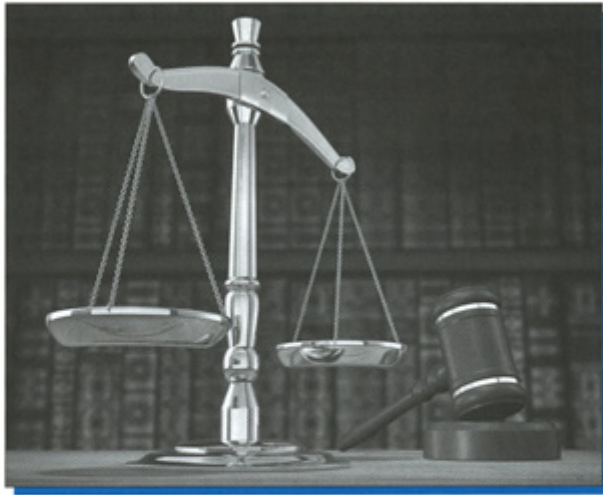
- **Repeal of Home Rule Constitutional Provisions** (S. 1105) — this bill would have repealed the prohibition of single county legislation, which was a cornerstone of the 1973 Home Rule Act. S. 1105 would have effectively ended home rule. Without this provision, county council decisions could be reversed by the legislative delegation, and special purpose districts would be given a new life.
- **Local Government Spending Limitation** (H.3615/S. 718) — would have capped 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 was drafted as a state spending limitation, but moved to a spending limitation on counties.
- **Municipal Annexation** (H. 3642) — This bill was intended to liberalize annexation. SCAC has been diligent in monitoring annexation legislation to ensure that the elements of our legislative agenda are incorporated into any proposals.
- **Online Spending Registries** (S. 1144/ Proviso 89.2) — This proposal would have required every expenditure of \$100 or more to be posted with a detailed explanation to a searchable website, which must be updated monthly. Proviso 89.2 required state aid to subdivisions funding to be withheld, if a county failed to provide an online, searchable database of all county financial transactions and credit card expenditures.
- **Food Exemption from Local Sales Tax** (H. 4355) — This bill would have exempted food from all local option sales taxes.
- **Municipal Capital Projects Sales Tax** (H. 4378) — would have allowed a municipality to hold a referendum for a capital projects sales tax within its boundaries. Although there was no legal prohibition for an additional county-wide capital projects sales tax, it is unlikely that voters in a municipality would support a second bond penny. Had the bill passed, the current county/municipal joint capital projects sales tax would be rendered useless.
- **Stormwater Fee Exemptions** (H. 4337) — would have exempted agricultural and undeveloped land from fees imposed for stormwater, sediment or erosion control.
- **State Holidays** (S. 36) — would have required political subdivisions that receive state funds to observe state holidays.

Legislative Successes: SCAC's 2007-08 Priorities

- **Act No. 184** (R. 203, S. 652) — amends §12-37-250 by allowing a person who is age 65 or older, is permanently and totally disabled, or is legally blind to file an application for the homestead property tax exemption with the county auditor by mail, when accompanied by documentation of age, disability or blindness; or by internet, if the auditor has access to official records documenting the appropriate eligibility.
- **Act No. 210** (R. 248, H.3451) — allows counties to set up electronic land title recording systems.
- **Act No. 269** (R. 321, H. 3326) — authorizes a law enforcement agency to seek reimbursement for the cost of training, including salary, if another law enforcement agency hires one of its officers within two years of completing the mandatory training.
- **Act No. 280** (R. 327, H. 4400) — requires all employers to verify the legal status of newly-hired employees through the federal E-verify program or a valid driver's license/ID card issued by the S.C. Department of Motor Vehicles.
- **Act No. 304** (R. 381, H. 4334) — requires a criminal background check prior to employment as an EMT or upon renewal of an EMT license.
- **R. 245, H. 3279** — creates a committee to study mass transit and human services transportation programs and whether a state agency is needed to coordinate transportation issues. The committee will make recommendations to promote increased use of mass transit.
- **Act No. 313** (R. 359, S. 1171) — amends §12-6-3310 to allow limited liability companies to qualify for certain economic development incentives in the same manner as corporations. The act also allows a county, by ordinance, to change to 180 days in the aggregate the length of time a boat must be located in South Carolina to be taxed.
- **Act No. 342** (R. 376, H. 3880) — amends the Brownfields Voluntary Cleanup Program by adding petroleum or petroleum products to the list of contaminants for state CERCLA actions. This act also provides liability protection to non-responsible parties that expand, redevelop and/or return contaminated property to use and provides a tax credit for voluntary brownfields cleanup.
- **Act No. 353** (R. 402, S. 530) — the Budget Proviso Codification Act includes Proviso 66.7, which prevents the misuse of license plate transfers. This proviso was codified by amending §56-3-1290 to prevent subsequent transfers of a license plate to the same vehicle without a paid tax receipt for the vehicle.
- **The State Budget for FY 2008-09** fully funded the local government fund according to the statutory formula. The budget includes **Proviso 51.32**, "Quota Elimination," and \$1.9 million to fund the Department of Corrections to increase its Reception and Evaluation capacity sufficiently to eliminate the bottleneck in receiving sentenced prisoners from counties. **Proviso 1.45** suspends the local maintenance of effort requirement in the Education Improvement Act for FY 2008-09.

A comprehensive overview of results of the legislative session was prepared and distributed by SCAC's staff at the conclusion of the session. This publication, *Acts Affecting Counties*, gives county officials notice of new or revised laws that impact county government.

Legal Assistance Program



SCAC's legal services include assisting counties in cases involving statewide interest at the trial and appellate levels. This year, four significant cases were pending or decided in the courts.

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

The Association's legal services include providing informal telephone consultations; researching and providing pertinent statutes, case law and attorney general opinions upon request; assisting counties in cases 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, four significant cases of interest to SCAC members were pending or decided in the courts.

In November 2005, Newberry County requested the Association's assistance in the case of ***Eagle Container vs. Newberry***, which involved the siting of a construction and demolition landfill in the county in violation of the county's zoning ordinance.

At issue was the intent of county council when it amended the zoning ordinance. Arguments also addressed whether county council meeting minutes can be used as evidence to show the council's intent. SCAC staff filed an *Amicus* brief in support of Newberry County's position on

Aug. 3, 2006. The Supreme Court heard the case on May 23, 2008, and an opinion is pending.

In October 2006, Anderson County requested staff assistance and support of the Anderson County administrator in ***M. Cindy Wilson vs. Joey R. Preston***, a case involving the issue of attorney-client privilege in light of statutory authority governing the council-administrator relationship.

Ms. Wilson, a county council member, was seeking certain information protected by county council's attorney-client privilege with the intention of releasing it to the public. On June 4, 2007, SCAC filed an *Amicus* brief in support of the Anderson County administrator. The case was heard by the Supreme Court on Jan. 23, 2008, and an opinion was filed June 2.

The court held in favor of both the county administrator and the council's right to assert the privilege against one of its own members. The decision was 5-0 for the essential points; Justice Beatty dissented on the issue of precluding a member of county council from having access to financial records, which was really not in dispute. Chief Justice Toal filed a concurring opinion, joined by Justice Pleicones, stating that this was really a political matter which the courts should not address.

In May 2007, Laurens County requested staff support of its position in ***Crusader Servicing Corp. v. Laurens County and Southeastern Housing Foundation***. This case involves the issue of whether a county and original property owner are jointly and severally liable for interest paid to the original property owner, as opposed to the successful bidder, amidst fluctuating tax exemption rulings by the S.C. Department of Revenue. SCAC filed its brief on Jan. 17, 2008, and the case is pending in the Court of Appeals.

On May 22, 2008, SCAC's Board of Directors instructed the Association staff to file an *Amicus* brief on behalf of the S.C. Counties Property & Liability Trust and Sumter County for a group of five related lawsuits. The suits were filed by banks after an employee of the Sumter County master-in-equity embezzled funds from a master-in-equity trust account. At issue is whether the master is an employee of the county or of the state.

In December of 2007, SCAC sponsored the S.C. Local Government Attorneys' Institute. This year, the Institute featured presentations by Charles W. Thompson Jr., International Municipal Lawyers Association; USC Law School Professor Michael J. Virzi; the Honorable John W. Kittredge, S.C. Court of Appeals; Jennifer D. Evans, S.C. Attorney General's Office; Ben A. Hagood Jr., Hagood & Kerr; and Samuel C. Waters of Rogers, Townsend & Thomas.

More than 230 attorneys attend the Institute each year. It is one of the largest seminars for public sector attorneys in the state and is attended by attorneys from counties, municipalities and state agencies. This event remains a favorite CLE function—consistently providing a dynamic faculty and valuable opportunities for discussion and networking. The program qualifies for six hours of Continuing Legal Education.

Financial Service Programs

Self-Funded Insurance Programs

The Association sponsors two self-insurance pools, 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.

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 Trusts employ 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 administration of 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 Association 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 insure business in South Carolina.

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



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Sumter County
Administrator



SECRETARY/TREAS.
Michael B. Cone
SCAC Executive Director

This has reduced our 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 costs. 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 2007, the Governor signed into law a reform bill for the workers' compensation law. This significant piece of legislation 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 percent 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 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 losses, the system will be vastly improved.

Setoff Debt/GEAR 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 SCAC. From Jan. 1 to June 30, 2008, more than \$48 million was returned to county participants.

The Association is also working with the Department of Revenue to collect debts through the **Governmental Enterprise Accounts Receivable (GEAR) program**. Using GEAR, delinquent debts may be collected through additional methods such as garnishment of wages and seizure of bank accounts. From Jan. 1 to June 30, 2008, SCAC returned more than \$7 million to GEAR participants.

Since 2001, the Association's collections for counties have grown from \$27.1 million per year to \$55.1 million per year, an increase of 103 percent. The number of county entities participating in the program has increased from 81 in 2001 to 156 in 2008.

SCAC continues to implement technological improvements. This year, the Association expanded the Windows version of the debt collection software, increasing its capacity to manage and transfer data. Updates allow counties to view historical collections for all accounts, to update system addresses with tax return addresses immediately after each match, to print all notification letters/labels, to reconcile account balances after adjustments and to enter/review comments for accounts. The software is simple to use and has proven to be successful with our participants.

SCAC maintains a debt collection website linked from www.sccounties.org. This website provides tools for participating in the debt collection programs with step-by-step procedures, a calendar of important dates, payment schedules, data formats, forms and links to legislation and internet resources.

The Association continues to provide electronic bank deposits to county participants. This allows participants to receive funds quickly with greater security and less paperwork. SCAC also continues to monitor identity theft legislation/rules and HIPAA regulations to ensure compliance with new privacy and security requirements. The Association has signed business associate agreements with participants to safeguard medical-related information. We also continue to maximize safeguards when transferring data electronically and sharing information with participating counties.

The Setoff Debt and GEAR collection programs return monies for county operations such as emergency medical services, court fines/fees, delinquent taxes, solid waste services, hospitals, business licenses, water and sewer services, housing services and recreational services. The programs have proven very successful in allowing counties 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 leverages the purchasing power of a vast number of local governments to develop an account large enough to justify deep discounts. Under this program, 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/assets and confiscated or seized assets via online auction.



Currently, GovDeals has more than 1,800 clients in 40 states, with 106 governments and agencies in South Carolina. Included in this figure are 28 participating county governments, an increase of eight counties since last year.

Since the program's inception in early 2004, South Carolina counties have sold assets valued at \$7.8 million through GovDeals. The benefits provided by GovDeals to county governments are primarily increased revenue from surplus equipment and assets—most clients claim 20-50 percent more revenue from assets and equipment than they had ever received via local public auction. Added benefits are reduced asset depreciation and reduced costs for storage and transportation, because GovDeals allows governments to sell items immediately without need of long-term storage in anticipation of a local auction.

Cable Franchise Agreements

In 2006, SCAC 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 public, education and government (PEG) channels. Through our agreement, TCA assists counties in protecting their interests under the act and offers a wide range of services relating to communications through the existing contract.

Cooperative agreements offer significant benefits to SCAC members, including a platform for selling surplus equipment and seized assets via online auction. Sumter County Sheriff's Deputy Cindy Pierson auctioned a variety of property online through GovDeals.com.

Cellular Phone Cost Monitoring/ Reduction—Cellution, Inc.

In May of 2008, SCAC entered into an agreement with Cellution, Inc. Through the agreement, counties may contract with Cellution at a favorable rate to have cellular phone charges reviewed for compliance with statutes, regulations and their service contract.

Cellution's comprehensive and customizable software allows its clients to dig deep into their bills by monitoring and capturing wireless details that cause overages, erroneous charges and spikes in usage. Cellution also monitors to see if contract services (e.g., text messaging) are used. If the services are not being used, Cellution can work with the county and the cell phone provider to amend the service contract by removing unused/unnecessary services.

GASB 45/OPEB Program

SCAC continues 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 (GASB 45) which requires state and local governments to compute and publish their OPEB liability as it is "earned" by employees. Although the only requirement is to retain an actuary to compute the liability and include it in 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 OPEB/GASB 45 requirements, to assist counties in determining their OPEB liabilities.

Additionally, SCAC unveiled a new trust agreement in June, which will allow counties to pool their OPEB funds and invest them in instruments yielding the highest rate of return—in the same manner as state agencies.

Publications and Public Information

County Focus, SCAC's quarterly magazine, and *Carolina Counties*, our newsletter, are recognized as being among the best in the business. These publications include articles about current legislation, trends, innovations and other matters that are relevant to county officials.

SCAC received two national awards in the 2008 Awards of Excellence Competition sponsored by the National Association of County Information Officers: an Excellence for writing and a Meritorious for *Carolina Counties* newsletter.

The Association also received three state awards, including two awards in the 2008 Best in the Business Competition sponsored by the S.C. Society of Association Executives: Best in the Business for *Carolina Counties* newsletter and Honorable Mention for its annual *Directory of County Officials*. *Carolina Counties* also received an Award of Merit in the 2007 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 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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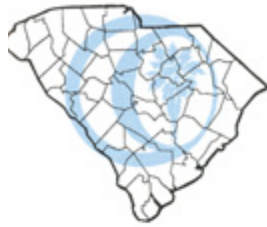
Marty D. Barwick

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, Cellulation, Inc., GASB 45/OPEB Trust, 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 2011

Rock Adams, Spartanburg County Council
James A. Coleman, Laurens County Council Chairman
James R. Frazier, Horry County Council
Harriett Pierce, Kershaw County Probate Judge
Frederick W. Robinson, Calhoun County Probate Judge

Terms Expire 2010

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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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