South Carolina
Association of Counties

2009
President's Report

President L. Gregory Pearce Jr.

42ND ANNUAL CONFERENCE • JULY 30–AUGUST 2, 2009
MARRIOTT HOTEL HILTON HEAD ISLAND

SCAC 2008–2009 Officers

President

L. Gregory Pearce Jr.
Richland County Council

First Vice President

Diane B. Anderson
Laurens County
Council Vice Chairman

Second Vice President

Donnie R. Betenbaugh
Union County
Supervisor

Third Vice President

R. Carlisle Roddey
Chester County
Supervisor

Past President

K.G. "Rusty" Smith Jr.
Florence County
Council Chairman

Secretary

William T. Noonan
Sumter County
Administrator

Treasurer

Belinda D. Copeland
Darlington County
Treasurer

South Carolina
Association
of Counties

L. Gregory Pearce, Jr., President
Richland 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 on your involvement and commitment to our goal of *"Building Stronger Counties for Tomorrow."*

Thank you for allowing me the honor of serving as your President. It is a privilege to serve with you in county government during these challenging times.

Sincerely,

L. Gregory Pearce, Jr.
Richland County Council
2008–2009 SCAC President

PRESIDENT'S REPORT

South Carolina Association of Counties

42ND ANNUAL CONFERENCE • JULY 30–AUGUST 2, 2009
MARRIOTT HOTEL, HILTON HEAD ISLAND

President L. Gregory Pearce Jr.

---

*This Report to the Membership of the South Carolina Association of Counties
Covers the Period from August 2008 to August 2009*

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 30-member staff. SCAC's offices are located at 1919 Thurmond Mall in the Pavilion Office Park off of Richland Street in the Con-

garee 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 courses for continuing education credit for local government planning and zoning officials and employees (see *Training for Local Planning/Zoning Officials and Employees*).

Participants at the Institute of Government — Level I course on Public Speaking introduce themselves. This year, total class attendance for the Institute exceeded 1,000 persons.

Orientation Training for Newly-Elected Council Members

On Dec. 9, SCAC welcomed to its offices in Columbia 44 of the 50 county council members who were elected in November as "first-timers" on county council. The purpose was to provide a full day of orientation training prior to their taking office in January. This training was designed to provide a thorough insight into the roles and responsibilities of county officials and how the Association and its programs and services will be a valuable resource to them.

Orientation training for newly-elected county council members is held after the November election in even-numbered years. It is a cooperative effort of the Association and the Governmental Research and Services unit of the Institute for Public Service & Policy Research at the University of South Carolina. This training is provided free of charge.

The morning training session focused on roles and responsibilities of county council members, including an overview of council's job description, a discussion of the difference between making policy and carrying out that policy, and areas in which the council must provide policy leadership. The characteristics of an effective council were examined, along with guidelines for communicating with constituents and monitoring and evaluating organizational performance.

The morning session concluded with a review of the forms of county government and the services that counties provide. Emphasis was placed on relationships with other county officials and staff.

The afternoon session provided information on county risk management and liability. The requirements of the Freedom of Information Act were reviewed, and time was provided for questions-and-answers and case studies. County council members were shown how to navigate SCAC's new website to obtain information about any number of county issues, statistics, surveys and publications. Most of the afternoon was dedicated to a primer on budget basics and funding sources. The session concluded with the importance of ethics in government—including ethical values, principles, decision-making and creating ethical organizations.

By attending orientation, newly-elected council members were enrolled in the Institute of Government for County Officials. Each participant earned six hours of credit toward the 27 contact hours required to receive their certificate from Level I. For those who were unable to attend the December training, an opportunity to receive this information was provided at SCAC's Mid-Year Conference in February.

SCAC and the Governmental Research and Services unit of USC's Institute for Public Service & Policy Research provided a full day of orientation for 44 of the 50 newly-elected county council members in December, 2008.

Teleconference Training

For more than 13 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 2008-2009 Teleconference Training Programs

- On Sept. 4, 2008, Linda H. Sloan of Taylor & Associates conducted a teleconference on **Customer Service — A Step Above**. The seminar focused on the critical need for local government to have top notch customer service/relations and how to obtain it. More than 300 county employees from 11 counties participated in the live presentation.

- **Managing Change in the Workplace**, SCAC's final teleconference for 2008, was held Nov. 6. Led by Merry Taylor of Taylor & Associates, this interactive presentation focused on how to manage change and develop "change" skills to become more creative, flexible and proactive. More than 200 county employees from 10 counties viewed this live teleconference.

- Three teleconferences were planned in 2009. William E. Tomes, Jon B. Pierce, Ph.D., and Dennis N. Lambries, Ph.D., of USC's Institute for Public Service & Policy Research conducted **Strategic Responses to a Changing Economic Environment** on Feb. 19. This session focused on the critical strategic choices local governments in South Carolina are facing, as they deal with economic uncertainty and declining revenues. More than 300 county officials from 20 counties viewed the live presentation.

- Merry Taylor of Taylor & Associates conducted **Interpersonal Communication Skills: Working Together** on May 21. This seminar helped to improve and fine-tune communication and human relations skills to better job performance for a successful work environment. Participants were able to identify their communication styles and look at how to work more effectively with those who possess different styles. More than 200 county employees from 18 counties tuned into the live teleconference.

- On Oct. 8, SCAC will hold its final teleconference of the year for planning and zoning officials and employees.

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.

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. SCAC will be producing new orientation training tapes in the coming year.

Tapes of the orientation training are 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 De-Loache, 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 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, July 31, from 2–3 P.M. and repeated from 3–4 P.M.:

- **Creating Sustainable (Green) Public/ Private Partnerships**

- **Don't Look Now, but Your Attitude is Showing**

- **Employment Law 101: How to Keep Your County Out of Trouble**

- **Funding Alternatives for Counties: Assessing Your Options**

- **2 million minutes 2 economic prosperity**

- **Understanding Your Retirement Plan**

SCAC Scholarship Programs

Since the establishment of its scholarship program in 1998, SCAC has awarded more than $45,000 in scholarships to 22 students. This year, the Association proudly awarded three scholarships to high school seniors planning to attend a South Carolina college or university this fall.

A $2,500 **Presidential Scholarship** is awarded annually to a graduating high school senior who resides in the same county as the current SCAC President (L. Gregory Pearce Jr. of Richland County Council). **Charles W. Griffin**, a senior at A.C. Flora High School, was awarded our 2009 Presidential Scholarship.

The Presidential Scholarship Selection Committee was chaired by Dennis N. Lambries, PH.D. 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 Rose Dobson-Elliott, Bamberg County administrator.

SCAC also awarded two **Board of Directors Scholarships** to graduating high school seniors who are residents of counties chosen by lot by the Association. Kershaw and Spartanburg counties were selected for these awards. **Kathleen M. Brand**, a senior at Lugoff-Elgin High School, and **Jennifer P. Waddle**, a senior at Landrum High School, were each awarded a $2,500 Board of Directors Scholarship.

The Board of Directors Scholarship Selection Committee for Kershaw County was chaired by William C. Derrick of Lexington County Council. Charles T. Edens of Sumter County Council and Carolyn A. Prince, PH.D., Marlboro County Council chairman, also served on this committee.

The Board of Directors Scholarship Selection Committee for Spartanburg County was chaired by Waymon Mumford, Florence County Council vice chairman, and included 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 a plaque 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 conducts numerous surveys and offers research publications to keep county officials and staff informed. Many of these resources are available through SCAC's research and technical assistance website.

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/services/research

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 county council meeting procedures, cost-of-living adjustments, E-911 data centers, four-day work weeks, furloughs, post-employment benefits, solid waste tax bills and tax anticipation notes. Once responses are finalized for each survey, a summary of results is published on the Association's website.

Property Tax Report

SCAC produced *2008 Property Tax Rates by County* in January, 2009. This report is the most comprehensive, up-to-date listing of South Carolina property tax millages. 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 abatements, local option sales tax credits, and the value of one mil.

Property Tax Rates by County is the primary 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 2009 report is the fourth annual edition published by SCAC.

Wage and Salary Survey

The *2009 Wage and Salary Report* was published in November, 2008. 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 about annual and sick leave benefits, holidays, budgets, payrolls, and employee totals. Preliminary work for the FY 2010 Wage and Salary Report is underway, and publication is expected in late 2009.

County Profiles

The County Profiles report is published biennially and consists of county statistical 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 as information becomes available. This allows website users to access dynamic, up-to-the-minute statistics by selecting individual counties or county tables.

Model Practices in South Carolina Counties

This summer, SCAC produced the first edition of *Model Practices in South Carolina*. The publication is a 2008 SCAC President's Initiative which showcases 13 exemplary programs, policies and achievements of South Carolina counties. SCAC hopes that projects detailed in this publication will serve as an inspiration and a model to build from, as counties seek solutions to the considerable challenges of local government.

SCAC plans to expand the Model Practices program by maintaining a database of model practices as an ongoing resource and publishing future editions of the Model Practices publication.

County Resources

SCAC's research web pages provide convenient access to a variety of county publications and information collected from other websites and resources. Among the available documents are individual county budgets and CAFRs, county 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 web pages also provide the latest practical data on issues of particular importance to counties, such as the most recent Local Government Funds, Millage Rate Caps and state salary supplements of county elected officials

Website

On Oct. 31, SCAC proudly launched a new website at **www.sccounties.org**. Hosted by VC3, the new website features reorganized content for better browsing, an A–Z index and a search engine to quickly connect visitors to a particular topic.
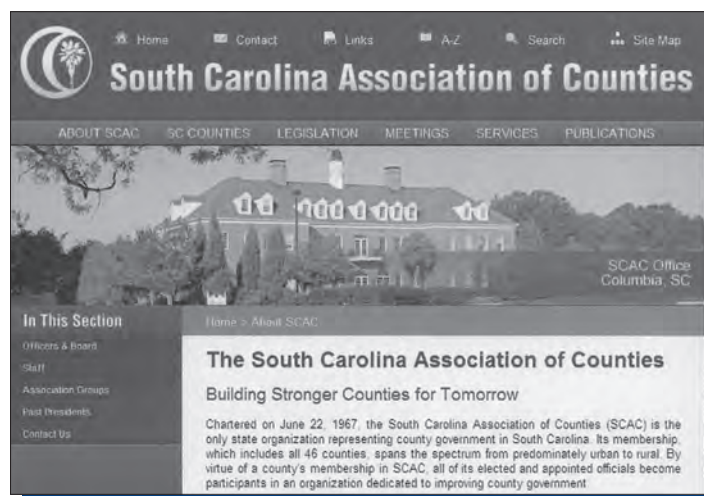
Another new feature permits clerks to council to update the web page that displays contact information for their local officials. Each of the clerks has been issued a password to access their county's directory page, and their changes will be logged, so SCAC can make similar changes to our database. This will ensure that county directory pages (and our database) are accurate.

The home page also features a calendar that displays upcoming meetings and conferences and provides a link to further information, on-line registration, agendas, etc.

SCAC's staff worked with VC3 for nearly a year to launch the new website. Although the former website served county officials well for the past 11 years, advances in technology and the widespread—almost universal—use of the Internet to retrieve information made a new site necessary.

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

SCAC launched its new website on Oct. 31. The new website features reorganized content for better browsing, an A–Z index, and a search engine to quickly connect visitors to a particular topic.

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 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, population trends, economic data, tax data, county financial and employment figures, and links to outside sources of county-level data.

The comparison tables permit users to quickly compare all 46 counties for a particular topic, such as county employment or county millage rates.

The website also includes links to listserve forums for county chief administrative officers, risk managers, and 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 Association's policy positions are developed by county officials through its Legislative Committee. SCAC First Vice President Diane B. Anderson (Laurens County Council vice chairman) was the Legislative Committee chairman for FY 2008-09.

The Legislative Committee is comprised of 75 members: each county council chairman or their designee (46) and SCAC's Board of Directors (29).

The Legislative Program is one of the most visible facets of the Association's service package. In February, SCAC President L. Gregory Pearce Jr. and other officers and county officials hosted a press conference at the State House to voice their opposition to the proposed cut in the Local Government Fund.

An additional 25 members with expertise in various policy areas are appointed by SCAC's 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 SCAC 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 2008, SCAC's Legislative Committee adopted numerous policy positions to set the course for the 2009 Legislative Program. Those positions were published in a document entitled ***Policy Positions for the 2009 Session of the South Carolina General Assembly***. The 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 report 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 our participation in the legislative process is timely and effective.

Although this was a very difficult legislative session given the economic downturn and shortfalls in state revenues, SCAC's legislative program for 2009 was a success. During this legislative session, a total of 2,004 bills were introduced. Of this number, the Association monitored more than 665 bills that affect counties; thus, one in every three bills introduced was tracked and monitored by SCAC.

Most of the bills introduced received little or no consideration, because the majority of the legislative session centered around budget issues and federal stimulus funds. Because this is the first year of a two-year legislative session, these bills, along with a host of new ones, will be considered when the General Assembly reconvenes in January.

In a year when all state and local agencies were faced with substantial budget cuts by the General Assembly, success is often defined in terms of legislation that was *prevented from passing* in addition to bills that *did pass*.

Legislative Successes: Bills That <u>Didn't</u> Pass

- **ATI/Point of Sale** (H. 3272) — H. 3272 would have exempted from property taxation any property tax valuation increase greater than 15 percent caused by an assessable transfer of interest. That value would then be subject to the constitutional 15 percent cap at reassessment. The fiscal impact in the first year after passage would be approximately $44 million, and this would grow by $44 million annually. SCAC staff will be working with the realtors, MASC, school boards and other groups during the summer to find a compromise on this legislation.

- **Probate Judge Autonomy** (H. 3844) — This bill would allow the probate judge to set their own budget and — if there was not agreement in the final version of the budget adopted by county council — the probate judge could sue the council at the Supreme Court with the county paying all costs, whether the judge won or not. H. 3844 would further allow the probate judge to set all aspects of the personnel policy for employees in the probate court.

- **Qualifications for Clerk of Court, Auditor and Treasurer** (H. 3071) — This bill would change the qualifications for the offices of county clerk of court, auditor and treasurer by requiring a four-year bachelor's degree or 10 years of experience in the areas in which these officials have responsibilities.

- **Photo Voter ID** (H. 3418) — This bill would require each voter to produce a valid state or federal photo identification card in order to vote.

- **Access to Jailed Clients** (H. 3343) — This bill would require a jail to provide attorneys access to their clients from 8 A.M. until 6 P.M.

Bills that Passed with Substantial Amendments

- **Suspension of the Local Government Fund Formula** (R. 50, H. 3581) — While the votes against H. 3581 were close (it passed in the Senate by only four votes — with four Senators absent when the vote was taken) SCAC was unsuccessful in preventing passage of this bill. This allowed the General Assembly to reduce the Local Government Fund. However, thanks to numerous timely calls and visits by county officials, the cut was reduced from $122 million to $50 million and possibly $40 million, if tax enforcement efforts are successful.

- **Regulation of Forestry Activities** (Act No. 48, R. 109, H. 3651) — If passed as originally drafted, this bill would have eliminated the authority of counties to regulate certain forestry activities. SCAC was successful in getting this legislation amended to protect zoning and developmental regulations.

Legislative Successes: SCAC's 2008-09 Priorities

- **Seamless Renewal of Capital Projects Sales Tax** (Act No. 49, R. 65, S. 360) — This bill extends the amount of time for which a capital projects sales tax may be imposed from seven to eight years for original impositions. For reimpositions, the tax expires no later than April 30 of an odd-numbered year, not to exceed seven years.

- **Inmate Records and Expungement** (Act No. 36, R. 89, H. 3022) — This bill allows local detention facilities to retain inmate booking records and other information, such as medical records, for three years after an expungement order.

- **Budget Proviso 86.4** — This proviso, which provides for the salary supplements for clerks of court, probate judges, coroners, sheriffs, registers of deeds, auditors and treasurers, allows a county to reduce expenditures in the operation of these officials' offices, after consultation with the official, without any required corresponding reduction in the county's State Aid to Subdivisions distribution. This proviso also exempts salary supplements for these officials from across-the-board cuts mandated by the Budget and Control Board or the General Assembly.

- **Budget Proviso 90.21** — This proviso requires the Department of Revenue to utilize $2.2 million allocated to the department to hire and provide operations for specially identified additional enforcement personnel (agents, auditors and support) to enhance audit and collection activity. Collections received as a result of the enhanced audits are to be placed in a separate fund by the State Treasurer. The collections must fund a priority of distributions spelled out in the proviso, with $10 million of the remaining revenue to be transferred to Aid to Subdivisions for the Local Government Fund.

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 staff assists counties in cases with statewide interest by appearing as an Amicus Curiae (friend of the court). This year, four significant cases were pending or decided in the Supreme Court.

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, on these issues.

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 May 2007, Laurens County requested staff assistance and support of its position in *Crusader Servicing Corp. v. Laurens County and Southeastern Housing Foundation*. This case involved 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 an *Amicus* brief in January 2008, in support of Laurens County. In November 2008, the Court of Appeals ruled that Laurens County was not jointly and severally liable to Crusader for either bid interest or prejudgment interest. In May 2009, the Court of Appeals also granted Laurens County's motion to award court costs.

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, *Bank of New York, et al., v. Sumter County et al*. These 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 official of the state's unified court system or a county employee. The case presents the Supreme Court with an opportunity to determine who has authority over a myriad of elected and appointed offices funded by counties. SCAC has filed an *Amicus* brief, and final briefs were filed by Sumter County and the banks in June.

In November 2008, the Supreme Court issued its opinion in *Eagle Container v. Newberry*, a case which involved the siting of a construction and demolition landfill in violation of the county zoning ordinance.

SCAC's staff filed an *Amicus* brief in support of Newberry County's position in August 2006. At issue was the intent of county council when it amended the zoning ordinance. The court ruled that council intended to clarify the approval of landfills as a special exception, and not an "as of right" use within the zoning code. The court also held that minutes of county council meetings can be used as evidence to show council's intent.

On June 10, 2009, the Supreme Court heard oral arguments for *James Smith v. Barnwell County and the SCAC Workers' Compensation Trust*. In this case, a circuit court judge had reversed the S.C. Workers' Compensation Commission's decision to limit a weekend prisoner's wage to the statutory $40 per week. The judge held that for insurance purposes the prisoner was a county employee.

Barwell County and the SCAC Workers' Compensation Trust appealed, arguing that state law clearly limits prisoners to a weekly wage of $40 and that a prisoner is not an employee. The court's opinion is pending.

In December 2008, SCAC sponsored the S.C. Local Government Attorneys' Institute. This year, the Institute featured presentations by Charles W. Thompson Jr., International Municipal Lawyers Association (IMLA); USC Law School Professor Susan S. Kuo; Barbara M. Seymour, Office of Disciplinary Counsel; Margaret C. Pope of Pope Zeigler, LLC; and David L. Tedder of David L. Tedder, PA.

Each year, more than 230 attorneys attend the Institute. 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, and qualifies for six hours of Continuing Legal Education.

SCAC will host with IMLA a redistricting seminar in Columbia on Dec. 10, 2009.

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 Association's 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. 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 by Association staff, with claims management provided under contract by Companion Property & Casualty Company.

In 2007, legislation was enacted to terminate the Second Injury Fund (SIF) on July 1, 2013. The Workers' Compensation Fund will receive reimbursements from the SIF for injuries from accidents occurring prior to July 1, 2008. We will pay assessments to the SIF until its termination.

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

CHAIRMAN
David K. Summers Jr.
Calhoun Council Chairman

Donnie Betenbaugh
Union County
Supervisor

Gonza L. Bryant
Greenwood County
Council Member

James A. Coleman
Laurens County
Council Chairman

Clyde B. Livingston
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

Congress recently passed legislation involving Section III of the Medicare/Medicaid Extension Act of 2007 that requires all claim payers for group health plans, workers' compensation and no-fault liability to coordinate claim payments with the Medicare program. We will be required to begin reporting all claim payments, without regard to the accident date, on Oct. 1, 2009, or on any date determined by Medicare.

The S.C. Workers' Compensation Commission continues to award lifetime medical payments for almost all lost-time injuries based upon the S.C. Supreme Court's decision in *Dodge v. Bruccoli*. This will cause an increase in workers' compensation claim costs, as well as file management and storage issues.

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 county entity through SCAC. Nearly $54 million has been returned to county participants through the first half of 2009.

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. For the first half of 2009, the Association returned nearly $8 million to GEAR participants.

Since 2001, the Association's collections for counties have grown from $27.1 million per year to $62 million per year, an increase of 129 percent. The number of participating county entities has increased from 81 in 2001 to 164 in 2009.

SCAC continues to implement technological improvements. This year, the Association expanded the Windows version of the debt collection software, increasing its ability to manage and transfer data. Updates allow counties to view and generate reports of historical collections for individuals, to update system addresses with current tax return addresses, to reconcile account balances after adjustments and payments and to prepare electronic files for data and reports. The software is simple to use and has been very successful with the counties.

SCAC also worked to initiate a paperless process for our debt collection programs. To achieve this, the Association offers electronic bank deposits to county participants, allowing counties to receive funds quickly with greater security and less paperwork. SCAC also provides electronic reports and data files, so counties can download and view payment information. All data and report files are uploaded to secure county folders.

SCAC continues to monitor identity theft legislation and federal rules to ensure compliance with all new privacy and security requirements. The Association has also signed business associate agreements with participants to safeguard medical-related information under HIPAA.

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.

Additional information about the debt collection programs can be found at SCAC's debt collection website, linked from **www.sccounties.org**.

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 from Office Depot at discounts of approximately 60 percent below market price. The program uses 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 through 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 141 governments and agencies in South Carolina. Included in this figure are 30 participating county governments.

Since the program's inception in early 2004, South Carolina counties have sold assets valued at $12.4 million through GovDeals. From Jan. 1 – April 15, 2009, counties generated more than 52 percent of total GovDeals sales made in 2008.

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 the need for long-term storage prior to local auction.

SCAC participates in a purchase agreement program for office products, sponsored by NACo and U.S. Communities. The program allows counties to obtain most office products from Office Depot at discounts of approximately 60 percent below market price.

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.

GASB 45/OPEB Program

The term OPEB refers to Other (than pension) Post Employment Benefits for retired employees. Generally, OPEB refers to post employment health insurance or healthcare benefits.

In 2004, the Governmental Accounting Standards Board published a new standard (GASB 45) which requires state and local governments to compute and publish the amount of their OPEB liability as it is "earned" by employees.

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.

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. Continuing the current pay-as-you-go system will be seen as a failure to pre-fund OPEB requirements, and this could eventually degrade a government's bond ratings.

SCAC has created a new Trust agreement, allowing counties to pool their OPEB funds and invest them in instruments yielding the highest rate of return . In 2008, voters rejected state constitutional amendments that would have permitted local governments to invest OPEB funds partially in equity securities, similar to practices of the S.C. Retirement Systems.

SCAC's Trust will invest only in bonds or other treasury instruments allowed by law. In June of 2009, York County became the first member of the Trust.

Cellular Phone Cost Monitoring/ Reduction—Cellution, Inc.

In May 2008, SCAC entered into a master 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, customizable software allows counties 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 or unnecessary services.

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 10 national awards in the 2009 Awards of Excellence Competition sponsored by the National Association of County Information Officers, including: a Superior Award for *County Focus* magazine; Excellence Awards for *Carolina Counties* newsletter, writing and photography; a Meritorious Award for *Carolina Counties;* and five Meritorious Awards for writing.

The Association also received an Award of Merit for *Carolina Counties* newsletter in the 2008 Palmetto Awards Competition, sponsored by the South Carolina Chapter of 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*
- *Model Practices in South Carolina Counties*
- *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 during 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

SCAC STAFF

Executive Director
Michael B. Cone

Deputy Executive Director and General Counsel
Robert E. Lyon Jr.

Assistant Director
(Administration)
Kathleen K. Williams, CAE

Deputy General Counsel and
Director of Legal/Legislative Affairs
Robert S. Croom

Assistant Director of
Legal and Legislative Affairs
Timothy C. Winslow

Of Counsel
Russell B. "Bo" Shetterly

Senior Staff Attorney
M. Clifton Scott Jr.

Staff Attorneys
M. Kent Lesesne
John K. DeLoache
Wesley A. Covington
Joshua C. Rhodes
Jenna L. Stephens

Public Information Director
W. Stuart Morgan III

Director of Insurance Services
William S. Griggs, AIC

Director of Risk Management Services
John D. Henderson, ARM, ALCM

Risk Manager
Robert E. Benfield, ARM

Trusts' Program Coordinator
Pam S. Collins, ARM

Insurance Claims Manager
John V. Jervey, AIC

Controller
Douglas L. Brockhard, CPA

Director, Administrative Services
Melinda L. Suddes

Research Assistant
Susan B. Turkopuls

Special Projects Coordinator
Leslie M. Christy-Jennings

Meeting Planner/
Administrative Assistant
Nilda A. Padgett

Administrative Assistants
S. Ruthie Duvall
Mary E. Williams
Pearlena A. Khalif-Govan

Administrative Program Specialist
Lisa A. Maseng

Trusts' Program
Assistant Coordinator
Susan L. Chambers

Procurement Officer
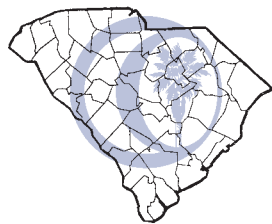Robert J. Lyon, CPPB

Field Representative
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, Cellution, 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 website 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 ● 1919 Thurmond Mall ● P.O. Box 8207 ● Columbia, S.C. 29202-8207 ●
● (803) 252-7255 ● Toll-Free in S.C.: 1-800-922-6081 ● Fax (803) 252-0379 ● E-mail: scac@scac.state.sc.us ●
● www.sccounties.org ●

SCAC BOARD OF DIRECTORS