



South Carolina
Association of Counties

2010
President's Report

President Diane B. Anderson

43RD ANNUAL CONFERENCE • AUGUST 1–4, 2010
MARRIOTT HOTEL HILTON HEAD ISLAND

SCAC 2009–2010 OFFICERS

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Council Vice Chairman*

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South Carolina Association of Counties

Diane B. Anderson, President
Laurens 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 our 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."***

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,

Diane B. Anderson

Laurens County Council Vice Chairman

2009-2010 SCAC President

PRESIDENT'S REPORT

South Carolina Association of Counties

43RD ANNUAL CONFERENCE • AUGUST 1–4, 2010

MARRIOTT HOTEL, HILTON HEAD ISLAND

President Diane B. Anderson

*This Report to the Membership of the South Carolina Association of Counties
Covers the Period from August 2009 to August 2010*

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 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.

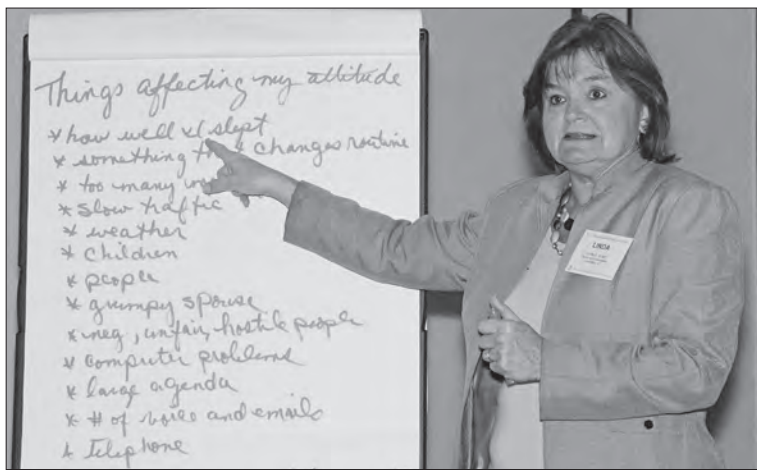
Education and Training

Institute of Government for County Officials Celebrates 20 Years

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 this 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*).

The Institute of Government for County Officials provides the tools needed to help county officials function more effectively. In this session, Linda Sloan of Taylor and Associates discusses the impact of a positive attitude.

Teleconference Training

For more than 14 years, SCAC has provided education and training through the use of teleconferences to better serve county officials and employees. Through its partnership with the S.C. Educational Television Network (SCETV), the Association offers three to four teleconferences per year.

Each teleconference presents a great opportunity for county personnel to receive training on topics relevant to their professional responsibilities.

In this time of economic constraints, 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 2009–10 Teleconference Training Programs

- **Orientation for Planning and Zoning Officials—Part I**, SCAC's final teleconference for 2009, provided three hours of training for new planning and zoning officials and employees. The first component of an updated planning and zoning orientation program, this session was held on Nov. 10. Led by Greenville County Attorney Mark W. Tollison and Attorney Helen T. McFadden, it provided an overview of the Local Government Comprehensive Planning Enabling Act and included discussions on conducting effective meetings and Freedom of Information requirements for public bodies.
- Three teleconferences were planned in 2010. Greenville County Attorney Mark W. Tollison and Edwin C. Thomas of Thomas Leadership, LLC, conducted **Orientation for Planning and Zoning Officials—Part II** on March 31. The second half of SCAC's updated orientation program offered three additional hours of training for new planning and zoning officials and employees, including an overview of the legal foundation of local government planning and zoning, significant court decisions and guidelines for making legally-defensible decisions. Participants also reviewed South Carolina's Ethics Act, ethical principles in planning and the American Institute of Certified Planners' Code of Ethics and Professional Conduct.
- On Aug. 19, Merry J. Taylor of Taylor and Associates will conduct a teleconference on **Supervisory Training—Skills for Success as a Supervisor**. This seminar will focus on skills that are crucial to a supervisor's success and provide tips for those who are transitioning to a supervisor's role. Participants will learn to enhance accountability, bolster teambuilding and motivational skills, and address difficult situations.
- A final teleconference (TBD) is scheduled for Nov. 4.

Training for Local Planning/Zoning Officials and Employees

Orientation Training

Act 39 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 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. This year, SCAC updated its orientation training program to reflect changes in state law and comments from participant evaluations. The State Planning Education Advisory Committee approved the use of this new orientation program for a five-year period.

Part I of the orientation provides an overview of the Local Government Comprehensive Planning Enabling Act, followed by discussions on conducting meetings, parliamentary procedure and the Freedom of Information Act. Part II covers the planning and zoning process, legal concepts in planning and zoning, and the South Carolina Ethics Act. Orientation training tapes are available on loan from the SCAC offices.

Continuing Education

Act 39 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. **Introduction to GIS**—the first teleconference approved for three hours of continuing education credit—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 in 25 counties participated in the 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 DeLoache, 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 during the Association's Annual Conference. Association group meetings provide opportunities for county officials to keep current with changes for 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 Monday, Aug. 2, from 2–3 P.M. and repeated from 3–4 P.M.:

- **Bonds 101**

- **How to Influence Congress without Leaving Home**
- **Indoor Air Quality & LEED Certification: A Facility Manager's Perspective**
- **Leading through Adversity: The Charleston Nine Tragedy**
- **The Role of Water Efficiency in Your Community**
- **Understanding Your Retirement Plan**

SCAC Scholarship Programs

Since the establishment of its scholarship program in 1998, SCAC has awarded \$53,000 in scholarships to 25 students. This year, the Association proudly awarded \$2,500 scholarships to three outstanding high school seniors. All plan to attend a South Carolina college or university this fall.

SCAC's **Presidential Scholarship** is awarded annually to a graduating high school senior who resides in the same county as our current President (Diane B. Anderson, Laurens County Council vice chairman). **Jamel D. Roberts** of Clinton High School was awarded our 2010 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. Rose Dobson-Elliott, Bamberg County administrator and Carolyn A. Prince Ph.D., Marlboro County Council chairman also served on this committee.

SCAC also awarded two **Board of Directors Scholarships** to graduating high school seniors who are residents of counties chosen by lot by the Association. Edgefield and Richland counties were selected for these awards. **Sarah E. Turner**, a senior at Strom Thurmond High School and **Caroline E. Berger** a senior at Spring Valley High School were each awarded a Board of Directors Scholarship.

The Board of Directors Scholarship Selection Committee for Edgefield County was chaired by William C. Derrick of Lexington County Council and included Charles T. Edens of Sumter County Council and L. Gregory Pearce Jr. of Richland County Council.

The Board of Directors Scholarship Selection Committee for Richland County was chaired by Waymon Mumford, Florence County Council vice chairman. Other committee members were Diane B. Anderson, Laurens County Council vice chairman and Belinda D. Copeland, Darlington County treasurer.

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 provide letters of recommendation, a transcript and a description of their community involvement. Financial need—as it relates to the receipt of other scholarships—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 many helpful research publications that are updated on a regular basis to keep county officials informed. Many of these resources are available through SCAC's research and technical assistance web pages.

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 web pages 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 administrative fees for pass-through grants, cost-cutting measures, fire departments, formal bid procedures, municipal fees and vehicle policies. Once the responses are finalized for each survey, a summary is published on the Association's website.

Property Tax Report

SCAC produced **2009 Property Tax Rates by County** in January, 2010. 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 fifth annual edition published by SCAC.

Wage and Salary Survey

The **2010 Wage and Salary Report** was published in November, 2009. 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 2011 Wage and Salary Report is underway, and publication is expected in late 2010.

County Profiles

SCAC recently published the 2010 edition of **County Profiles**, which includes county statistical information from a variety of state and federal resources. Each county is represented with a one-page profile containing a brief county history, 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

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

SCAC is maintaining a database of model practices as an ongoing resource and plans to produce this publication biennially. The second edition will be published in 2011.

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

SCAC's website, 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, on-line 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, risk managers and registration/election officials.

Visitors 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.

In 2009, SCAC redesigned the site to incorporate a fresh, contemporary design; provide quick links to the most timely topics and reorganize content for better browsing.

SCAC's website is the primary internet resource for information about South Carolina's counties and issues affecting county government.



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

SCAC also added a number of features to make the site easier to navigate, including a search engine and A–Z index.

A new administrative feature permits clerks to council to update the web pages that display contact information for their local officials. Each clerk has been issued a password to access their county's directory page, and their changes are logged, so SCAC can make similar changes to our database. This will ensure that county directory pages (and our database) are accurate.

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 better the results.

The Association's policy positions are developed by county officials through its Legislative Committee. SCAC First Vice President R. Carlisle Roddey (Chester County supervisor) was the Legislative Committee chairman for FY 2009-10.

The Legislative Committee is comprised of 75 members: each county council chairman or their designee (46) and SCAC's Board of Directors (29). An additional 25 members with expertise in vari-

ous 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 2009, SCAC's Legislative Committee adopted numerous policy positions to set the course for the 2010 Legislative Program. Those positions were published in a document entitled ***Policy Positions for the 2010 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.



SCAC's Legislative Program is one of the most visible facets of its service package. In February, President Diane B. Anderson presided over the 23rd Annual Mid-Year Conference, where county officials met the candidates for Governor and visited members of the General Assembly.

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 email 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 emailed, 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.

SCAC's legislative program for 2010 was a success in the midst of an economic downturn, when the General Assembly cut state and local agency budgets significantly. During the 118th legislative session, a total of 3,659 bills were introduced. Of this number, the Association monitored more than 1,004 bills that affect counties; thus, one in every four 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.

As with any legislative session, especially considering the budget cuts that were made 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: SCAC's 2009-10 Priorities

- **Jail Recodification** (Act. No. 237, R. 295, S. 217) — This legislation modernizes the Code as it relates to local detention facilities. It also reduces the amount of prisoner wage withholdings remitted to the State Office of Victim's Assistance and shifts these funds to the Department of Corrections for the State-wide Automated Victim Information and Notification System. This bill was a product of the SCAC Local Detention Committee, and our staff worked for several years to obtain passage.
- **Part 1A, Section 29, Aid to County Libraries** — The distribution of more than \$4.6 million to county libraries was vetoed by the Governor, but overridden by both the House and Senate.
- **Budget Proviso 86.3** — This proviso amends the quarterly distribution amounts for the Local Government Fund. The amount of the first quarterly payment to each county will equal the amount of the last quarterly distribution for FY 2009-10. The next three payments will be distributed in equal amounts, and reflect the reduction in the Aid to Subdivisions allocation. This will ensure a predictable amount of revenue for the first quarter of the fiscal year.
- **Budget Proviso 86.8** — This proviso allows counties to reduce their support of any state-mandated program or requirement, unless a specific amount of support or funding is provided by law, by up to the percentage reduction in the amount appropriated to the Local Government Fund, when compared to FY 2009-10.

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.

Outlook for the 2010-11 Session

The state General Fund will start with \$1–1.4 billion less in revenue than this year. This year's total General Fund revenue is \$5.1 billion, so this represents a 20–27 percent cut to the state budget. Initial discussion is that several agencies will be eliminated, as drastic cuts are made in the state budget. Additionally, talk has already

begun of the possibility of a supplemental budget in January, should the federal government not pass an extension of the increased Federal Medical Assistance Percentage (FMAP), which represents nearly \$170 million in this year's budget. It is likely that the General Assembly will attempt to cut local government funding again.

Other Bills that Passed

- **Economic Development Incentives/Use of Accommodations and Hospitality Tax Revenue** (Act No. __, R. 351, H. 4478) — Among other economic development incentives, this act grants the six percent assessment ratio to warehouses that are owned by manufacturers and primarily used for warehousing/wholesale distribution. This act also permits counties that do not meet the threshold for collection of accommodations tax revenue to use 50 percent of local accommodations and hospitality tax revenue to operate tourism-related facilities.
- **Accommodations and Hospitality Fee Bonding/Tourist Definition** (Act No. 284, R. 340, S. 304) — This legislation was enacted to authorize pledging local accommodations and hospitality fees for revenue bonds. These fees may only be pledged as security for revenue bonds if used for tourism-related capital projects. A tourist is defined as a person who does not reside in, but rather enters temporarily, for reasons of recreation or leisure, the jurisdictional boundaries of a municipal project or the immediate area of a county project.
- **Fire Sprinklers** (Act No. 232, R. 282, H. 4663) — This act delays the requirement for residential fire sprinklers until 2014 and requires future building code updates to be adopted by regulation, instead of Building Codes Council action. It also limits tap fees for fire sprinkler systems to actual cost and excludes public water systems from Public Service Commission and Office of Regulatory Staff supervision/oversight.
- **County Furloughs** (Act No. 283, R. 322, H. 4172) — This legislation grants counties the same authority as state agencies to pay for retirement system service during an employee furlough.

Legislative Successes: Bills That Didn't Pass

- **ATI/Point of Sale** (H. 3272) — This bill would have exempted from property taxation any property tax valuation increase greater than 15 percent caused by an assessable transfer of interest or point of sale mechanism. The new fair market value of the property would then be subject to the 15 percent valuation cap. The fiscal impact in the first year after passage would be approximately \$44 million, and this would grow by \$44 million each year. SCAC and other interested groups reached a compromise, but the bill failed to pass in the Senate.
- **Photo Voter ID** (H. 3418) — Although this bill included early voting, which SCAC supports, it would have required voters to produce a valid state or federal photo ID card in order to vote, which SCAC opposes. This legislation will probably be reintroduced next year.
- **Solid Waste Flow Control** (S. 1291) — This bill would prohibit the current authority of county governments to restrict the disposal of waste in a permitted facility located outside the county, although the U.S. Supreme Court ruled this practice is legal.

Legal Assistance Program

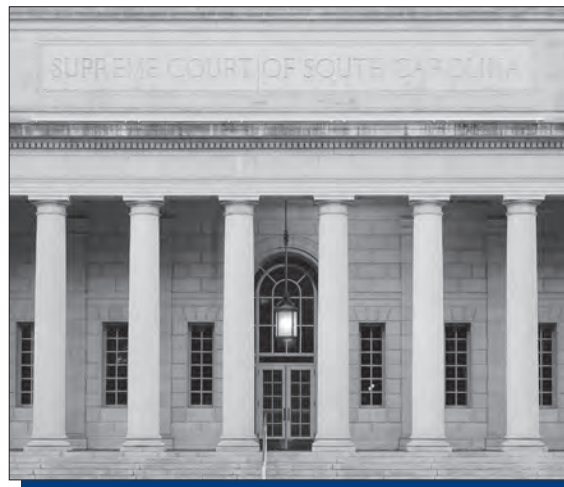
The Association's legal staff responds to numerous requests from county officials seeking advice on legal issues affecting county government. Staff work through the county attorney and outside counsel, if retained by a county, on these issues.

SCAC's legal services include providing informal consultations; researching pertinent statutes, case law and attorney general opinions; 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, three significant cases of interest were pending or decided in the courts.

On May 22, 2008, SCAC's Board of Directors instructed the 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 v. Sumter County***. These suits were filed by banks, after an employee of the Sumter County master-in-equity embezzled foreclosure funds from a trust account. This case presented the court system with the opportunity to determine who has authority over a myriad of elected and appointed offices funded by counties.

In March 2010, the Supreme Court upheld the circuit court's grant of summary judgment to the S.C. Judicial Department—holding that the master-in-equity was not an employee of the judicial department—based upon the circuit court's narrow use of a three-factor test for employee/employer control. The court did not rule on any issue of liability of the county. That issue will have to be litigated at the circuit court level.

On June 10, 2008, 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. This would allow Smith, and future weekend prisoners, to collect the average weekly wage from the county while concurrently collecting the average weekly wage from regular, full-time employment.



SCAC's legal staff assists counties at the trial and appellate levels in cases of statewide interest. Three significant cases were pending or decided in the Supreme Court this year.

Barnwell County and the SCAC Workers' Compensation Trust appealed, arguing that state law limits prisoners to a weekly wage of \$40 and that, regardless of sentence, a prisoner is not an employee. The Supreme Court held that a prisoner serving weekend time is not a county employee. Smith was entitled to \$40 per week, not his concurrent wage from regular employment.

On April 7, 2010, the Board of Directors instructed staff to join Beaufort, Charleston and Horry Counties—as well as the Municipal Association of South Carolina and several municipalities—in filing an *amicus* brief on behalf of the counties in ***Travelscape, LLC v. The South Carolina Department of Revenue***.

Travelscape contracts with hotels throughout the state to purchase accommodations, which they sell to the public via Expedia.com. Customers pay all room charges, including service fees and taxes, to Travelscape.

The Department of Revenue argued that Travelscape only assessed state sales tax for the room rate, and the tax should have been assessed for the customer's entire bill. The Administrative Law Court agreed, and held that sales tax must be assessed against the entire amount charged by Travelscape to their customers.

Travelscape appealed, and the Supreme Court agreed to hear the case. The final decision will impact counties with significant tourism revenue.

In December of 2009, SCAC sponsored the S.C. Local Government Attorneys' Institute. This year, the Institute featured presentations by Charles W. Thompson Jr., International Municipal Lawyers Association; Barbara M. Seymour, Office of Disciplinary Counsel; Boyd B. Nicholson of Haynsworth Sinkler Boyd, PA; Stephen R. Van Camp, S.C. Budget and Control Board; and E. Tyson Smith of White and Smith, LLC.

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.

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 SCAC's 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 — either county council members or chief administrative officers.

The Workers' Compensation Trust currently has 86 members, including 43 of the 46 counties.

The Property & Liability Trust has 24 members, including 16 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 January, 2010, the Workers' Compensation Trust Board of Directors approved a temporary adjustment in the formula used for calculating member contributions, in order to provide Trust members with a measure of financial savings during a time of increasing budgetary pressure.

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



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*Florence County Council
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William T. Noonan
*Sumter County
Administrator*



SECRETARY/TREAS.
Michael B. Cone
SCAC Executive Director

The Workers' Compensation Trust continues to deal with pending termination of the Second Injury Fund on July 1, 2013. The Trust continues to receive reimbursements from the SIF for injuries with an accident date occurring prior to July 1, 2008; however, no new claims have been accepted for reimbursement with an accident date of July 1, 2008 or later. The Trust will continue to pay assessments to the SIF until its termination.

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. The Workers' Compensation and Property & Liability Trusts will be required to begin reporting all claim payments, without regard to the accident date, on Oct. 1, 2010, 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. Brucoli*. This will cause an increase in 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. For the first half of 2010, \$55.1 million has been 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 tax return garnishments and additional methods such as garnishment of wages and seizure of bank accounts. For the first half of 2010, SCAC returned \$8.1 million to GEAR participants.

Since 2001, the Association's collections for counties have grown from \$27.1 million per year to \$63.2 million per year, an increase of 133 percent. The number of participating county entities has increased from 81 in 2001 to 176 in 2010.



The Setoff Debt and GEAR collection programs return monies for county operations, such as emergency medical services. Since 2001, the Association's total collections for counties have grown from \$27.1 million to \$63.2 million per year.

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 is moving toward 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 email notification of payments and prepares electronic reports and data files, so counties can download and view payment information. All data and report files are uploaded to secure county folders to safeguard privacy and security.

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, alcohol and drug treatment services, business licenses, water and sewer services, and housing 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 nearly 2,000 clients in 40 states, with 150 governments/agencies in South Carolina. Included in this figure are 34 participating county governments.

Since the program's inception in early 2004, South Carolina counties have sold assets valued at \$15 million through GovDeals. From Jan. 1– June 17, 2010, the counties generated more than \$1.2 million from the sale of 430 items.

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.

Cooperative agreements offer significant benefits to SCAC members, including a platform for selling surplus equipment and seized assets via online auction. Since the program's inception in 2004, South Carolina counties have sold assets valued at \$15 million through GovDeals.

Cable Franchise Agreements

In 2006, SCAC entered into an agreement with Telecommunications Consulting Associates (TCA) to assist counties with cable television franchise agreements under 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 the agreement, TCA assists counties in protecting their interests under the act and offers a wide range of services relating to communications.

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 liabilities, 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. The Trust will invest only in bonds or other treasury instruments allowable 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 nine national awards in the 2010 Awards of Excellence Competition sponsored by the National Association of County Information Officers, including: a Superior award for *County Focus* magazine; three Excellence awards for *Carolina Counties* newsletter; an Excellence award for writing; two Meritorious awards for *County Focus*; and Meritorious awards for writing and photography.

The Association also received three state awards, including two Honorable Mention awards in the Best in the Business Competition sponsored by the S.C. Society of Association Executives for *Carolina Counties* and the *2009 President's Report*. *County Focus* magazine also received an Award of Merit in the 2009 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*
- *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 is well-positioned to continue to meet the ever-changing needs of county governments into the 21st Century. The SCAC President and Board of Directors are confident that the Association will continue to meet the service needs of South Carolina county governments...now...and into the future!



South Carolina Association of Counties:
Building Stronger Counties for Tomorrow

SCAC STAFF

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Deputy Executive Director and General Counsel

Robert E. Lyon Jr.

Assistant Director (Administration)

Kathleen K. Williams, CAE

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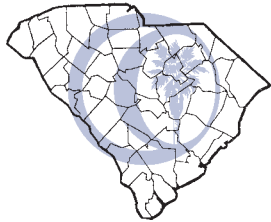
Marty D. Barwick

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, 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 COUNTIES

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 BOARD OF DIRECTORS

Terms Expire 2013

Julie J. Armstrong, Charleston County Clerk of Court
William C. Derrick, Lexington County Council
Gracie S. Floyd, Anderson County Council
W. Weston Newton, Beaufort County Council Chairman

Terms Expire 2012

R. David Brown, Fairfield County Council Chairman
John E. Caldwell, Newberry County Council
T. Hardee Horne, Saluda County Council Chairman
K.G. "Rusty" Smith Jr., Florence County Council Chairman
W.B. Wilson, Williamsburg County Council

Terms Expire 2011

Joe Branham, Chester 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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Charles T. Edens, Sumter County Council
L. Gregory Pearce Jr., Richland County Council
F. Pickens Williams Jr., Barnwell County Administrator

NACo Board Member

Waymon Mumford, Florence County Council Vice Chairman

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

David K. Summers Jr., Calhoun County Council Chairman



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