



South Carolina
Association of Counties

2011
President's Report
President R. Carlisle Roddey

44TH ANNUAL CONFERENCE • JULY 31–AUGUST 3, 2011
MARRIOTT HOTEL HILTON HEAD ISLAND

SCAC 2010–2011 OFFICERS

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Supervisor*

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South Carolina Association of Counties

R. Carlisle Roddey, President
Chester County

Michael B. Cone
Executive Director

A Letter from the President

Dear County Officials,

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

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

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

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

Sincerely,

R. Carlisle Roddey

Chester County Supervisor

2010-2011 SCAC President

PRESIDENT'S REPORT

South Carolina Association of Counties

44TH ANNUAL CONFERENCE • JULY 31–AUGUST 3, 2011

MARRIOTT HOTEL, HILTON HEAD ISLAND

President R. Carlisle Roddey

*This Report to the Membership of the South Carolina Association of Counties
Covers the Period from August 2010 to August 2011*

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. It is governed by a 29-member Board of Directors composed of county officials from across South Carolina, elected by county officials at the Association's Annual Conference.

The Association owns office facilities in Columbia and employs a 31-member staff. SCAC's offices are located at 1919 Thurmond Mall in the Pavilion Office Park off of Richland Street in the Congaree Vista in the City of Columbia, Richland County. The building is used exclusively for service programs offered by the Association to its members. In addition, the training room provides a comfortable environment for SCAC training programs and teleconferences. Numerous state and local government groups also use the building's facilities for their meetings.



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



Conferences

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

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

Education and Training

Institute of Government for County Officials

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

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

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

and completed the course. Total class attendance during the past year exceeded 650 persons, showing county officials' commitment to educating themselves about their roles in county government.

In 2006, the State Education Planning Advisory Committee approved four 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 stresses the importance of a shared county vision and introduces county officials to the process of strategic planning. In this session, Anna Berger of USC's Institute for Public Service & Policy Research illustrates the challenges of establishing and prioritizing goals.

Orientation Training for Newly-Elected Council Members

On Dec. 7, SCAC welcomed to its offices in Columbia 44 of the 51 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 included 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 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 why ethics matters, ethical principles and values, and providing ethical leadership.

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.



In cooperation with the Institute for Public Service & Policy Research at the University of South Carolina, SCAC provided a full day of orientation for 44 of the 51 newly-elected county council members.

Teleconference Training

For more than 15 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 has offered 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 and employees. In 2006, the continuing education component of the planning and zoning training was added (see *Training for Local Planning/Zoning Officials and Employees*).

Webcasting

Due to budget cuts at SCETV, and the elimination of its satellite system, SCAC will move to a new mode of delivering distance education to county officials and employees. Beginning in September, of 2011, SCAC will begin webcasting its training programs from the SCAC offices in Columbia.

This new mode of delivery will allow participants to watch the training live in their county training facilities or from their individual computers. Instead of a live studio audience at the SCETV studios, the SCAC training room will accommodate those persons from neighboring counties who wish to participate as members of the audience.

If employees are unable to view the live broadcast, they can watch the webcast at any time on their computer. All webcasts will be available on the SCAC website for viewing "on demand." We believe that this new mode of delivery will make it even easier for county officials and employees to receive ongoing training at no expense.

SCAC 2010–11 Teleconference Training Programs

- On Aug. 19, Merry J. Taylor of Taylor and Associates conducted a teleconference about **Success as a Supervisor**. The seminar focused on skills that are crucial to a supervisor's success and provided tips for those who are transitioning to a supervisor's role. Participants learned to enhance accountability, bolster teambuilding and motivational skills, and address difficult situations. More than 450 employees from 19 counties participated in this live presentation.
- On Nov. 4, SCAC held its final teleconference for 2010, **Generational Differences in the Workplace**. Led by Edwin C. Thomas of Ed Thomas/Leadership, LLC, this interactive presentation focused on understanding the differences between generations, identifying common reasons for conflict in the workplace, and exploring strategies to build an effective multi-generational workforce. More than 255 employees from 13 counties viewed the live presentation.
- Three training programs were planned for 2011. John A. Slavich of Human Resource Dynamics presented **Managing Your Time for Maximum Productivity** on April 7. This session helped participants learn to manage competing demands by eliminating procrastination, creating "to do" lists, identifying and scheduling priorities, becoming more flexible and taking control. More than 260 employees from 13 counties viewed the teleconference.
- SCAC will be providing two additional training programs in 2011, including a new continuing education course for planning and zoning officials and employees. The first webcast from the Association training room has been scheduled for Sept. 15.

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. In 2010, 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 Edwin C. 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 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 four 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;**
- **Ethics and Public Service; and**
- **Managing and Conducting Meetings.**

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

- **Connecting Our Counties: Broadband that Advances Economic Growth**

- **Dollars and “Sense” of the Recycling Economy**
- **Managing Change in County Government**
- **Tax Office 101: Understanding the Property Taxation Process**
- **Understanding Your Retirement Plan**
- **The Ups and Downs of Redistricting**

SCAC Scholarship Programs

SCAC has awarded more than \$60,000 in scholarships to 28 students since establishing its scholarship program in 1998. This year, the Association proudly awarded \$2,500 scholarships to three outstanding high school seniors. All plan to attend a college or university in South Carolina 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 (R. Carlisle Roddey, Chester County Supervisor). **Brandon S. Green** of Chester Senior High School was awarded our 2011 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 Vice 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. Lancaster and Union counties were selected for the awards. **Sarah K. DeVenny** of Lancaster High School and **Casey C. Woodard** of Union County High School were each awarded a Board of Directors Scholarship.

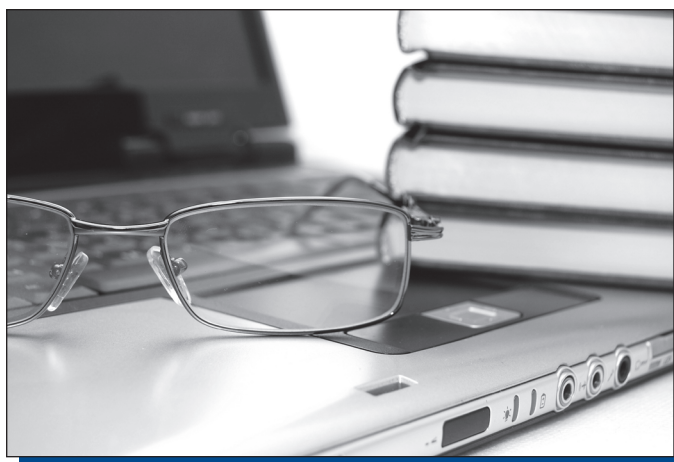
The Board of Directors Scholarship Selection Committee for Lancaster County was chaired by Waymon Mumford, Florence County Council Vice Chairman. Belinda D. Copeland, Darlington County Treasurer, and F. Pickens Williams Jr., Barnwell County Administrator, also served on this committee.

The Board of Directors Scholarship Selection Committee for Union County was chaired by Diane B. Anderson, Laurens County Council Vice Chairman, and included Charles T. Edens of Sumter County Council and L. Gregory Pearce Jr. of Richland County Council.

SCAC's scholarship selection committees met in March 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's staff responds to requests for information, conducts research and offers helpful publications in an effort to keep county officials and staff informed. Many of these resources are available through our research and technical assistance web pages.



Research and Technical Assistance

Each year, the Association's 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

Surveys

A sample of county surveys conducted during the past year includes topics such as animal shelters, council standing committees, county fiscal positions, detention center personnel costs, health insurance for staff and retirees, post-employment benefit reserve funds, procurement procedures, probate office staffing and tax collections for municipalities. Once survey responses are finalized, a summary is published on SCAC's website.

Property Tax Report

SCAC produced **2010 Property Tax Rates by County** in January, 2011. This report is the most comprehensive, up-to-date listing of county property tax millages. County auditors provided information 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 2010 report is the sixth annual edition published by SCAC.

Wage and Salary Survey

The **2011 Wage and Salary Report** was published in November, 2010. 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 report includes information on annual and sick leave benefits, holidays, budgets, payrolls and employee totals. Work on the 2012 Wage and Salary Report is underway, and publication is expected in late 2011.

County Profiles

The fourth edition of **County Profiles**, published in June 2010, includes county statistical information gathered 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 tables are online and updated as information becomes available. This allows users to access dynamic, up-to-the-minute statistics by selecting individual counties or tables.

Model Practices in South Carolina Counties

In 2009, SCAC published *Model Practices in South Carolina Counties*. This project was an 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 facing local government.

SCAC is maintaining a database of model practices as an ongoing resource and plans to publish a second edition in 2012.

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, 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 listserv 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.

SCAC's site incorporates a fresh, contemporary design; provides quick links to timely topics and organizes content for efficient browsing.



SCAC's website provides information about our services, meetings, legislative initiatives, training opportunities, financial programs and publications. Visitors can also access general information about all 46 counties.

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 offers a number of features to make the site easier to navigate, including a search engine and A-Z index.

A convenient administrative feature allows 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. It 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 Joseph B. Dill (Greenville County Council) was the Legislative Committee chairman for FY 2010–11.

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 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 2010, SCAC's Legislative Committee adopted numerous policy positions to set the course for the 2011 Legislative Program. Those positions were published in a document entitled ***Policy Positions for the 2011 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.



At SCAC's Mid-Year Conference in February, county officials received a legislative briefing and a report from the Attorney General. G. Frederick Payne of Greenville County Council and other participants were also able to ask questions.

The Association provides a number of tools to involve county officials in the legislative process. The most valuable of these, the *Friday Report*, is prepared and distributed every Friday of the legislative session and is also available on the SCAC website. This report keeps county officials informed about legislation that affects their operations. It may be the only place where 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 and report these discussions 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.

Although this was a very difficult legislative session, given the economic downturn and the shortfalls in state funds, SCAC's 2011 legislative program was successful. During the first year of the 119th session, a total of 1,337 bills were introduced. Of this number, the Association monitored more than 519 bills that affect counties; thus, one in every three bills introduced was tracked and monitored by SCAC.

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*.

SCAC's 2010-11 Priorities

- **ATI/Point of Sale** (Act No. 57, R 91, H. 3713—This issue has been a legislative fight for the past three sessions of the General Assembly. The compromise reached represented the best outcome possible. The fiscal impact of the original point of sale bill for counties was \$52 million per year, while the compromise in Act No. 57 represents only \$3.2 million. The compromise also includes some policy positions supported by SCAC.

For assessable transfers of interest (ATIs) involving six percent property on or after Jan. 1, 2011, a property tax exemption equal to 25 percent of the sales price will be given, but the resulting value cannot be below the "uncapped" fair market value (which does not reflect the benefit of the 15 percent constitutional cap for valuation increases caused by reassessment) on the assessor's books.

Another provision of the legislation is a three-year millage rate "carry forward." If a county has millage rate raising capacity from one

or more of the three previous years that was unused, it is now authorized to use that millage capacity. This addresses the "use it or lose it" dilemma.

The legislation also provides a technical change to the rollback millage formula to make allowance for the tax collection rate. This returns to the practice prior to *Angus v. City of Myrtle Beach*. The rollback millage calculation will be based upon taxes billed, instead of revenue received. This formula clearly allows revenue growth as a result of ATI-driven value increases in the year of reassessment—just the same as the other four years of the reassessment cycle.

- **Budget Proviso 86.8**—The 2011-12 flexibility proviso allows reductions in support to any state-mandated programs or requirements up to a percentage equal to the percentage reduction in the appropriated Local Government Fund as compared to the required statutory amount.

A comprehensive overview of new and amended laws that impact county government, *Acts That Affect Counties*, was prepared and distributed by SCAC staff at the end of the legislative session.

Outlook for the 2011-12 Session

Next year, the state's general fund revenue is expected to increase. After drastic cuts to state agencies in past legislative sessions, the 2011-12 Session will likely focus on determining which prior budget items can be restored, in view of the modest return of state revenue.

Restoring the Local Government Fund to its statutory level will be a top priority for SCAC. Continued communication to educate members of the General Assembly is critical.

Other Bills that Passed

- **Inmate Credit for Time Served** (Budget Proviso 51.30)—Local jails were previously required to transport inmates sentenced to more than 90 days, but credited with time served, to the Department of Corrections (SCDC) for booking prior to release. This proviso allows county jails, via written agreement, to fax the booking records and release these inmates. SCDC staff assigned to the court will perform DNA testing, if required.
- **Involuntary Commitment of Persons with TB** (Act No. 53, R 87, H. 3378)—This legislation allows DHEC to issue an emergency tuberculosis commitment order, and requires law enforcement to assist in enforcement. If a person requests release from the order, the probate court will hear the petition. The court may also order the sheriff to return a patient who leaves a treatment facility without permission.
- **Prevention of Damage to Underground Facilities** (Act No. 48, R 66, S. 705)—This act amends underground digging law. It requires all underground utility owners to become members of SC811 (formerly Palmetto Utility Protection Service or “PUPS”), but stormwater and sanitary sewer systems are not included. Digging must be preceded by calling SC811, but local government maintenance activity such as road sign replacement or ditch clearing is exempt. The Attorney General will enforce this law.
- **Voter Photo ID** (Act No. 27, R 54, H. 3003)—This act requires voters to produce a current, valid photo ID in order to vote. A S.C. driver's license, DMV-issued ID, passport or military ID is acceptable. The S.C. Election Commission will issue photo voter registration cards when funds are available. This act becomes effective upon approval by the Justice Department.
- **Oversees Absentee Voting** (Act No. 43, R 58, S. 404)—Absentee ballots must be mailed to overseas military personnel and registered voters living outside the U.S. at least 45 days prior to an election. Military personnel and citizens in isolated places outside the U.S. may now use write-in ballots that are not required to be witnessed.

Bills that Didn't Pass

- **Solid Waste Flow Control** (S. 514)—This bill would prohibit the authority of county governments to restrict the disposal of waste in a permitted facility located outside of the county, although the U.S. Supreme Court ruled this practice is legal.
- **Aeronautics/Airport Zoning** (H. 3918)—This bill would require counties to conform land use zoning to FAA and Division of Aeronautics safety regulations. SCAC concerns regarding airport closure approval and land use regulation by the Division of Aeronautics were addressed by a House Judiciary Committee amendment, and work on this bill will resume next year.
- **Statewide ABC Recycling** (S. 461)—This bill would have funded a statewide mandatory recycling program for bars and restaurants with accommodations tax revenues. The Senate amended the legislation to reduce the scope and cost of the program—removing the need for funding.

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, there were three significant legal cases.*

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.

In April 2010, the SCAC Board of Directors instructed staff to join Beaufort, Charleston and Horry Counties, the Municipal Association and several municipalities in an *amicus* brief on behalf of the counties in ***Travelscape, LLC v. The S.C. Department of Revenue***.

Travelscape contracts with individual hotels to purchase hotel room nights, which they sell to the public through Expedia.com. Customers pay all room charges, including service fees and taxes, to Travelscape. The Department of Revenue argued that Travelscape only charged state sales tax revenue for the actual cost of the room, and the tax should have been assessed for the customer's entire bill. The Administrative Law Court (ALC) held that sales tax should be assessed on the entire amount paid by the customer. Travel-

scape appealed, and SCAC filed an *amicus* brief asking the state Supreme Court to uphold the ALC decision.

In January 2011, the Supreme Court agreed that the sales tax must be assessed against the entire amount charged. The decision in this case will impact counties with significant convention and tourism revenue.

In January 2011, the SCAC Board of Directors instructed staff to prepare an *amicus* brief in support of an Horry County ordinance requiring all solid waste, other than certain recyclable material, to be disposed of at facilities approved by the Horry County Solid Waste Management Authority (referred to nationally as "flow control"). A private landfill operating outside of Horry County that had previously accepted solid waste from Horry County sued in Federal District Court to halt enforcement of the ordinance, arguing that the state Solid Waste Management Act does not authorize counties to enact flow control ordinances. The federal court certified a question to the S.C. Supreme Court, asking it to determine whether state law preempts local ordinances in the area of flow control.

SCAC's *amicus* brief pointed out that under the Home Rule Act, solid waste collection and disposal is a traditional function of local government, and state law does not prohibit such ordinances. The county, supported by the SCAC brief, argued that while state law grants DHEC authority to license and permit landfills, counties retain the authority to collect and dispose of solid waste—including requiring where it is to be disposed.

The Supreme Court heard oral arguments on May 24, and it was clear that the court was skeptical of the landfill's argument. Once the court issues a decision, the case will proceed to Federal District Court.

In March 2011, the SCAC Board of Directors instructed staff to provide legal assistance to Florence County regarding litigation in the Circuit Court. The case will determine what authority a county treasurer has in expending money from the county general fund, in entering into contracts for payment of services, and in controlling statutory fines/fees assessed for delinquent taxes. Legal assistance for these matters is ongoing.

In December of 2010, SCAC sponsored the S.C. Local Government Attorneys' Institute. This year, the Institute featured presentations by Charles W. Thompson Jr., International Municipal Lawyers Association; Robert S. Berman, U.S. Department of Justice; J. Gerald Hebert, The Campaign Legal Center; Charles L.A. Terreni of Terreni Law Firm, LLC; and Susan B. Hackett, Office of Disciplinary Counsel.

Each year, more than 225 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

SCAC sponsors two self-insurance pools, open to member counties and to agencies with county government-related functions.

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 Trusts employ independent auditors and actuaries to ensure the pools are financially strong. The key to the success of both programs is the adoption and enforcement of strong risk management programs by participating member counties.

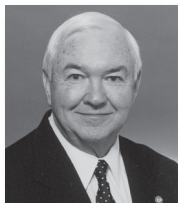
The **S.C. Counties Workers' Compensation Trust** was formed in the fall of 1984 by SCAC's Board of Directors in response to a crisis in the commercial insurance market.

The Workers' Compensation Trust has 89 members, including 42 of the 46 counties. General administration and risk management for the Trust are handled in-house by Association staff, with claims management provided under contract by a third party administrator.

On May 26, 2011, the Board of Trustees voted unanimously to terminate the existing contract for third party administration with Companion Property & Casualty Company. Workers' compensation claims will be administered by Ariel Third Party Administrators, Inc., a new company created by Companion Property & Casualty's former Chief Financial Officer, Curtis Stewart. Stewart has detailed knowledge of the Trust's history and financial position, having worked closely with our staff for nearly 15 years.

The S.C. Workers' Compensation Commission continues to award lifetime medical payments for almost all lost-time injuries based upon the S.C.

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



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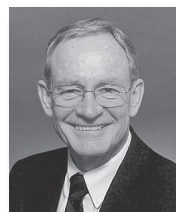
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Supreme Court's decision in *Dodge v. Bruccoli*. This has caused an increase in claims expenses, as well as file management and storage issues.

The state is working toward the orderly termination of the Second Injury Fund (SIF) on July 1, 2013. As a result, the Trust may not file claims for reimbursement for injuries occurring on or after July 1, 2008, but will receive reimbursement from the SIF for injuries that occurred prior to that date. The Trust will continue to pay assessments to the SIF until its termination.

The **S.C. Counties Property & Liability Trust** was formed in August 1995, in response to rapidly rising liability insurance premiums. The Property & Liability Trust has 24 members, including 16 counties. Since 1999, the Trust's administration has been handled in-house by SCAC staff.

The Association's risk management staff continues to work with Trust members to reduce potential tort liability claims. This year, staff particularly focused on reducing legal and indemnity costs related to tort claims against county detention centers.

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 2011, nearly \$62.3 million was returned to county participants.

The Association is also working with the Department of Revenue to collect debts through the **Governmental Enterprise Accounts Receivable (GEAR) program**. Using GEAR, delinquent debts may be collected through tax return garnishments and additional methods such as wage garnishment and seizure of bank accounts. For the first half of 2011, SCAC returned more than \$6.4 million to GEAR participants.

Since 2001, the Association's collections for counties have grown from \$27.1 million per year to \$68.7 million per year, an increase of 154 percent. The number of participating county entities has increased from 81 in 2001 to 208 in 2011.

SCAC provides many technical services to Setoff Debt and GEAR program participants. These include free software that allows counties to manage and transfer data easily; assistance in identifying errors; email verification for data files; and reports to match system addresses with current tax return addresses.

SCAC is offering new services to assist counties that were previously unable to participate in the debt collection programs because they did not collect the required data or had incomplete or unreliable data. The services will also help participants verify the accuracy of data and submit additional accounts for collection. This year, SCAC began to submit data from the counties to the S.C. Department of Motor Vehicles to verify account information with their driver's license database. In 2012, SCAC will offer a free service to help counties identify names, social security numbers, addresses and other required data.

The Association is working to create a paperless process for our debt collection programs by transferring data electronically, sending email notification of payments and updated data, and offering electronic bank deposits. SCAC applies stringent privacy and security standards to meet requirements for transferring data electronically.

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 to be 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

Property Tax Audit Program

The Association has entered into an agreement with Tax Management Associates, Inc. (TMA) of Charlotte, N.C. to provide property tax audit and discovery services.

TMA has worked successfully with 15 other states to assist county governments in finding property tax revenue that was not collected due to improper claims for residential property exemptions and undervalued claims for business personal property or for businesses that did not pay personal property taxes at all.

TMA and SCAC are meeting with county tax officials to develop audit programs to address their particular needs.

Federal Reimbursement of County Ambulance Expenses

The Association also entered into an agreement with the S.C. Emergency Medical Service (EMS) Association to fully reimburse county EMS providers for delivering Advanced Life Support ambulance services to Medicaid patients. The current reimbursement rate for these services is set by the Medicaid program and does not cover the full cost to counties. Each year, SCAC and the EMS Association will file audited claims for unreimbursed costs, using a form approved by the U.S. Center for Medicare and Medicaid Services.

Office Products Purchasing Program

Since 1997, the Association has participated in a purchase agreement program for office products sponsored through NACo and U.S. Communities. The program allows counties to obtain most office products at 60 to 70 percent below market price, by using the purchasing power of a vast number of local governments to justify deep discounts.

SCAC has agreed to work with the S.C. Emergency Medical Service Association to fully reimburse county EMS providers for delivering Advanced Life Support ambulance services to Medicaid patients.

Under the program, the smallest governmental entities can purchase office products at a cost lower than can be obtained through competitive bid by the largest counties in this state.

In 2010, a new contract was awarded to Independent Stationers, Inc. The contract will allow local governments to take advantage of a nationwide network of suppliers to find the lowest price for individual products.

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 nearly 150 governments/agencies in South Carolina. Included in this figure are 37 county governments.

Since the program's inception in early 2004, South Carolina counties have sold assets valued at \$20 million through GovDeals. From June 1, 2010 to April 15, 2011, the counties generated sales of more than \$3.1 million.

The benefits provided by GovDeals to county governments are primarily increased revenue from sales of surplus equipment and assets.



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 auction.

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 standard (GASB 45) that requires state and local governments to compute and publish the amount of their OPEB liability as it is “earned” by employees.

To assist counties in determining their OPEB liabilities, SCAC entered into an agreement with Gabriel, Roeder, Smith & Company—a nationally recognized actuarial firm experienced with OPEB/GASB 45 requirements.

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 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.

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 eight national awards in the 2011 Awards of Excellence Competition sponsored by the National Association of County Information Officers, including: Superior, Excellence and Meritorious awards for feature writing; Best of Class and Excellence awards for photography; an Excellence award for the 2010 Annual Conference brochure; and Meritorious awards for *Carolina Counties* newsletter.

The Association also received four state awards, including a “Best in the Business” award from the S.C. Society of Association Executives for our website, sccounties.org, and honorable mention awards for *Carolina Counties* newsletter and the *2010 President’s Report*. *Carolina Counties* newsletter also received an Award of Merit in the 2010 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

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