

# *2012 President's Report*

President Joseph B. Dill



South Carolina Association of Counties  
45th Annual Conference • August 5-8, 2012

# SCAC 2011-2012 OFFICERS

## President



**Joseph B. Dill**  
Greenville County  
Council

## First Vice President



**Charles T. Edens**  
Sumter County  
Council

## Second Vice President



**W. Weston Newton**  
Beaufort County  
Council Chairman

## Third Vice President



**Joe Branham**  
Chester County  
Council

## Past President



**R. Carlisle Roddey**  
Chester County  
Supervisor

## Secretary



**William T. Noonan**  
Sumter County  
Special Projects Director

## Treasurer



**Belinda D. Copeland**  
Darlington County  
Treasurer



# South Carolina Association of Counties

Joseph B. Dill, President  
*Greenville 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,

*Joseph B. Dill*  
*Greenville County Council*  
*2011-2012 SCAC President*

# PRESIDENT'S REPORT

## SOUTH CAROLINA ASSOCIATION OF COUNTIES

45TH ANNUAL CONFERENCE • AUGUST 5–8, 2012  
MARRIOTT HOTEL, HILTON HEAD ISLAND

*President Joseph B. Dill*

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This Report to the Membership of the South Carolina Association of Counties  
Covers the Period from August 2011 to August 2012

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### General Information

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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 32-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 webcasts. Numerous state and local government groups also use the building's facilities for their meetings.

## Conferences

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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

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### *Institute of Government for County Officials*

SCAC established the **Institute of Government for County Officials** in 1989, in cooperation with the Institute for Public Service and Policy Research at the University of South Carolina and the Strom Thurmond Institute of Government and Public Affairs at Clemson University.

Over the years, the program has been retooled to provide the knowledge and skills that county officials need in order to be effective leaders; and this year, the curriculum was enhanced to reflect emerging issues in county government, changes in state law, and comments from participant evaluations. Three new courses were added to address employment law, the changing demographics of the county workforce, and best practices for measuring and reporting organizational performance.

Requirements for certification are 27 contact hours for Level I and 18 contact hours for Level II. A minimum of 16 courses are offered each year, through sessions held prior to the Association’s

Mid-Year Conference, Annual Conference, and fall meeting of the County Council Coalition. At the end of each class, participants must complete a form to certify that they have attended and completed the course. Total class attendance during the past year exceeded 600 persons, showing county officials’ commitment to educating themselves about their roles and responsibilities.

Four of the Institute of Government courses are approved by the State Education Planning Advisory Committee for continuing education credit for local planning and zoning officials and employees (*see Training for Local Planning/Zoning Officials and Employees*).



## *Webcast Training*

For more than 16 years, SCAC has provided training to county officials and employees through teleconferences produced in partnership with the S.C. Educational Television Network (SCETV). This year, due to budget cuts at SCETV and the elimination of its satellite system, SCAC adopted a new method of delivering distance education programs.

In September, our Association began to provide webcast training programs from its offices in Columbia. This new method allows participants to watch the training live at their county training facilities or from their individual computers. The SCAC training room also accommodates employees from neighboring counties who wish to participate as members of the studio audience.

Each training session is available for viewing “on demand” via SCAC’s website, so county officials and

employees who are unable to participate in the live webcast can watch it later from their computer.

During this period of economic uncertainty and deep budget cuts, SCAC’s webcasts are a valuable tool for providing training at NO COST to the counties, and each session presents a great opportunity for county personnel to receive training on topics that are relevant to their professional responsibilities. The success of the webcasts can be seen through the number of counties and employees who participate regularly.

SCAC has also strengthened its distance learning capabilities by providing state-mandated orientation and continuing education training to local government planning and zoning officials and employees (*see Training for Local Planning/Zoning Officials and Employees*).

### *SCAC’s 2011-12 Webcast Training Programs*

- On Aug. 19, 2011, SCAC’s first webcast provided three hours of continuing education training for planning and zoning officials and employees. Led by Greenville County Attorney Mark W. Tollison and SCAC Staff Attorney John K. DeLoache, *Advanced Issues in Land Use Planning and Zoning* provided an overview of recent court decisions that impact local land use and highlighted problems resulting from local land use regulations. Nearly 250 participants from 27 counties viewed the live presentation.
- Cathy L. Hazelwood of the S.C. State Ethics Commission and Edwin C. Thomas of Ed Thomas/Leadership, LLC, conducted *Public Service Ethics: Understanding the Law and Beyond* on March 22. In addition to offering three hours of continuing education training for planning and zoning officials and employees, this webcast also offered three hours of *Legal Ethics/Professional Responsibility* training for county attorneys. The course addressed the Ethics Reform Act and 2011 revisions that affect county officials and employees, the ethical environment in which public employees and elected officials operate, and practices that promote an ethical culture. More than 400 employees from 31 counties participated in the live webcast.
- On May 31, Merry J. Taylor of Taylor and Associates conducted a webcast on *Customer Service Excellence: The Art of Working with People*. This seminar focused on specific skills that enable county employees to deal with the public in a courteous, professional way. Participants learned how to gain customer confidence, anticipate and prevent problems, and project a professional image. More than 465 employees from 21 counties viewed this webcast.
- On Sept. 20, Linda P. Edwards of Gignilliat, Savitz & Bettis, LLP will present SCAC’s final webcast for 2012. *Anti-Harassment: The Obvious and Not So Obvious* will provide a review of significant court cases and legal issues affecting personnel administration.

## *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, the Association 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 DVDs are available on loan from SCAC; and this fall, the programs can also be viewed “on demand” through the Association’s website.

### **Continuing Education**

Act 39 of 2003 also requires local planning and zoning officials and employees to complete three hours of continuing education each year, after the initial orientation program. Once again, SCAC was the first entity to receive approval from the State Planning Education Advisory Committee to provide this training; and in 2011, the Association updated its continuing education courses to address current issues and changes in state law.

Two new courses, Advanced Issues in Land Use

Planning and Zoning and Public Service Ethics: Understanding the Law and Beyond, have been approved by the State Planning Education Advisory Committee for a five-year period. Both courses can be viewed “on demand” through SCAC’s website.

The State Planning Education Advisory Committee has also approved four Institute of Government courses for continuing education credit for local planning and zoning officials and employees. These courses are:

- Economic Development;
- Planning and Land Use;
- Ethical Leadership and Public Service; and
- Managing and Conducting Meetings.

All courses offered are three contact hours, so 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. 6, from 2–3 p.m. and repeated from 3–4 p.m.:

- Bonds 101: How County Governments Borrow Money
- Local Government and the General Assembly
- Positioning Your Community for Economic Development Success
- Socially Challenged: How to Manage Social Media Risk in a Linked-In World
- Understanding Your Retirement Plan
- Finding the Right Work-Life Balance for You and Your Employees

## SCAC Scholarship Programs

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SCAC proudly awarded \$2,500 scholarships to five outstanding high school seniors who plan to attend a South Carolina college or university this fall. Since the establishment of its scholarship program in 1998, the Association has awarded \$73,000 in scholarships to 33 students.

SCAC's scholarship selection committees met in April to evaluate applicants for these awards. Scholarship 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.

**SCAC's Presidential Scholarship** is awarded annually to a graduating high school senior who resides in the same county as our current President (Joseph B. Dill of Greenville County Council). **B. Seth Smith** of Blue Ridge High School was awarded the 2012 Presidential Scholarship.

The Presidential Scholarship Selection Committee was chaired by Dennis N. Lambries, Ph.D., of the Institute for Public Service and Policy Research at USC. Other committee members were Laurens County Council Chairman James A. Coleman and Charleston County Clerk of Court Julie J. Armstrong.

SCAC also awarded four **Board of Directors Scholarships** to graduating high school seniors who are residents of counties chosen by lot by the Association. Anderson, Lexington, Newberry and Saluda counties were selected for these awards.

**Allison H. Warner** of Belton-Honea Path High School, **April N. Chaffins** of Airport High School,

**Kaitlin R. Kunkle** of Mid-Carolina High School, and **Morgan M. Derrick** of W. Wyman King Academy were each awarded a Board of Directors Scholarship.

SCAC's Scholarship Selection Committee for Anderson County was chaired by Diane B. Anderson of Laurens County Council. Other members were Rose Dobson-Elliott, Bamberg County Administrator, and William T. Noonan, Sumter County Special Projects Director.

Florence County Council Vice Chairman Waymon Mumford chaired the Scholarship Selection Committee for Lexington County. Greenville County Council Member Xanthene Norris and Richland County Council Vice Chairman L. Gregory Pearce Jr. also served on this committee.

The Scholarship Selection Committee for Newberry County was chaired by Barnwell County Administrator F. Pickens Williams Jr. Other members were Lexington County Council Chairman William B. Banning Sr. and Orangeburg County Council Chairman Johnnie Wright Sr.

Darlington County Treasurer Belinda D. Copeland chaired the Scholarship Selection Committee for Saluda County. Joe Branham of Chester County Council and Charles T. Edens of Sumter County Council also served on this committee.

Each year, SCAC presents a plaque to each scholarship recipient 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*.





## Research and Technical Assistance

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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](http://www.sccounties.org/services/research)

### *Surveys*

A sample of county surveys conducted during the past year includes topics such as advisory referendums, payroll debit cards, costs to conduct presidential elections, county support of the local chambers of commerce, security for county offices, provision of vehicles for certain county offices, and auditing of telecom and utility invoices. Once survey responses are finalized, a summary is published on SCAC's website.

Currently, SCAC is undertaking a comprehensive survey to capture the financial impact of state mandates on counties. Since SCAC last conducted this type of survey in 1995, there have been many statutory requirements placed on local governments without corresponding funding to meet these requirements. Slated for completion in late November, the analysis from this important survey will assist SCAC staff during the legislative session.

### *Property Tax Report*

SCAC produced *2011 Property Tax Rates by County* in January, 2012. This report is the most comprehensive, up-to-date listing of county property tax millages. County auditors provided information regarding the counties' 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.

### *Wage and Salary Survey*

The *2012 Wage and Salary Report* was published in November, 2011. This annual publication presents the results of SCAC's survey of more than 200 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.

### *County Profiles*

The fifth edition of the *County Profiles* report, published in June 2012, consists of county statistical information gathered from a variety of state and federal sources. Each county is represented with a one-page profile containing a brief county history, recent population trends, economic data, tax data, and county financial and employment data. The entire publication may be accessed online, and hard copies are available for use as a convenient desktop reference.

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

### *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. 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 Fund distributions, Millage Rate Caps and state salary supplements of county elected officials.

## Website



SCAC's website, [www.sccounties.org](http://www.sccounties.org), is an integral part of the Association's communications program and is the primary internet resource for information about South Carolina's counties and issues affecting county government.

Visitors can access general information for all 46 counties—including the names and addresses of county officials, links to county government websites, county employment opportunities and statistical tables that address frequently-asked questions about county government.

Our website provides quick links to timely topics and organizes content for efficient browsing. A number of features, such as a search engine and A–Z index, make the site easy to navigate. The home page features a calendar that displays upcoming events and provides links to further information on meetings and conferences, online registration, agendas, etc.

The website facilitates communication between SCAC, county officials and other related individuals and groups. The Association provides immediate, online access to information about our services, 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.

Clerks to council update the web pages that display contact information for their local officials. Their changes are logged, so that we can reflect those changes in our database. This will ensure that county directory pages and our database are always up-to-date.

## 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.

The Association won the following four awards in the 2012 Awards of Excellence Competition, sponsored by the National Association of County Information Officers: Superior (1st Place) and Excellence (2nd Place) for Feature Writing; Excellent (2nd Place) for Magazine; and Meritorious (3rd Place) for Newsletter. The SCAC also won a Meritorious Award for Newsletter in the 2012 Best in the Business Awards Program, sponsored by the S.C. Society of Association Executives.

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*

## Legislative Program

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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. Charles T. Edens (Sumter County Council Chairman) was the Legislative Committee Chairman for 2011-12.

The Legislative Committee is comprised of 75 members: each county council chairman or the chairman's 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 2011, SCAC's Legislative Committee adopted numerous policy positions to set the course for the 2012 Legislative Program. Those positions were published in a document entitled *Policy Positions for the 2012 Session of the South Carolina General Assembly*. The policy positions are also available on the SCAC website — [www.sccounties.org](http://www.sccounties.org). Once policy positions are adopted, it is the responsibility of the membership and the SCAC staff to advocate for their implementation.

The Association provides a number of tools to 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, SCAC's 2012 legislative program was successful. During this second year of the 119th session, a total of 1,636 bills were introduced in addition to the

1,337 which were introduced during the first year of the 119th session. During the 119th session, the Association monitored more than 1,064 bills that pertained to counties; thus, about 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 2011-12 Priorities*

- **Local Government Fund** (Budget Proviso 90.20) — Although the state received over \$1 billion in new revenue this year, the General Assembly did not honor the statutory funding formula for the Local Government Fund (LGF) and many members did not support any increase in LGF funding over last year's amount. Many members still do not understand how important the LGF is, how it affects unfunded mandate expenses, and is the original form of property tax relief. Fortunately, the General Assembly did increase funding of the LGF by \$30 million over last year's level. The SCAC staff worked relentlessly to get the \$30 million increase in funding for the LGF. Keeping county officials informed every step of the way and making sure that timely contacts were made between county officials and their legislators at critical moments resulted in the \$30 million increase, saving county property taxpayers from substantial tax increases.
- **Retirement** (Act No. 278) — Very little of this legislation goes into effect before 2013. The solvency of the retirement systems will be improved by requiring all interested parties to share in the responsibility. This sharing of responsibility by both employees and employers shores up the fiscal health of the retirement systems and protects a valuable fringe benefit.
- **Multi Lot Discount** (Act No. 179) — The compromise reached with the Homebuilders was the best possible outcome. The preferential tax treatment of building lots is a temporary bailout instead of a permanent change. The refund requirement was deleted from the bill as well as the reduction from 10 to 5 lots to qualify for the special tax treatment. The compromise also included two provisions to clean up qualifications for the four percent legal residence assessment ratio. The first prevents out of state couples from qualifying a house in state when one of them resides in another state. The second provision addresses minority interest owners created by deed and mirrors the elderly homestead fractional interest treatment.
- **Municipal Capital Projects Sales Tax** (Act No. 267) — We were able to reach a compromise on S. 1167 whereby the municipal capital projects sales tax was deleted from the bill. The existing statutory prohibition of levying a countywide capital projects sales tax in counties that already have a local act school penny was amended. Counties with a local act school penny on July 1, 2012 can now place the countywide penny on the ballot. The usefulness of the existing countywide capital projects sales tax was preserved.



**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.**

### *Other Bills that Passed*

- **Illegalization of Bath Salts and Synthetic Marijuana** (Act No. 140) — This legislation adds several chemical compounds commonly referred to as bath salts and synthetic marijuana to the list of Schedule I controlled substances.
- **Tax Collectors, Forfeited Land Commission and Tax Sales** (Act No. 186) — This legislation requires tax collectors, except for treasurers who also serve as tax collectors, to complete 6 hours of DOR training annually. The forfeited land commission is also allowed to refuse title to property which could be against the public's interest, and tax sales may now be held on an "advertised" date as opposed to only on a "legal sales" date. The penalty for a person defaulting on a tax sale bid is also increased to \$500 from \$300.

### *Bills that Did Not Pass*

- **Solid Waste Flow Control** (H. 4721) — This legislation would have prohibited county governments restricting the disposal of in-county waste in a permitted facility located outside of the county, although the Supreme Court ruled this practice is legal. This legislation essentially failed on a 23-19 vote to adjourn the evening before the last day of regular session. We anticipate that this legislation will be reintroduced next January.
- **Freedom of Information Act Rewrite** (H. 3235) — This legislation would have been a substantial rewrite of the FOI Act. The proposed changes included:
  - Eliminating charges for staff time producing records.
  - Limiting copy charges to prevailing commercial rates (perhaps a dime per page).
  - Reducing the initial FOI response time by counting weekends and holidays in the 15 days.
  - Requiring document production within 30 days of initial request for documents two years old or less.
  - Requiring document production within 75 days of initial request for documents older than two years.
  - Requiring all documents used at a public meeting within the last six months be posted to the internet or made available immediately without formal request.

All of the above represent significant cost increases with no way to recoup these costs in some instances. Abusive requests, even if infrequent, end up costing taxpayers. This legislation died on the Senate calendar. We anticipate this legislation will be reintroduced next January.

- **Tort Claims Act Caps** (S. 772) — This legislation was originally retroactive and would have effectively eliminated the liability caps for governmental entities, leaving counties with potentially uninsurable risk and greatly increased premium expense. A modified proposal to index the liability to inflation, which would have still greatly increased premium expense, died on the Senate calendar.
- **Unreimbursed Property Tax Assessment Ratio Drops** (H. 4993 and H. 4998) — These two bills would have resulted in the loss of over \$1 billion in property tax revenue through an unreimbursed reduction in the assessment ratios for manufacturing property, business personal property and commercial (second homes/rental) property. The assessment ratio would be dropped on manufacturing and business personal property from 10.5 to 6 percent, and the assessment ratio on second/rental homes and commercial property would be dropped from 6 to 5 percent.

These bills would have dramatic effects on millage rates, property tax burdens, and economic development incentives. Millage rates would be forced to increase to pay bonded debt, which would shift the property tax burden to homeowners, vehicle owners and utilities, and there would be little incentive for new industry to use a fee in lieu of tax agreement, which would result in a loss of money normally used to pay for infrastructure and property to bring an economic development project into an area to begin with. Both these bills died in committee.

## Legal Assistance Program

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The Association's legal staff responds to numerous requests from county officials through phone, letter, and e-mail, seeking guidance and advice on legal issues affecting county government operations. The staff works through the county attorney and outside counsel on these issues. The Association's legal services include providing informal telephone consultations, researching and providing pertinent statutes, case law and attorney general's opinions, assisting counties involving statewide interest at the trial and appellate levels, preparing informal advisory opinions and appearing as an Amicus Curiae (friend of the court). This year, SCAC assisted members in four significant cases of interest of the counties.

In January 2011, the Board of Directors instructed the staff to prepare an Amicus Curiae 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 Act did not authorize counties to enact flow control ordinances. The Federal Court certified a question to the S.C. Supreme Court asking it to rule on the issue of whether state law preempts local ordinances in the area of flow control. The county, supported by SCAC, argued that while the Solid Waste Act granted DHEC the authority to license and permit landfills, the counties retained the authority under the Home Rule Act to collect and dispose of solid waste, including regulating the means of disposal. The Supreme Court agreed, holding that the Solid Waste Act does not prohibit local flow control ordinances.

In March 2011, the Board of Directors instructed the staff to provide legal research and assistance to Florence County related to litigation in the Circuit Court to determine what authority a county's elected treasurer has in expending money from the general fund, to enter into contracts for payment of services, and control over statutory fines/fees assessed on delinquent tax filers. In May 2012, the Circuit Court

found for the county on all issues. A treasurer can only expend money with a warrant or appropriation for County Council. A treasurer can only enter into a contract that requires payment of county funds with an authorization from Council, and funds in from fines/fees for collection of delinquent taxes may only be used to offset costs incurred in collecting those taxes. The treasurer has filed an appeal to the S.C. Supreme Court.

In September 2011, the Board of Directors instructed the staff to provide legal research, and an Amicus Curiae brief to support four counties' lawsuit against the State Election Commission and two major political parties regarding the unfunded mandate to conduct and fund the January 2012 presidential preference primary. In 2007 the General Assembly authorized the Election Commission to conduct the 2008 presidential primaries. The counties argued that the legislation specified the 2008 election cycle only, and did not authorize the Commission or the counties to conduct the 2012 primary. Additionally, the counties argued that the General Assembly violated the unfunded mandate provisions of the Home Rule Act by requiring them to fund the primaries without providing the funding. The Supreme Court in a close 3-2 decision disagreed holding that the 2007 legislation could be read to include future primaries, not just the 2008 election cycle. Additionally, the Court held that the General Assembly did provide specific, albeit insufficient, funding. The Court ordered the counties to take whatever steps necessary, specifically including consolidating polling places, to conduct the 2012 primary with the funding available.

In June 2012, the Board of Directors instructed the staff to prepare an Amicus Curiae brief in support of Saluda County before the State Supreme Court. A Court of Appeals panel in a 2-1 decision reversed a circuit court judge's decision that allowed county councils to amend council agendas during the meeting. The Court of Appeals held that while the Freedom of Information Act (FOIA) is silent on the issue, the "spirit" of the law prohibited such actions once the agenda is provided to the public. The Supreme Court is not expected to consider the case until late 2012.

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

The S.C. Counties Workers' Compensation Trust was formed in the fall of 1984 by the SCAC Board of Directors in response to a crisis in the commercial insurance market. The Trust currently has 89 members, including 42 of the 46 counties. Claims administration

is provided under contract by Ariel TPA, a third party administrator. General administration and risk management are handled in-house by Association staff.

The Workers Compensation Commission continues to award lifetime medical payments on many lost time injuries based on the S.C. Supreme Court's decision in Dodge v. Brucoli. This has caused the Trust to experience increased claims expenses, as well as file management and storage issues. In April, the Commission published proposed regulations to mandate mediation in certain cases. The Commission's aim is to reduce the number of litigated cases going to a hearing before the Commissioners.

The State continues towards the orderly termination of the Second Injury Fund on July 1, 2013. Although no new claims can be filed, the Trust continues to receive reimbursements from the SIF for injuries occurring prior July 1, 2008. The Trust will incur statutory assessments until the final termination of the Fund.



## Boards of Trustees

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



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**SECRETARY/TREAS.**  
**Michael B. Cone**  
SCAC Executive Director

In March, the S.C. Supreme Court heard arguments in Bentley v. Spartanburg County, in which a deputy claimed post-traumatic stress injuries (called a mental-mental claim) as a result of the shooting death of a suspect. The Trust, as insurer, claimed that the injury was not compensable because such events are to be expected in the ordinary course and scope of a deputy's duty. The Court agreed that the shooting of a suspect is a foreseeable part of employment and affirmed. However, the Court went further and opined that the mental-mental standard was outdated and that the General Assembly should consider bringing such claims in line with the standard for physical injuries. SCAC will monitor this issue in future legislative sessions.

### **The S.C. Counties Property & Liability Trust**

The S.C. Counties Property & Liability Trust was formed in August 1995, in response to rapidly rising liability insurance premiums. The Trust has 24 members, including 16 counties. Since 1999, the administration of the Property & Liability Trust has been handled in-house by SCAC staff. SCAC risk management staff continues to work with Trust members to reduce potential tort liability claims, particularly the legal and indemnity costs related to tort claims against county detention facilities.

A number of bills were introduced in 2012 seeking to lift the \$300,000/\$600,000 damages cap in light of a miniature train accident that killed a child and injured 24 others. Any significant increase in the damage caps would substantially increase insurance costs for counties. Ultimately, the General Assembly did not enact legislation on this issue.

### ***Setoff Debt/GEAR***

The Association assists participants in the Setoff Debt Collection Program to collect delinquent debts through the S.C. Department of Revenue (SCDOR) which could otherwise go uncollected. If an individual who owes a debt is scheduled to receive a state income tax refund, SCDOR reduces the refund by the amount of the debt, which is returned to the participating county entity through the Association. About \$65.8 million has been returned to county participants through the first half of 2012.

The Association is also working with the Department of Revenue to collect debts under the Governmental

Enterprise Accounts Receivable (or GEAR) program. Using GEAR, delinquent debts may be collected through tax return garnishments and additional methods such as payment plans and wage garnishments. For the first half of 2012, SCAC has returned over \$9.5 million to GEAR participants.

SCAC's debt collection programs have proven very successful in returning monies for county operations such as emergency medical services, court fines and fees, delinquent taxes, solid waste services, hospitals, alcohol and drug treatment services, business licenses, water and sewer services, and housing services. Since 1992, when the Association's programs began, SCAC has returned about \$700 million to the county participants. Over the last five years, the Association's collections for counties has grown by \$21 million. And, the number of participating county entities has increased from 156 entities in 2008 to 232 entities in 2012.

SCAC provides numerous technical services to assist our participants in these debt collection programs. SCAC offers free software which helps counties manage data for these programs. SCAC sends verification totals for all data files and identifies potential data errors. SCAC shares current addresses from State income tax returns with counties. SCAC sends all data and reports electronically, using stringent security and privacy controls. Electronic data transfer helps counties receive information more quickly. And, SCAC offers participants an option for electronic funds transfer which allows counties to receive funds more quickly.

SCAC continues to implement technological and program improvements for the Setoff Debt and GEAR programs. For county entities that cannot submit accounts because they do not collect the required data or the data is incomplete or unreliable, SCAC offers free data find services. In 2011 SCAC started submitting data to the South Carolina Department of Motor Vehicles (SCDMV) to verify account information with information in the driver's license database. In 2012 SCAC began working with LexisNexis to help counties find social security numbers and names. With these data find services, more county entities can participate. Counties can submit more accounts. And, data will be more accurate. The result is more potential revenue for counties.



Additional information on the debt collection programs can be found on SCAC's debt collection website linked from [www.sccounties.org](http://www.sccounties.org).

## ***Cooperative Agreements***

### **Property Tax Audit Program**

SCAC entered into an agreement with Tax Management Associates, Inc. (TMA), a Charlotte, N.C. based company to provide property tax audit and discovery services for county business personal property and residential property tax filings. TMA has worked successfully with 15 other states to assist county governments in finding property tax revenue that has not been collected due to improper claims for residential property exemption, undervalued claims of business personal property, or businesses not paying property taxes at all. TMA is working in four counties currently, and is actively meeting with county tax officials to develop specific audit programs to address particular county needs.

### **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 uses the purchasing power of a vast number of local governments, and a network of local suppliers, to develop deep discounts for local government. Under this program, even the smallest governmental entities can purchase most office products approximately 60 to 70 percent below market price.

### **Surplus Equipment — GovDeals**

SCAC also participates in an internet auction program for surplus equipment through GovDeals.com.

GovDeals provides a platform for counties to sell equipment and other surplus assets via online auction. The primary benefits of GovDeals are increased revenue, reduced asset depreciation, and storage costs, because GovDeals allows governments to sell equipment and assets immediately without need of long-term storage. Currently, GovDeals is working with 37 participating counties, as well as 100 other agencies in South Carolina. Since the program's inception in early 2004, counties have generated more than \$25 million in revenue through GovDeals. Between April 1, 2011, and April 1, 2012, GovDeals generated sales of \$5.3 million for various S.C. counties, including one that realized almost \$1.9 million.

### **OPEB Trust Program**

The Governmental Accounting Standards Board (GASB) requires state and local governments to compute and publish the amount of their OPEB liability (Other Post-Employment Benefits) as it is "earned" by the employees. SCAC has an agreement with Gabriel, Roeder, Smith & Company, a nationally-recognized actuarial firm experienced with OPEB 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 the 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 could eventually degrade a government's bond ratings. The S.C. Counties OPEB Trust allows counties to pool their OPEB funds and to invest them in instruments yielding the highest rate of return. The Trust invests only in bonds or other treasury instruments allowable by law.

## **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!

# SCAC STAFF

## **Executive Director**

Michael B. Cone

## **Deputy Executive Director and General Counsel**

Robert E. Lyon Jr.

### **Deputy General Counsel**

Robert S. Croom

### **Assistant General Counsel**

Timothy C. Winslow

### **Of Counsel**

Russell B. "Bo" Shetterly

### **Senior Staff Attorney**

M. Clifton Scott Jr.

### **Staff Attorneys**

M. Kent Lesesne

John K. DeLoache

Wesley A. Covington

Joshua C. Rhodes

Jenna L. Stephens

### **Public Information Director**

W. Stuart Morgan III

### **Director of Insurance Services**

William S. Griggs, AIC

### **Director of Risk Management Services**

John D. Henderson, ARM, ALCM

### **Risk Manager**

Robert E. Benefield, ARM

### **Trusts' Program Coordinator**

Pam S. Collins, ARM

### **Insurance Claims Manager**

John V. Jervey, AIC

### **Workers' Compensation Claims Manager**

Dennis L. Hicks, AIC

### **Controller**

Douglas L. Brockhard, CPA

### **Director of Administrative Services**

Melinda L. Suddess

### **Director of Research and Training**

Anna B. Berger

### **Senior Research Associate**

Susan B. Turkopuls

### **Special Projects Coordinator**

Leslie M. Christy-Jennings

### **Webmaster**

Jennifer M. Haworth

### **Meeting Planner/Administrative Assistant**

Nilda A. Padgett

### **Administrative Assistants**

S. Ruthie Duvall

Mary E. Williams

Pearlena A. Khalif-Govan

Dana M. Tomlinson

### **Trusts' Program Assistant Coordinator**

Susan L. Chambers

### **Procurement Officer**

Robert J. Lyon, CPPB

### **Field Representative**

Rick K. Ucinski

# SCAC BOARD OF DIRECTORS

## **Terms Expire 2015**

**Diane B. Anderson**, Laurens County Council  
**John Q. Atkinson Jr.**, Marion County Council  
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**James R. Frazier**, Horry County Council  
**Lois H. Roddey**, Chester County Probate Judge

## **Terms Expire 2014**

**Gonza L. Bryant**, Greenwood County Council  
**Jeffrey A. Horton**, Spartanburg County Council Chairman  
**Joel R. Thrift**, Oconee County Council Chairman  
**F. Pickens Williams Jr.**, Barnwell County Administrator  
**Ronnie Young**, Aiken County Council Chairman

## **Terms Expire 2013**

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## **Terms Expire 2012**

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

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## **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



**South Carolina Association of Counties:**  
*Building Stronger Counties for Tomorrow*



**South Carolina Association of Counties**

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