



2014 President's Report

President Joseph R. Branham



South Carolina Association of Counties
47th Annual Conference • August 3-6, 2014

SCAC 2013-2014 OFFICERS

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Joseph R. Branham
Chester County Council Vice Chariman

First Vice President



James R. Frazier
Horry County Council

Second Vice President



John Q. Atkinson Jr.
Marion County Council

Third Vice President



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Charleston County Clerk of Court

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Sumter County Council

Secretary



F. Pickens Williams Jr.
Barnwell County Administrator

Treasurer



Belinda D. Copeland
Darlington County Treasurer



South Carolina Association of Counties

Joseph R. Branham, 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 efforts of the South Carolina Association of Counties (SCAC) over the past year. As you know, it has been a very active and productive year. This is 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 a staff that is knowledgeable, capable, and responsive to your requests for assistance.

This year we saw a push for the "flow control" bill, legislation intended to take local control of solid waste from county government and place it in the hands of out-of-state companies. The clear intent was to wrest this power from the citizens and to make South Carolina the nation's dumping ground. SCAC defeated this legislation.

Unfortunately, the General Assembly continues to fail to meet its obligation to the taxpayers of South Carolina and fully fund the Local Government Fund (LGF). The General Assembly's decision to choose new programs and pork projects rather than fund the property tax relief that the LGF represents is nothing more than an attempt to fiscally strangle county governments. We must communicate the impact to county taxes, services, and programs as a result of this assault not only to our members of the General Assembly, but to our citizens as well.

I ask that you fully commit to our push to not only maintain Home Rule, but to gain more autonomy for local government. Make no mistake, SCAC's mission of ***"Building Stronger Counties for Tomorrow"*** is not just a struggle for the preservation of county government, it is a fight to retain the promises made to our people in the Constitution of the State of South Carolina!

It has been a privilege and an honor to serve with you in county government and to serve as SCAC President this year. I greatly appreciate your support during my term. It is a memory I will cherish always.

Sincerely,

Joseph R. Branham
Chester County Council Vice Chairman
2013-2014 SCAC President

PRESIDENT'S REPORT

SOUTH CAROLINA ASSOCIATION OF COUNTIES

47TH ANNUAL CONFERENCE • AUGUST 3–6, 2014
MARRIOTT HOTEL, HILTON HEAD ISLAND

President Joseph R. Branham

This Report to the Membership of the South Carolina Association of Counties
Covers the Period from August 2013 to August 2014

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 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.

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

SCAC established the Institute of Government for County Officials in 1989 to provide the knowledge and skills that county officials need in order to be effective leaders.

In 2014, the Association formed a new partnership with the College of Charleston's Joseph P. Riley Jr. Center for Livable Communities, while continuing its partnership with Clemson University's Strom Thurmond Institute of Government and Public Affairs.

The curriculum includes two levels of certification and also offers advanced courses to permit graduates to increase their knowledge of timely issues. 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 sign a form to certify that they have completed the course. Total class attendance during the past year exceeded 500 persons, showing county officials' commitment to educating themselves about their roles and responsibilities.

Four of the Institute's courses are approved by the State Education Planning Advisory Committee for continuing education credit for local planning/zoning officials and employees (*see Training for Local Planning/Zoning Officials and Employees*). Institute courses are also a component of the S.C. Clerks to Council Certification Program, which offers intensive training for county clerks to council.

Webcast Training

For 18 years, SCAC has provided training to county officials and employees via distance education programs.

In 2012, our Association began to provide webcast training programs from its offices in Columbia. This method allows participants to watch the training live at county training facilities or from their individual computers and to ask questions via e-mail during the webcast. The SCAC training room also accommodates employees from neighboring counties who wish to participate as members of the studio audience.

Each training session is also made available via streaming video through SCAC's website or a loaned DVD, so county officials and employees who are unable to participate in the live webcast can view it later.

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 planning/zoning officials and employees (*see Training for Local Planning/Zoning Officials and Employees*).

SCAC's 2013-14 Webcast Training Programs

- On Oct. 24, 2013, Sheri A. Callahan of Horizon Consulting Group, LLC, presented **"Managing Me! Skills for Tackling Workplace Stress."** This interactive webcast highlighted the factors that impact our ability to manage stress, explored the concept of emotional intelligence, and provided new strategies for tackling stress in the workplace. Nearly 500 participants from 19 counties viewed the live presentation.
- SCAC's hosted its first webcast of 2014, **"Unlocking Your Staff's Potential: Strategies for Engaging and Motivating Employees,"** on March 27. Led by William E. Tomes of USC's Institute for Public Service and Policy Research, this session introduced motivational principles and explored the impact of generational differences in motivating employees. Nearly 200 employees from 18 local governments participated in the live webcast.
- On May 15, SCAC presented **"Part I of Orientation Training for Planning/Zoning Officials and Employees."** Three instructors provided an overview of the Local Government Comprehensive Planning Enabling Act, the Freedom of Information

Act, and rules of parliamentary procedure. Approximately 75 participants from 20 local governments viewed the live webcast, which fulfilled half of the six-hour orientation training requirement for new planning/zoning officials and employees.

- On Oct. 30, SCAC will host **"Part II of Orientation Training for Planning/Zoning Officials and Employees."** This webcast will complete the final three hours of training for new planning/zoning officials and employees.

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 to attend at least six hours of orientation training. The act also requires planning professionals, zoning administrators, zoning officials, and deputies/assistants to these positions to complete this training.

SCAC was the first entity to receive approval from the State Planning Education Advisory Committee to provide this training to local planning/zoning officials and employees. This year, SCAC updated Part I of its orientation program to reflect changes in state law and comments from participant evaluations. The State Planning Education Advisory Committee approved the use of this training session 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. In October, SCAC will update Part II of the orientation—which addresses the planning and zoning process, significant court decisions, and the South Carolina Ethics Act. The programs can be viewed via streaming video through SCAC's website or DVDs on loan from the Association.

Continuing Education

Act 39 of 2003 also requires local planning/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 the Association has updated its continuing education courses to address current issues and changes in state law.

Three courses — **“Advanced Issues in Land Use Planning and Zoning,” “Public Service Ethics: Understanding the Law and Beyond,”** and **“Current Planning and Zoning Issues for Urban and Rural Communities”**—can be viewed via streaming video through SCAC’s website or DVDs on loan from the Association.

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

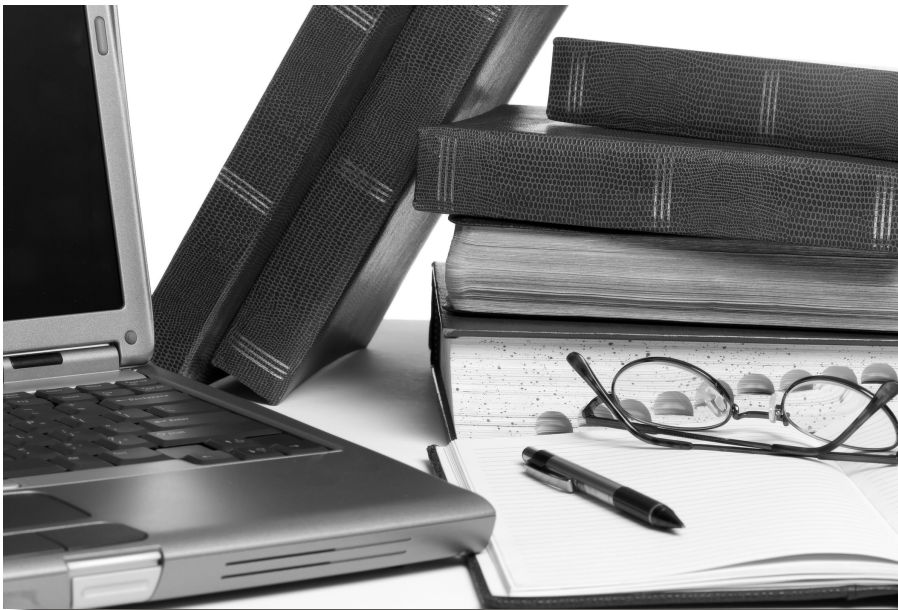
- **“Economic Development”;**
- **“Planning and Land Use”;**
- **“Ethical Leadership and Public Service”;** and
- **“Managing and Conducting Meetings.”**

All courses offer three contact hours, so one course fulfills the annual continuing education requirement for local government planning/zoning officials and employees.

Annual Conference Workshops

Training is also provided during SCAC’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. 4, from 2–3 p.m. and repeated from 3–4 p.m.:

- **“Engaging the Public in Productive Ways”**
- **“Federal Issues Update: Implications for Your County”**
- **“Overview of the 2014 Legislative Session”**
- **“Strategies for Tackling Your County’s Retirement Liability”**
- **“Understanding and Reducing Your Workers’ Compensation Premiums”**



SCAC Webcasts averaged 370 attendees per session in 2013-2014.

SCAC Scholarship Programs

SCAC has awarded \$98,000 in scholarships to 43 students since establishing its scholarship program in 1998. This year, the Association proudly awarded \$2,500 scholarships to five outstanding high school seniors. All plan to attend a South Carolina college or university in the fall.

SCAC's Presidential Scholarship is awarded annually to a graduating high school senior who resides in the same county as our current president (Joseph R. Branham, Chester County Council Vice Chairman). **Joseph D. Kovas** of Chester Senior High School was awarded the 2014 Presidential Scholarship.

SCAC also awarded four **Board of Directors Scholarships** to graduating high school seniors who are residents of counties chosen by lot by the Association. Bamberg, Chesterfield, Colleton, and Marion counties were selected for these awards.

Calder S. West of Orangeburg Preparatory School, **Jenson S. Tomberlin** of the S.C. Governor's School for Science and Mathematics, **Hannah L. Houck**

of Colleton County High School, and **Jonathan D. Fulmer** of Grace Home School Association were each awarded a Board of Directors Scholarship.

Scholarship applicants must complete an application form and write an essay about their goals and aspirations. They are 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—may also be considered by the selection committees.

SCAC presents a plaque to each scholarship recipient during their 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*.

The following scholarship selection committees met in April to evaluate applicants for these awards:

Presidential Scholarship – Chester County

L. Gregory Pearce Jr., Richland County Council – Chairman
Julie J. Armstrong, Charleston County Clerk of Court
James A. Coleman, Laurens County Council Chairman

Board of Directors Scholarship – Bamberg County

Belinda D. Copeland, Darlington County Treasurer – Chairman
Joseph R. Branham, Chester County Council Vice Chairman
Charles T. Edens, Sumter County Council

Board of Directors Scholarship – Chesterfield County

F. Pickens Williams Jr., Barnwell County Administrator – Chairman
William B. Banning Sr., Lexington County Council
Johnnie Wright Sr., Orangeburg County Council Chairman

Board of Directors Scholarship – Colleton County

Diane B. Anderson, Laurens County Council – Chairman
Dwight L. Stewart Jr., Clarendon County Council Chairman
Ronald Young, Aiken County Council Chairman

Board of Directors Scholarship – Marion County

Waymon Mumford, Florence County Council Vice Chairman – Chairman
R. David Brown, Fairfield County Council
Claude Thomas, Abbeville County Council Chairman

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/research.

Surveys

A sample of county surveys conducted during the past year includes topics such as OPEB liability, retiree health benefits, credit card fees for property tax payments, law enforcement and detention officer employment practices, and county litter locations. Once survey responses are finalized, a summary is either published on SCAC's website or made available to counties upon request.

Property Tax Report

SCAC published ***2013 Property Tax Rates by County*** in January, 2014. 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. This year, the report was redesigned to include detailed components of county and school district mills.

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 ***2014 Wage and Salary Report*** was published in November, 2013. This biennial publication contains 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. This year the survey was redesigned to include average wages in addition to the previously reported salary ranges. Also new to this year's survey are data about human resource policies such as annual leave, sick leave, and classification systems.

County Profiles

The sixth edition of ***County Profiles*** was completed in June. This biennial publication 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 current 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 and online 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 Fund distributions, Millage Rate Caps, and state salary supplements of county elected officials.

Technology

SCAC's website, 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. This year RSS feeds were established to help county officials stay abreast of the most up-to-date information on the site. RSS allows users to get updates for recent news, changes to the events/meetings calendar, and the most recent Friday Report or Legislative Alert in their email inbox or in their feed reader.

The website provides quick links to timely topics and organizes content for efficient browsing. A number of features, such as a search feature 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 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.

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.

This year the Association also introduced the SCAC Annual Conference App. The app can be downloaded to any smart device through the App Store, Google play, or via a web portal.

It allows the Association to highlight speakers including biographies, contact information, photos, and websites. When someone clicks on a session, they can see an overview including a brief description, learning objectives, and other pertinent information. The app also includes information on patrons and sponsors with their descriptions and contact information.

The ability to update the app at any time means that attendees will always have access to the most up-to-date information.

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 South Carolina Association of Counties won one Superior (First Place) for Carolina Counties Newsletter; and one Superior and one Excellence (Second Place) for Feature Writing in the 2014 Awards of Excellence Competition, sponsored by the National Association of County Information Officers.

Other SCAC publications include:

- *Acts that Affect Counties*
- *Case Law Affecting Counties*
- *Freedom of Information Handbook*
- *Handbook for County Clerks to Council in South Carolina*
- *Handbook for County Government in South Carolina*
- *Home Rule Handbook*
- *Legislative Policy Positions*
- *Model Rules of Parliamentary Procedure*
- *Model Practices in South Carolina Counties*
- *Revenue Resources*

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. James R. Frazier (Horry County Council) was the Legislative Committee Chairman for 2013-14.

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 2013, SCAC's Legislative Committee adopted numerous policy positions to set the course for the 2014 Legislative Program. Those positions

were published in a document entitled *Policy Positions for the 2014 Session of the South Carolina General Assembly*. The policy positions are also available on the SCAC website — www.sccounties.org. Once policy positions are adopted, it is the responsibility of the membership and the SCAC staff to advocate for their implementation.

The Association provides a number of tools to 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 that 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.

Our legislative program relies on the principles of Home Rule and the idea that all political power is vested in and derived from the people of the State of South Carolina. Our founding fathers believed, as we do, that the best government is the representative democracy closest to the people, our county governments. Despite this universal truth, forces continue to work to centralize government power at the state and federal level. These forces want to strip the people of their political power

by crippling Home Rule. SCAC's 2014 legislative year was quite successful, despite repeated efforts by the General Assembly to disregard Home Rule.

SCAC's 2013-14 Priorities

- **Local Government Fund** — The Local Government Fund (LGF) is funded at last year's level of \$212,619,411. Of the total amount, \$187,619,411 is recurring and \$25 million is nonrecurring. The total county portion after deducting the Medicaid required amount is \$174,752,511. The recurring funds passed in the general appropriations bill will be distributed in four quarterly payments. The allocation of \$25 million in nonrecurring proviso funds should be disbursed in one check by September 30, 2014. Although the state has seen new revenues increase significantly the past three budget years, the General Assembly continues not to honor the statutory funding formula for the Local Government Fund. Many members did not support any increase in LGF funding over last year's amount. It is apparent the General Assembly would rather go back to the days of the supply bill than to meet their statutory obligations. This is the wrong way to budget and undermines statutorily mandated property tax relief and Home Rule.
- **Solid Waste Flow Control** — SCAC successfully blocked the passage of the solid waste "flow control" bill. This legislation represents attempts by out-of-state waste companies to make South Carolina their dumping ground by crippling local government legislative authority to control where waste is sent. This legislation is one of the most glaring examples of the erosion of Home Rule that is being pursued by special interests at the state capitol. The waste companies will likely return next year, aiming to pass legislation granting them the unfettered ability to bring tons out-of-state garbage into our state.
- **Electronic Waste Recycling (Act No. 129)** — SCAC supported this legislation to help counties address the problems with electronic materials piling up at the landfill. SCAC was also successful in defeating a flow control amendment to this bill.

- **Texting while Driving (Act No. 260)** — SCAC supported a statewide ban on texting while driving. This law preempts all local texting ordinances.
- **Bond Revocations (Act No. 144)** — This Act addresses the issue of offenders committing violent crimes while out on bond for previously committed violent crimes.
- **Electronic Filing (Act No. 198)** — SCAC supported legislation to facilitate electronic filing in counties that currently provide the service.

Other bills that passed

- **Multi-Lot Discount (Act No. 277)** — This legislation extends the multi-lot discount through property tax year 2015.
- **Registration & Election Consolidation (Act No. 196)** — Act No. 196 requires all county elections and voter registration boards to be combined, and gives oversight to the State Elections Commission.
- **Education Capital Projects Sales Tax (Act No. 290)** — This legislation permits the voters of 16 counties, previously prohibited from imposing this tax, to pass an additional sales tax penny for Education Capital Projects.
- **Military Family Quality of Life Enhancement Act of 2014 (Act No. 289)** — This Act codifies several provisions for military families including absentee voting and property tax allowances.
- **Expungements (Act No. 276)** — Act No. 276 creates exemptions to the expungement statute for law enforcement and prosecution entities to retain records after an expungement order has been issued.
- **County Boundaries (Act No. 262)** — This Act directs the SC Geodetic Survey to map out all county boundaries in the state using archival data, and creates a dispute procedure.

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

Bills that did not pass

- Sheriff Contract Authority (S. 275) — This legislation would have granted unconstitutional contract authority to county sheriffs, potentially creating major public safety concerns. SCAC supported an amendment to address the constitutional problem, but the bill was ultimately defeated.
- Credit Card Fees (Proviso 110.9) — The House passed a credit card processing fee proviso which required reporting your credit card fee activities to the General Assembly. It also required significant changes to the

tax bill to explain credit card processing fees and mandatory prospective installment tax payments, directly in conflict with the current installment payment statute. This proviso was deleted in the Senate, which SCAC supported.

- Annexation (H. 4265) — This bill represented another piecemeal annexation law change. It would have allowed a city to use the jurisdiction of a special purpose district (SPD) that overlaps with the municipality to annex all of the SPD regardless of whether there was a break in continuity. SCAC opposed the statewide application of this bill and it did not pass.

Legal Assistance Program

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 Amicus Curiae (friend of the court).

This year, SCAC has provided legal assistance to a number of counties on significant cases of interest.

In May 2014, SCAC legal staff received a request from Lexington County to provide legal research and other assistance to the County's attorneys related to litigation currently before the Administrative Law Court. In the case *Lexington County v. DHEC & 378 Recycling Center, LLC*, the County appealed an administrative decision by DHEC to grant a landfill expansion permit to 378 Recycling. The County contends that DHEC improperly ignored a provision in the County's solid waste plan that required a local review process, and

a prior determination by the County that the plan includes a prohibition against new or expanded class 2 landfills. The case is expected to be heard by the ALC in mid-summer.

In January 2014, the Board of Directors instructed the staff to provide legal research assistance, including the filing of an Amicus Curiae brief in support of Spartanburg County in the case *Montgomery v. Spartanburg County Assessor*. This case is currently on appeal to the S.C. Court of Appeals from the Administrative Law Court, and involves the proper valuation of structures and other improvements to land designated as agricultural for property tax purposes.

In January 2014, the Board of Directors instructed the staff to provide legal research assistance, including the filing of an Amicus Curiae brief in support of Richland County in the case, *Columbia Venture, LLC v. Richland County*. This case involves the denial of permits to construct a residential/commercial project on the banks of the Congaree River, in lower Richland County. The entire development area lay within the river's floodplain. Development of the land would only have been possible with construction improvements to the existing levee system protecting the property, and the County's agreement to maintain and inspect the system. The adoption of new federal floodplain maps, which had been in development at the time of the application, rendered a large part of the property undevelopable.

In August 2013, the Board of Directors instructed the staff to provide legal research assistance, including the filing of an Amicus Curiae brief in support of Jasper County in the case Jasper County School District v. Jasper County. The District brought suit in the circuit court to stop County Council from approving the District's annual budget. The court held that the Council was the sole governmental body authorized by the General Assembly to levy a property tax millage, and that the District's authority to establish budget priorities did not rise to the level of budget approval. The District has appealed the decision to the S.C. Court of Appeals. The Appeals Court is expected to hear the case in late summer 2014.

In May 2013, the Board of Directors instructed the staff to join an Amicus Curiae brief in support of Horry County in the case Sandlands v. Horry County & the Horry County Solid Waste Authority. The plaintiffs appealed the U.S. District Court's order upholding the Horry County Flow Control Ordinance to the Fourth Circuit Court of Appeals. The District Court issued its order after the S.C. Supreme Court upheld flow control pursuant to State Solid Waste Management Act. SCAC joined the National Association of Counties, the International Municipal Lawyers Association, and several state and county solid waste authorities in fighting to maintain local management of solid waste. The Court of Appeals heard the case in oral arguments on October 31, 2013. On December 3, 2013, the Court affirmed the District Court's decision.

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 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 ruled that FOIA requires counties to post the dates, times, and places of their regular meetings at the beginning of the year, however, an agenda is not required for each regular meeting. The Court further held that since no agenda is required, there is no prohibition against Council amending an agenda if one is used.

In November 2013, SCAC sponsored the S.C. Local Government Attorneys' Institute. This year, the Institute featured presentations by Charles W. Thompson Jr., International Municipal Lawyers Association; Cathy Hazelwood, Deputy Director and General Counsel for the S.C. Ethics Commission; Robert Turnbull, from the S.C. Bar; Margaret Pope; Michael Kendree; Joan E. Winters; Edwin Evans; Elizabeth Potter; and John Tate.

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

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.

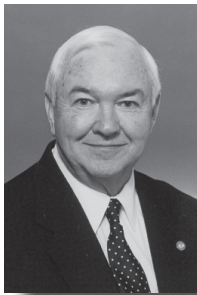
The Second Injury Fund (SIF) ceased operation on July 1, 2013. The Trust continues to receive reimbursements from accepted claims until the Fund pays their remaining unfunded liabilities. The Trust will incur statutory assessments until the final termination of the Fund. Based on the recommendations of a working panel of insurance companies, self-insureds (including the SCCWC Trust), and state agencies, the S.C. Budget & Control Board approved a plan to pay off the SIF's unfunded liabilities through assessments totaling \$60 million each year for five years.

SCAC successfully fought back a legislative attempt to preempt the S.C. Supreme Court's decision in *Bentley v. Spartanburg County*. H. 3147 would have required the counties to pay compensation claims related to

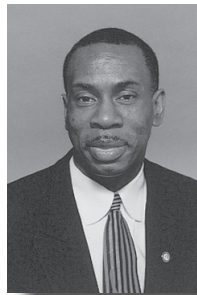


Boards of Trustees

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



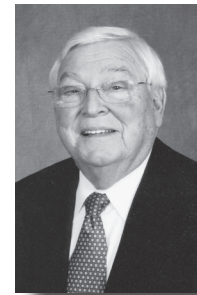
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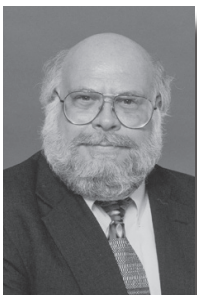
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SECRETARY/TREAS.
Michael B. Cone
SCAC Executive Director

workplace stress, including PTSD (Post Traumatic Stress Disorder). The House reduced the bill to apply solely to law enforcement officers where deadly force has been used. Even in this reduced version, the legislation would have greatly impacted workers' compensation costs for counties. SCAC argued that workplace stress claims are more effectively handled through health insurance programs.

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 federal and state tort claims against county detention facilities. Robert Benfield, SCAC's law enforcement risk manager has recently begun to work with local detention facilities to address compliance with the recently enacted Prison Rape Elimination Act (PREA). This federal Act will require local detention facilities to implement new training, reporting, and inmate management programs.

OPEB Trust Program

The S.C. Counties OPEB Trust allows counties to pool their OPEB (Other Post-Employment Benefits) 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. The Governmental Accounting Standards Board (GASB) requires state and local governments to compute and publish the amount of their OPEB liability as it is earned by the employees. 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. 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. In March 2014, Dorchester

County became the second member, joining York County as members of the Trust.

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. More than \$65.3 million has been returned to county participants through the first half of 2014.

The Association also works with the Department of Revenue to collect debts under the Governmental Enterprise Accounts Receivable (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 2014, SCAC has returned about \$13.2 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, hospitals, alcohol and drug treatment services, business license fees, water and sewer services, and housing services. Since 1992 when the Association's programs began, SCAC has returned about \$890 million to the county participants. The Association's collections for counties has grown significantly from \$29 million in 2002 to \$83.5 million in 2014. And, the number of participating county entities has increased from 81 entities in 2002 to 266 entities in 2014.

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. 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. SCAC offers free data find services for counties that do not collect the required data for SCDOR. SCAC submits data to the South Carolina Department of Motor Vehicles (SCDMV) to verify data with the driver's license database. And, SCAC sends data to 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.

In 2014, SCAC is continuing to automate historical data reports, which will allow counties to track individual submissions and collections across time. SCAC is also working with SCDOR to receive electronic funds transfers from the State Treasurer's Office, which will allow SCAC to send payments to counties more quickly after tax returns are garnished.

Additional information on the debt collection programs can be found on SCAC's debt collection website linked from www.sccounties.org.

Cooperative Agreements

Property Tax Audit Program

SCAC participates 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 programs. TMA has worked successfully with 17 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 business not paying property taxes at all. TMA is currently working in nine counties, 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

South Carolina counties can participate in an internet auction program for surplus equipment through **GovDeals.com**. GovDeals provides a platform for counties to sell equipment, vehicles, and other surplus assets via online auction. The primary benefits of using GovDeals are increased revenue, reduced asset depreciation, and storage costs, because GovDeals allows governments to sell surplus equipment and assets immediately without the need of long-term storage. Currently, GovDeals is working with 41 South Carolina counties, as well as 100 other agencies in the state. Since the program's inception in early 2004, counties have generated more than \$27 million in revenue through GovDeals. Between May 1, 2013, and April 30, 2014, 21 counties sold 374 surplus items, generating \$1,343,666 in revenue. Three counties successfully used GovDeals to generate revenue of \$300,000 each.

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. 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!

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South Carolina Association of Counties:
Building Stronger Counties for Tomorrow



South Carolina Association of Counties

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