



RICHLAND COUNTY COUNCIL

ADMINISTRATION AND FINANCE COMMITTEE

Damon Jeter	Gwendolyn Kennedy	Greg Pearce (Chair)	Jim Manning	Seth Rose
District 3	District 7	District 6	District 8	District 5

**JUNE 28, 2011
6:00 PM**

2020 Hampton Street, Columbia, South Carolina

CALL TO ORDER

APPROVAL OF MINUTES

1. Regular Session: May 24, 2011 [pages 4-6]

ADOPTION OF AGENDA

ITEMS FOR ACTION

2. Annual Action Plan for Community Development Department Funds Approval of Budgets Request [pages 8-10]
3. Disposition of Woodrow Wilson Boyhood Home and Hampton-Preston Mansion [pages 12-14]

4. Hazard Risk Assessment and Hazard Mitigation Plan [pages 16-20]
5. Motion to Review Hospitality Tax Grant Program [pages 22-28]
6. Richland County Judicial Center Jury Deliberation and Associated Bathroom ADA Renovations [pages 31-33]
7. Richland County Laurens Street Garage Revitalization-Phase Three [pages 35-37]
8. Setoff Debt Gear Participation for applicable Direct Report County Departments [pages 39-54]
9. Setoff Debt GEAR Participation for Treasurer/Tax Collector [pages 56-61]
10. Sheriff's Headquarters Parking Lot Revitalization Project [pages 63-65]
11. Veterans Treatment Court Grant and Required Match [pages 67-69]
12. Responses from RFP to Employee and Retiree Group Benefit Services (possible Executive Session Item) [pages 71-99]

ITEMS PENDING ANALYSIS: NO ACTION REQUIRED

13. a. Richland County has dismissed the Clerk of Council effective March 31, 2011 and so is currently without a Clerk. I motion to start the process for the search for a Clerk of Council immediately (Jackson, May 2011)
- b. Based on the new sewer planned for the Lower Richland County area and the possibility of assistance being provided to Low/Middle Income Households (LMIH) I move that staff create an ordinance that sets forth criteria for qualifications to receive assistance and that it will apply equally to all LMIH throughout Richland County (Malinowski, November-2010)

ADJOURNMENT



Richland County Council Request of Action

Subject

Regular Session: May 24, 2011 [pages 4-6]

Reviews

MINUTES OF



RICHLAND COUNTY COUNCIL ADMINISTRATION AND FINANCE COMMITTEE TUESDAY, MAY 24, 2011 6:00 P.M.

In accordance with the Freedom of Information Act, a copy of the agenda was sent to radio and TV stations, newspapers, persons requesting notification, and was posted on the bulletin board located in the lobby of the County Administration Building.

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MEMBERS PRESENT

Chair: L. Gregory Pearce, Jr.
Member: Damon Jeter
Member: Gwendolyn Davis Kennedy
Member: Jim Manning
Member: Seth Rose

ALSO PRESENT: Paul Livingston, Bill Malinowski, Valerie Hutchinson, Norman Jackson, Joyce Dickerson, Milton Pope, Tony McDonald, Sparty Hammett, Randy Cherry, Larry Smith, Stephany Snowden, Tamara King, Melinda Edwards, Dale Welch, David Chambers, Michael Byrd, Daniel Driggers, Monique Walters, Michelle Onley

CALL TO ORDER

The meeting started at approximately 6:05 p.m.

APPROVAL OF MINUTES

April 26, 2011 (Regular Session) – Mr. Jeter moved, seconded by Mr. Manning, to approve the minutes as amended. The vote in favor was unanimous.

ADOPTION OF AGENDA

Mr. Manning moved, seconded by Mr. Jeter, to adopt the agenda as distributed. The vote in favor was unanimous.

ITEMS FOR ACTION

Clerk of Council Job Vacancy – Mr. Manning moved, seconded by Mr. Rose, to table this item in committee pending the outcome of the study regarding the Clerk's position. The vote in favor was unanimous.

Council Member Expense Account Policy Guidelines – Mr. Rose moved, seconded by Mr. Jeter, to forward this item to Council with a recommendation to approve Alternative #1: "Approve the motion to move to amend the Council's expense account policy by issuing each Council Member a credit card. The vote in favor was unanimous.

Emergency Services Purchase Orders – Mr. Rose moved, seconded by Mr. Jeter, to forward this item to Council with a recommendation to approve Alternative #1: "Approve the purchase orders and contracts to have uninterrupted service beginning July 1, 2011." The vote in favor was unanimous.

Property Insurance for 2011-2012 – Mr. Rose moved, seconded by Mr. Jeter, to forward this item to Council with a recommendation to approve The vote in favor was unanimous.

POINT OF PERSONAL PRIVILEGE – Mr. Jeter recognized that Jeanette McBride, Clerk of Court and Chief Magistrate Simon were in the audience.

Purchase additional Shelving in Family Court, Civil Records, Criminal Records and Archives Room – Mr. Manning moved, seconded by Mr. Rose, to forward this item to Council with a recommendation to approve the use of \$79,000.00 for the purchase of additional shelving in Family Court, Civil Records, Criminal Records and the Archive Rooms. In addition, OnBase software will be purchased in order to scan documents in Family Court. The vote in favor was unanimous.

Relocation of Sheriff's Department Region Two Substation to Decker Mall – Mr. Manning moved, seconded by Mr. Jeter, to forward this item to Council with a recommendation to approve Alternative #2: "Approve the motion to relocate the Sheriff's Department's Region Two Substation to Decker Mall, as well as the County's Central Court, and use up to \$7 million of the remaining 2010 bond issue to renovate the facility." The vote in favor was unanimous.

Renaissance Foundation MOU Extension – Mr. Rose moved, seconded by Ms. Kennedy, to forward this item to Council with a recommendation to approve the MOU extension for the Renaissance Foundation that includes previously approved funding through FY14 and current reporting guidelines. The vote in favor was unanimous.

Revise Richland County Human Resources Guidelines for Exit Interviews – Mr. Manning moved, seconded by Mr. Jeter, to forward this item to Council with a recommendation for approval. The vote in favor was unanimous.

Volunteer Fire Operations Insurance – Mr. Rose moved, seconded by Ms. Kennedy, to forward this item to Council with a recommendation to approve the purchase of volunteer fire operations insurance for FY 2011-2012. The vote in favor was unanimous.

ADJOURNMENT

The meeting adjourned at approximately 6:33 p.m.

Submitted by,

L. Gregory Pearce, Jr., Chair

The minutes were transcribed by Michelle M. Onley

Richland County Council Request of Action

Subject

Annual Action Plan for Community Development Department Funds Approval of Budgets Request [pages 8-10]

Reviews

Richland County Council Request of Action

Subject: Annual Action Plan for Community Development Department Funds Approval of Budgets Request

A. Purpose

The Community Development (CD) Department is requesting Council to review and approve the itemized budgets for CDBG and HOME funds for FY 11-12. These budgets will be included in the proposed FY 11-12 Action Plan due to the US Department of HUD by August 15, 2011. The Action Plan is currently being crafted by the CD Department. A public hearing will be advertised and take place in August prior to the plan's submission. For purposes of appropriate Council endorsement and/or approval of the plan, this will require Council action. The completed FY 11-12 Action Plan will be submitted for Council endorsement and/or approval in Fall 2011.

B. Background / Discussion

- This is more of an internal mandate than HUD requirement, but Council action will strengthen the plan as well as provide public support.
- The CDBG and HOME budget process was approved by Council at a previous Council Meeting this year. This ROA is for the actual funds and drafted projects that will be completed with the FY 11-12 funding.
- The total grant amounts for CDBG and HOME budgets will be approved within the overall County's FY 11-12 budget process this year during the budget process. No other action has been taken by Council on CDBG and HOME budgets.
- This approval is requested because the Action Plan is due August 15th and Council will be on break at that time. The full Action Plan in its entirety will be brought back before Council in Fall 2011.

C. Financial Impact

Please see the estimated draft budgets below for both CDBG and HOME funds:

CDBG For FY 11-12	\$1,265,130
Master Planned Area Projects (25% set-aside)	\$317,000
Ongoing: Emergency Repair	\$200,000
Ongoing: HMIS Match	\$30,000
Ongoing: Five Year Consolidated Plan	\$100,000
Ongoing: MHA/Transitions – for Operating Funds	\$50,000
Ongoing: Marketing and Fair Housing Needs	\$5,104
Ongoing: Job Development	\$80,000
Ongoing: Neighborhood Revitalization Program	\$100,000
RFA/RFQ Process Projects	\$130,000
Administration (not to exceed 20%)	\$253,026

ProcurementReviewed by: Rodolfo Callwood

Date: 6/16/11

 Recommend Council approval Recommend Council denial Council Discretion (please explain if checked)

Comments regarding recommendation:

GrantsReviewed by: Sara Salley

Date: 6/16/11

 Recommend Council approval Recommend Council denial Council Discretion (please explain if checked)

Comments regarding recommendation:

LegalReviewed by: Larry Smith

Date:

 Recommend Council approval Recommend Council denial Council Discretion (please explain if checked)

Comments regarding recommendation:

AdministrationReviewed by: Sparty Hammett

Date: 6/20/11

 Recommend Council approval Recommend Council denial Council Discretion (please explain if checked)

Comments regarding recommendation: Recommend approval of the FY 11-12 estimated budgets for CDBG and HOME to be found in the FY 11-12 Action Plan.

Richland County Council Request of Action

Subject

Disposition of Woodrow Wilson Boyhood Home and Hampton-Preston Mansion [pages 12-14]

Reviews

Richland County Council Request of Action

Subject: Disposition of Woodrow Wilson Boyhood Home
and Hampton-Preston Mansion

A. Purpose

The purpose of this item is to request the County Council's consideration of a motion made at the May 17, 2011, Council Meeting regarding the disposition of the Woodrow Wilson Boyhood Home and the Hampton-Preston Mansion.

B. Background / Discussion

At the May 17, 2011, Council Meeting, Council Member Norman Jackson introduced the following motion:

“To donate the Woodrow Wilson Home and the Hampton Preston Mansion to a non profit organization that can handle its historic values and solicit funding from a larger area of funders. Or create such organization and turn over all title and responsibility.”

The Woodrow Wilson Boyhood Home and the Hampton-Preston Mansion are two historic properties owned by Richland County. The properties were placed under County ownership through a South Carolina Supreme Court order several years ago to end a long-standing battle over ownership. Because of the Supreme Court order, and due to the fact that the properties are on the National Historical Register, it should be determined by the County Attorney whether the County has the authority to relinquish ownership, as the motion prescribes.

By written agreement, both properties are operated and managed by the Historic Columbia Foundation. The County has retained the responsibility for all capital improvements. As part of the FY 12 budget process, the County Council approved \$750,000 from the Hospitality Tax fund balance for the continuation of ongoing renovations to the two properties. A total of \$3.2 million was requested by the Historic Columbia Foundation to complete the renovations.

Under Mr. Jackson's motion, the County would relinquish ownership of the two properties, and the County would be relieved of its responsibilities for capital improvements thereto.

C. Financial Impact

The financial impact to the County would be a reduction in, if not a total diminution of, the funds that the County occasionally appropriates for capital improvements at the two sites. As indicated above, that amount has been budgeted at \$750,000 for FY 12, with a total request from Historic Columbia of \$3.2 million.

D. Alternatives

1. Approve the motion to relinquish ownership either to an existing nonprofit organization or to an organization created specifically for this purpose.
2. Do not approve the motion to relinquish ownership, in which case the County would retain ownership and would continue to address the needed improvements as funds are available.

E. Recommendation

By: Motion by Council Member Norman Jackson

Date: May 17, 2011 Council Meeting

“To donate the Woodrow Wilson Home and the Hampton Preston Mansion to a non profit organization that can handle its historic values and solicit funding from a larger area of funders. Or create such organization and turn over all title and responsibility.”

F. Reviews

(Please replace the appropriate box with a ✓ and then support your recommendation in the Comments section before routing. Thank you!)

Finance

Reviewed by: Daniel Driggers

Date: 6/21/11

Recommend Council approval Recommend Council denial

✓ Council Discretion (please explain if checked)

Comments regarding recommendation: This is a policy decision for Council however the County currently has a management agreement with Historic Columbia Foundation and has appropriate capital improvement dollars in the FY12 budget.

Legal

Reviewed by: Larry Smith

Date:

Recommend Council approval Recommend Council denial

✓ Council Discretion (please explain if checked)

Comments regarding recommendation: There is no legal prohibition as it relates to Council donating this property should you decide to do so. However, I would recommend that any donation of the property be accompanied with an agreement with the party receiving the property regarding the property’s disposition and maintenance.

Administration

Reviewed by: Tony McDonald

Date: 6/23/11

Recommend Council approval ✓ Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation: It has been the Council’s long-standing position that possession of the Woodrow Wilson and Hampton-Preston facilities should be maintained by the County. In fact, after temporarily losing possession of the homes several years ago, the County was

again awarded ownership by way of a State Supreme Court ruling. It is recommended, therefore, that the two homes not be donated to another agency. Instead, it is recommended that the County continue to develop a capital improvement funding strategy, to include grants, tax credits, etc., for the renovation of the homes, and that the Historic Columbia Foundation be retained as the management agent for the homes.

Richland County Council Request of Action

Subject

Hazard Risk Assessment and Hazard Mitigation Plan [pages 16-20]

Reviews

Richland County Council Request of Action

Subject: Hazard Risk Assessment and Hazard Mitigation Plan

A. Purpose

The purpose of this report is to seek Council’s approval of a resolution to adopt the revised “All Natural Hazards Mitigation Plan” as recommended by Central Midlands Council of Government.

B. Background / Discussion

Each county is required to submit to FEMA, for approval, every 5 years, an All Natural Hazard Risk Assessment and Hazard Mitigation Plan. County Council’s adoption by resolution will allow Richland County to receive hazard mitigation grants after a natural disaster. The current plan was submitted and approved in 2004. All 4 counties, Newberry, Richland, Lexington and Fairfield were due; therefore the Central Midlands Council of Governments (CMCOG) took the lead and prepared the document based on their information and information received from the participating jurisdictions. CMCOG completed the review using a grant.

The participating jurisdictions in Richland County are:

- Richland County
- City of Columbia
- City of Forest Acres
- Town of Arcadia Lakes
- Town of Blythewood
- Town of Irmo

The goals of the plan are to:

1. Increase the county’s internal capacity to initiate and sustain emergency response operations during and after a natural disaster and thereby mitigate the effects of hazardous events.
2. Protect the most vulnerable populations, buildings and critical facilities in the county through the implementation of cost-effective, environmentally sound, and technically feasible mitigation projects.
3. Protect the public health, safety and welfare by increasing the public awareness and understanding of existing hazards and by fostering both individual and public responsibility in the mitigation of risks through the techniques available to minimize vulnerability to those hazards.
4. Maintain the economic vitality of the county in the face of natural disasters.
5. Inventory and map all structures in flood plains and assess properties that are or may be repetitive loss properties

STRUCTURE OF THE FINAL DOCUMENT:

The plan is formatted so that the general public can easily follow the process used to:

- a. Describe and profile the natural hazards that most affect and concern each county
- b. Assess vulnerable populations and assets in each county
- c. Assess risks varying from one county to another in the region
- d. Identify, evaluate and analyze specific goals, mitigation actions and projects that would reduce the effects of identified hazards
- e. Devise an action plan for prioritizing, implementing, and administering recommended mitigation actions and projects
- f. Outline a procedure to monitor, evaluate, and update the hazard mitigation within a five-year period
- g. Devise the process that participating jurisdictions could use to incorporate plan recommendations into local plans and capital improvements programs
- h. Explanation of the means recommended ensuring continued public involvement in the ongoing mitigation planning process

The revised plan was submitted to FEMA in 2010, and approved last month. A public meeting is being held on June 13, 2011, at 6:00 PM at the Central Midlands offices. The comprehensive plan that includes information on the four counties is over 500 pages and can be accessed at www.cmcog.org.

DRAFT RESOLUTION

**All Natural Hazards Mitigation Plan Adoption Resolution
Resolution # _____ Adopting the All Natural Hazards Risk Assessment and
Mitigation Plan for the Central Midlands Region of South Carolina**

Whereas, Richland County recognizes the threat that natural hazards pose to people and property; and

Whereas, undertaking hazard mitigation actions before disasters occur will reduce the potential for harm to people and property and save taxpayer dollars; and

Whereas, an adopted all hazards mitigation plan is required as a condition of future grant funding of mitigation projects; and

Whereas, Richland County participated jointly in the planning process with the other units of government in the Central Midlands region of South Carolina to prepare an all hazards mitigation plan;

Whereas, Richland County is aware that revision and updating of the plan is critical for active and effective hazard mitigation and that Richland County will monitor and record hazard related data and events that can be used to update the all natural hazards mitigation plan;

Now, therefore, be it resolved, that the Richland County Council hereby adopts the All Natural Hazards Risk Assessment and Mitigation Plan for the Central Midlands Region in its entirety as an official plan and will undertake annual recording of hazard events, their impact duration and cost.

Be it further resolved, that the Central Midlands Council of Governments, accepting the All Natural Hazards Risk Assessment and Mitigation Plan from the Central Midlands Regional Risk Assessment and Hazard Mitigation Committee, will submit on behalf of the participating counties and municipalities the adopted All Natural Hazards Plan to the Federal Emergency Management Agency officials for final review and approval.

Date _____

Certifying Official

Signature of County Council Chairman

Legal

Reviewed by: Larry Smith

Date:

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation:

Administration

Reviewed by: Tony McDonald

Date: 6/9/11

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation: Recommend adoption of the proposed Resolution in order to remain in compliance with FEMA regulations and to maintain the County's eligibility for FEMA grant funds following natural disasters.

Richland County Council Request of Action

Subject

Motion to Review Hospitality Tax Grant Program [pages 22-28]

Reviews

Richland County Council Request of Action

Subject: Motion to Review Hospitality Tax Grant Program

A. Purpose

County Council is requested to consider the following motion to have the Hospitality Tax Committee and County Council to review the Hospitality Tax Grant Program to ensure that that all funding and programs bring in true tourists to the County.

B. Background / Discussion

The following motion was made by Council member Malinowski at the June 7, 2011 Council Meeting:

There are many issues with the Hospitality Tax use with the current program Richland County has in place. Based on that fact, I move that the Hospitality Tax Committee and Richland County Council review this grant program so that it can be re-vamped with an emphasis on funding projects and programs that bring in true tourists, not community events that pull the majority of their attendees from Richland County residents.

Hospitality Tax Grant program guidelines clearly state that funds are to be used for tourism related events and programs in Richland County, with a priority of funding projects in those areas where H-Tax funds are collected. These guidelines also outline the use of Hospitality Tax as defined by the South Carolina Code Laws SECTION 6-1-730, H-Tax funds can be used for the following:

- (A) The revenue generated by the hospitality tax must be used exclusively for the following purposes:
- (1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;
 - (2) tourism-related cultural, recreational, or historic facilities;
 - (3) beach access and re-nourishment;
 - (4) highways, roads, streets, and bridges providing access to tourist destinations;
 - (5) advertisements and promotions related to tourism development; or
 - (6) water and sewer infrastructure to serve tourism-related demand.

(B)(1) In a county in which at least nine hundred thousand dollars in accommodations taxes is collected annually pursuant to Section 12-36-920, the revenues of the hospitality tax authorized in this article may be used for the operation and maintenance of those items provided in (A)(1) through (6) including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

The State of South Carolina defines a tourist as “a person who does not reside in but rather enters temporarily, for reasons of recreation or leisure, the jurisdictional boundaries of a municipality for a municipal project or the immediate area of the project for a county project.”

Many projects funded through this program appear to fall between the fine line of tourism and community events. The program should be studied to determine if the County should create new, more definitive guidelines and rules making it clear to the applicant organizations, the Hospitality Tax Committee and County Council which programs are true tourism draws or events that are primarily attended by Richland County residents. The study will present statistics on how many tourists attended the events funded in FY11 and how grant funds were spent. Recommendations will be made to Council on how this program can be strengthened.

C. Financial Impact

There is no financial impact associated with this request.

D. Alternatives

1. Approve the motion and allow the Hospitality Tax Committee to study the item, and present recommendations to County Council.
2. Do not approve the motion.

E. Recommendation

It is recommended that Council approve the motion allowing the Hospitality Tax Committee to study the item, and present recommendations to County Council.

Recommended by: Bill Malinowski Department: Council Date: 7/14/11

F. Reviews

(Please ***SIGN*** your name, ✓ the appropriate box, and support your recommendation before routing. Thank you!)

Finance

Reviewed by: Daniel Driggers

Date: 6/14/11

✓ Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation:

Procurement

Reviewed by: Rodolfo Callwood

Date: 6/14/11

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation:

Grants

Reviewed by: Sara Salley

Date: 6/14/2011

✓ Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation: This program would benefit from a review by the H-Tax Committee and Council.

Legal

Reviewed by: Larry Smith

Date:

✓ Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation:

Administration

Reviewed by: Roxanne Ancheta

Date: June 14, 2011

✓ Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation: It is recommended that Council approve the motion allowing the Hospitality Tax Committee to study the item, and present recommendations to County Council.



**RICHLAND COUNTY HOSPITALITY TAX FUND
GUIDELINES FOR DISTRIBUTION OF COUNTY PROMOTIONS FUNDS
ROUND ONE FY 2011 –2012**

PROGRAM DESCRIPTION

Promotion Grants are funded through Hospitality Tax (H-Tax) revenues collected in **unincorporated** Richland County as well as incorporated municipal areas of the Town of Irmo which lie in Richland County and the entire incorporated municipal area of the Town of Eastover. These funds may be used for tourism related events and programs in Richland County, with a priority of funding projects in those areas where H-Tax funds are collected. Please pay close attention to grant guidelines as they explain organization and program eligibility as well as funding priorities.

On May 6, 2003, Richland County Council passed an ordinance establishing a two-percent (2%) H-Tax on all prepared food and beverages sold in the unincorporated areas of Richland County. On March 17, 2009, County Council passed an amendment to the ordinance to temporarily reduce the H-Tax to 1% (one percent) in the unincorporated areas of Richland County through June 30, 2011. The proceeds from this tax are to be used for the dedicated purpose of promoting tourism in Richland County. The County Promotions program is a competitive grants program that provides H-Tax funds to eligible organizations.

Round One: For projects occurring and continuing between July 1, 2011 and June 30, 2012
(Application Deadline: February 25, 2011)

Round Two: For projects occurring between January 1, 2012 and June 30, 2012
(Application Deadline: August 26, 2011)

Organizations that receive funding in Round One are **not** eligible to apply for Round Two funding in the same fiscal year.

ALLOCATION REQUIREMENTS

June 12, 2009, Richland County Council amended the Hospitality Tax Ordinance to state:

For the amounts distributed under the County Promotions program, funds will be distributed with a goal of seventy-five percent (75%) dedicated **to organizations and projects that generate tourism in the unincorporated areas of Richland County and in municipal areas where Hospitality Tax revenues are collected by the county.** These shall include:

- a. Organizations that are physically located in the areas where the county collects Hospitality Tax revenues, provided the organization also sponsors projects or events within those areas;
- b. Organizations that are not physically located in the areas where the county collects Hospitality Tax Revenues; however, the organization sponsors projects or events within those areas; and
- c. Regional marketing organizations whose primary mission is to bring tourists to the region, including the areas where the county collects Hospitality Tax Revenues.

COUNTY PROMOTIONS GRANT PROCESS

To be considered for funding, an application must be received by the published funding round deadline. Once all applications for H-Tax County Promotions Grant funds are received by Richland County and eligibility is verified, they will be forwarded to the Hospitality Tax Advisory Committee for review.

Applicants will be required to deliver a five (5) minute presentation on their program to the Committee in March. The date will be announced as soon as possible.

The Committee will review and score each application based on the evaluation measures described below. Applications will be ranked based on the scores and the Committee will determine funding recommendations. The Committee will submit its funding recommendations to the county for review by County Council. County Council makes all funding decisions; however, the Council relies heavily on the recommendations of the Committee.

Any Hospitality Tax revenue not distributed to the agencies or programs specified in the Hospitality Tax Ordinance may be distributed as directed by County Council for projects related to tourism development, including, but not limited to the Township Auditorium, Regional Sports Complex, Recreation Capital Improvements, and Riverbanks Zoo and Gardens.

Funding of all projects is entirely dependent upon H-Tax funds being received by Richland County.

COUNTY PROMOTIONS GRANT TIMELINE – ROUND ONE

Request for applications – January – February 2011

Application due date (5:00 PM) – February 25, 2011

H-Tax Committee meeting & applicant presentations – March 2011 (Date TBA)

Committee recommendations go to County Council – April 2011

Grant award notifications – June 2011

ORGANIZATION ELIGIBILITY REQUIREMENTS

Applicant organizations must have been in existence for at least one (1) year prior to requesting funds.

All applicants must provide proof of their federal employer identification number as registered with the Internal Revenue Service.

Applicants must provide proof of their non-profit status and fall into one of the following categories:

- Organizations exempt from federal income tax under Section 501(C)(3) of the Internal Revenue Code and whose primary goal is to attract additional visitors through tourism promotion. The letter of exemption from the Internal Revenue Service must accompany your proposal.
- Destination Marketing Organizations, which are recognized non-profit organizations charged with the responsibility of marketing tourism for their specific municipalities, counties or regions, such as Chambers of Commerce, Convention and Visitors Bureaus and Regional Tourism Commissions.

Richland County will not award H-Tax funds to individuals, fraternity organizations, religious organizations, or organizations that support and/or endorse political campaigns.

CRITERIA FOR PROJECT ELIGIBILITY

As required by the Hospitality Tax Ordinance, projects to be funded by Hospitality Tax funds must result in the attraction of tourists to Richland County.

Per South Carolina Code of Laws SECTION 6-1-730, H-Tax funds can be used for the following:

- (A) The revenue generated by the hospitality tax must be used exclusively for the following purposes:
- (1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;
 - (2) tourism-related cultural, recreational, or historic facilities;
 - (3) beach access and re-nourishment;
 - (4) highways, roads, streets, and bridges providing access to tourist destinations;
 - (5) advertisements and promotions related to tourism development; or
 - (6) water and sewer infrastructure to serve tourism-related demand.

(B)(1) In a county in which at least nine hundred thousand dollars in accommodations taxes is collected annually pursuant to Section 12-36-920, the revenues of the hospitality tax authorized in this article may be used for the operation and maintenance of those items provided in (A)(1) through (6) including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

Priority will be given to projects that demonstrate a benefit to **unincorporated** Richland County or regional marketing efforts that draw tourists to the area, especially those areas where Richland County collects Hospitality Tax (Unincorporated Richland County, Town of Eastover and the Richland County portions of the Town of Irmo).

Item# 5

Attachment number 1
Page 4 of 7

If you are not sure if your program or organization is located in incorporated or unincorporated Richland County, please call the Grants Office for assistance at 803.576.2069.

Each application/proposed project will be reviewed individually to determine the potential impact it will have for tourism in unincorporated Richland County.

FUNDING PRIORITIES/ELIGIBLE EXPENDITURES

Priority will be given to projects that:

- Promote dining at restaurants, cafeterias, and other eating and drinking establishments where Richland County collects Hospitality Tax (Unincorporated Richland County, Town of Eastover and the Richland County portions of the Town of Irmo);
- Generate overnight stay in **unincorporated** Richland County’s lodging facilities; and
- Promote and highlight **unincorporated** Richland County’s historic and cultural venues, recreational facilities and events, and the uniqueness and flavor of the local community.

Funds will be distributed with a goal of **seventy-five percent (75%) dedicated to organizations and projects that generate tourism in the unincorporated areas of Richland County and in municipal areas where Hospitality Tax revenues are collected by the county** (Unincorporated Richland County, Town of Eastover and the Richland County portions of the Town of Irmo).

County Promotions grant funds are to be used for tourism related expenses only.

All grant funds must be expended by the recipient organization. Re-granting and/or sub-granting of H-Tax funds are not allowed.

BUDGET

On a separate sheet, attach a budget for project(s) listed in this application (not organization budget). The budget should reflect in financial terms the actual costs of achieving the objectives of the project(s) you propose in your application narrative.

Please use the sample budget below as template for your project’s budget. The project expenses section may or may not contain all of the listed “Budget Categories,” depending on the size and type of project you propose. **H-Tax County Promotions funds are to be used for tourism related expenses only.** Under project revenues, list known and anticipated funding sources, including any that are pending. Be sure to include the Richland County request in this list. Also include any in-kind contributions under project revenues.

SAMPLE BUDGET: ABC Celebration

<u>Project Expense Category</u>	<u>Grant Funds</u>	<u>Other Sources</u>	<u>Total</u>
Salary	N/A	\$ 17,000	\$ 17,000
Fringe Benefits	N/A	\$ 1,000	\$ 1,000
Travel/Lodging	N/A	\$ 0	\$ 0
Equipment	N/A	\$ 2,000	\$ 2,000
Event Expense (rentals, AV, venue)	\$ 2,000	\$10,000	\$ 12,000
Postage/Supplies	\$ 750	\$ 2,000	\$ 2,750
Contractual	\$ 6,000	\$ 6,000	\$ 12,000
Construction	N/A	\$ 0	\$ 0
Marketing/Advertising	\$ 3,250	\$ 10,000	\$ 13,250
Printing	\$ 2,000	\$ 4,000	\$ 6,000
Total	\$ 14,000	\$ 52,000	\$ 66,000

<u>Income Source(s)</u>	<u>Amount</u>	<u>Pending/Received</u>
Richland County H-Tax Grant	\$ 14,000	Pending
Corporate Sponsorship	\$ 20,000	Received

City of Columbia H-Tax Grant	\$ 20,000	Pending
Ticket Sales	\$ 2,000	Pending
XYZ Foundation Grant	\$ 5,000	Received
Organization Operating Income	\$ 5,000	Received
Total	\$ 66,000	

Budget Justification (Grant Funds Only) - Please include a brief 1-2 sentence description for each category included as a budget. For example:

Event Expenses - \$500 tent rental for one day, \$1,000 AV equipment rental, \$500 refreshments

Postage Supplies - \$750 postage for mailing postcards to county residents

Contractual – hire 2 bands for the event @ \$3,000 each

Marketing/Advertising – \$250 Print ad in The Free Times, \$2000 TV ads on WIS, and \$1,000 radio ads on WXYR

Printing - \$2,000 post cards to be mailed to County residents announcing event

Please contact the Grants Office at 576-2069 if you have any questions regarding your program application or budget.

APPLICATION PACKAGE

In order to be considered for funding, applicants must submit a complete application package for the H-Tax County Promotions grant program. Incomplete applications will not be considered. Complete applications include:

- Completed and signed application form (<http://www.rcgov.us/Business/Hospitality.asp>).
- Budget and justification, see template above
- Required Attachments:
 - Letter from IRS confirming 501(C)(3) status (current letter from SC Secretary of State confirming non-profit status is also acceptable)
 - Organization’s Current Board Members/Directors
 - Organization’s latest audited financial statement
 - Attached additional **one**-page project description (**OPTIONAL**) - one side only using 1 inch margins and at least 10 point font.

Attachments that MUST be submitted along with proposal. Incomplete applications will not be evaluated.

Please submit only the required elements secured with a binder clip. Folders, report covers and binders will be discarded.

Applications may be mailed in or hand delivered by 5:00 p.m. on February 25, 2011. Emailed or faxed applications will not be accepted. Due dates are not post mark dates. Applications must be received by 5:00 pm or they will not be considered for funding.

Mail: Richland County Grants Office, Attn: Sara Salley, PO Box 192, Columbia, SC 29202

Hand Deliver: Richland County Administrator’s Office, 2020 Hampton Street, 4th floor, Suite 4069, Columbia, SC 29204.

APPLICATION EVALUATION

Staff will indicate the eligibility of the individual application for review and include comments on any deemed ineligible. All applications will then be forwarded to the Hospitality Tax Advisory Committee for review.

The Committee will use the following evaluation criteria to evaluate applications and proposed projects. The individual factors are important in project evaluation, as they are an indication of the degree to which the proposed project will contribute to the tourism in Richland County. These factors, with their corresponding point values, are:

Thoroughness of Proposal: 5 points maximum

All required forms and application are complete and submitted on time. Responses are clear and complete. Budget is complete. Support Documents are provided.

Project Design:

65 points maximum

- **Benefit to Tourism:** Does the project promote tourism in the areas of the County in which Richland County Hospitality Taxes are collected? Will it promote a positive image for the County? Will it attract visitors, build new audiences and encourage tourism expansion in the areas of the County in which Richland County Hospitality Taxes are collected? Will it increase awareness of the County's amenities, history, facilities, and natural environment in the areas of the County in which Richland County Hospitality Taxes are collected? (15 Points)
- **Benefit to the Community:** How will this project benefit the citizens of Richland County? Will the project benefit unincorporated Richland County? Who will attend the event? How many visitors will the event serve? A visitor is defined by someone who travels at least 50 miles to attend the event. (10 Points)
- **Innovation:** Is this project unusual or unique? Does it move an existing program in a new direction? (10 Points)
- **Community Support:** Does the project have broad-based community appeal or support? What is the evidence of need for this project in the County? (10 Points)
- **Evidence of Partnerships:** What kind and degree of partnership does the project exhibit? Does it exhibit volunteer involvement or inter-jurisdictional, corporate, business, and/or civic support? (10 Points)
- **Management Capability:** Does the applicant organization demonstrate an ability to successfully complete the project through effective business practices in the areas of finance, administration, marketing, and production? If this organization has received County Hospitality Tax funding previously, was the project successful? (10 Points)

Economic Impact & Accountability:

30 points maximum

- **Reliable Tracking Mechanism:** Surveys, License Plates, etc. (10 Points)
- **Expected Revenue Generated:** What are the projected direct and indirect dollar expenditures by visitors/tourists? What is the estimated number of meals consumed? Are any overnight stays anticipated? (10 Points)
- **Reasonable Cost / Benefit Ratio:** Does the benefit of the project (i.e. number of tourists estimated; expected revenue generated) exceed the cost of the project? Is this project "worth" its cost? (10 Points)

AWARD NOTIFICATION

The Grants Manager will notify all applicant organizations of the funding outcome in writing in June 2011. Awards will be available for reimbursement beginning July 1, 2011. Final reports for the previous fiscal year, if applicable, must be received before payments are released.

REPORTING REQUIREMENTS

At the completion of the grant funded project, Richland County requires grantees to complete a mid-year and/or final report for H-Tax County Promotions funds. Reports for the previous year, if applicable, must be on file prior to drawing down of current year funds. Reports may be found on the Richland County website at (<http://www.rcgov.us/Business/Hospitality.asp>).

Grantees must acknowledge the receipt of H-Tax County Promotions funding by including the Richland County Government logo, or by listing "Richland County Government" on all program/project advertising, marketing and promotional materials. Examples of this must be included in your final report.

FREEDOM OF INFORMATION ACT NOTICE

Please be advised that all materials submitted for H-Tax County Promotions grant funding are subject to disclosure based on the Freedom of Information Act (FOIA).

CONTACT

Please feel free to contact the Grants Office with questions regarding your application.

Sara Salley, Grants Manager, PO Box 192, Columbia, SC 29202, 803.576.2069, Salleys@rcgov.us

Item# 5

Attachment number 1
Page 7 of 7

Richland County Council Request of Action

Subject

Richland County Judicial Center Jury Deliberation and Associated Bathroom ADA Renovations [pages 31-33]

Reviews

Richland County Council Request of Action

Subject: Richland County Judicial Center Jury
Deliberation and Associated Bathroom ADA Renovations

A. Purpose

Council is requested to authorize the expenditure of budgeted funds to renovate six (6) Jury Deliberation rooms and associated twelve (12) bathrooms to meet current Federal American Disabilities Act (ADA) standards at the Richland County Judicial Center.

B. Background / Discussion

Currently, the 30 year old Richland County Judicial Center at 1701 Main Street, in downtown Columbia, has six (6) Jury Deliberation rooms and the twelve (12) associated bathrooms that do not meet the current standards listed in the federal American Disabilities Act (ADA). This project is one we identified several years ago, and began funding as a multi-year project. We have continued to add funding over the years and reached a point where we can make major improvements in an efficient manner.

It was determined that the first priority at the Judicial Center was the renovation of the Jury Deliberation bathrooms due to security concerns. By renovating the bathrooms to meet the 2010 ADA code, disabled jurors will be able to utilize the restroom within the secured area of the building, opposed to the public access areas which they currently use. This work will be accomplished during off-hours (night and weekends) to minimize the impact to the function of the Judicial Center. In addition, the work will be completed in phases to allow 2/3rd of the jury deliberation rooms to remain operational while 1/3rd of the rooms to undergo renovations. All work will be coordinated with the Clerk of Court to ensure we reduce the impact to the judicial services provided within the building. This project should be considered as the first phase with additional improvements to come in the courtrooms, witness stands and the jury box areas.

The result of the responses is as follows:

Responder	Base Bid	Alternate #1	Total Bid
Structioneers Diversified, LLC	\$317,400. ⁰⁰	\$7,500. ⁰⁰	324,900
Lindler Construction Company, Inc.	\$285,751. ⁰⁰	\$6,811. ⁰⁰	292,562

Support Services recommends award of a contract to Lindler Construction Company, Inc., the lowest responsive and responsible bidder whose bid complies materially with the specifications and requirements as publicized.

C. Financial Impact

The encumbrance request for this project, including Alternate #1 and contingencies, is Three Hundred Fifty One Thousand Seventy Five Dollars. (\$351,075.⁰⁰) Council has already approved the project concept by approving funding beginning with the 2007 fiscal year. The contingency is requested due to the complexity of remodeling an aged facility and all associated work being performed outside normal work hours.

There are no additional funds requested for this project. The project's funding has already been identified as funded through the normal budget process.

D. Alternatives

1. Authorize the Procurement Director to enter into a contract with Lindler Construction Company, Inc., the lowest responsive and responsible bidder whose bid complies materially with the specifications and requirements as publicized.
2. Do not approve the expenditure of the funds and leave the six jury deliberation rooms and the 12 associated bathrooms at the Judicial Center in their current condition. Though this option may save money in the short-term, however it continues to exposes Richland County to security issues created by wheel chair bound jurors having to-utilize the public restrooms outside the court secure area.

E. Recommendation

It is recommended by Support Services that Council authorize alternative 1.

Recommended by: John Hixon Department: Support Services Date: 6-10-11

F. Reviews

(Please **SIGN** your name, ✓ the appropriate box, and support your recommendation before routing. Thank you!)

Finance

Reviewed by: Daniel Driggers Date: 6/15/11
✓ Recommend Council approval Recommend Council denial
 Council Discretion (please explain if checked)
Comments regarding recommendation: Funds are available as stated.

Procurement

Reviewed by: Rodolfo Callwood Date: 6/16/11
 Recommend Council approval Recommend Council denial
 Council Discretion (please explain if checked)
Comments regarding recommendation:

Grants

Reviewed by: Sara Salley Date:
 Recommend Council approval Recommend Council denial
 Council Discretion (please explain if checked)
Comments regarding recommendation:

LegalReviewed by: Larry Smith

Date:

 Recommend Council approval Recommend Council denial Council Discretion (please explain if checked)

Comments regarding recommendation:

AdministrationReviewed by: Tony McDonald

Date: 6/16/11

 Recommend Council approval Recommend Council denial Council Discretion (please explain if checked)

Comments regarding recommendation: Recommend approval of the award of a contract to Lindler Construction Company. As indicated, funding for this project has been appropriated over the course of the past several years; no additional funding is being requested.

Richland County Council Request of Action

Subject

Richland County Laurens Street Garage Revitalization-Phase Three [pages 35-37]

Reviews

Richland County Council Request of Action

Subject: Richland County Laurens Street Garage Revitalization- Phase Three

A. Purpose

Council is requested to approve the Department of Support Service and Procurement to enter into a construction contract with the lowest, most responsive, responsible bidder for the third phase of the Laurens Street Parking Garage revitalization project. The purpose of the project is to prevent water that is currently entering the structure from infiltrating into structural components and create a negative impact on the structure. In addition, the scope of work addresses the structural components of the Department of Public Health's crosswalk. The suggested contractor was selected through the competitive bid process, including the engineer's professional recommendation from all submittals.

B. Background / Discussion

The division of Facilities & Ground, under the Department of Support Services, has been funding the multi-year, multi-phases of the parking garage revitalization project over the past several years by utilizing only the funding available in parking garage fund balance after normal maintenance and operations have been satisfied. The first phase, to prevent water intrusion into the EMS HQ, was completed in 2008. The second phase was completed in January of this year. It addressed water intrusion throughout the entire facility and installed several floor drains.

The third phase of this revitalization project will install a high traffic waterproofing product on the top deck. This will prevent water from infiltrating into the concrete structure that could cause future structural damage. Furthermore, the structural components of the crosswalk that leads to the Public Health building will also be addressed as was completed on the Administration side during Phase 2. Additionally, the contractor will repaint the faded parking space striping on all decks of the parking structure.

The design for this project was completed by the professional consulting/engineering firm Carl Walker, which specializes in revitalization of parking structures. Also, the engineering firm, working with Department of Support Services, will oversee the project to ensure the County's interests are protected by ensuring contractor quality and compliance of the design.

The result of the top four of eleven RFP responses is as follows:

Responder	Base Bid
Carolina Restoration and Waterproofing	\$149,798.00
L-J, Inc.	\$177,986.50
Stone Restoration	\$179,400.26
Baker Roofing	\$185,285.00

All bids were considered however, the other seven RFP responders had higher bids, and the four lowest bidders provided enough experience & diversity to allow for a competitive selection.

C. Financial Impact

There are no additional funds requested for this phase of the project. All funds necessary to complete phase three were approved during the budget process within the Parking Garage Enterprise Fund 2140363000. The total estimated cost for this construction phase of the project is \$158,178, which includes a contingency of \$8,380 or just over five percent (5%) of the project cost.

D. Alternatives

1. Authorize Procurement and Support Services Departments to enter into and award a contract with Carolina Restoration and Waterproofing Incorporated, who has been determined to be the most responsive responder for the sum of \$149,798 plus an approximate 5% contingency of \$8,380, giving a total project construction cost of \$158,178.
2. Do not approve the expenditure of the funds and leave the Laurens Street Parking Garage in its current condition. Though this option may save money in the short-term, however it continues to exposes the structure to water infiltration and possible future structural failure and inordinate repair cost.

E. Recommendation

It is recommended by Support Services that Council authorize alternative 1.

Recommended by: John Hixon Department: Support Services Date: 6/2/11

F. Reviews

(Please **SIGN** your name, ✓ the appropriate box, and support your recommendation before routing. Thank you!)

Finance

Reviewed by: Daniel Driggers

Date: 6/2/11

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation: Project and funds are included in the budget as indicated.

Procurement

Reviewed by: Rodolfo Callwood

Date: 6/3/11

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation:

Legal

Reviewed by: Larry Smith

Date:

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation:

Administration

Reviewed by: Tony McDonald

Date: 6/6/11

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation: Recommend approval of the award of a contract to Carolina Restoration and Waterproofing, Inc. Funds have been appropriated in the FY 12 budget for this project.

Richland County Council Request of Action

Subject

Setoff Debt Gear Participation for applicable Direct Report County Departments [pages 39-54]

Reviews

Richland County Council Request of Action

Subject: Setoff Debt / GEAR Participation for All Applicable Direct Report County Departments

A. Purpose

County Council is requested to approve two MOU's authorizing **all** applicable direct report County Departments to use the provisions of the Setoff Debt Collection Act and Governmental Enterprise Accounts Receivable Collections (GEAR) Program in the collection of applicable debt lawfully owed to Richland County.

B. Background / Discussion

The **Setoff Debt Collection Act**, Chapter 56 of Title 12 of the South Carolina Code (1976), authorizes public entities to participate in the state's Setoff Debt Collection Program. As a participant in the Setoff Debt Collection Program, County entities submit delinquent debts to SCAC for possible matches against state **income tax refunds** due their debtors. Monies, which otherwise may have gone uncollected, are returned to the counties this way.

Governmental Enterprise Accounts Receivable Collections (GEAR) is a collection program, authorized by S.C. Code § 12-4-580 (enacted in 1996), that allows the Department of Revenue to use setoff debt *and* **additional collection tools, such as payment plans, wage garnishments, and bank levies** to collect bad debts for public entities.

Further information regarding the Setoff Debt and GEAR programs are contained below.

Richland County currently participates in the Setoff Debt and GEAR programs for collection of its delinquent ambulance debts. Council recently approved the use of the Setoff Debt / GEAR programs for the Community Development Department.

Delinquent debt currently being submitted in SC by cities and counties for the Setoff Debt and GEAR programs include, but are not limited to: ambulance service debt; water service debt; sewer service debt; business license debt; community development / housing debt; recreation department debt; and many others. Per the SCAC, 176 public entities (special purpose districts; municipalities; counties; recreation agencies, etc.) across the State participate in Setoff Debt and/or GEAR as a collection tool. All of the 46 South Carolina counties participate in Setoff Debt and/or GEAR in some manner, per the SCAC. Please find attached a document outlining types of debt submitted by County Departments / Special Purpose Districts, as well as the breakout of types of debt submitted in counties with a population of 100,000 and greater. This information was provided to us by the SCAC.

By allowing **all** applicable direct report County departments to submit **all** applicable delinquent debt to the Setoff Debt and/or GEAR programs, Richland County will be able to collect on previous "uncollectible" debt. Direct report departments wishing to participate in the Setoff Debt and/or GEAR Programs must be approved by the Administrator.

To participate in these programs, Council must approve two MOU's (one for Setoff Debt and one for GEAR). These documents are attached below for your convenience.

It is at this time that staff is requesting Council's approval for Richland County's participation in Setoff Debt and GEAR for all applicable direct report County departments for all applicable delinquent County debts, via the approval of the attached MOU's.

C. Financial Impact

The Setoff Debt program does not have any cost to the County other than associated staff time involved in the process of submittal of the debts to SCAC. The SC Department of Revenue charges a 28.5% fee, paid by the County entity, for debts that are collected via the GEAR Program. Currently, the County receives approximately **\$1,200,000 annually** from Setoff Debt / GEAR for ambulance debt. If Council approves participation for all applicable direct report departments for all applicable debts, the financial impact to the County will be increased revenues due to these collection measures for delinquent debt rightfully owed the County.

D. Alternatives

1. Approve the MOU's to authorize all applicable direct report Richland County departments to use the Debt Setoff and GEAR Programs offered by the South Carolina Association of Counties to collect delinquent money owed to Richland County for all applicable debt.
2. Do not approve.

E. Recommendation

It is recommended that Council approve the MOU's to authorize all applicable direct report Richland County departments to use the Debt Setoff and GEAR Programs offered by the South Carolina Association of Counties to collect delinquent money owed to Richland County for all applicable debt.

Recommended by: J. Milton Pope, Administrator **Date:** June 20, 2011

F. Reviews

(Please **SIGN** your name, the appropriate box, and support your recommendation before routing. Thank you!)

Finance

Reviewed by: Daniel Driggers

Date: 6/23/11

Recommend Council approval

Recommend Council denial

Comments regarding recommendation: This is a policy decision for Council, in part, to determine the appropriate level of collection method to be utilized for County services. From a fiscal management perspective I would recommend approval. If approved, I would recommend that Council consider adding a section to designate what approval is required prior to items being submitted to the program. The intent would be an effort to create continuity in the application of the collection method and centralize the process. Additionally it may be appropriate to establish at standard of what age debt would be eligible for submission through the program. For example; would an outstanding amount be submitted after 90 days, 6-months or 1 year?

Legal

Reviewed by: Larry Smith

Date:

Recommend Council approval

Recommend Council denial

Comments regarding recommendation:, This is a policy of Council regarding the adoption of this program to apply to all County direct report departments. However, any department that currently has an established procedure for adjudicating these issues needs to ensure that there is no conflict between the all ready established procedure and the adoption of this process

Administration

Reviewed by: J. Milton Pope

Date:6-24-11

Recommend Council approval

Recommend Council denial

Comments regarding recommendation:

Setoff Debt

The [Setoff Debt Collection Act](#), Chapter 56 of Title 12 of the South Carolina Code (1976), authorizes public entities to participate in the state's Setoff Debt Collection Program.

Using a 1992 amendment to the Setoff Debt Collections Act, SCAC has been assisting county governments and other county entities to participate in the Setoff Debt Collection Program. County entities submit delinquent debts to SCAC for possible matches against state income tax refunds due their debtors. SCAC acts as a clearinghouse between county governments and the S.C. Department of Revenue for the processing of these debts and returns the money to the counties. Monies, which otherwise would have gone uncollected, are returned to the counties this way.

- 🍌 **SCAC Services are FREE to participating entities.** Fees are added to the debt for SCAC and the SC Department of Revenue and paid by the debtors.
- 🍌 SCAC provides free software and technical assistance to participating entities to manage their debt data. (View all [SCAC services for debt collection](#).)
- 🍌 Entities must have valid Social Security Numbers for individuals to submit an account.
- 🍌 Debts must be at least \$50, or multiple accounts must sum to \$50, to be submitted to the Setoff Debt program.
- 🍌 There is a one-time placement of debts into the Setoff Debt program each year. SCAC sends the data files to the SC Department of Revenue each December.
- 🍌 Entities must follow due process procedures for debtors, as defined in the statute (see [Setoff Debt Collection Act](#)). Entities must provide notice and an opportunity to be heard to debtors.
- 🍌 Entities must meet the deadlines for sending letters and submitting their data file. (See [Dates to Note](#).)
- 🍌 Any age debt can be submitted to Setoff.
- 🍌 After January 1, the SC Department of Revenue matches the data in the debt files with the state income tax returns. SCDOR processes three matches a week from January through June and one match a week from July through December.

GEAR

Governmental Enterprise Accounts Receivable Collections (GEAR): is a collection program, authorized by S.C. Code § 12-4-580 (enacted in 1996), that allows the Department of Revenue to use setoff debt and additional collection tools, such as payment plans, wage garnishments and bank levies to collect bad debts for public entities. SCAC has been assisting counties and other special purpose districts with GEAR collections since 2001.

- 🍌 The GEAR program is administered similar to the individual income tax refund setoff debt collection program. SCAC provides free software and technical assistance to participating entities to manage their GEAR data.
- 🍌 Governmental entities can opt to use Setoff Debt, GEAR, or both programs. Entities have flexibility in deciding which accounts to put into the GEAR program and/or the setoff debt collection program. SCAC assists in maintaining separate data files and financial files for each program.
- 🍌 GEAR allows continued collections when a debtor does not have an income tax return. With GEAR, governmental entity debt is treated like any State tax debt, subject to the same collection tools available to DOR such as levy and garnishment. This allows a higher collection rate for larger debts.
- 🍌 Using GEAR, entities can lighten administrative burden to staff. SCAC assists entities with the daily program and data operations. SCDOR, using a customer service focus, sends collection notices, handles phone inquiries, sets up payment schedules, and makes collections.
- 🍌 **SCAC Services are FREE to participating entities.** SCDOR charges a 28.5% fee, paid by the entities, for debts that are collected.
- 🍌 The initial collection rate with GEAR has been 11% to 27%, depending upon the debt type.
- 🍌 Must have a valid Social Security Number for individuals to submit an account.
- 🍌 Debts must be at least \$300, or multiple accounts must sum to \$300, to be submitted to the GEAR program.
- 🍌 Entities must follow due process procedures for debtors, as defined in the statute (see [Setoff Debt Collection Act](#)). Entities must provide notice and an opportunity to be heard to all new debtors. SCDOR provides notification for any garnishments.

- 👉 Entities must meet the deadlines for sending letters and submitting their data file. (See [Dates to Note.](#))
- 👉 There is a one-time placement of debts into the GEAR program. Debts will rollover to the next year until paid in full, or removed at the request of the entity.
- 👉 Subject to the statutes of limitations, any age debt can be submitted to GEAR.
- 👉 After January 1, entities receive monthly GEAR payments and reports.

**Counties / Special Purpose Districts Participating in Debt Setoff /
GEAR Programs
Source: SCAC**

County Departments / Special Purpose Districts Participating in Debt Collection Programs

#	County Department / SPD
39	EMS
54	Hospital entities
54	Courts (including Clerk of Court and Magistrates)
8	Delinquent Tax
21	Public Works/ Water and Sewer
21	Behavioral Health / ADA
	Other functions:
2	User Fees/ Business License/Hospitality
3	Housing
1	Recreation (inactive in 2011)
1	Jail
1	School District (Employee fees)

County entities with population over 100,000

AIKEN

Aiken County EMS
Aiken County Magistrates
Aiken County Public Works

BEAUFORT

Beaufort County Magistrates
Beaufort County EMS
Beaufort Memorial Hospital / Departments
Beaufort-Jasper Water & Sewer Authority

BERKELEY

Berkeley County Clerk of Court
Berkeley County EMS
Berkeley County Summary Courts
Berkeley County Water & Sanitation

CHARLESTON

Charleston Co. Housing Authority
Charleston Co. Summary Courts
Charleston County Clerk of Court
Charleston County DAODAS
Charleston County EMS
Charleston County Revenue Collections
Charleston County Stormwater Collections

James Island Public Service District
North Charleston Sewer District

DORCHESTER

Dorchester County ADA
Dorchester County EMS
Dorchester County Water & Sewer
Dorchester Magistrate Courts

FLORENCE

Florence County ADA
Florence County Finance
Florence County Magistrates
Lower Florence County Hospital / Departments

GREENVILLE

Greenville County Clerk of Court
Greenville County EMS
Greenville Hospital System / Departments
Greenville Summary Courts
The Phoenix Center (GCCADA)

HORRY

Horry County Clerk of Court
Horry County Fire Rescue
Grand Strand Water & Sewer Authority
Horry County Business License/Hospitality (new for 2012)

LEXINGTON

Lexington County EMS
Lexington Medical Center

PICKENS

Pickens County Detention Center
Pickens County EMS

RICHLAND

Richland County EMS
Richland Memorial Hospital
Richland School District One

SPARTANBURG

SJWD Water District
Spartanburg ADA
Spartanburg County Clerk of Court
Spartanburg County Magistrate Court
Starr-Iva Water & Sewer
Wellford Rescue 21
Westview-Fairforest Fire & Rescue-3

SUMTER

Sumter County Clerk of Court
Sumter County EMS

Sumter County Shiloh Water System
Sumter County Summary Court
Sumter Housing Authority

YORK

York Rescue Squad
Fort Mill Rescue Squad
Keystone Substance Abuse Services

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

SOUTH CAROLINA)
ASSOCIATION OF COUNTIES)
(SCAC))
AND)
_____)
(Name of Claimant Agency)

**MEMORANDUM OF
UNDERSTANDING AND AGREEMENT**

**PARTICIPATION
IN THE
SETOFF DEBT
COLLECTION PROGRAM**

This AGREEMENT is made and entered into this ____ day of _____, 201__, by and between the above referenced Claimant Agency and the South Carolina Association of Counties (SCAC) in furtherance of Act No. 114, 1999 S.C. Acts codifying the 1999 amendments to the Setoff Debt Collection Act, S.C. Code §12-56-10 *et seq.*

WHEREAS, the Setoff Debt Collection Act, S.C. Code §12-56-10 *et seq.* (2003), authorizes the South Carolina Department of Revenue, hereinafter Department, to render assistance to collect any delinquent account or debt owing to any Claimant Agency by the Department's setting off any income tax refunds due a debtor by the sum certified by the Claimant Agency as a delinquent debt; and

WHEREAS, THE Claimant Agency desires to enter into this Agreement with SCAC in order to participate in the Setoff Debt Collection Act to increase the collection rate of delinquent debts owed to Claimant Agency; and

WHEREAS, SCAC is a political subdivision for purposes of the Setoff Debt Collection Act and is authorized to submit claims on behalf of its members, other political subdivisions and Claimant Agencies as defined in S.C. Code §12-56-10 *et seq.* (1999);

NOW, THEREFORE in consideration of the mutual covenants and agreements, terms and

conditions contained herein, it is hereby understood and agreed by and between the Claimant Agency and SCAC that:

1. The Claimant Agency is a state agency, board, committee, commission, public institution of higher learning, political subdivision of the State South Carolina, South Carolina Student Loan Corporation, a housing authority established pursuant to Articles 5, 7, and 9 of Chapter 3 of Title 31 of the South Carolina Code or a member of SCAC and is authorized to participate in the Setoff Debt Collection Act.

2. The Claimant Agency hereby designates, appoints, and authorizes SCAC to process for submission to the Department the Claimant Agency's delinquent debts.

Delinquent debt means any sum due and owing Claimant Agency, including collection costs and administrative fees, court costs, fines, penalties, and interest which have accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for that sum which is legally collectible and for which a collection effort has been or is being made. Delinquent debt does not include sums owed to a county hospital when the hospital and the debtor have entered into a written payment agreement and the debtor is current in meeting the obligations of the agreement.

3. SCAC agrees to submit delinquent debts to the Department. The Claimant Agency is responsible for complying with the notice and appeal provisions and other requirements of the Setoff Debt Collection Act.

4. Upon execution of this Agreement, Claimant Agency shall file a "Participation Form" with SCAC designating a Setoff Debt Coordinator with SCAC. The Setoff Debt Coordinator shall be the designated contact between SCAC and Claimant Agency for all communications and is authorized by Claimant Agency to carry out the requirements of the Setoff Debt Collection Act, S.C. Code §12-56-10 *et seq.* (2003). The Setoff Debt Coordinator shall supply SCAC with any and all information which in the opinion of SCAC is necessary for the proper implementation of this Agreement.

5. The Claimant Agency shall use SCAC's "Entity User Setoff Debt Software Program" or an ASCII file or Excel file layout specified by SCAC to prepare diskettes or electronic transfer files referred to herein as "debt files" and "adjustment to debt files." If, in the opinion of SCAC, changes to the "Entity User Setoff Debt Software Program" or specifications for an ASCII file or Excel file are necessary to carry out this program, SCAC shall timely notify the Claimant Agency. The Claimant Agency covenants and agrees that it shall immediately implement any changes required by SCAC.

SCAC shall not accept a debt file or adjustment to debt file that is not prepared as specified by SCAC. SCAC will accept debt files on diskettes or files that are electronically transferred through SCAC's File Transfer Protocol (FTP) software. Paper hard copies shall not be accepted.

Each "debt file" submitted to SCAC is deemed to bear a certification that the debts are owed and due the Claimant Agency, for which prior efforts to collect have been made, and which Claimant Agency instructs SCAC to submit to the Department for collection from a

debtor's tax refund. Each "adjustment to debt file" is deemed an authorization to SCAC to notify Department to reduce a previously submitted debt to the amount stated. A "debt file" and an "adjustment to debt file" shall have the certification provided in paragraph 6 affixed to it.

6. SCAC is not, and shall not be liable for a wrongful or improper setoff. Each "debt file," supplemental "debt file" or "adjustment to debt file" shall have affixed to it a "Certification Form" provided by SCAC which states:

"I hereby certify that the Claimant Agency for whom the attached data diskette was prepared has complied with all the requirements of the Setoff Debt Collection Act; that the Claimant Agency has properly given each individual debtor whose name appears in the data diskette the notice of intention to set off and the Claimant Agency's appeal procedures pursuant to S.C. Code §12-56-62; that the information contained in the attached data diskette has been reviewed by me and is, to the best of my knowledge and belief, true, correct, and complete."

7. Not less than thirty (30) days before filing a debt file with SCAC, Claimant Agency shall provide the debtor with the statutory notice advising the debtor of Claimant Agency's intention to cause the debtor's tax refund to be set off.

8. Only after the required statutory thirty (30) day notice is provided to debtor by Claimant Agency may Claimant Agency transmit a "debt file" to SCAC. Debt files shall be received in the SCAC offices on or before November 1 of the preceding calendar year in which the refund would be paid.

9. Upon receipt of Claimant Agency's "debt file," SCAC shall compile the information and submit the data to the Department on or before the close of business a December 15.

10. Debts totaling less than fifty (\$50.00) dollars per individual at the time the debt is first submitted to SCAC for setoff may not be submitted. This provision does not prohibit submitting in subsequent years, under ¶ 12 of this Memorandum, those debts which were fifty (\$50.00) or more when first submitted to SCAC even though, in subsequent years, that debt is less than fifty (\$50.00) because of successful interception(s) resulting in partial payment of the delinquent debt.

If a debtor is due a refund of more than twenty-five dollars (\$25.00), the Department sets the tax refund off in the amount of the delinquent debt plus twenty-five dollars (\$25.00).

Pursuant to the S.C. Code § 12-56-63 of the Setoff Debt Collection Act, as amended, the South Carolina Department of Revenue shall add to each debt setoff the sum of \$25 to defray its administrative cost, and SCAC, as claimant agent for the Entity, shall add \$25 to each "successful interception" as provided below, which shall be retained by SCAC to defray its administrative costs.

"Successful interception" means the Department matched a debt submitted by SCAC against a tax refund for interception and payment towards a delinquent debt owed to Claimant Agency. Payment shall be made as provided in paragraph 11.

11. Payment to SCAC by Claimant Agency for each successful interception is made as follows: SCAC will add the amount of the debt due Claimant Agency in the amount of twenty-five dollars (25.00) and retain said twenty-five dollars (\$25.00); provided, however, SCAC will not collect more than twenty-five dollars (\$25.00) from any one individual in a calendar year.

12. In the event of partial payment of a delinquent debt, the balance of the debt may be submitted in a following year and twenty-five

dollars (\$25.00) shall be paid to SCAC for successful interception of a tax return in a subsequent year notwithstanding the previous year's interception and payment.

13. Claimant Agency acknowledges that Claimant Agency is responsible for the notice and hearing requirements of the Setoff Debt Collection Act and that SCAC is exempt from these provisions of the Setoff Debt Collection Act. The Claimant Agency affirms to SCAC that it will comply with the notice and hearing procedures required by S.C. Code §12-56-10 *et seq.*

14. The Claimant Agency shall file an "Appointment of Hearing Officer" form with SCAC certifying the appointment of a hearing officer. If the appointed hearing officer is unable to serve at any time, the Claimant Agency shall appoint another officer and file a new "Appointment of Hearing Officer" form with SCAC.

15. Within seven (7) calendar days of Claimant Agency's receipt of a debtor's Notice of Protest, the Claimant Agency shall send the Notice of Protest to the Department and send a copy to SCAC. At the same time, Claimant Agency shall notify SCAC with an "adjustment to debt file" diskette marking the protested delinquent debt as a protest account.

The Claimant Agency shall conduct a protest hearing in conformity with S.C. Code §12-56-65 and shall provide the Department and SCAC with a copy of the "Certification of Hearing" and "Decision of Hearing Officer" no later than seven (7) calendar days from the date these forms are executed by the hearing officer. If further appeal is taken, Claimant Agency shall immediately file copies of all pleadings and papers with the Department and SCAC.

Upon resolution of a protest, Claimant Agency shall notify SCAC of the resolution of the protest by sending an "adjustment to debt file"

diskette either reducing the balance or taking the debt out of protest status.

16. If the Claimant Agency is found to be entitled to no part of the amount of a setoff, it shall make a refund to the debtor in an amount equal to the amount of the debt plus the fee to the Department and the fee paid to SCAC along with interest, if any, as required by the Setoff Debt Collection Act.

17. SCAC shall remit to the Claimant Agency through a check or an electronic bank deposit funds received from the Department within a reasonable time from the date of receipt from the Department. Thereafter, SCAC shall provide the Claimant Agency an accounting of the funds collected which will include the name of the debtor, the debtor's social security number, and the amount of the setoff. The Claimant Agency shall provide debtors with proper notice of payment and balance, if any, as required by the Setoff Debt Collection Act.

18. The Claimant Agency shall hold SCAC free and harmless and shall indemnify SCAC against any and all damages, claims, causes of action, injuries, actions, liabilities, or proceedings arising from the performance of SCAC.

19. This Memorandum of Understanding and Agreement shall remain and continue in full force and effect from year to year unless modified or terminated in writing by either party upon ninety (90) days written notice to the other party; provided, however, that any debts submitted by the Claimant Agency to SCAC shall continue to be covered under the terms and conditions of the agreement until SCAC is notified by the Department that it has completed the collection cycle for that setoff year.

20. This Memorandum of Understanding is solely between SCAC and the Claimant Agency and is not intended to benefit any other person or entity. No debtor and/or taxpayer or their

spouse, family member, successor or assign is intended to be a third party beneficiary of this Memorandum of Understanding.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding and Agreement to be properly executed on the day and year first above written.

Attest:

On Behalf of the Claimant Agency:

By:

Signature _____

Printed Name _____

Title _____

Address _____

Phone _____

On behalf of the S.C. Association of Counties:

By:

Signature _____

Michael B. Cone, Executive Director
Post Office Box 8207
Columbia, SC 29202
(803) 252-7255

At Columbia, South Carolina
this ____ day of _____, 200__

STATE OF SOUTH CAROLINA)
 COUNTY OF RICHLAND)
 SOUTH CAROLINA)
 ASSOCIATION OF COUNTIES)
 (SCAC))
 AND)
)

MEMORANDUM OF
 UNDERSTANDING AND AGREEMENT
 PARTICIPATION
 IN THE
 GEAR COLLECTIONS
 PROGRAM

 (Name of Claimant Agency)

This AGREEMENT is made and entered into this ____ day of _____, 200__, by and between the above referenced Claimant Agency and the South Carolina Association of Counties (SCAC), in furtherance of the S.C. Code §12-4-580 (2003) hereinafter the Governmental Enterprise Accounts Receivable Collections (GEAR) Program.

WHEREAS, the provisions of S.C. Code §12-4-580 authorize the South Carolina Department of Revenue (Department) to collect any liabilities owed a Claimant Agency; and

WHEREAS, the Department has all the rights and powers of collection allowed it under Title 12 of the South Carolina Code of Laws for the collection of taxes and all such rights and powers authorized the Claimant Agency to which the liability is owed including waiver of a debt in whole or in part; compromises that facilitate the collection of the debt; wage garnishment, payment agreements; levy and seizure of bank accounts or any other intangible asset; the issuance of a lien which will encumber all of the debtor's property; both real and personal, tangible and intangible, revocation of any sales tax license; and placement with private collection agencies to resolve the debt; and

WHEREAS, the parties to this Agreement are Governmental Entities as defined in S.C. Code §12-4-580 and are authorized to participate in the GEAR Program; and

WHEREAS, the Claimant Agency desires to enter into this Agreement with SCAC in order to participate in the GEAR Program in order to increase the collection rate of liabilities owed to the Claimant Agency; and

NOW, THEREFORE in consideration of the mutual covenants and agreements, terms and conditions contained herein, it is hereby understood and agreed by and between the Claimant Agency and SCAC that:

1. The Claimant Agency is a Governmental Entity entitled to participate in the GEAR Program as defined in S.C. Code §12-4-580(D)(1) and has provided an attorney's opinion letter to SCAC certifying same.
2. The Claimant Agency hereby designates, appoints and authorizes SCAC to submit to the Department liabilities owed the Claimant Agency for collection under the GEAR Program as provided herein and under the Policies and Procedures now and hereafter adopted by the Department.
3. Participants in the GEAR program will, upon execution of this Agreement, file a GEAR program Participation Form with SCAC enrolling the Claimant Agency in the program. The form shall designate a GEAR Collections Coordinator who may be the same person designated as the Setoff Debt Collection Coordinator. The GEAR Collections Coordinator shall be the designated contact for all communications by and between SCAC and the Claimant Agency. The Coordinator shall be a person authorized by the Claimant Agency to carry out the requirements of this Agreement; the requirements of S.C. Code §12-4-580 and S.C. Code §12-56-10 *et seq.*, the Setoff Debt Collection Act.

4. A debt file, and adjustments thereto, shall be prepared as required by SCAC in the specified format and transferred to SCAC on a diskette or as an electronic transfer.
5. Each debt file submitted to SCAC, including adjustments to accounts at the Department, shall have attached to it a signed "Certification" form.
6. The Claimant Agency shall give the debtor notice, opportunity to be heard, and appeal, as defined in S.C. Code § 12-4-580 (E).
7. By giving a debtor the notice, as required by the Department and the statutory law of the State of South Carolina, and upon filing the debt with SCAC for submission to the Department, the Claimant Agency directs the Department to collect the debt directly by any of the methods herein mentioned.
8. For purposes of the GEAR Program, debts incurred less than one (1) calendar year prior to the notice sent to the Debtor referred to in paragraph 7 shall not be submitted. Only those debts or debt balances in an amount equal to or greater than three hundred (\$300.00) dollars shall be submitted for collection by the Department through the GEAR program.
9. For each debt successfully recovered in whole or in part through the GEAR program, the Department is entitled to twenty-eight and one half percent (28.5%) of the amount of the debt recovered. SCAC shall be entitled to a fee of twenty-five dollars (\$25.00) for each debt successfully recovered in whole or in part.

Pursuant to the S.C. Code § 12-56-63 of the Setoff Debt Collection Act, as amended, the South Carolina Department of Revenue shall add to each debt setoff the sum of \$25 to defray its administrative cost, and SCAC, as claimant agent for the Entity, shall add \$25 to each debt successful recovered which shall be retained by SCAC to defray its administrative costs, provided, however, SCAC will not collect more than twenty-five dollars (\$25.00), under the GEAR program, from any one individual in a calendar year. If the debt is

also submitted under the Setoff Debt Collection Program, an additional \$25 fee will be charged.

10. The Claimant Agency warrants that it will fully comply with the notice and appeals procedures as more fully set forth by S.C. Code § 12-4-580.
11. If a Claimant Agency is found to be entitled to no part of a debt is has previously collected, it shall make a refund to the debtor in an amount equal to the amount of the debt plus all fees paid to the Department and any funds paid to SCAC along with interest.
12. SCAC shall remit to the Claimant Agency the funds received from the Department, less funds due SCAC, within a reasonable time from the date of receipt from the Department.
13. The Claimant Agency shall hold SCAC free and harmless and shall indemnify SCAC against any and all damages, claims, causes of action, injuries, actions, liabilities, or proceedings arising from the performance of SCAC.
14. This Memorandum of Understanding and Agreement shall remain and continue in full force and effect from year to year unless modified or terminated in writing by either party upon thirty (30) days written notice to the other party; provided, however, that any debts submitted by the Claimant Agency to SCAC shall continue to be covered under the terms and conditions of the agreement until SCAC is notified by the Department that it has completed its collection efforts.

IN WITNESS WHEREOF, the parties hereby have caused this Memorandum of Understanding and Agreement to be properly executed on the day and year first above written.

On Behalf of the Claimant Agency:

By:
Signature: _____

Printed Name: _____

Title: _____

Address: _____

Telephone: _____

On Behalf of S.C. Association of Counties:

By:
Signature: _____

Michael B. Cone, Executive Director
P.O. Box 8207
Columbia, SC 29202
(803) 252-7255

Date: _____

Richland County Council Request of Action

Subject

Setoff Debt GEAR Participation for Treasurer/Tax Collector [pages 56-61]

Reviews

Richland County Council Request of Action

Subject: Setoff Debt / GEAR Participation for Treasurer / Tax Collector Office

A. Purpose

County Council is requested to approve a Resolution authorizing the Treasurer / Tax Collector Office to use the provisions of the Setoff Debt Collection Act and Governmental Enterprise Accounts Receivable Collections (GEAR) Program, in the collection of delinquent real and personal property taxes, and potentially other applicable debt lawfully owed to Richland County.

B. Background / Discussion

The Setoff Debt Collection Act, Chapter 56 of Title 12 of the South Carolina Code (1976), authorizes public entities to participate in the state's Setoff Debt Collection Program. As a participant in the Setoff Debt Collection Program, County entities submit delinquent debts to SCAC for possible matches against state income tax refunds due their debtors. Monies, which otherwise may have gone uncollected, are returned to the counties this way.

Governmental Enterprise Accounts Receivable Collections (GEAR) is a collection program, authorized by S.C. Code § 12-4-580 (enacted in 1996), that allows the Department of Revenue to use setoff debt *and* additional collection tools, such as payment plans, wage garnishments, and bank levies to collect bad debts for public entities.

Richland County currently participates in the Setoff Debt and GEAR programs for collection of its delinquent ambulance debts. Council recently approved the use of the Setoff Debt / GEAR programs for the Community Development Department.

By allowing the Treasurer / Tax Collector Office to submit applicable delinquent debt to the Setoff Debt and/or GEAR programs, Richland County will be able to collect on previous "uncollectible" debt.

Further information regarding the Setoff Debt and GEAR programs are contained below.

To participate in these programs, Council must approve a Resolution specifically allowing the Treasurer / Tax Collector Office to use the procedures provided in Chapter 56, Title 12 (The Setoff Debt Collection Act), as the possible initial step in the collection of delinquent taxes. This document is attached below for your convenience.

Council's approval for the Treasurer / Tax Collector Office to participate in Setoff Debt and GEAR for applicable delinquent County debts is requested, via the approval of the attached Resolution.

C. Financial Impact

The Setoff Debt program does not have any cost to the County other than associated staff time involved in the process of submittal of the debts to SCAC. The SC Department of Revenue charges a 28.5% fee, paid by the County entity, for debts that are collected via the GEAR Program. Currently, the County receives approximately **\$1,200,000 annually** from Setoff Debt

/ GEAR for ambulance debt. If Council approves participation for the Treasurer / Tax Collector Office for all applicable debts, the financial impact to the County will be increased revenues due to these collection measures for delinquent debt rightfully owed the County.

D. Alternatives

1. Approve the Resolution to authorize the Treasurer / Tax Collector Office to use the Debt Setoff and GEAR Programs offered by the South Carolina Association of Counties to collect delinquent money owed to Richland County for applicable debt.
2. Do not approve.

E. Recommendation

It is recommended that Council approve the Resolution to authorize the Treasurer / Tax Collector Office to use the Debt Setoff and GEAR Programs offered by the South Carolina Association of Counties to collect delinquent money owed to Richland County for all applicable debt.

Recommended by: David A. Adams, Treasurer **Date:** June 20, 2011

Reviews

(Please **SIGN** your name, ✓ the appropriate box, and support your recommendation before routing. Thank you!)

Finance

Reviewed by: Daniel Driggers

Date: 6/23/11

✓ Recommend Council approval

Recommend Council denial

Comments regarding recommendation: This is a policy decision for Council, in part, to determine the appropriate level of collection method to be utilized for County services. From a fiscal management perspective I would recommend approval. This is an alternative collection method and will not generate new revenue however it would assist to improve the collection rate and timeliness of collection for the County.

Legal

Reviewed by: Larry Smith

Date:

✓ Recommend Council approval

Recommend Council denial

Comments regarding recommendation: I would recommend approval of the Resolution for the limited purpose of authorizing the Treasurer to implement an alternative method of collecting real and personal property taxes should he choose to do so. However, the state law that permits this alternative method, limits its application to the collection of debts for real and personal property taxes, and doesn't apply to the collection of any other type of debt. Therefore, the language in the Resolution should be limited to this alternate method of collection being used only to collect debts owed for nonpayment of real or personal property taxes.

Administration

Reviewed by: J. Milton Pope

Date: 6-24-11

✓ Recommend Council approval

Recommend Council denial

Comments regarding recommendation: Recommend approval

Setoff Debt

The [Setoff Debt Collection Act](#), Chapter 56 of Title 12 of the South Carolina Code (1976), authorizes public entities to participate in the state's Setoff Debt Collection Program.

Using a 1992 amendment to the Setoff Debt Collections Act, SCAC has been assisting county governments and other county entities to participate in the Setoff Debt Collection Program. County entities submit delinquent debts to SCAC for possible matches against state income tax refunds due their debtors. SCAC acts as a clearinghouse between county governments and the S.C. Department of Revenue for the processing of these debts and returns the money to the counties. Monies, which otherwise would have gone uncollected, are returned to the counties this way.

- 🍌 **SCAC Services are FREE to participating entities.** Fees are added to the debt for SCAC and the SC Department of Revenue and paid by the debtors.
- 🍌 SCAC provides free software and technical assistance to participating entities to manage their debt data. (View all [SCAC services for debt collection](#).)
- 🍌 Entities must have valid Social Security Numbers for individuals to submit an account.
- 🍌 Debts must be at least \$50, or multiple accounts must sum to \$50, to be submitted to the Setoff Debt program.
- 🍌 There is a one-time placement of debts into the Setoff Debt program each year. SCAC sends the data files to the SC Department of Revenue each December.
- 🍌 Entities must follow due process procedures for debtors, as defined in the statute (see [Setoff Debt Collection Act](#)). Entities must provide notice and an opportunity to be heard to debtors.
- 🍌 Entities must meet the deadlines for sending letters and submitting their data file. (See [Dates to Note](#).)
- 🍌 Any age debt can be submitted to Setoff.
- 🍌 After January 1, the SC Department of Revenue matches the data in the debt files with the state income tax returns. SCDOR processes three matches a week from January through June and one match a week from July through December.

GEAR

Governmental Enterprise Accounts Receivable Collections (GEAR): is a collection program, authorized by S.C. Code § 12-4-580 (enacted in 1996), that allows the Department of Revenue to use setoff debt and additional collection tools, such as payment plans, wage garnishments and bank levies to collect bad debts for public entities. SCAC has been assisting counties and other special purpose districts with GEAR collections since 2001.

- 🍌 The GEAR program is administered similar to the individual income tax refund setoff debt collection program. SCAC provides free software and technical assistance to participating entities to manage their GEAR data.
- 🍌 Governmental entities can opt to use Setoff Debt, GEAR, or both programs. Entities have flexibility in deciding which accounts to put into the GEAR program and/or the setoff debt collection program. SCAC assists in maintaining separate data files and financial files for each program.
- 🍌 GEAR allows continued collections when a debtor does not have an income tax return. With GEAR, governmental entity debt is treated like any State tax debt, subject to the same collection tools available to DOR such as levy and garnishment. This allows a higher collection rate for larger debts.
- 🍌 Using GEAR, entities can lighten administrative burden to staff. SCAC assists entities with the daily program and data operations. SCDOR, using a customer service focus, sends collection notices, handles phone inquiries, sets up payment schedules, and makes collections.
- 🍌 **SCAC Services are FREE to participating entities.** SCDOR charges a 28.5% fee, paid by the entities, for debts that are collected.
- 🍌 The initial collection rate with GEAR has been 11% to 27%, depending upon the debt type.
- 🍌 Must have a valid Social Security Number for individuals to submit an account.
- 🍌 Debts must be at least \$300, or multiple accounts must sum to \$300, to be submitted to the GEAR program.
- 🍌 Entities must follow due process procedures for debtors, as defined in the statute (see [Setoff Debt Collection Act](#)). Entities must provide notice and an opportunity to be heard to all new debtors. SCDOR provides notification for any garnishments.

- 📌 Entities must meet the deadlines for sending letters and submitting their data file. (See [Dates to Note.](#))
- 📌 There is a one-time placement of debts into the GEAR program. Debts will rollover to the next year until paid in full, or removed at the request of the entity.
- 📌 Subject to the statutes of limitations, any age debt can be submitted to GEAR.
- 📌 After January 1, entities receive monthly GEAR payments and reports.

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

A RESOLUTION

A RESOLUTION TO APPROVE THE MEMORANDUM OF UNDERSTANDING AND AGREEMENT BETWEEN THE COUNTY AND THE SOUTH CAROLINA ASSOCIATION OF COUNTIES RELATING TO THE SOUTH CAROLINA ASSOCIATION OF COUNTIES BEING AUTHORIZED AND DESIGNATED AS THE CLAIMANT AGENT FOR THE COUNTY PURSUANT TO THE SETOFF DEBT COLLECTION ACT OF 2003, AS AMENDED, AND TO AUTHORIZE THE COUNTY TREASURER / TAX COLLECTOR OF RICHLAND COUNTY TO USE THE PROCEDURES PROVIDED IN CHAPTER 56, TITLE 12 AS A POTENTIAL INITIAL STEP IN THE COLLECTION OF DELINQUENT TAXES.

WHEREAS, the Setoff Debt Collection Act of 2003, as amended, (South Carolina Code Section 12-54-10), allows the South Carolina Department of Revenue to render assistance in the collection of delinquent accounts or debts owing to the County; and,

WHEREAS, S.C. Code Ann. § 12-51-40(e) authorizes, in the alternative and subject to the prior approval of the county governing body, the County Treasurer / Tax Collector to use the procedures provided in Chapter 56, Title 12 (The Setoff Debt Collection Act), as the initial step in the collection of delinquent taxes.

WHEREAS, the County Council wishes to increase the collection rate of debts that are due and owing to the County by availing itself of the Setoff Debt Collection Act of 2003, as amended,

WHEREAS, County Council has reviewed and approved the Memorandum of Understanding and Agreement designating the South Carolina Association of Counties to serve as the claimant agent;

NOW, THEREFORE, BE IT RESOLVED, by the County Council of Richland in session assembled that the Memorandum of Understanding and Agreement between the County and the South Carolina Association of Counties relating to the Association serving as the claimant agent pursuant to the Setoff Debt Collection Act of 2003, as amended, is approved. A copy of the Memorandum of Understanding and Agreement is incorporated herein by reference.

SIGNED this ____ day of July 2011.

Paul Livingston
Richland County Council

ATTEST this ____ day of July 2011

Michelle R. Onley
Assistant Clerk of Council

Richland County Council Request of Action

Subject

Sheriff's Headquarters Parking Lot Revitalization Project [pages 63-65]

Reviews

Richland County Council Request of Action

Subject: Sheriff's Headquarters Parking Lot Revitalization Project

A. Purpose

Council is requested to authorize the expenditure of budgeted funds to revitalize the Sheriff's Headquarters Parking lot that has long outperformed its expected life serviceability and has started to fail in numerous locations. The work includes removing the existing paving, reworking and fortifying the sub-base, and replacing the asphalt per the engineers design.

B. Background / Discussion

The current paving at the Sheriff's Headquarters has failed to a point where ongoing repair work has become ineffective, time consuming, and cost prohibitive. All indications show the existing parking lot is the original, installed when the building was constructed in 1975. As we have continued to make multiple repairs, it has become futile to continue this course of action as the parking lot has reached the end of its manageable lifecycle. With the asphalt paving being in such poor condition, the most effective method to address the failing paving is to remove the existing paving, rework and fortify the sub-base, and provide an asphalt top coat.

The paving design for the entrances are per the DOT's standards. The alternates require the entire parking lot to be paved, striped, and reestablish curb height and install ADA compliant pedestrian transitions. All of the items noted are included in alternate "C" that has been determined to be in the best interest to the County.

The result of the responses is as follows:

Responder	Base Bid	Alternate #C	Total Bid
The Lane Construction Corporation Doing Business as: REA Contracting	\$43,473. ⁶⁰	\$184,428. ⁰⁰	\$227,901. ⁶⁰
Bogg's Paving, Inc.	\$49,029. ⁰⁰	\$208,122. ⁰⁰	\$257,151. ⁰⁰
Richardson Construction Company of Columbia, SC	\$133,800. ⁰⁰	\$287,640. ⁰⁰	\$421,440. ⁰⁰
L-J, Inc.	\$43,720. ⁶⁰	No Bid	\$43,720. ⁶⁰
Shady Grove Construction, LLC	\$48,441. ²⁰	No Bid	\$48,441. ²⁰

Support Services recommends award of contract to The Lane Construction Corporation doing Business as REA Contracting, the lowest responsive and responsible bidder whose bid complies materially with the specifications and requirements as publicized.

The Department of Support Services has been and will continue to coordinate very closely with the Sheriff's command staff to phase the necessary work into multiple stages to allow the emergency and enforcement services to continue without interruption from this facility.

C. Financial Impact

The total cost for this project is \$227,901.60 plus 10% contingency totaling \$250,691.76. Council has already approved the project concept by approving funding in the 2011 fiscal year budget.

There are no additional funds requested for this project. The project's funding has been established.

D. Alternatives

1. Authorize the Procurement Director to enter into a contract with The Lane Construction Corporation doing Business as REA Contracting the lowest responsive and responsible bidder whose bid complies materially with the specifications and requirements as publicized.
2. Do not approve the expenditure of the funds and leave the Sheriff's Headquarters parking lot in its current condition. Though this option may save money in the short-term, however it continues to expose Richland County to potential higher future cost due to rising material and labor cost, along with additional failures that could affect the safety of persons crossing the parking lot.

E. Recommendation

It is recommended by Support Services that Council authorize alternative 1.

Recommended by: John Hixon Department: Support Services Date: 6/14/11

F. Reviews

(Please ***SIGN*** your name, ✓ the appropriate box, and support your recommendation before routing. Thank you!)

Finance

Reviewed by: Daniel Driggers

Date: 6/15/11

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation: Funds are available in the capital projects fund as stated.

Procurement

Reviewed by: Rodolfo Callwood

Date: 6/16/11

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation:

LegalReviewed by: Larry Smith

Date:

 Recommend Council approval Recommend Council denial Council Discretion (please explain if checked)

Comments regarding recommendation:

AdministrationReviewed by: Tony McDonald

Date: 6/16/11

 Recommend Council approval Recommend Council denial Council Discretion (please explain if checked)

Comments regarding recommendation: Recommended approval of the award of a contract to Lane Construction Corporation (REA Contracting). Funding is available for the project; no additional funding is required.

Richland County Council Request of Action

Subject

Veterans Treatment Court Grant and Required Match [pages 67-69]

Reviews

Richland County Council Request of Action

Subject: Approval of Veterans Treatment Court Grant and Required Match

A. Purpose

County Council is requested to approve a Veterans Treatment Court grant from the Department of Justice's Discretionary Drug Court Program for the Solicitor's Office in the amount of \$367,016 and the required match of \$91,754 for a **three year period** for the purpose of assisting veterans who have criminal charges. This grant opportunity became available after the FY2012 budget process.

B. Background / Discussion

The Solicitor's Office is requesting Drug Court Discretionary Grant funds to implement a Veterans Treatment Court to assist non-violent veteran offenders where intervention and treatment may be an alternative to incarceration. This includes not only the use of drugs and alcohol, but mental illness, homelessness, family issues, and other social issues leading the veteran in the criminal justice system. The goal of this court is to address the root causes of these issues. Not only to successfully rehabilitate veterans by diverting them from the traditional criminal justice system but providing them with the tools they need in order to lead a productive and law-abiding lifestyle.

This unique court is similar to the "drug court model" but has several major differences. The first significant difference is that only veterans are in this specialized court (Richland County has 33,607 veterans). Unlike Drug Court, qualifying Veterans have access to all VA funded programs. The cost is transferred from the defendant, local taxpayer, or state funds to existing federally funded programs. A second distinction from Drug Court is that VTC is not limited to drug issues, but may also be applied to alcohol related crimes. It can further include other non-violent crimes where intervention and treatment may be an alternative to incarceration. Therefore mental illness, homelessness, family issues, and other social issues leading the veteran into the criminal justice system can be addressed at their root causes. The last distinction from Drug Court is the early means of intervention. This program will include law enforcement assistance in early identification of potentially qualifying veterans.

The use of Veteran Peer Mentors will act as a type of "Battle Buddy" to the Veteran. The volunteer Mentor will encourage, mentor and attend court dates with the Veteran. The VA will be responsible for selecting, training and assigning a Veteran Peer Mentor to the Veteran that is receiving treatment through the VTC program. Voluntary mentors for this program can be found from Veteran Service organizations, such as the VFW, American Legion, and other well established organizations. There are 18 veteran service chapters in Richland County.

The grant provides for salary and fringe benefits for a Veterans Treatment Court Coordinator, travel expenses to attend yearly, mandatory Drug Court Program Office training, contract services for drug/alcohol collection and analysis, computer and office/computer supplies.

C. Financial Impact

Richland County will need to provide \$91,754 matching funds for a **three year period** for this program.

Funding Program: Veterans Treatment Court (VTC)	Grant Portion	Match Portion	Total
Year 1	\$94,329	\$31,443	\$125,772
Year 2	\$90,467	\$30,155	\$120,622
Year 3	\$90,467	\$30,155	\$120,622
TOTALS	\$275,262	\$91,754	\$367,016

D. Alternatives

1. Approve the request to accept the Drug Court Program Office funds, if awarded and the matching funds.
2. Do not approve, forfeit funds, and decrease likelihood for future funding.

E. Recommendation

It is recommended that Council approve the request to accept the Drug Court Program Office funds and approve the matching funds required as outlined by the funding agency.

Recommended by: Sol. Dan Johnson Department: Solicitor’s Office Date: June 14, 2011

F. Reviews

(Please ***SIGN*** your name, ✓ the appropriate box, and support your recommendation before routing. Thank you!)

Finance

Reviewed by: Daniel Driggers Date: 6/16/11
 Recommend Council approval ✓ Recommend Council denial
 Council Discretion (please explain if checked)

Comments regarding recommendation: This is a funding decision for Council to consider. My recommendation is based on the fact that funding was not included in the FY12 adopted budget and no funding source is identified in the ROA but is not related to the merits of the program. One option for Council to consider would be the use of General Operating Fund Balance. Approval would require the identification of funds and a budget amendment. Council should consider that approval would be a three year financial commitment on the grant match. It is unclear if the County would be required to pick-up and fund the position after the grant ends.

Procurement

Reviewed by: Rodolfo Callwood Date: 6/17/11
 Recommend Council approval Recommend Council denial
 Council Discretion (please explain if checked)

Comments regarding recommendation:

GrantsReviewed by: Sara Salley

Date: 6/17/11

 Recommend Council approval Recommend Council denial

✓ Council Discretion (please explain if checked)

Comments regarding recommendation: Funding decision is at Council's discretion seeing that this grant became available after the FY12 budget process began. The County will not be required to pick up the positions once the grant ends.

LegalReviewed by: Larry Smith

Date:

✓ Recommend Council approval

 Recommend Council denial Council Discretion (please explain if checked)

Comments regarding recommendation:

AdministrationReviewed by: Sparty Hammett

Date: 6/20/11

 Recommend Council approval Recommend Council denial

✓ Council Discretion (please explain if checked)

Comments regarding recommendation: The decision to fund the three-year grant match is at the discretion of Council. As indicated by the Finance Director, funding the grant would require the identification of funds and a budget amendment. The County would not be required to fund the position after the grant ends.

Richland County Council Request of Action

Subject

Responses from RFP to Employee and Retiree Group Benefit Services (possible Executive Session Item) [pages 71-99]

Reviews

Richland County Council Request of Action

Subject: Responses from RFP to Employee and Retiree Group Benefit Services

A. Purpose

County Council is being asked to approve and authorize staff to negotiate and award contracts to the recommended vendors in response to RFP. Vendors responded to the RFP seeking to provide the following group employee and/or retiree services to Richland County;

- Health Insurance for Employees
- Health Insurance for Early Retirees (pre 65 years old)
- Dental Insurance for Employees
- Dental Insurance for Early Retirees
- Life Insurance and AD&D for Employees
- Life Insurance and AD&D for Early Retirees
- Voluntary Supplemental Life (Paid by Employee or Retiree)
- Voluntary Dependent Life (Paid by Employee or Retiree)
- EAP (Employee Assistance Program) for Employees and Dependents
- Voluntary Short Term Group Disability (Paid by Employee)
- Voluntary Long Term Group Disability (Paid by Employee)
- Wellness Incentive Program
- Flexible Spending Accounts for Employees

B. Background / Discussion

The County authorized Human Resources to hire a consultant, Wells Fargo Insurance Services, to assist with developing, publishing, collecting, analyzing, and making recommendations on responses to a RFP for several employee services. WFIS received responses from many vendors for employee and retiree services. The responding vendors for each service were narrowed down to a list of finalists. All finalists for the health insurance services were invited to come on site to Richland County and make a presentation to County Administration, Finance, and Human Resources. Each finalist was then asked to provide their best and final offer. You will find a brief company profile on each vendor finalist that is under consideration.

It is important to note, the current RFP responses do **not** include Medicare retirees (retirees 65 or older currently on the Medicare Advantage). Medicare operates on a calendar year, January – December. The CMS (Center for Medicare & Medicaid Services) does not release information on Medicare until later in the calendar year; therefore vendors are not able to provide responses until they have information from CMS relating to federal Medicare contributions. The County plans to proceed with the RFP for Medicare Advantage retirees during July 2011.

The County requested all vendors responding to the RFP to provide a response that matched our current benefit plan. Each health insurance vendor finalist benefits match our current plan (i.e. deductible, out of pocket, co-insurance, office visits, emergency room, outpatient facility charges, inpatient facility charges, etc.). There will be some variation in the tier that prescription drugs will fall into, which always occurs with different vendors based on various factors such as negotiate contracts between the vendor and the company handling the pharmacy benefits.

Human Resources requested the consultant complete a detailed and comprehensive comparative analysis on all prescription drugs. The comparison was done by comparing the current prescription drug plan and each finalist vendor's prescription drug plan. This is commonly called a Disruption Report in the industry. In addition, Human Resources drilled down further to have an analysis performed on the top 30 prescriptions based on both number of scripts written and the total dollars spent during the May 2010 – April 2011 period.

Based on the direction of Council, Human Resources requested the consultant perform a comparative analysis on a Tier Income Range Plan Design. In short, employees in the lowest income range would have a richer health plan and employees in the highest County income range would have to contribute more to the cost of their health insurance via out of pocket contributions (i.e. higher deductibles, higher co-pays, higher maximum out of pockets, etc.). **Note: Please see pages 5 and 6 of this document for additional comments by the consultant on the tiered health proposal.**

Health care claims are one of the driving factors in the escalating cost of health care premiums. And mitigating the skyrocketing escalation of claims is the only leverage the County has to reduce the upward trend for health care costs. Shifting additional health care cost (premiums or out of pocket expenses) to employees or retirees does not reduce the actual cost of health care (it only transfers some of the cost from the County to the employee or retiree).

After years of research and study, the County is now prepared and proposes to implement and integrate into our health plan an optional wellness incentive program as a strategic part of our health insurance plan. An eligible employee or retiree can continue to receive health insurance paid by the County at 100% contingent upon them completing a few items that have been identified as being beneficial to the employee's or retiree's personal health by health care professionals. Employees and retirees who do not participate in the incentive plan will pay about \$25.00 per month (see attachment for details). The wellness incentive plan does not exclude any employee based on a medical condition, illness, injury, or disability.

Attached, you will find a pie chart that illustrates the contribution of the County and employees to the total cost of health care premiums over the past year. Because it is important to understand and visualize that employees and retirees currently contribute

in two ways, by premiums (i.e. for dependents) and with the out of pocket costs they pay (i.e. deductibles, co-pays, office visit charges, etc.).

C. Financial Impact

See Attachment

Specific vendor names along with their specific cost responses relating to potential contractual proposal will be provided to County Council during executive session.

D. Alternatives

1. Remain with current vendors and not approve the wellness incentive program.
2. Approve and authorize staff to implement wellness incentive program and negotiate and award contracts to the recommended vendors.
3. Approve vendors other than current vendors or recommended vendors and authorize staff to implement wellness incentive plan.
4. Not authorize staff to implement wellness incentive plan.

E. Recommendation

It is recommended that County Council approve option # 2 based on the recommendation and justification provided by the consultant, WFIS.

Recommended by: Human Resources Department

Date: June 6, 2011

F. Reviews

(Please ***SIGN*** your name, ✓ the appropriate box, and support your recommendation before routing. Thank you!)

Finance

Reviewed by: Daniel Driggers

Date: 6/16/11

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation: Available funds are included in the FY12 adopted budget to support the recommendation. Therefore I would recommend approval based the review and recommendation of the HR Director and consultant for vendor and program selection.

Procurement

Reviewed by: Rodolfo Callwood

Date: 6/17/11

Recommend Council approval

Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation:

Legal

Reviewed by: Larry Smith

Date:

Recommend Council approval Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation: This is a policy decision of Council.

Administration

Reviewed by: Tony McDonald

Date: 6/23/11

Recommend Council approval Recommend Council denial

Council Discretion (please explain if checked)

Comments regarding recommendation: Recommend approval of Alternative 2 as outlined above. The selection of vendors is the result of a lengthy competitive process by which all proposals were thoroughly reviewed and analyzed by both in-house staff and an outside consultant. Funding has been appropriated in the FY 12 budget.

TIERED PLAN DESIGN BASED ON INCOME CONSULTANT'S ANALYSIS COMMENTS

Concerning a Tiered Health Plan in terms of tiering the employee payroll contributions and charging higher premiums to those of higher incomes, please know that it will not produce cost savings. This practice is simply a cost shifting mechanism and specifically shifts a greater share of the cost to high income earners (yet to be defined). Basically, it is a progressive tax, much like our federal tax code. Where this type of strategy differs from the current marketplace solutions is in the fundamental issue of addressing cost, and it's obvious lack of a direct link to unhealthy lifestyles and medical/pharmacy claims. It does nothing to move the consumer towards accountability for health status and work place performance.

The generally accepted goal for employee premiums, when used as an incentive tool, is to link the consumer's "increase or decrease" in payroll contributions to things like: tasks , events, and outcomes that will (generally speaking) influence their health status and engaging them in a behavior change such as: walking more, eating less or more appropriate caloric intake. For instance, both the State of SC and NC 's health plans have surcharges on smoking and Body Mass Index (BMI). Neither use income as a determinate in pricing their employees premiums. Income is not used in the cost of life insurance nor home owners nor auto. In all cases, the insurer is attempting to price risk. Risk as it relates to health insurance is best correlated to claim cost, which is best correlated to health status. You want to solve high premiums influence health status.

For a pure financial sense, let's assume if you did ignore common practices and prevailing marketplace strategies and decided to implement an "income tiered program" and tax employees earning more than \$100,000 at 100% of the premium. (Please note you would never have your employees pay 100% , but we do this to show the futility of the concept as anything more than a cost shifting, and never a influence of behavior). So, the programs insurers 2700 employees of which 270 are retirees under the age of 65. So, such a strategy would introduce a new burden on administration since the County does not have access to retiree income. Yet, if implemented, it would need to include retirees and therefore somehow the County would need to collect and validate combined total income of those former employees under the exact same plans and program. That issue aside, of the remaining 2400 employees approximately 25 of them earn more than \$100,000 per year. The current single rate (fully insured rate paid to the insurer) is \$495. Assuming the highly compensated employee pays 100% of this cost for the entire year, the annual sum total for all of them is \$148,000. The cost of the programs is approximately \$14.5 million. So, this strategy would redistribute 1% of the annual premium for 2700 employees onto the 25 employees. There are no savings. This is premium redistribution or cost shifting. Our assumption is that the only reason Richland County would consider a tiered payroll deduction based on salary would be for the purpose of shifting more dollars to higher income earners and thereby reducing the cost to the County. If savings is the goal, the burden of administration more than outweighs

the projected 1% savings if this plan were to be adopted. Obviously if the County charged this group of employees 100% of the cost they would decline coverage and purchase it elsewhere assuming good health. In fact, studies suggest that charging a consumer more than 30% of the single rate starts to erode enrollment and the “rich healthy” employees will decline. So, at best you could assume 30% of the \$148,000, or approximately \$45,000.

As to the why it cost more? Basically, the increase in benefit design for 30% of your people is not entirely offset by the benefit reduction for 32% of the people. While the populations are nearly the same, the “value” of the change in benefits is not. My last 2 statements on the summary slide try to address this fact. When you have more time, look at those statements and let me know if they explain the reason for the \$300,000 in additional cost.

Employee contributions based on salary alone are not often implemented. Some combination of salary and employment longevity have been used in a complex metrics where length of service affords a lower price and salary drives a higher price. Employers doing such are often very large and have robust HRIS systems. Those are rare strategies and complex to administer. Also noteworthy, ACA appears to steer employers towards an employee contribution strategy for medical and Rx coverage that will consider income, must especially those under 400% of poverty. The outcomes of such a complex employee premium structure are not well known nor are comprehensive studies available in the marketplace to determine the outcome of ACA subsidies, employer pricing based on salary, and the availability of coverage from a state sponsored exchange. While the County will eventually comply with ACA in this area at the appropriate compliance date, this topic remains a redistribution of cost, not a cost savings discussion.

Richland County Government - 2011/2012 Medical/Rx Plan Design(s), assignment based on Salary

Summary Consideration:

	Est. Annual Enrollment	BCBSSC Est. Annual Cost
2010/11 current plan annual cost	1647	\$10,559,537
2011/12 current plan annual cost ("renew as is")	1647	\$12,590,205
2011/12 convert to medical plan assignment based on salary	1647	\$12,874,814

Observation and outcomes:

- Medical plan assignment salary does not save money. As conceived, it will cost an additional \$285,000 to the County and add cost for 32% of employees
- Medical plan assignment by salary does redistribute the cost and creates winners/loser as compared to current
- Medical plan assignment by salary does not address the link between claim cost, risk factors, age, and health status.
- Salary is poor indicator of claim cost or claim risk.

The Winners / Loser of moving to Medical Plan assignment by Salary:

Salary bands given to Wells Fargo	Enrollment by salary	% of Total Enrollment	Additional Annual Cost (Savings)	Winner/ Loser	Based on Avg Claim Cost winner/loser, expressed pepy
Under \$30,000	489	30%	\$445,331	winner	\$692.45
\$30,000 to \$40,000	820	38%	\$0	breakeven	
\$40,000 to \$80,000	502	30%	(\$142,162)	loser	(\$283.19)
Over \$80,000	26	2%	(\$18,581)	loser	(\$713.88)
Total (Net/Additional Cost)	1647	100%	\$284,609		

*Under the tiered plan(s), no adjustments to employee payroll contribution have been studied nor considered herein.

*Gross Rates, tiered premiums for both the current plan renewal and the Tiered Income Ranges provided by BCBSSC

*Plan design(s) for the Tiered Income Range plans were designed in 2010 by Staff & BCBSSC

*RC health plan could lose "grandfathered" status under the Health Care Reform law by changing from our current Health Insurance Plan design to the Tiered Income Range Plan

*Reductions (changes) to the deductible and other benefit feature are not linear. Keep in mind as deductibles and OOP increase the number of people that might reach that level reduces. **Important Note:** In order to balance the "improved" benefits for those making less than \$30,000 per year, the benefit reduction for the 2 classes of salary above \$40,000 would need to be more significant than illustrated - perhaps as much as double the proposed plan reductions.

WellPath

WellPath is a marriage of three separate plans with varying histories in North Carolina, including Principal Health Care of the Carolinas which was purchased by Coventry Health Care, Inc. ("Coventry") in 1998. This purchase brought Coventry into Charlotte. In early 2000, Coventry assumed certain business of Kaiser Permanente, nearly doubling its membership. In October 2000, Coventry purchased WellPath, bringing Coventry into the Raleigh, NC, Market. In January 2001, Coventry Health Care of the Carolinas and WellPath merged to become **WellPath**. Our members are covered through an extensive network including over 11,700 physicians and 75 hospitals.

WellPath is a subsidiary of Coventry Health Care, Inc., a national managed health care company based in Bethesda, Maryland operating health plans, insurance companies, network rental/managed care services companies, and workers' compensation services companies. More information is available on the Internet at www.cvty.com.

WellPath's business model is locally-focused yet backed by the support of Coventry, a Fortune 500 Company. WellPath's CEO, CFO, Medical Directors, Provider Contracting, Underwriting and Marketing leadership operate locally to provide employer groups with the service availability they require.

Coventry Health Care, Inc. (Coventry), WellPath's parent company, is a financially strong company with a conservative balance sheet and outstanding record of profitable growth. As a publicly traded company that operates in a heavily regulated industry, considerable public information exists on the financial progress and results of Coventry. As but two examples, excellent sources of information are Coventry's Annual Report and required SEC filings, of which updated versions can always be easily accessed through our website www.cvty.com. A.M. Best ratings fall into one of three broad categories: *Secure*, *Vulnerable* or *Not rated*. Each of Coventry's subsidiaries, including WellPath, has received a score deemed by A.M. Best to be in the category of *Secure*. A.M. Best describes *Secure* health care organizations as having a strong or good long-term ability to meet their obligations to members and policyholders. Those classified in the *Secure* rating categories maintain a level of financial strength that is "not vulnerable to unfavorable changes in the business, economic or regulatory environment".

Cigna

CIGNA's businesses rank among the largest health care and related employee benefits organizations in the United States. Our extensive group insurance experience and expertise provides employers with expert resources, world-class claim facilities, and wide-ranging products and services to help attract and retain employees. The scope of our products offers employers a new degree of flexibility for future planning and growth.

The Life Insurance Company of North America (LINA) and CIGNA Life Insurance Company of New York (CLICNY) are the underwriting companies used most often by CIGNA for life, accident, and disability insurance. LINA and CLICNY are wholly owned subsidiaries of CIGNA Corporation.

Stability, Experience and Financial Strength

At CIGNA, results matter. We have a proven track record in client retention and growth. In fact, we've had a 90+ percent client retention rate the last four years.

- **Group disability insurance** – Top 5 long-term-disability carrier with more than 40 years of experience. We have 4,900+ policies covering 6.1+ million lives.
- **Group accident insurance** – Top 2 provider with more than 80 years experience. We have 7,000+ group policies covering 9.6+ million lives.
- **Group life insurance (Term and Universal)** – Top 5 carrier in new sales with more than 90 years experience. We have 4,300+ Group Life contracts covering 14.6+ million lives.

Standard

Over the course of a century, Standard Insurance Company has earned a reputation for personal service, financial strength and high quality insurance products. From our home office staff to the sales and service representatives in our local offices across the country, everyone at The Standard is dedicated to helping you by providing creative and effective solutions to meet your employee benefit needs.

Simple: Making it easy for you

Whether you have two eligible employees or thousands, we put all our strengths to work to help you create a cost-effective benefits package — for you and for them.

Find the benefits you want and need. We offer understandable, comprehensive products configured to meet your needs. You'll find a full range of disability, life, dental and vision insurance, individual and voluntary insurance products, and retirement plans.

Comprehensive contract pricing and no surprises. We strive to offer the best value, going beyond the formulas, using a long-term pricing philosophy.

Dedicated contacts — no outsourced call centers. Our experienced employees deliver **strong, empathetic and personalized service.** We pride ourselves on our **expert claims-handling, accurate, fair and prompt payments, and clear, accessible appeals process.**

Account support tailored for you. You'll enjoy customized administration, implementation and enrollment services. And you'll benefit from insightful reporting, industry benchmarking and program recommendations.

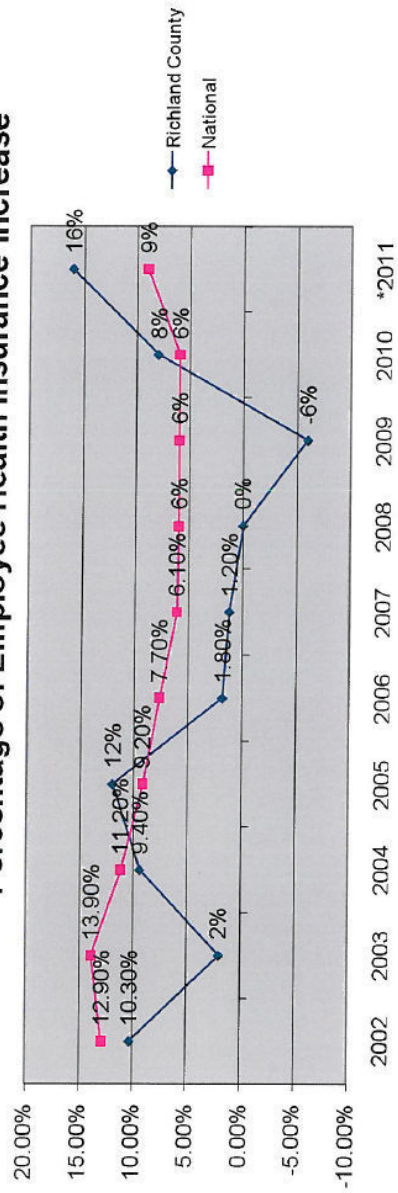
Local: Supporting you where you do business

We have over 40 offices across the nation to serve our customers. Our representatives are committed to their communities and have an insider's understanding of local needs.

Dependable: A track record you can trust

- **More than 100 years** of history and **five decades** of employee benefits experience
- More than **27,100** group insurance policies in force with over **\$1.8 billion** in force premium¹
- Recognized as a **top 10** provider of group Long Term, Short Term Disability and Life insurance based on in force premium²
- Over **91%** of our business is employee benefits, letting us focus on what our customers really need
- Our **first group insurance customer** is still with us — after 58 years

Richland County Percentage of Employee Health Insurance Increase



{-----CCP-----} {-----BCBS-----}

*2% of increase by RC, 4% paid by employees, 10% covered by changes in plan; wellness efforts resulted in \$1.495 million reduction in premiums.

Richland County Wellness Incentive Program 2011

There are many Richland County employees that have serious diseases, smoke, use tobacco products, are obese, don't exercise, have poor diets, and don't comply with the doctor's orders, and/or don't take their medication. This can result in absences, lower productivity, and even death.

Problem/Issue:

Healthcare premiums are projected to double over the next 10 years (2009-2019). Richland County is continuing to deal with the same health insurance issues that plague the United States as a whole – almost double digit national increases in premiums every year. Throughout the country, employers are working to try to mitigate the impact of these health care increases. It has been found over the past ten years that one of the best ways to improve the overall health of employees and therefore decrease premium increases has been to tie wellness incentives to the health care plan (with dollars spent usually returning a 3:1 ratio in investment). Over the past 5 years, we have been working to create a culture of wellness. After years of investing HRD sweat equity into our wellness program, we are ready to (and must begin) to tie those efforts into actual incentive dollars to improve employee overall health.

Solution:

We have decided that one solution to mitigating the escalating health care cost issue is to develop a Richland County Wellness Incentive Plan. See Attachment.

What Will Happen if We Don't Do Anything?

The number of employees with health problems and severity of such problems will continue to increase as a result of obesity, smoking, and lack of exercise, poor dietary habits, and failure to properly manage health conditions. If we continue at the current pace of health care increases, over the next ten years, health care costs are expected to double. This would take our health care premiums to over 20 million dollars per year. The 20 million does not include GASB 45 liability.

What Are the Other Alternatives to Address the Problem?

There are other options to address the problem as well which the Human Resources Department is constantly evaluating, which include:

- Cost-shifting to employees (requiring employees to pay more of the cost.)
- Plan design changes
 - These are very popular with employers. However, they do not address the cause of health care issues nor the cost of health care
- Eliminating health insurance and giving employees dollars to purchase their own insurance.
 - This increases employee awareness of the cost. However, does not improve their health.

What are the obstacles, human resources, and cost resources needed to implement proposal?

- The main obstacle to implementing the program in the past was that our vendor didn't have the resources to manage eligibility for us and we haven't had a full time Wellness Coordinator.
- We anticipate the first year, as with all major changes, the plan will be met with some stiff resistance
- It will take several members of the HR Department, in coordination with our vendor, to implement and manage this program. Estimated time frame is 10 hours per week for at least six months.
- The primary goal is the overall improvement of employee's health improved attendance and increases productivity. However it is possible the program will actually save the County money because every employee that chooses not to participate will be paying \$600 per year (\$25 per pay period) out of the total cost of the premiums.

What will be the result of implementing the proposal?

The overall health of employees should improve. Employees will become better informed on personal health, health care issues, wellness, and health care costs. The result of implementing the proposal *should* help the County decrease the rate of escalation overall claims (and therefore premiums) costs due to the improved overall wellness of employees. Less disease means employers can lower their plan utilization, thus lowering health benefits costs, and in turn, increasing profits. There are additional benefits too, such as increased productivity, fewer workers' compensation claims, better attendance, and improve morale. The survey will also provide the County will valuable information on the wellness issues facing our employee population.

This program will have several key benefits for employees:

- Many of them will be made aware of health conditions that they did not know they have and begin addressing those concerns.
- Many of them will now be eligible for free one-on-one counseling for tobacco use or weight loss concerns
- Employees at high-risk for serious health conditions (or those who already have such conditions) will be made aware of their risks and offered one-on-one counseling to help improve their health and manage their conditions.
- Provide an immediate financial incentive for employees to lose weight or properly manage a healthy weight.
- Provide an immediate financial incentive for employees to quit tobacco use.

The County is currently spending \$10 million on health claims but only invests less than \$5,000 annually on wellness and prevention.

Richland County 2011-2012 Health Plan Contributions and Wellness Incentives

During the new plan year beginning October 1, 2011, all Richland County employees enrolled in the PPO Health Plan will be required to contribute \$25 per pay period (\$600 per year) toward the cost of their health insurance. Employees can earn this \$25 per pay period as a Wellness Incentive Credit through participation in the Wellness Incentive Plan.

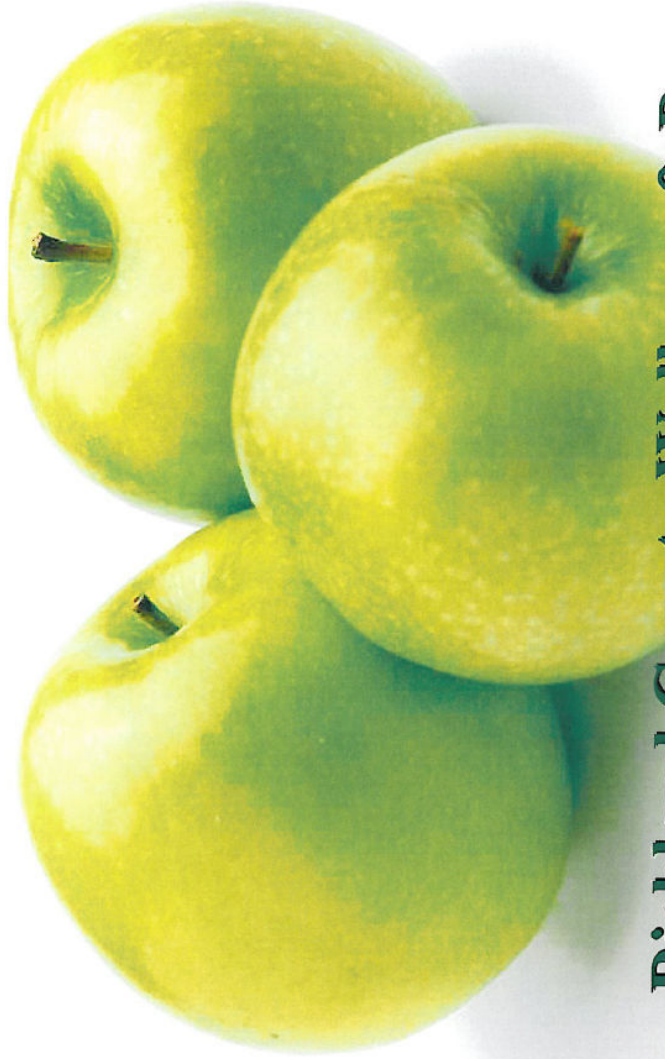
WELLNESS INCENTIVE PLAN

Employees must complete all four activities to obtain \$600 credit toward their premium reduction.

Activity	Goal	Reasonable Alternative Standards
Completion of Biometric Screening	Biometric Screenings	A letter from a physician stating completion of biometric screening.
Completion of Personal Health Assessment Survey	Can be completed during HR scheduled event or at employee's convenience.	Paper copy of survey will be made available if computer assessment is not reasonable.
Non-High Risk Identification or Enrollment in Health Management Program	Not identified as high risk by healthcare provider. No further action is required.	If identified as high risk, enrollment must occur by and 4 counseling sessions must be completed.
Commitment as Non-Tobacco User and Body Mass Index (BMI) under 30 or Enrollment in Lifestyle Management Programs & commitment	Commitment as non-tobacco user and BMI under 30 as identified in the Personal Health Assessment. No further action is required.	If BMI over 30 and/or a tobacco user, enrollment in Lifestyle Management Program must occur and counseling sessions must be completed. If enrolled in Lifestyle Management Program, employee must also commit to continue to try to stop smoking and/or continue to strive for a BMI under 30 throughout the rest of the health plan year.

- New employees – must promise by signature that within the first 6 months of employment they will meet the criteria as set above in order to get their credit for the current plan year.
- Early Retirees –guidelines are the same as for regular employees.
- This document does not constitute an employment agreement nor does it serve as a contract. The plan can be discontinued or canceled at anytime.
- Richland County does not receive any HIPPA regulated information on individual employees, all data received by Richland County is in aggregate form.
- Richland County reserves the sole discretion to cease paying the Wellness Incentive Credit at any time and/or request reimbursement if the County determines the employee falsified any wellness records or has not been compliant with programs as agreed.
- The County may seek verification to confirm compliance.

If it is unreasonably difficult due to a medical condition for you to achieve these goals, or if it is medically inadvisable for you to attempt to achieve these goals, call us and we will work with you to develop another way to get the discount.



Richland County Wellness & Benefits

Strategic Plan

Getting Ahead of the Trend



The Current Health Care Model Is Flawed

- Our healthcare system is designed to treat sick people rather than strategically keep people healthy or from getting worse
- Insurers focus on the price of care more than the reason for utilization, employee health habits, and treatment outcomes
- Healthcare consumers receive little support or guidance in how to use medical services efficiently
- Generally, public employers have not invested in promoting good health and reducing demand for services
- Generally public employers have not acted to promote health care quality, medical outcomes, and patient management

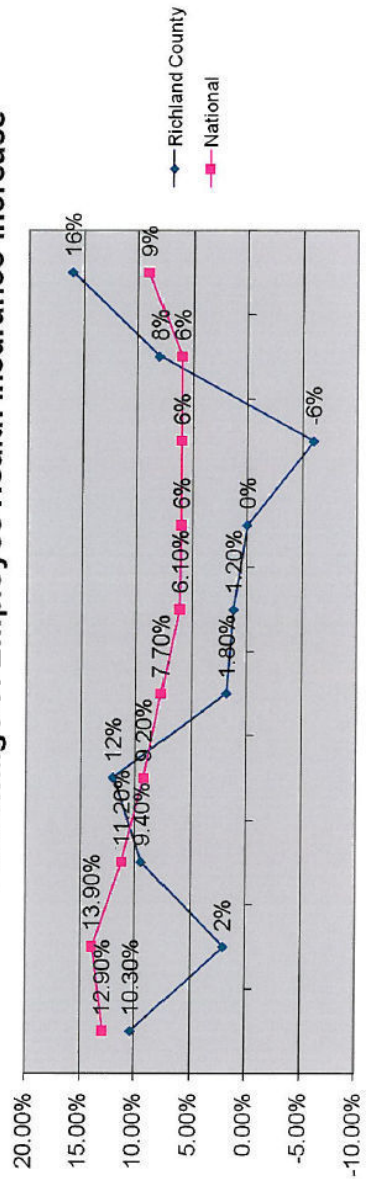


The old fixes of cost shifting and more managed care are no longer enough.



Understanding Our Past Can Help Us Plan the Future

Richland County Percentage of Employee Health Insurance Increase



2002 2003 2004 2005 2006 2007 2008 2009 2010 *2011
 {-----CCP-----} {-----BCBS-----}
 *2% of increase by RC, 4% paid by employees, 10% covered by changes in plan; wellness efforts resulted in \$1.495 million reduction in premiums.



Many Initiatives...But Little Coordinated Strategy

Health Risk Assessment
(HRA) Questionnaire
Onsite flu shots

Walking Incentives

EAP counseling
Annual mammogram and Pap
smear payable thru medical plan

Lunch & Learn's

Biometric Screenings with
Blood pressure checked and blood drawn

Health Fair



It's Time for a New Paradigm

The old paradigm of health care cost containment has lost its effectiveness

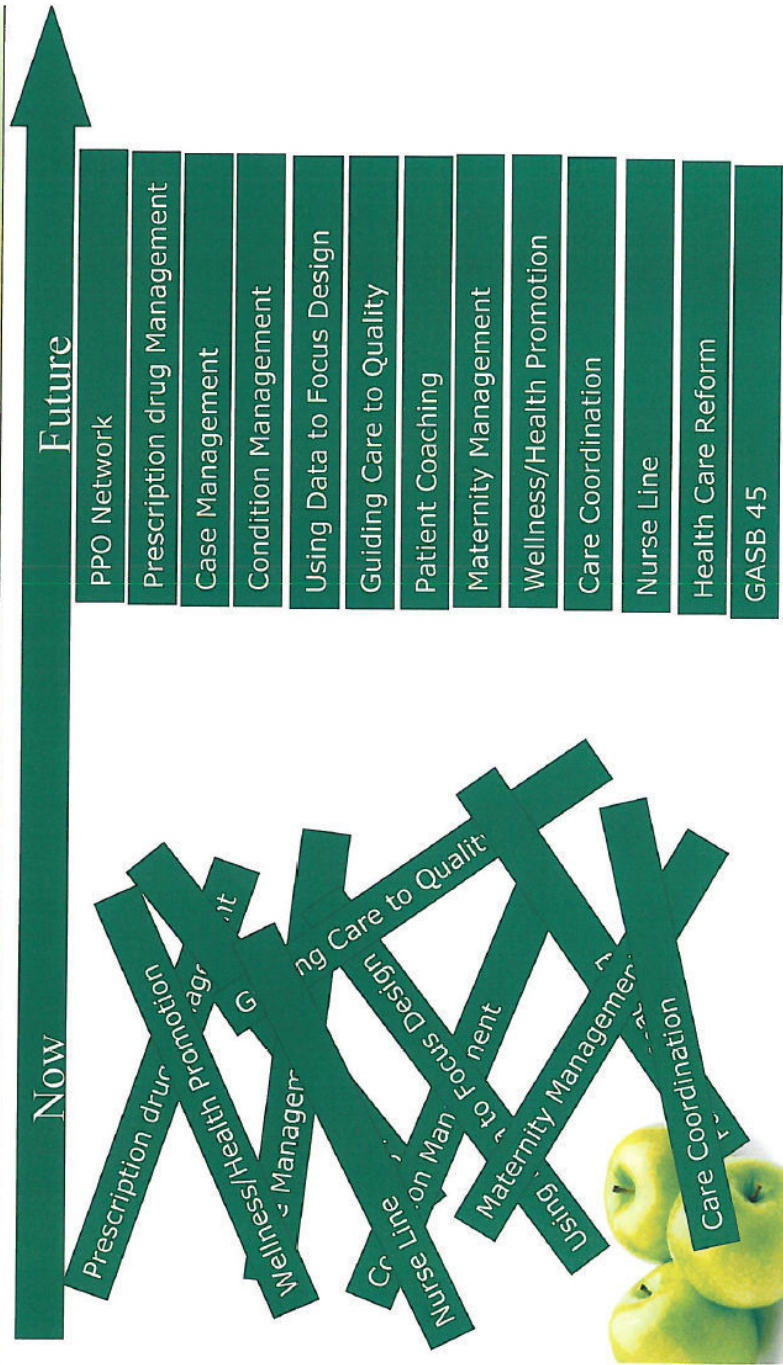
- Network management and contracting for discounts are no longer effective cost management tools
- Plan design can no longer be the total solution for cost containment

We need a new paradigm, based on:

- Promotion of healthy living to eliminate claims from ever happening
- Proactive County engagement with the employee to promote better health and manage disease states
- Promote employee ownership for health to make better decisions about health care
- Preventive care and health promotion
- Improving poor employee and retiree health habits



Moving to Total Health Management

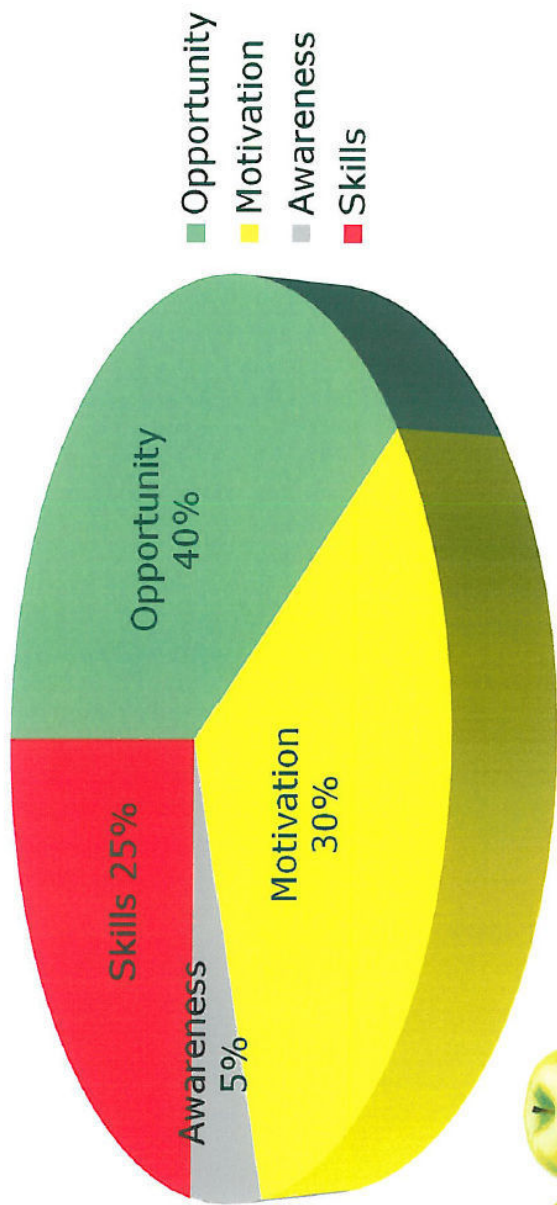


In a THM World, Players Assume New Roles

	CURRENT ROLE	NEW ROLE
County	Financial and Fiduciary oversight	Facilitator, Advocate Leader
Employee	Passive, Sheltered, Entitled	Active, Informed & Motivated Consumer
Medical Provider	Dominant and Directed	Empowered, Accountable Caregiver
Insurer/HMO	Overseer and Gatekeeper	Case Manager
Quality Metrics Administration	Network Level	Consumer Level
	Disconnected Paper	Integrated Electronic



AMSO BEHAVIOR CHANGE MODEL



Awareness "Engage the Head & Heart"

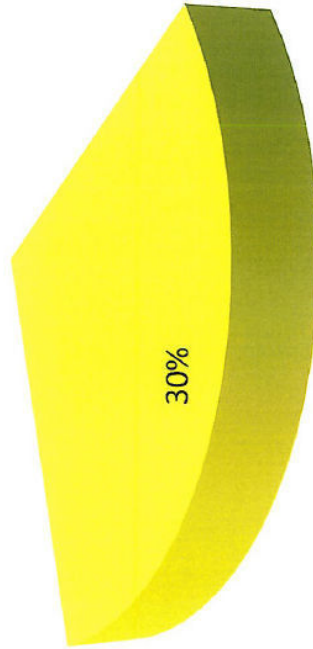
- Email
- Newsletter
- Website
- Face to Face
- Publications
- Testimonials
- Health Fair



Motivation

“Motivate the feet by providing incentive”

- Incentive Program



Skills "Build Skills with Hands"



- Teach Performing Skills
- Teach Planning Skills
- Teach Communicating
- Teach Coping



Opportunity "Leverage the Backbone"

- Healthy Nutrition
- Promote Activity
- Tobacco Prohibition



Richland County's Approach to Promoting Healthy Lifestyles

STRATEGIC DIRECTION:



IMPROVE Health



DECREASE Absenteeism
Presenteeism



INCREASE Productivity



DECREASE Health Care Costs

Assess Health

- Personal Health Risk Assessment
- Medical, Rx & Behavioral Health Claims for Aggregate Analysis
- On-Site Screenings
 - Pulmonary Lung Assessment
 - Bone Density Screening
 - Derma Skin Analysis
 - Mammograms
 - Prostate Screenings

Improve Health

- Condition Management Programs
 - Asthma
 - Diabetes
 - COPD
 - Hypertension
 - CAD
 - CHF
 - Cholesterol
- Health Improvement Programs
 - Blood Pressure
 - Cholesterol
 - Fitness
 - Nutrition
 - Stress Management
 - Tobacco Cessation
 - Weight Management

Get Support

- Health Pregnancy
 - Complex Care
 - Congenital Heart Disease
 - Transplant
 - Make Your Move
 - Rich Health
 - Flu Shots
 - Walking Works
- Men's Health Day
- Women's Health Day
- Nurse Line
- Health Fair
- EAP



Effective Wellness Programs

- Segal 3/1/11
- High wellness index companies:
 - 70% score - \$3,329
 - 30% score - \$4252



Effective Wellness Programs

- How to get a 70% Score:
 - Strategic Plan
 - Shared Vision with Vendors
 - Wellness Leader and Committee
 - Dedicated Leadership Support



Effective Wellness Programs

- Research indicates it takes 3 to 5 for full impact of wellness programs to be realized



Strategic Plan

- Analysis of environment
- Analysis of RC
- Comparisons of the two
- Evaluation of Effective Plans
- Gaps in RC Plans
- What is needed to close those gaps
 - Over 250 Items – 2009-2015
 - Our Top Level Priorities



Items Pending Analysis

Subject

a. Richland County has dismissed the Clerk of Council effective March 31, 2011 and so is currently without a Clerk. I motion to start the process for the search for a Clerk of Council immediately (Jackson, May 2011)

b. Based on the new sewer planned for the Lower Richland County area and the possibility of assistance being provided to Low/Middle Income Households (LMIH) I move that staff create an ordinance that sets forth criteria for qualifications to receive assistance and that it will apply equally to all LMIH throughout Richland County (Malinowski, November-2010)

Reviews