

CHARLESTON COUNTY OVERVIEW

History

Charleston County's rich blend of culture, economic activity, environmental beauty and historic tapestry makes it one of the most distinguished counties in the nation. A recognized leader, Charleston County is a proud community that strives to protect both its historic treasures and its environment, while still keeping an eye toward future development and citizens' needs.

The county stretches along the Atlantic Ocean for nearly 100 miles, comprising 919 square miles plus areas of marshes, rivers, and wetlands. The U.S. Census Bureau estimates 326,762 people live in the County as of July 2004, with 52 percent of them female, and 48 percent male. Seventy-five percent of County residents live within urban areas in 15 cities/municipalities. More than 226,000 of Charleston County's residents live in the three major cities: Charleston, North Charleston and Mount Pleasant.

Charleston County's history dates to 1682, when the Lords Proprietors of the Province of Carolina divided the province into three counties. For almost two centuries there was little need for local government beyond road commissioners and justices of the peace. The adoption of the South Carolina Constitution of 1868 created 31 counties as governmental units and allowed each county to elect a board of commissioners, clerk of court, coroner, probate judge and sheriff. However, the S.C Constitution of 1895 turned local government over to legislative delegations, making the local senator the most powerful authority in each county. By the end of World War II, the scattered authority and lack of local coordination led to public demands for more effective local government. In 1948, the legislature approved a system of local government in South Carolina, leading to the first Charleston County Council with an appointed manager as chief executive officer. Under the Home Rule Act passed by the SC General Assembly in 1975, Charleston County residents chose the council-administrator form of government, under which the County continues to operate, although the council has expanded to nine members to accommodate a growing population. Until 2004, Council members represented areas of the county, but were elected at-large. Under direction of the U.S. Justice Department, the County, to better represent minority voters, has moved to single-member districts, effective with the 2005 Council.

Economics

The Charleston economy is anchored by four traditional engines, including maritime-related business, the medical sector, the military, and tourism. Each of those engines continues to drive the Charleston economy in the new millennium, following a robust decade in the 1990s that witnessed a greater regional move toward economic diversification.

The Charleston economy has eclipsed all of its records throughout the past decade, following the Base Realignment and Closure (BRAC) announcement which closed the Naval Complex in 1993. The region's population and labor force have grown at a rate exceeding that of the nation as a whole, spawning meteoric housing sales and new housing starts, widespread real estate appreciation, and setting and breaking new gross retail sales records annually.

The Port of Charleston is a driver for international trade throughout the State of South Carolina and the southeastern United States, servicing a growing manufacturing and distribution network engaged in both exports and imports. The Medical University of South Carolina, including the state's teaching hospital, is a magnet for medical research and technology transfer among biotech companies, and employs 8,000 people.

The Charleston tourism industry has grown dramatically in the 1980s and 1990s, now hosting more than 4 million visitors annually. A variety of military commands at several key facilities continue to provide very significant employee and payroll impacts to the Charleston region. The Air Force Base, Nuclear Submarine Training Facility, Space and Air Warfare Systems, Combat Group – Asia, and Nuclear Weapons Station continue to employ the bulk of servicemen and civilians.

Following the BRAC closure news in 1993, the Charleston area leadership joined forces to increase area efforts, tripling funding and combining the financial and political clout of the three area chambers of commerce, the three counties, their five major cities, and many Charleston area businesses. Results have been impressive, leading to the opening of over 160 new companies, which has accounted for 28,000 new "primary" jobs and \$6.35 billion in new industrial investment alone.

This 12-year old effort was recently capped by the history-making 2004 announcement by Vought Aircraft to locate its \$566 million complex at the Charleston International Airport, where 645 employees will fabricate and integrate the fuselage for the new Boeing 787 commercial airliner. This record-breaking facility represents the largest private sector capital investment in the area's history, and the third largest in South Carolina history.

The community recently restructured its economic development strategy, refining its recruitment targets and its business climate development strategies. Charleston will stress the development of business "clusters" centered around biotech, aerospace, advanced electronic security technologies, automotive suppliers, and the "creative" architecture and digital information technologies in the years to come.

Government

Charleston County citizens are represented by a full spectrum of officials, comprising Congress at the federal level, through the state legislature and other state elected officials, then County Council and county-wide elected leaders, city councils, special purpose district commissioners, and board and commission members at all levels. In Charleston County, there are 32 taxing

districts, 15 municipalities, and a host of special purpose districts, including three large multi-purpose districts, fire districts, and park and recreation districts. In theory, the County provides essential services to its citizens, and municipalities and public services districts provide enhanced services. As stated above, Charleston County has chosen the council-administrator form of government, in which the administrator executes the policies, directives, and legislative actions of the council. In addition, there are eight constitutionally required officers (auditor, clerk of court, coroner, probate judge, RMC, sheriff, solicitor and treasurer) elected county-wide.

County Council appoints county boards and commissions, with the exception of those established by state code. In some cases, boards created by the state prior to home rule are still appointed by legislators; an example of this is the Board of Elections and Voter Registration.

Counties are not required to provide any specific services to citizens, but can exercise home rule by choosing to do so. In Charleston County, consolidated services include law enforcement, detention, EMS, the 911 system, specialized public safety services, the court system, library system, county park system, waste disposal, public works, substance abuse programs, community, workforce and economic development, building services, tax and fee collection, and property records management.

An excellent discussion of home rule in South Carolina and the functions, powers and revenue sources of counties, municipalities and school districts can be found in *Local Governments and Home Rule in South Carolina: A Citizen's Guide*, published by the Strom Thurmond Institute of Government and Public Affairs of Clemson University in June 2004.

Organization Structure

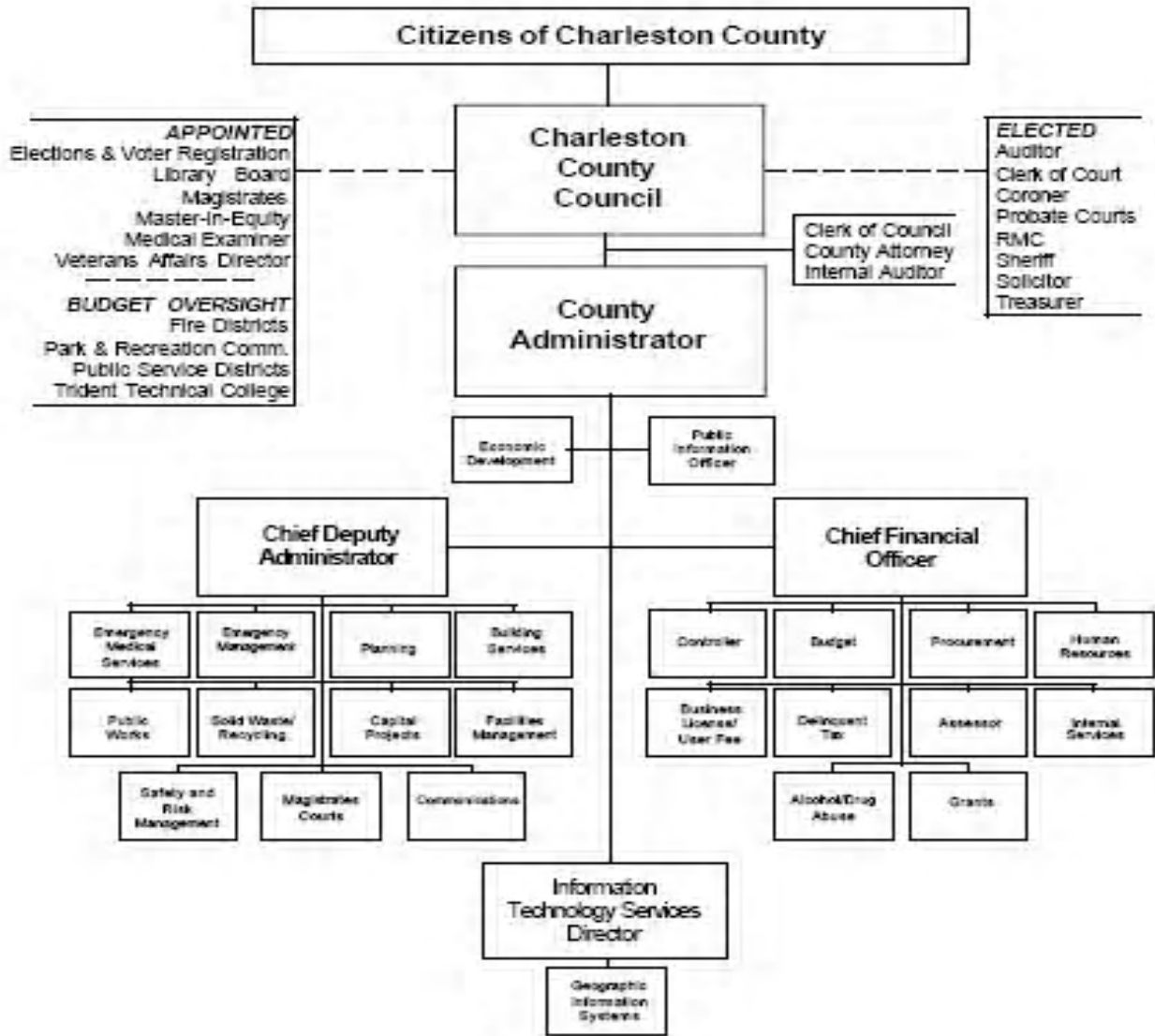
The functions of Charleston County Government are provided by elected, appointed and 'hired' officials/staff organized in a hierarchical structure. The relationship of elected and appointed officials to the County Administrator (administrative head of County Government) is non-direct. County Council approves the budgets of the elected/appointed offices. Support functions (human resources, procurement, grants administration, etc.) may be provided by the Administrator's organization, or may be handled independently. In most cases, salaries/employee payment is handled by the County Controller's Office. But there is no line of supervision between the County Administrator and elected/appointed officials.

The organizational chart is depicted on the following page:

Charleston County, South Carolina Organizational Chart

County Departments
Effective 12/16/2003

Revised
09/27/2002
12/16/2003
02/26/2004

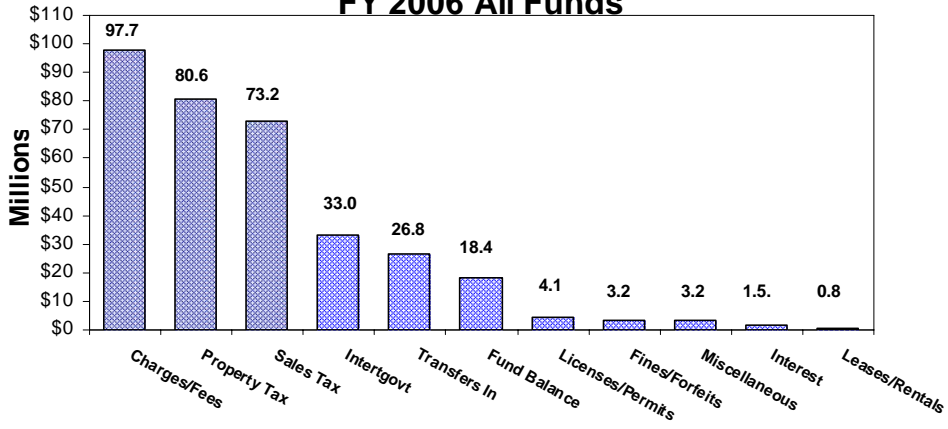


Budget, Cost of Government

For Fiscal 2006 (July 1, 2005 through June 30, 2006), the total fund uses for all functional areas is \$342.5 million, balancing total available budgeted from all sources. Revenues and anticipated expenditures for FY 2006 are depicted below.

WHERE IT COMES FROM...

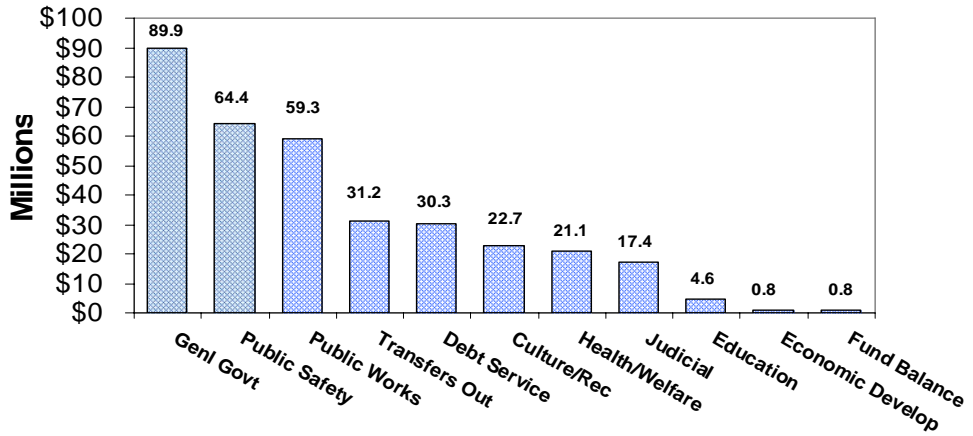
FY 2006 All Funds



Total Available Budgeted: \$342,481,937

WHERE IT GOES TO...

FY 2006 All Funds



Total Uses: \$342,481,937

The *Citizen's Guide to the Approved Budget, Fiscal Year 2005*, included in Appendix 1, provides a layman's explanation of revenue funds and expenditures, and of the budgeting process.

Of note, the largest sources of revenue for Charleston County in FY 2006 are charges/fees (\$97.7 million), property tax (\$80.6 million), and sales tax (\$73.2 million). The Strom Thurmond Institute of Government and Public Affairs publication *Paying for Government in South Carolina* (June 2003) makes the point that there is no perfect tax, but that the positives of one need to balance the negatives of another to create a good revenue system. Looking for a perfect tax? "The answer is a revenue system based on a mix of taxes and fees." (Page 6) It can be reasoned, then, that Charleston County's revenue system, based on a strong mix of sources, is good.

The major uses of that revenue in FY 2006 are General Government (\$89.9 million); Public Safety (\$64.4 million) comprising the Sheriff's Office, Emergency Medical Services, and Building Services; and Public Works (\$59.3 million). All of these uses are examined within the following report. It is noted that the expenditure represented for Education in the *Where It Goes To...* graphic above is budgeted for Trident Technical College. A more detailed explanation of revenue sources and anticipated expenditures for Fiscal Year 2006 is in Appendix 2.