

**REPORT OF
FINANCE & ADMINISTRATION COMMITTEE MEETING
June 17, 2014**

A meeting of the Finance & Administration Committee was held on Tuesday, June 17, 2014, at 10:00 A.M. at the Authority's Administrative Office in Conway, South Carolina. Present were Committee Chairman M. Lance Thompson and Committee Members Pam Creech and Rev. James Cokley via FaceTime. Also in attendance were Board Member Dan Gray, Executive Director Danny Knight, Assistant Executive Director Mike Bessant, Directors Bill Hilling, Jan Bitting and Esther Murphy and staff members Cecil Terry, Susie Wofford, Nannette Powell and Stephanie Todd. Ex Officio Member Steve Gosnell also attended the meeting. A copy of the agenda and accompanying documents are attached to and made a part of this report.

Mr. Thompson called the meeting to order and stated the first order of business was to amend the agenda to include information on farming of the 1187 property.

Emailing Statements/Invoices to Customers

Ms. Bitting advised the Committee that emailing statements and invoices to customers was one area where the SWA could save time and money and come up to speed in this electronic era. She stated this would involve purchasing software for two computers in the Finance Department that would cost \$720.00. Mr. Thompson asked Mrs. Bitting about the approximate number of SWA customers. She responded that there are three to four hundred cardboard customers on a quarterly billing and about the same number for landfill customers along with the MRF customers that we process every month. Ms. Bitting said a mailer was sent out and the SWA has gotten a great response.

Ms. Bitting also advised the Committee Members that once a customer signs up for the email program that the customer would get emailed copies of their daily landfill tickets. Mrs. Bitting stated that she would like to work towards making this program mandatory in the future. Mr. Thompson asked if Ms. Bitting had projected a hard cost on what the savings would be annually. Ms. Bitting replied that she had not; however, she could get that information.

Ms. Creech inquired if there was anyone that might not want to sign up for this service. Ms. Bitting stated that the SWA has been pleasantly surprised at the response. Mr. Thompson asked if the software had any verification just in case the email was kicked back. Mrs. Bitting acknowledged that it does include a feature that will contact staff in case there was a problem and the email was not transmitted properly.

Purchasing Card Program

Ms. Bitting stated that the Purchasing Card program was new to the SWA, but several municipalities are using it and Horry County has been using this program for years. She advised the Committee Members that it was a Master Card program set up through Wells Fargo that will have cards embossed with employees' names. Ms. Bitting said these employees receiving purchasing cards (P-Card) will be selected by each Division Director, who will also set the credit limits that each employee may need.

Ms. Bitting generally reviewed the current Purchasing Policy and stated that for any purchase whether it is a ten dollar (\$10.00) purchase or a million dollar (\$1,000,000.00) purchase the

employee must fill out a requisition that gets approved by the Division Director. The requisition then goes to the Finance Department where it is logged and forwarded to Ms. Bitting for her approval. She stated at that time a purchase order is created and forwarded to the specific department for ordering the materials. Ms. Bitting commented that the current process involves a significant amount of time and could take two days up to one week depending on who is available to sign and approve. She stated the P-Card would streamline this process and also give managers more flexibility on their purchasing. She stated staff is looking for ways to improve the timing on purchasing items.

Mr. Thompson asked about the receipt given at the time of purchase and wanted to know what procedurally would be done. Ms. Bitting explained that the cardholder must keep all receipts and verify them to a weekly statement from Wells Fargo. She further stated the employee would send the statement along with all of the receipts to the card approver and then all receipts would eventually end up in the Finance Department within a certain number of days. Ms. Bitting commented that all cardholders have time restrictions on getting the receipts and statement to the appropriate Division Director or appointed person. At the end of each month Wells Fargo would automatically perform an ACH transfer from the SWA account to cover the balance of the cards.

Ms. Bitting stated this program puts a lot of responsibility on the cardholder themselves because their name is on the card and indicated no one but the cardholder can use the card. She commented that the employee will not be able to split purchases, and informed the Committee there are a lot of limitations. Ms. Bitting stated the employee will also be responsible for correcting any transaction that an error was made on and reviewed the consequences if the card is ever misused.

Mr. Thompson asked about the transparency standpoint and whether the purchases would be online like the check registers are now. Ms. Bitting indicated that was something staff would have to continue to work on, and stated currently the County does not list these purchases online.

Ms. Bitting stated that staff wants to promote using these cards because the SWA will receive a 1% rebate. This process will be a change for all employees. She stated staff has developed a training program that all employees involved will go through along with a Purchasing Card Procedure Manual that staff has developed. Ms. Bitting stated there is no cost involved for the SWA to participate in this program and believed it would be beneficial in streamlining the SWA's process.

Ms. Bitting then advised the Committee of the changes that the staff would like to recommend to the Purchasing Policy. Ms. Bitting recommended revising the Purchasing Policy whereby any purchase from zero dollars (\$0.00) to twenty five hundred dollars (\$2500.00), could be purchased with a P-card but the employee would not require a requisition or purchase order; any purchase from twenty five hundred dollars (\$2500.00) to five thousand dollars (\$5000.00) could still be purchased with a purchasing card, but would require a purchase order; and any purchase over five thousand (\$5000.00) would require a sealed bid as currently stated in the SWA Purchasing Policy.

Ms. Creech stated that if the staff checked the records like they are suppose to there might be some time saved up front but, the time would be spent on the back end of the task. She advised that staff would really have to keep up with what is going on if the SWA allows it.

Ms. Creech inquired about the SWA using the P-card, but not accepting it from other people such as municipalities. Ms. Creech voiced concern about losing interest revenue. Ms. Bitting explained that staff is investigating implementing online bill pay with a fee attached.

Ms. Creech moved to recommend to the Board the staff's recommendation for changes to the Purchasing Policy. There was a second by Rev. Cokley, and the motion was unanimously passed

Ms. Bitting then reviewed with the Committee the Sealed Bid Appeals Process that is also in the Purchasing Policy. Ms. Bitting generally discussed the time limits set throughout the process and stated that this would be a good time to look at this procedure and consider reducing the time limits. After discussion, the Committee agreed to change the policy and Ms. Bitting advised that she would make that change as well when she presents it for the Board's approval.

Ms. Bitting mentioned that a vendor had suggested staff utilize the NJPA (National Joint Powers Alliance) and indicated it was similar to purchasing from state contract. Ms. Bitting advised the Committee that staff researched it and wanted the Committee and Board to know it is not like state contract. She commented that staff did not recommend utilizing the NJPA in lieu of the bid process or state contract.

Print and Sign Accounts Payable and Payroll Checks

Ms. Bitting stated that the County is going through a major computer change and the County contacted staff about the SWA processing/printing their own checks. The County would have to consider charging the SWA for processing/printing checks. Mr. Barry Spivey informed Ms. Bitting the annual cost to process/print the checks would be \$6500.00, which did not include supplies or set up fee.

Ms. Bitting generally discussed the SWA's plan to process and print the checks inhouse and the initial cost of setting the process up. She indicated this was not a budgeted expense for FY2014; however, the Finance Department does have the money to purchase it this fiscal year. Ms. Bitting wanted to make the Committee aware that the staff would be moving forward with this purchase.

Hauler's License

Mr. Bessant advised the Committee that staff had been working with Mrs. Brittain to make sure the SWA was meeting the newly amended Flow Control Ordinance. He stated staff has not yet sent out the Hauler's License Renewal letters because they are waiting on the response from the attorney. Therefore, staff is recommending that the Board approve an extension of current licenses to July 30, 2014.

Ms. Creech moved to recommend to the Board approval of the staff's recommendation that the current Hauler's License be extended through July 30, 2014. There was a second by Rev. Cokley and the motion was unanimously passed.

Farming of 1187 Property

Mr. Hilling advised the Committee staff had received inquiries from farmers about possibly farming the 1187 property. He indicated this project would be similar to what has been done at the Green Sea property for the last three years. Mr. Hilling stated the farmer at Green Sea has done an excellent job. He said there is approximately 108 acres of potential farm land available

at the 1187 property. The SWA would handle it the same way as the Green Sea property whereby if a storm occurred the SWA would take possession of the property within 48 hours. Mr. Hilling indicated an RFP would be advertised this week, a mandatory pre bid meeting would be held on June 23rd, with the bid opening on Friday, June 27, 2014. He stated this would be a good use of the property. He also commented that the successful proposer would maintain the property, which would free up SWA staff. Mr. Thompson asked about the payment amount on the Green Sea property. Mr. Hilling stated it was approximately \$8500.00 per year. Mr. Thompson clarified that the successful bidder would be responsible for all maintenance and Mr. Hilling indicated that was correct.

Mr. Knight said the push to move forward with this was that the planting season was at hand. He stated once the bids were opened, staff would present a recommendation to the Board at the June meeting. Mr. Bessant stated that in order for the farmer to insure the crops, they must be planted by a certain date. Mr. Knight stated if the successful proposer received a nuisance permit from the Department of Natural Resources (DNR), they would be allowed to hunt the property for nuisance animals. He stated DNR does ensure the animals are a nuisance to the property. Ms. Creech clarified that the successful proposer could not “just hunt”, or lease the property for hunting. Mr. Knight said that was correct.

Mr. Thompson asked for any further discussion, however there was none. Meeting was adjourned at 10:54.