

**REPORT OF BUDGET WORKSHOP
HORRY COUNTY SOLID WASTE AUTHORITY, INC.
March 8, 2022**

The Horry County Solid Waste Authority, Inc. held a Budget Workshop on Tuesday, March 8, 2022, at 9:00 A.M., at the Authority's Administrative Office, 1886 Highway 90, Conway, South Carolina. In accordance with the Freedom of Information Act, notices setting forth the date, time, and place of the meeting were mailed to the media.

Present were the following Board Members: Bo Ives, Chairman; Amos C. Berry, Sr., Vice Chairman; Carl H. Schwartzkopf, Treasurer; W. Norfleet Jones, Secretary and Board Members Michael H. Hughes, Samuel T. Johnson, Jr. and Robert J. Kemp.

Mrs. Amelia Wood attended the workshop. There were no members of the media in attendance.

The following individuals were also in attendance: Danny Knight, Executive Director; Jan Bitting; Director, Mike Bessant; Director; Esther Murphy, Director and other staff to include Kendra Dickerson, Cindy Keith, Stephanie Todd and Susie Wofford.

CALL TO ORDER

Chairman Ives called the meeting to order and asked Mr. Schwartzkopf to render the invocation.

PLEDGE OF ALLEGIANCE

Mr. Kemp led the group in the Pledge of Allegiance.

APPROVAL OF AGENDA

Chairman Ives asked for any revisions to the Agenda as contained in the Agenda Packet; however, there were none.

Mr. Berry moved to approve the Agenda. There was a second by Mr. Jones and the Motion was carried.

FY2023-2024 BUDGET DISCUSSION

TIPPING FEES AND REVENUE PROJECTIONS - FISCAL YEARS 2023 & 2024

Mrs. Bitting began with a brief overview of the Operating Budget and reminded the Board the SWA prepares a two (2) year operating budget and a five (5) year capital budget. She reviewed with the Board the Summary of Revenues and informed the Board that there was no tipping fee increase being recommended for the upcoming fiscal year. She commented on the projected tonnages for FY23, as follows:

- Solid Waste (MSW) – Mrs. Bitting commented that staff was projecting a 7.5% increase in MSW tonnage which is projected at 285,000 tons for FY23 as compared to 265,000 in FY22.
- Yard Waste – Mrs. Bitting stated projected yard waste tonnage is down about 5.8% for FY23 at 32,000 tons versus 34,000 tons in FY22.
- Mixed Construction – Mrs. Bitting informed the group that staff was projecting an 8%

- increase to Mixed Construction tonnage, increasing to 135,000 tons as compared to 125,000 tons in the previous fiscal year.
- C&D Recycling – Mrs. Bitting indicated a 10% decrease is projected for C&D Recycling.

Mrs. Bitting stated staff was proposing a 5% increase in overall tonnage for FY23, with projected tonnage being at 488,020 tons for FY23 as compared to 464,010 tons in FY22.

Mr. Hughes inquired about the 10% reduction projected for C&D Recycling tonnage and asked if that was due to trends. Mrs. Bitting commented that staff has worked to direct more traffic to the C&D Processing Facility; however, there has been a slight decrease in the amount of tonnage being processed at the facility.

Mrs. Bitting then reviewed the revenue projections and advised the Board of the following changes for FY23:

- Tipping Fees – Mrs. Bitting remarked that a 6% increase in tipping fee revenue was being projected, with \$16,095,000 being projected for FY23 as compared to \$15,177,500 in FY22.
- Recyclable Material Sales – Mrs. Bitting stated the largest revenue increase is being projected for Recyclable Material Sales revenue due to the tremendous increase in pricing witnessed this year. She indicated the pricing has stabilized over the past few months and staff has been very cautious not to over extend the projections. Mrs. Bitting stated a 70% increase in revenue is being projected for recyclable material sales for FY23.
- Interest Earnings – Mrs. Bitting indicated that there was a slight decrease budgeted for interest earnings due to the decrease of returns currently being seen on investments. She said the County was doing a great job with investments.
- Waste Tire Rebate – Mrs. Bitting stated was no change budget for the Waste Tire Rebate. She reminded the Board that this was funding received from the state through the tire fee charged when someone purchases a tire.
- Miscellaneous Container Rental – Mrs. Bitting commented there was no change budgeted for container rental. She commented the number of container rentals have been steady.
- Landfill Gas Revenues – Mrs. Bitting stated there was a 50% decrease being budgeted for landfill gas revenue. Chairman Ives commented that this revenue is received from Santee Cooper and is based on how often they run the generators. Mrs. Bitting said that was correct.
- C&D Recycling – Mrs. Bitting indicated a 2.5% decrease was budgeted for C&D Recycling due to pricing and the amount of material being processed at the facility.
- E-Waste Processing Fee – Mrs. Bitting reminded the Board that this was a pass through account and it only covers the cost to process and recycle electronic waste. She said a decrease of 42% was budgeted due to a new contract with a new company.
- The Store – Mrs. Bitting stated there was no change budgeted for The Store.

Chairman Ives expressed his concerns with regard to the significant increase being budgeted for recyclable revenue sales. He commented that the Board could always amend the budget in

the future if necessary. Mrs. Bitting explained that staff did err on the side of caution when projecting the FY23 recyclable sale revenue. She indicated that original staff projections were much higher than the 70% being presented today. Mrs. Bitting stated she felt very comfortable with the projection. Mr. Bessant stated the figure not only included sales from the MRF, but all recyclable sales, compost, mulch, etc.

FY2023 & 2024 EXPENDITURE REVIEW

Mrs. Bitting began the review of the departmental budgets and indicated each director would review the significant increases/decreases within their divisions. She generally reviewed each division and stated the Administrative Division had virtually no significant changes. Mrs. Bitting commented that the Operations Division had an overall increase of 10%, with the largest portion being attributed to Business and Transportation. She said the Public Information/Education Division had a 5.2% increase with the majority of the increase related to personnel costs. Mrs. Bitting indicated all divisions had increases attributed to personnel cost i.e., cost-of-living-adjustment, annual bonuses, increases to health insurance, increases to worker's compensation insurance, increases to retirement, etc.

With regard to the cost-of-living-adjustment (COLA), Mrs. Bitting indicated that the budget currently includes a 3% COLA for all employees. She advised the Board that she recently learned from Horry County Government that they were budgeting a 5% COLA for their employees. Mrs. Bitting stated she felt comfortable if the County approved a 5% COLA, the SWA could do the same and cover it within the budget, without any changes. She commented if the Board was comfortable with that scenario the SWA would do the same.

Chairman Ives stated the cost of everything is increasing. Mr. Knight reminded the group that the SWA manages the Unincorporated Collection System (UCS) on behalf of the County and that approximately half of the SWA personnel – those working in the UCS – were paid by the County. He commented that if the County approved the 5% COLA, they would want those employees to receive it, which could leave the SWA employees with a 3% increase if the SWA did not follow suit. Mr. Knight commented that 3% is budgeted but if the County moves forward with 5% the SWA would be able to do so as well. Mr. Berry stated the thought the SWA should budget a 5% COLA. He commented that the price of all goods is increasing and he believed a 5% COLA was justified. The Board concurred and indicated the budget should reflect the 5% COLA.

Mrs. Bitting reviewed the proposed transfers for the designated funds and said increases/decreases were determined based on tonnage projections. She advised the group that this year staff and the engineers had reviewed where the funding was being allocated and determined it was more effective to transfer the majority of funds into the construction accounts, which is where it is needed at this time. Mrs. Bitting reminded the Board in the past consideration was given to possibility of having to transfer funds from the closure and post-closure accounts to cover the cost of construction projects. She stated by funding the construction accounts at a higher level there would not be a need to transfer funding from another account. Mrs. Bitting stated this was the reasoning for the higher increases shown in the construction accounts.

Mrs. Bitting offered a brief overview of the non-departmental accounts, which include the HC Waste Disposal Fee, fuel contingency, unrestricted capital, contingency funds, recycling grant, HGTC Mechanic Program, etc. Mr. Knight reminded the Board that their approval was required in order to utilize any contingency account. Discussion ensued regarding the HGTC Mechanic Program and the possibility of extending the agreement after the five-year period. Mr. Hughes suggested ensuring the program has been beneficial to the SWA before extending the agreement.

BOARD OF DIRECTORS

Mrs. Bitting indicated that overall the Board of Directors budget had no significant changes and had decreased slightly by .3%.

ADMINISTRATION DEPARTMENT

Mrs. Bitting indicated that the Administration Division includes the Executive Director, Human Resources Manager, a vacant Assistant Executive Director position and an unfunded Recyclables Marketing Clerk. She advised the group that the Custodian/Grounds Keeper position had been moved to the Environmental Services Department. Mr. Hughes asked if any progress had been made on filling the Assistant Executive Director position or if the funding was just being maintained for the position. Mr. Knight commented that staff had been extremely busy with other matters but was moving on the position. He indicated they would begin accepting resumes for the position. Chairman Ives asked if additional assistance in locating potential applicants was needed and Mr. Knight indicated there was not a need. Mrs. Bitting reviewed some slight decreases in utilities, to include telephone and electricity. She stated there was an increase to the Promotions & Public Relations line item due to increased costs relating to service awards. Mrs. Bitting said there were no changes to the Consulting & Miscellaneous account and advised the group that the account did have funding to cover cost related to the update to the Solid Waste Management Plan, as well as \$100,000 to cover the cost of the upcoming Waste Characterization Study. She reviewed changes to the Small Capital and Building Maintenance line items which were primarily related to the upkeep of the Administrative Building. She informed the Board there was an increase budgeted in the Miscellaneous line item which was related to increased cost to host the Annual Employee Dinner, which staff is hoping to be able to hold this year, after a two-year break due to Covid. Mrs. Bitting remarked that overall the proposed Administration Division budget saw a decrease of 3.3% for FY23.

FINANCE DEPARTMENT

Mrs. Bitting stated that the Finance Division includes the Director of Finance, Deputy Director of Finance, (2) Accountant, Accounting Clerk, and four (4) Clerk II. She indicated there were very few changes in this budget, with the exception of increased personnel cost and an increase to postage. Mrs. Bitting stated that overall the Finance Division's budget had increased by 5.5% which was primarily related to personnel costs. General discussion followed on the duties of the Clerk II positions.

NON-DEPARTMENTAL BUDGET SUMMARY

Mrs. Bitting reviewed the Summary of Expenditures under the Non-Departmental section. She stated there was an increase in the Horry County Community Waste Disposal Fee due to the estimated tonnage increase for FY23. She indicated there were increases to the Fuel

Contingency, Rate Stabilization/Contingency Fund and Unrestricted Capital line items. Mrs. Bitting indicated there was an overall increase of 20.6% in the Non-Departmental budget.

OPERATIONS DIVISION

Mr. Bessant advised the Board that Mrs. Todd would be presenting the Environmental Services budget. He advised the Board that this budget included two new positions: one to assist with the landfill gas system and the custodian position that was transferred from the Administrative Department. Discussion followed regarding potential changes to the duties of some employees.

Mr. Kemp asked Mr. Bessant if he saw the need to increase the base salaries for employees, in particular the heavy equipment operator positions. Mr. Bessant remarked that typically younger people with minimal experience are hired in these positions. He stated once they go through the process of training they usually stay on with the SWA. However, with regard to drivers, Mr. Bessant commented that the SWA is not paying enough. Mr. Kemp asked if the salary for drivers was being adjusted in the proposed budget. Mrs. Bitting indicated it was addressed in the budget. Mr. Bessant stated a salary evaluation is performed periodically on specific positions. He said when you are looking for specialized staff, such as drivers with Class A license, they are hard to come by. Mr. Knight commented that the staff looks at specific positions, whether its heavy equipment operators, drivers or mechanics, to try to increase the base salary without it dominoing through the whole system. Mr. Bessant stated this has been done with the mechanic positions. Mr. Knight indicated staff may do this type of evaluation for the driver position. Mr. Knight said instead of looking at it across the Board, staff will look at specific needs.

Mr. Bessant discussed an existing vacancy which is a shared position whereby the employee would work as a back-up driver as well as assist with grounds maintenance/grass cutting. He indicated staff is having a difficult time filling this position. Mr. Johnson mentioned the current RFP for lawn care service at the MRF and suggested staff consider adding an addendum to the that RFP to include grass cutting at the Administrative Office, which would eliminate the need for the position. Mr. Bessant stated even if you had a third party handle the lawn care, you would still have the same number of positions because of the other duties that needed to be covered, such as building maintenance or assisting with the composting. Mr. Johnson replied that if the lawn care duties were eliminated from the position then maybe additional duties could be incorporated into the position or the person could be utilized somewhere else. Mr. Bessant stated the change would increase costs, not reduce costs because you would have a contract as well as the employee. He said removing the grass cutting duties from the position would result in there not being enough for the person to do. In addition, he indicated it was not feasible to add all these duties to another employee because they would not be able to get everything done. Mr. Johnson asked if one person could handle the grass cutting and building cleaning at both the MRF and Administrative Building. Mr. Bessant stated they could not. Discussion ensued regarding the duties of the shared position.

Mr. Kemp stated he wanted to ensure that if there was a need to adjust specific salaries for specialty employees there was enough flexibility built into the budget to adjust the base salary to remain competitive. Mrs. Bitting stated staff did have that flexibility and indicated it had been done in the past for the mechanic positions. She stated an overall wage compensation

study is not performed but if the SWA runs into an issue hiring a specific position, staff looks at what adjustment is needed for the position to be competitive. Mrs. Bitting stated this is looked at on a case by case basis when needed.

ENVIRONMENTAL MANAGEMENT

Mrs. Todd then proceeded with the review of the Environmental Management Department. Mrs. Todd indicated that the Training and Certification increased in Department 504 to cover costs associated with training/licensing of the new landfill gas position. Mr. Bessant stated they would need to obtain their Physical/Chemical License. Chairman Ives commented that the same level of funding for training was being budgeted for FY24 and asked if it was for another position. Mrs. Todd indicated it could be, if staff saw the need for additional personnel. She stated if there was no need for an additional employee the funding would be reduced. Mrs. Todd indicated the Consulting and Miscellaneous line item had been reduced by \$20,000, based on historical spending and because there was no need to budget for additional expenses. She stated that Engineering increased due to new state regulations requiring increased testing and analysis. Mrs. Todd stated the Monitoring & Testing budget was decreased based on historical trends and because there was not a need to budget for additional expenses in FY23. She stated many of the decreases were also in an effort to offset the necessary increases. Mrs. Todd stated a new line item had been added this year, "Outside Services". She said funding for repairs not performed by SWA staff would be tracked under this line item in order to have a clear picture of the funds expended for outside services. Mrs. Bitting advised the Board this new line item will be found throughout the Operations Division budgets as a means to track/monitor outside services. Mrs. Todd stated Equipment Maintenance was increased by \$6,000 due to costs incurred in maintaining and/or extending the life of existing equipment. Mrs. Todd stated there was a slight increase to Fuels and Lubricants due to increased fuel costs as well as a slight increase to Postage for anticipated increases to surcharges for shipping.

LANDFILL DEPARTMENT

Mr. Bessant reviewed the Landfill Department budget and advised that Stormwater Fees had increased by \$10,000 due to the County's increase to stormwater fees. He stated there was a significant decrease, \$48,000, in Electricity because the electric pumps were no longer used for the dewatering from the ponds. Mr. Bessant stated there was an increase to Water & Sewer, which covers costs associated with the leachate disposal. He said there was a \$70,000 increase in the Waste Tire line item due to the significant increase in the number of tires being received at the landfill. Mr. Bessant advised the Board that the \$85,000 in the Outside Services line item was pulled from the Equipment Maintenance line item. Mr. Bessant advised the Board that there was a significant increase to the Equipment Maintenance account which is due to the need to continue to maintain equipment that is no longer covered under a TMR agreements. In addition, he said the price of equipment parts have significantly increased. Mr. Bessant commented there was an increase to the Equipment M&R - Leachate line item to cover the cost of purchasing additional pumps and performing repairs. He informed the Board there was an increase to Grounds Maintenance due to increase cost to purchase ditch tiles and grass seed. Mr. Bessant stated Sustainment Contracts had decreased because staff is transitioning from Total Maintenance & Repair (TM&R) agreements to Premiere Warranty because of its cost effectiveness. He commented that Alternative Daily Cover (ADC) had decreased by \$13,000 because staff is utilizing more paint from the HHW

facility to mix with the ADC and due to better ADC pricing through a new vendor.

Mr. Bessant then reviewed the Fuel & Lubricants line item which had a \$271,000 increase due to increased fuel pricing. He indicated that the \$3.75 price per gallon used when preparing the budget is now obsolete and lower than the current price of fuel. Mrs. Bitting stated staff recently discussed the ever-increasing price of fuel and the probability of having to come to the Board later in the year for approval to use Fuel Contingency and possibly the regular Contingency Fund to cover fuel costs. She commented that staff also discussed the possibility of utilizing a portion of the funding slated for the Waste Characterization Study. She advised if the SWA performed one waste sampling as opposed to two, the cost of the study would be \$60,000 versus \$100,000. Mrs. Bitting indicated another funding source to cover the potential shortage in fuel funding was the use of Unrestricted Cash. Mrs. Bitting stated staff believed any potential shortage with regard to fuel could be addressed within the budget but would require Board action to utilize any contingency funds.

Chairman Ives asked about obtaining an additional onsite fuel storage tank. Mr. Bessant replied that staff is working to keep the storage tanks full. Chairman Ives inquired if staff was looking into possibility of locking down current pricing. Mr. Bessant stated staff was considering locking down pricing and had conversations with the fuel company. He explained his hesitation in locking down pricing was the possibility that fuel pricing decreases, but the SWA is locked in at a higher price. Mr. Bessant stated should this occur, it would be hard to defend; however, he would proceed if that was the direction of Mr. Knight or the Board.

Discussion. ensued regarding the amount of fuel utilized by SWA operations. Mr. Knight commented that staff has a plan in place and will continue to monitor the fuel situation and will keep the Board informed.

Mr. Berry asked if there was a way to charge a fee on any services to help offset the increased cost of fuel. Mr. Knight explained that in viewing the SWA income statement the SWA is in a good place. He again stated staff would continue to monitor the situation.

Chairman Ives asked how SWA customers would handle the fuel increase. Mr. Bessant commented the haulers would likely charge a fuel surcharge or an environmental fee to their customers. Mr. Knight stated staff did not believe customers would take their material further away and suggested there may be an increase in landfill customers.

Mr. Hughes commented that staff seems to have a good plan in place; however, he cautioned the Board on being too hasty on activating a plan. He stated prices would not stay elevated forever.

Mr. Johnson stated with the budgeted fuel funding based on \$3.75 per gallon now, the fuel budget is already short by \$1 per gallon based on current pricing. He suggested increasing the fuel budget prior to the final approval of the FY23 budget. Mr. Knight and Mrs. Bitting both indicated Mr. Johnson's suggestion could be incorporated in the budget document now. Mrs. Bitting said increasing the fuel funding now will eliminate the need for staff to return to the Board later to obtain approval to utilize contingency funds. She stated the fuel budget could

be increased by \$1 per the number of gallons of fuel used. Mr. Bessant commented the landfill used 158,000 gallons of fuel during the last year. The Board concurred. Mrs. Bitting indicated she would revise the budget document to reflect an increase to fuel funding in the Operations Division.

YARD WASTE DEPARTMENT

In the Yard Waste Department, Mr. Bessant stated there were very few changes to this budget. He again informed the Board about the new Outside Services line item and stated the Equipment Maintenance line item had increased by \$20,000 due to increased parts costs. Mr. Bessant stated that Monitoring and Testing had an increased due to higher testing costs. He indicated staff had increased the funding for Fuel & Lubricants but stated it would be further increased based on the Board's earlier discussion concerning fuel.

C&D RECYCLING DEPARTMENT

Mr. Bessant indicated in the C&D Recycling Department funding had been allocated to the Outside Services line item and stated the Equipment Maintenance in this department had increased. He informed the Board that the higher costs of parts have caused the need to increase equipment maintenance funding across the board. Mr. Bessant again stated the Fuel & Lubricants budget would be revised and increased based on the earlier discussion. He said there was a \$40,000 increase in Contractual Labor Services, which was related to the use of temporary labor. He advised the Board that the processing line is still not fully staffed, even with increasing the hourly pay for laborers. Mr. Bessant commented that the line has been running with six to eight laborers versus the full ten, which decreases the amount of tonnage that can be processed. He explained this was the reason the C&D Processing tonnage projections had been lowered from 20,000 tons to 18,000 tons. Chairman Ives asked how the per ton cost to process C&D compared to the cost to process MSW. Mr. Bessant indicated the cost to process C&D material was always less expensive because the regulations are not as stringent with regarding to C&D.

Mr. Bessant reviewed the increases in Equipment Maintenance and Fuel costs. He indicated in the future staff is looking to replace the diesel-powered trommel screen with an electric one, which will decrease the overall fuel cost for the department. General discussion followed on equipment that ran on electricity and facilities that had back-up generator power.

MAINTENANCE/SHOP DEPARTMENT

Mr. Bessant indicated in the Maintenance Shop Department reflected a significant increase in salaries, which was due to the moving of a mechanic position from the MRF to the Maintenance Shop. He stated the mechanic will still assist with any maintenance issues at the MRF but informed the group the need for mechanics was greater at the landfill. Mr. Bessant advised that there was an increase in Fuel, Equipment Maintenance because of increased costs and a decrease in Maintenance Contracts due to the lack of TM&R contracts.

MATERIAL RECYCLING FACILITY

Mr. Bessant reviewed the Material Recycling Facility (MRF) budget. He commented there was a decrease in Salaries due to the movement of the Mechanic to the Maintenance Shop department. Mr. Bessant stated Storm Water fees had decreased by \$10,000. He advised the Board this was the result of him contacting the County a few years ago to question the amount

the MRF was being charged for storm water fees. Mr. Bessant stated there was an increase to Electricity because the new computerized processing equipment utilizes more electricity. and Heating due to the Optical Sorters. He indicated there was an increase to the Contract Labor Costs due to salary increases for the temporary laborers. Mr. Bessant reviewed the increases to Equipment Maintenance, Materials and Supplies and Fuel & Lubricants.

COLLECTIONS & HAULING DEPARTMENT

Mr. Bessant then reviewed the Collections & Hauling Department budget. He indicated the increase to Telephone cost was due to the new GPS system being used on all C&H trucks. Mr. Bessant advised there was an increase of about \$5,000 to Container Repair, for the maintenance and upkeep of containers and mentioned the increase to Fuel & Lubricants.

The group took a ten-minute break and then the meeting resumed.

PUBLIC EDUCATION DEPARTMENT

Mrs. Murphy stated with the exception of the personnel costs and changes mentioned by Mrs. Bitting, the Public Education and Recycling and Corporate Affairs Departments had minimal changes to the budgets. She indicated there was an 8% increase in Promotions & Public Relations due to increase costs of materials. Mrs. Murphy indicated there was a slight increase in Fuel & Lubricants was proposed due to increased fuel costs.

In the Public Education Department Mrs. Murphy stated the proposed budget reflected an increase of 5.8% for FY23, bringing it to \$277,514.

CORPORATE AFFAIRS DEPARTMENT

Regarding the Corporate Affairs Department, Mrs. Murphy advised the Board that she was in the process of filling the vacant Administrative Assistant position. Chairman Ives commented that Mrs. Murphy had been handling staffing shortage very well. Mrs. Murphy reported there was a slight increase in the Facility Maintenance and Repairs budget, which was related to the upkeep of the records retention building. Mrs. Murphy said the proposed budget for the Corporate Affairs Department reflected an increase of 4.8% for FY23.

FUND 06 - UNINCORPORATED COLLECTION SYSTEM DIVISION

Mrs. Murphy reminded the Board that the Unincorporated Collection System (UCS) budget, or Fund 6, is the fund by which the SWA manages the convenience centers for Horry County and was virtually a pass-through budget. She stated staff completed the budget for the UCS, which was subsequently sent to County for review and input.

Mrs. Murphy reviewed the budget for Unincorporated Collection System Administrative Department and indicated there were no changes in the number of personnel. She indicated there were slight increase to Telephone service and reported there was a 25% increase in Equipment Maintenance due to higher cost to maintain equipment. Mrs. Murphy commented there was an increase to Small Equipment which was due to the need to purchase maintenance related tools, such as a log splitter to use when repairing/testing hydraulic cylinders. She commented there was a 13.6% increase to Fuels & Lubricants. Mrs. Murphy stated staff would have further discussions on this line item with the County to determine if additional funding should be budgeted at this time or if they prefer to adjust the budget as needed during the fiscal year. She stated the UCS Administrative Department budget had an overall increase

of 9.9% for FY23.

Chairman Ives asked if staff had discussed with the County the concern presented by the FIN Committee regarding signage. Mrs. Murphy indicated that staff had not yet discussed the signage with the County because staff was looking to update the signage to enhance and improve the clarity of the message. She commented that signage works fine; however, they always encourage customers to speak directly with the recycling attendants if they have questions or concerns.

Mrs. Murphy then reviewed the budget for Unincorporated Collection System Convenience Centers. She informed the Board that the number of part-time employees had increased by eleven (11) positions, which was due to the need to ensure proper coverage of centers during absences and to ensure the part-time staff does not exceed the number of hours part-time employees can work as it pertains to the Affordable Care Act. Mrs. Murphy stated the increase in the number of employees is reflected in the increase in Salaries, which also reflects a \$2.00 per hour increase approved by the County for recycling center attendants this fiscal year. She commented that it had been several years since the salary for the recycling center attendant position had seen any increase. She said with the \$2.00 per hour increase, the starting salary for recycling center attendants is now \$12.75 per hour.

Mrs. Murphy indicated there were increases to the various utilities, i.e., Stormwater Fees, Electricity and Water. She indicated that an increase of \$25,000 in Equipment Maintenance was included to cover increased cost for preventive maintenance and repairs. Mrs. Murphy indicated there was an increase of 25% to the Grounds Maintenance line item due. She indicated the new lawn care contract was modified to require manual weed-eating of sites versus the use of herbicides, which is more labor intensive. Mrs. Murphy stated there was a significant increase in Small Equipment, which was related to the purchase and installation of security cameras at recycling centers. She commented that there was also a 14% in Fuels/Lubricants due to the hydraulic oil price increasing. Mrs. Murphy stated overall the UCS Recycling Center budget increased by approximately 15%.

General discussion ensued regarding the duties and responsibilities of the recycling center attendants and the extremely tough job they have. The Board expressed their gratitude for the work performed by the recycling center attendants.

Mrs. Murphy then generally reviewed the budget for Unincorporated Collection System – System Costs. She stated there was a significant increase to the Land Improvement line item, which was primarily due to the planned expansion of the North Myrtle Beach recycling Center. She offered an update on the expansion of the site and stated due to space limitations, the site will be relocated. Mrs. Murphy said the County is currently in the process of locating property to purchase for the site. She advised the group that a portion of the cost to expand the North Myrtle Beach Recycling Center would come from impact fees. Mrs. Murphy stated the County began collecting impact fees in FY22. She commented that these fees are restricted and could only be used for new construction, facility expansion and the purchase of equipment due to increased/additional capacity needs at recycling centers. Mrs. Murphy advised the group that during the current fiscal year the County has approved the use of land improvement funds to be used to perform necessary improvements to the recycling center

sites, to include concrete pad repairs, fencing, etc. Mrs. Murphy commented that use of this funding had not been approved in several years and expressed staff's gratitude to the County for being able to perform this necessary work. Mrs. Murphy reviewed the equipment outlay budget and indicated there was an approximate 50% increase in funding due the cost to purchase new equipment and the need to replace some on-road vehicles. Mrs. Murphy stated overall the system is running fine and the staff maintains a good working relationship with the County.

CAPITAL BUDGET DESIGNATED FUNDS

Mrs. Bitting reviewed the Capital Budget and generally discussed the equipment replacement fund. Mrs. Bitting advised the Board the capital budget funding sources outlined in the budget. She explained funding source "A" was the Equipment Replacement Fund which would cover cost associated with replacing existing equipment. She commented that there were several items included on the FY2023 listing that have been pushed out from previous fiscal years and reminded them equipment purchases are only made when needed, not necessarily when budgeted. She stated funding source "B" is the Closure fund, to cover costs associated with the closure of the landfill such as the landfill gas system. Mrs. Bitting stated funding source "C" was the General Construction and Development fund, which covered construction projects, such as the Environmental Parkway Road Repair project. She reminded the Board that additional funding had been allocated to that account to cover projected needs. She explained source "D", was the Landfill Construction, which consisted of landfill operations items such as the repair/replacement of the leachate tanks. Mrs. Bitting said funding source "E" was Undesignated Cash Funds and stated with this funding source items would be purchased only if funds were available. She commented that in the event there was the need to purchase/replace/repair items under funding source "E", Unrestricted Capital funds could be used. Mrs. Bitting advised the Board that once the budget is approved, those items included as a part of the FY2023 Capital Improvement Program could be purchased without any further action of the Board. Chairman Ives indicated that statement was very important and asked Mrs. Bitting to repeat it. Mrs. Bitting stated again that once the FY2023 budget was approved, staff could move forward with the purchase of capital items as long as they did not exceed the capital budget amount. She indicated in the case the purchase amount exceeded the approved budget, the purchase would have to come before the Board for approval.

Mrs. Bitting then offered a brief overview of the Designated Funds and commented that the only funds the SWA allocates funding to were the Closure, Post-Closure, Landfill Construction and Equipment Replacement funds. She commented the other accounts are funded through the transfer of funds. She commented on the Landfill Construction account and reminded the Board of staff's previous plan to possibly transfer funds from Post-Closure into this account. Mrs. Bitting informed the Board that staff has not and no longer believes a transfer from Post-Closure would be necessary. She stated the fund has been funded through the annual transfers into the account from tipping fee revenue. Mrs. Bitting advised the Board that, per the request of the engineers, the current per ton amount of tipping fees being set aside for Landfill Construction was increased to \$8.25 per ton. Mr. Knight asked Mrs. Bitting to further explain the \$8.25. Mrs. Bitting explained that for every ton of MSW and C&D waste that comes to the landfill, \$8.25 is set aside for Landfill Closure, Post-Closure and Landfill Construction. She stated this allocation is reviewed every five years.

Mrs. Bitting thanked Mr. Bessant, Mrs. Murphy and SWA staff for their efforts in preparing a budget that include increases due to higher maintenance costs, fuel costs, personnel costs, etc. without a tipping fee increase. She commented that staff does an amazing job in holding expenses down, as evidenced in the proposed FY2023 Budget. Mrs. Bitting indicated she would make the requested changes to the budget document pertaining to the 5% cost of living increase and the Operations Division fuel allocations. She invited the Board to contact her with any other questions or comments they might have. Chairman Ives stated the state of the Solid Waste Authority was good and getting better. thanked Mrs. Bitting for the outstanding presentation and expressed his gratitude to staff for their work on the budget.

MOTION TO ADJOURN

There being no further business to come before the Board, **Mr. Schwartzkopf moved, seconded by Mr. Berry to adjourn the meeting. The Motion was carried** and the SWA Budget Workshop was adjourned at 11:40 A.M.

Minutes approved on March 29, 2022.

HORRY COUNTY SOLID WASTE AUTHORITY, INC.

BY: _____(L. S.)
Bo Ives, Chairman

ATTEST:
_____(L. S.)
W. Norfleet Jones, Secretary

_____(L. S.)
Amos C. Berry, Sr.

_____(L. S.)
Michael H. Hughes

_____(L. S.)
Samuel T. Johnson, Jr.

_____(L. S.)
Robert J. Kemp

_____(L. S.)
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