

**REPORT OF FALL BUDGET WORKSHOP
HORRY COUNTY SOLID WASTE AUTHORITY, INC.
December 2, 2025**

A budget workshop was held on December 2, 2025, at 2:00 P.M. at the SWA's Administrative Office, 1886 Highway 90, Conway, South Carolina. In accordance with the Solid Waste Authority's policy, notices setting forth the date, time, and place of the meeting were mailed to the news media.

Present were the following Board Members: Robert J. Kemp, Chairman; Pam J. Creech, Vice Chairman; W. Norfleet Jones, Secretary; Amos C. Berry, Sr., Treasurer and Board Members Bo Ives, Dr. Albert G. Hayward and Wayne Fox.

Amelia Wood represented the public in attendance. There were no members of the media present.

The following individuals were also in attendance: Danny Knight, Executive Director; Ed Marr, Assistant Executive Director; Esther Murphy, Director; Jan Bitting, Director; Stephanie Todd, Director; Richie Stetter, Director and staff members Katherine Bell, Chris Calhoun, Rodney Cannon, Trina Cooke, Monica Collier, and Cindy Keith.

Chairman Kemp called the meeting to order and asked Dr. Hayward to render the invocation. Mr. Berry led the group in the Pledge of Allegiance.

Chairman Kemp then turned the meeting over to Mr. Knight who gave an overview of the discussions to follow. Mr. Knight then turned the meeting over to Mrs. Bitting.

ROUNDTABLE DISCUSSION - FY2027 OPERATING & CAPITAL BUDGET

Mrs. Bitting offered an overview of the equipment replacement schedule. She said the SWA puts money aside to replace existing equipment but that no additional equipment had been added in several years. Mrs. Bitting discussed expanding the fleet by transferring money into the equipment replacement fund.

Mrs. Bitting mentioned the unrestricted funds. She stated that this fund was for smaller equipment items, but they were not guaranteed to be purchased.

Mrs. Bitting stated staff had met with their departments and discussed equipment replacement and general budget items.

Mrs. Bitting discussed the operating budget process. She stated the Finance Department sent each department their expenses for the first six months of the current fiscal year as well as all their expenses for last fiscal year and what was budgeted. Mrs. Bitting reported that the Finance Department consolidated all personnel-related expenses along with revenue data. She said the departments are unaware of their revenue because it was being prepared by the Finance Department. Mrs. Bitting stated for any expense that increased more than \$5,000, staff provided justification. Mrs. Bitting said the finance department compared expenses with revenues and concluded that cuts were necessary.

Mrs. Bitting explained that an inquiry was made into other municipalities on what they anticipated for raises for their employees. She explained that the Finance Department budgeted for a 20% increase for

Health Insurance and Worker's Compensation. She indicated this could be an area of possible decrease, in that there had not been 20% increase in Health Insurance.

Mrs. Bitting discussed the process of budgeting revenues. She stated the first six months of this fiscal year as well as the same time of the previous fiscal year were looked at. Mrs. Bitting said it was difficult to project MRF revenues because fluctuating prices make them unpredictable. Mrs. Bitting stated that tipping fees were right on budget for this year. She explained that if tonnage was not increased or additional revenue streams were not added, the SWA would not see an increase in revenues. Mrs. Bitting explained that a new revenue stream was added last fiscal year in the cardboard collection program. Mrs. Bitting stated a tipping fee increase was likely.

Mrs. Bitting explained that after staff submit their operating budgets, the Finance Department reviews revenues and expenses. She noted that revenues were fixed, requiring staff to examine expenses for potential reductions. While personnel costs were considered, she stressed that employees are the organization's greatest asset.

Mrs. Bitting stated that she wanted the Board to understand the budget process, noting that once the budget is finalized it is difficult to make changes, as altering one line item can affect other areas. Mrs. Bitting explained to the Board that staff do not reallocate salary funds to cover maintenance repairs, she said that personnel cost allocations remain designated for personnel expenses.

Mrs. Bitting provided an overview of issues staff faced including equipment repairs, increased fleet cost, C&D capacity, staff levels, and recruitment and retention.

Mrs. Bitting then turned the meeting over to Mrs. Murphy.

Recycling & Corporate Affairs Department

Mrs. Murphy reviewed with the Board several items she was considering for FY2027. She indicated she was researching utilizing a marketing firm to develop a marketing plan/strategy. She said she had made initial contact with the media company staff currently uses to discuss development of such plans.

Mrs. Murphy stated the next item pertained to records management. She said there were some things the SWA needed to improve in regard to the maintenance and storage of records to ensure state guidelines are being followed. She informed the Board of the need to improve the current SWA's offsite storage facility. She indicated the storage facility would house permanent records. In addition, Mrs. Murphy stated staff was working to develop secondary security copies for certain permanent records.

Mrs. Murphy advised the group that another item staff was looking to address was upgrading the video system for meeting recording. She stated a new computer was purchased, but the camera system was unable to communicate with the new computer system.

Ms. Creech asked why an offsite location was being considered for record storage. Mrs. Murphy said the goal was not to have all permanent records stored at the primary location. She said offsite storage would also be used for secondary permanent copies. She stated the current offsite storage was on property, but the building was thirty years old and not up to par. General discussion ensued regarding offsite storage.

Ms. Creech asked how many of the SWA records were digital. Mrs. Murphy stated some documents were in electronic format and digital storage was an option; however, she voiced her concerns regarding digital storage and said she preferred a hard copy. Ms. Creech agreed and stated a cost comparison should be made with the options.

Mr. Ives asked if a copy or an original document would be expected to be provided if requested. Mrs. Murphy explained the original document would need to be produced according to state law if it was a permanent record.

Mr. Berry inquired if a container could be used for offsite storage. Mrs. Murphy stated the storage facility would need to be climate controlled.

Chairman Kemp stated he approved the of the idea of a marketing analysis and a bigger social media presence. Mrs. Murphy explained that some social media posts were also subject to records retention. Mr. Ives commented the SWA has a wonderful library on YouTube and it should be promoted.

Ms. Creech commented that the SWA needed to expand its social media presence. Mrs. Murphy stated the SWA posted on social media two to three times a week and that any more could result in need for a full-time job. Chairman Kemp commented that was something that should be seriously looked at. Mrs. Bitting reported that an on-site IT person was becoming necessary. Chairman Kemp commented he would like the meetings broadcasted.

Ms. Creech inquired how long it had been since the SWA last upgraded the camera equipment. Mrs. Murphy stated it was seven to eight years ago. Ms. Creech replied that there had been complaints about not being able to hear the speakers during meetings and suggested the upgrade included better audio.

Mrs. Bitting then turned the meeting over to Mr. Stetter.

Maintenance Department

Mr. Stetter explained that one of the major challenges facing the Maintenance Department was obtaining reliable parts. He stressed that staff consistently strive to purchase high-quality, top-tier parts, yet many of these parts are proving to be inadequate, with lifespans far shorter than expected. He stated that finding parts had become increasingly difficult, with prices fluctuating.

Mr. Stetter informed the Board that equipment was breaking down in ways he had never encountered. Mr. Stetter said while the SWA invested in high-end equipment with the expectation of durability, these failures are occurring more frequently and are placing significant strain on the operations budget. Mr. Stetter stated that with each equipment purchase, the SWA secures the highest-quality warranty available.

Mr. Stetter said that one of the key points Mrs. Bitting highlighted was that when the SWA purchases a piece of equipment, they always choose the longest warranty available, referred to as the life cycle. He stated that the standard was five years or 10,000 hours. Mr. Stetter addressed why five years were chosen, pointing out that it aligns with the five-year payment schedule. Mrs. Bitting clarified that by payment, he was referring to depreciation. Mr. Stetter added that when staff reviewed the usage hours, the equipment consistently falls short, about 100 hours less each month even when it is brand new. Mr.

Stetter stated that maintaining equipment each day is a constant struggle to ensure operations run properly.

Mr. Stetter said that another challenge facing the Maintenance Department was finding qualified technicians. He informed the Board that it was difficult to have enough staff to maintain all the equipment across both facilities. Mr. Stetter stressed that while operations and the maintenance staff work together as a team, they continue to face shortages in equipment and funding needed to properly support their operations.

Mr. Jones asked Mr. Stetter to share his thoughts on potential solutions to the challenges in the Maintenance Department. Mr. Stetter responded that, in the past, sufficient funding was never allocated. He stressed the need for more spare parts, stating that maintenance requires a significant amount of time to complete.

Mr. Marr commented that two key data points highlighted the challenges faced by the SWA. He stated that the SWA landfill operates longer hours than any other landfill in the state, remaining open 61 hours per week. He said as a result, the equipment was in use for longer periods, accumulating depreciation and reaching 10,000 hours of operation more quickly.

Second, Mr. Marr explained that last year there were days when the landfill processed between 1,800 and 2,000 tons of municipal solid waste, even though the compactors were designed to handle approximately 1,300 tons per day. Mr. Marr said that while staff have worked hard to stay ahead, the situation had reached a critical point where additional support may be necessary.

Mrs. Bitting clarified to the Board what Mr. Stetter meant when he referred to payments. She explained that the operating budget was funded through revenue generated by tipping fees. She stated if the depreciation increased, additional revenue was required to offset that cost. She noted that whenever new equipment was purchased, depreciation naturally rises. Mrs. Bitting indicated that the challenge was not the purchase itself but ensuring that funds are set aside through depreciation to cover the cost of future equipment. Mrs. Bitting concluded that if the operating budget continued to grow, tipping fees would also need to be increased to meet the future expenses of replacing equipment.

Chairman Kemp asked Mr. Stetter which piece of equipment he would prefer to purchase. Mrs. Bitting replied that it would be a compactor.

Mr. Jones stated that the priority is to resolve the problem, break free from this trap, and avoid falling back into it and asked how the problem could be resolved. General discussion ensued.

Landfill Operations Department

Mrs. Todd reported on the SWA leachate tanks. She explained that the first tank, installed in 1994, was still in use, and a second, slightly larger tank with greater capacity was added around 1998–1999. Mrs. Todd stated that both tanks have exceeded their expected lifespans, and although staff have made repairs, one of them now needs replacement.

Mrs. Todd stated that she had discussed options with Garrett & Moore, including extending the lined area toward the pond to construct a new tank. She stressed that simply expanding capacity was not possible, as Grand Strand Water & Sewer limits the number of gallons that can be discharged per day. She estimated the cost of building a new tank at approximately \$5 Million.

Mrs. Todd reported that another challenge anticipated in January is the likelihood of exceeding the 34-Mg (megagrams) level for non-methane organic compounds. She indicated this would place the SWA under the EPA's New Source Performance Standards, Regulation XXX, requiring compliance with an entirely new set of gas regulations.

Mrs. Todd stated that these regulations include extensive requirements regarding how wells are maintained, how systems are operated, and where wells are located. She said although the SWA has two older cells in the east and west hills that produce poor-quality gas and are not strong producers, the SWA would still be required to install additional systems in those areas to meet regulatory standards.

Mrs. Todd advised the Board that, based on cost estimates provided by Kris Carlson, expanding gas systems into the existing cells and installing new systems in areas not yet covered would likely cost approximately \$3.5 Million.

Mrs. Todd informed the Board that in January the SWA would face two options. The first option was to agree to go under regulations. She explained that this would allow 30 months to bring the system into compliance. She indicated that significant work would be required.

Mrs. Todd stated that the second option would be to conduct another Tier 2 emissions test to determine whether the agency could temporarily avoid falling under the regulation, thereby delaying compliance for another year. Mrs. Todd expressed doubt that this approach would succeed, pointing out that the last test conducted a few years ago measured 33 Mg, just below the threshold.

Mrs. Todd stated that this was a compliance issue that the SWA must plan for, ensuring that funding was available to meet regulatory requirements. Mrs. Todd concluded by advising the Board that delaying action was not an option.

Mrs. Bitting asked Mr. Marr whether he wished to add anything.

Mr. Marr stated that the upcoming meeting would serve to establish priorities particularly those related to regulatory requirements. He explained that the discussion would include a review of equipment needs and options, with the goal of developing a five-year plan or whatever timeframe was necessary to outline how equipment replacement would be managed and what types of equipment are required. Mr. Marr added that the review would also incorporate all operations, from top to bottom, to ensure that everything was being carried out in the most efficient manner. General discussion ensued regarding upcoming plans for the SWA.

MOTION TO ADJOURN

There being no further business to come before the Board, **Mr. Berry moved, seconded by Mr. Fox, to adjourn the meeting. The Motion was carried** and the SWA Budget Workshop was adjourned at 3:25 P.M.

Minutes approved on December 11, 2025.

HORRY COUNTY SOLID WASTE AUTHORITY, INC

BY: _____ (L. S.)
Robert J. Kemp, Chairman

ATTEST:

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

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

_____ (L. S.)
Pam J. Creech

_____ (L. S.)
Wayne Fox

_____ (L. S.)
Albert G. Hayward, Dr.

_____ (L. S.)
Bo Ives