

REPORT OF FINANCE & ADMINISTRATION COMMITTEE MEETING

April, 16, 2026

A meeting of the Finance & Administration Committee was held on Thursday, April 16, 2026, at 1:00 P.M. at the SWA's Administrative Office in 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 Committee Chairman Dr. Albert Hayward and Committee Members Bo Ives and Board Chairman Robert Kemp. Also, in attendance were Executive Director Danny Knight, Assistant Executive Director, Ed Marr, Directors Jan Bitting, Stephanie Todd, Richie Stetter and staff members Katherine Bell, Trina Cooke, and Monica Collier. Board Member Pam Creech also attended the meeting. Horry County Administrator Barry Spivey, Assistant Administrator Shannon Todd and Horry County Director of Finance Jamie Norman were also in attendance. Amelia Wood represented the public in attendance. There were no members of the media in attendance.

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

Approval of Agenda

Mr. Ives made a Motion to approve the Agenda. There was a second by Mr. Kemp and the motion carried.

Dr. Hayward then turned the meeting over to Mrs. Bitting.

Presentation of Fiscal Year 27-28 Operating and Fiscal Year 27-31 Capital Budget Changes

Mrs. Bitting explained that the budget that was presented at the Budget Workshop on March 26, 2026, was prepared in the same format as prior years and stated that the changes made did not reflect any problem with the budget that was presented. Mrs. Bitting stated the SWA would be facing new growth and changes in the coming years which made the changes necessary. Mrs. Bitting commended staff on their preparation of the budget.

Mrs. Bitting stated the changes made to the budget would be presented as well as to why the changes were being made.

Mrs. Bitting pointed out that Interest Earnings were a bit of a concern and resulted in an adjustment of \$200,000.

Mr. Kemp inquired about Interest Earnings for the current year. Mrs. Bitting stated the SWA would end up earning around \$1.8 Million this year with the possibility of greater earnings due to a recent transfer of \$7 Million from the bank account to the investments. Mrs. Bitting pointed out that SWA would exceed the budget for Interest Earnings this year.

Mr. Ives stated that Interest Earnings were transferred into various other accounts.

Mrs. Bitting stated that due to the \$200,000 adjustment to interest earnings, the offset was in the Operating Budget in the Contingency Fund. Mrs. Bitting mentioned that staff preferred to reduce Contingency Funds rather than raising the tipping fee to cover the \$200,000 difference.

Mr. Ives commented that reducing the Contingency Fund allowed for a balanced offset.

Mrs. Bitting stated a portion of the budget had been broken out into categories. Mrs. Bitting mentioned that staff kept a “Wish List” of items that might need to be purchased throughout the year, but that all of the items on the list had never been fully funded so the change was made to add a separate line item for the unfunded amount. Mrs. Bitting confirmed that \$650,000 was funded and the unfunded portion was \$4.9 Million.

Mr. Kemp inquired about unfunded items being listed in the budget. Mrs. Bitting responded that the unfunded items were listed in the event they needed to be purchased. She stated that the SWA’s philosophy was if an item was not in the budget, it could not be purchased without Board approval to make a change to the budget.

Dr. Hayward asked if listing the unfunded amount would interfere with bonding in the future. Mrs. Bitting referred to County Administrator Barry Spivey who stated that having unfunded items listed would not interfere with bonding in the future. Mr. Spivey stated that the County listed unfunded items in their budget as well.

Mr. Knight noted that had the shredder been listed as an unfunded item, there would not have been as much concern regarding that purchase. Mr. Ives stated it was a good practice to make the Board aware of any purchases made.

Mrs. Bitting pointed out the biggest adjustment to the budget surrounded the future landfill expansion project. She stated that \$300,000 was left in the budget for consulting for the expansion. She stated staff would come back to the Board and County Council if an amendment to the budget was needed.

Mrs. Bitting noted that the overall Capital Budget was lowered to \$47,172,500.

Mrs. Bitting pointed out the funding sources. She stated the Landfill Construction Fund was reduced to \$10,933,000 for FY 2027 and \$1,040,400 for FY 2028.

Mrs. Bitting stated no changes were made to FY 2029, FY 2030 or FY 2031.

Mrs. Bitting noted that designated funds were used to finance the capital projects. She stated adjustments were made so that these funds did not reflect a negative balance. She indicated in FY 2030 that the Landfill Closure Cost Fund could go into a deficit so a transfer from Post Closure was shown.

Mr. Ives clarified that the transfer was not authorized, it was just a projection.

Mrs. Bitting commented FY 2027 and FY 2028 expenditures were adjusted due to removing the costs associated with the landfill expansion project. She pointed out an increase of \$1.25 per ton in the amounts set aside for Closure and Post Closure in FY 2031, which was determined by SWA's engineers.

Dr. Hayward inquired what criteria was used to determine the projection. Mrs. Bitting stated the engineers used a 5-year projection that was based on landfill capacity, tonnage received and the cost of projects which affect Closure and Post Closure.

Mr. Knight mentioned the engineering firm utilized actual costs from projects the SWA had previously completed.

Mr. Ives commented that knowing these assumptions helped the Board with decision making.

Mrs. Bitting pointed out that the Equipment Replacement Fund previously showed a possible deficit in FY 2027 because the expenditures were not trued up until the end of the current fiscal year. She stated she did a projection of current year's expenditures, and the number was adjusted accordingly.

Mrs. Bitting noted that two compactors were slated to be purchased in FY 2027 and would be placed on a four-year replacement cycle.

Mrs. Bitting mentioned that she tried to update the Board every quarter with Capital Expenditures.

Mr. Ives noted that the SWA did not want to over reserve funds.

Mr. Kemp stated staff should stay ahead of the curve when it comes to equipment. Mr. Knight stated staff tried to do so, but they do not want to get too far ahead of the curve. General discussion followed.

Mrs. Bitting noted that the expenditures for Future Landfill Construction and Development had been reduced. She explained that future construction and development was the general construction fund that would be used for roads, buildings and other infrastructure.

Mrs. Bitting explained that in the past, a figure was put in for the OPEB Obligation, but that figure could fluctuate so it was removed from the projected balance. Mrs. Bitting said that figure would be put in from year to year as staff reviewed the obligation.

Mrs. Bitting stated the only change in the budget for the Unincorporated Collection Department was in the Land Improvement Cost and Equipment Outlay. She noted this was the County's budget, but SWA managed it for them. Mrs. Bitting explained the change was due to projects the SWA had listed in the budget that the County already had money set aside for.

Mrs. Bitting noted the budget would be up for first reading at the Budget Workshop with Horry County Council on Tuesday, April 21, 2026.

Mr. Ives inquired of Mr. Spivey if the changes to the budget met the objective of truing up accounts. Mr. Spivey stated it met that objective and that would be mentioned to County Council as well.

Mr. Ives moved to present the budget changes of the Fiscal Year 2027 Budget to the full Board. There was a second by Mr. Kemp and the Motion was carried.

Mr. Kemp noted that he read that if the SWA had paid any tariffs under the recent increases, that courts ruled that they were illegal and could potentially be refunded. Mr. Knight responded the SWA does not purchase direct.

Mr. Ives stated it had been determined if a company received the refund they were not entitled to pass the refund to the customer. General discussion followed.

There being no further business to come before the Committee, the meeting was adjourned at 1:32 P.M.