

REPORT OF FINANCE & ADMINISTRATION COMMITTEE MEETING

February 18, 2016

A meeting of the Finance & Administration Committee was held on Thursday, February 18, 2016 at 10:00 A.M. at the Authority's Administrative Office in 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 news media.

Present were Committee Chairman Pam Creech and Committee Members Sanford Graves and Lance Thompson. Also in attendance were Board Members Mike Campbell, Dan Gray, Norfleet Jones, Executive Director Danny Knight, Assistant Executive Director Mike Bessant, Directors Jan Bitting, Bill Hilling and Esther Murphy, and staff member Susie Wofford. Student Intern Elaine Rogers was also in attendance. There were no members of the media in attendance.

Ms. Creech called the meeting to order and Mr. Thompson rendered the invocation. Mr. Graves led the group in the Pledge of Allegiance. Ms. Creech then turned the meeting over to Mrs. Bitting.

Charleston Update

Mrs. Bitting began the presentation by reviewing the summary page in the Committee Packet. Mrs. Bitting pointed out the MRF had 358 tons of commodities that were not sold as of January 31st. She indicated this amount was down significantly from last month.

Mrs. Bitting indicated the average price of commodities was \$118.51 per ton which is up from last month from \$113 per ton. She stated the rejects percentage for January is 16.74% which is down tremendously. Mrs. Bitting advised some of the reduction was due to rejects being sent back to Charleston. She advised the Committee 232 tons were returned to Charleston and she would add that information to the report beginning next month. Ms. Creech asked about the number of tons that were sent back before they were processed. Mr. Bessant replied one truckload was denied due to contamination. Mrs. Bitting stated the total revenue due from Charleston for January totaled \$45,183.31. She indicated MRF revenue was \$66,474.00 over MRF expenses for the month. Mrs. Bitting added not having to pay transportation costs contributed to that profit. Mrs. Bitting advised year-to-date the MRF still has a deficit of approximately \$7,000.00.

Ms. Creech and Mr. Thompson voiced their opinion on how glad they were to see the MRF operations going in the right direction.

Mrs. Bitting concluded that she would continue to provide the worksheet with the month-to-date as well as the year-to-date figures. She will continue to provide the backup information as well.

Carpet Overhang Shelter

Mrs. Bitting turned this item over to Mr. Hilling for discussion. Mr. Hilling gave the Committee a brief overview on how the SWA is currently handling the carpet and carpet padding recycling program. He indicated Wellman Industries voiced a few concerns over the material being wet. Mr. Hilling stated that an overhang shelter was in the approved FY16 Capital Budget. However, the SWA needs to build a concrete pad to help keep the carpet dry. Mr. Hilling indicated that the SWA received a grant from DHEC for \$8,000 which needs to be used before the end of March. He advised that staff had received three bids for the concrete pad and the lowest bid was \$11,800.00. Mr. Hilling proposed to the Committee that staff would like to utilize \$5,000 from funds designated for the Green Sea property delineation to cover the remaining costs of this project.

Ms. Creech voiced her concerns over taking the lowest qualified bidder. She inquired if staff had researched or had done business with the vendors in the past. Ms. Creech mentioned the problem the SWA had with the tire vendor and does not want the organization to get in a similar situation. Mr. Hilling confirmed that Affordable Concrete had done jobs for the SWA in the past.

Mr. Thompson inquired if the cost of the concrete pad was not included in cost for the project. Mr. Hilling responded that staff thought there would be enough funds to cover the project between the grant and the budgeted amount. However, the building will cost approximately \$28,500 and can be expanded for future growth.

Mr. Graves inquired if the project at Green Sea would be included in FY 2017 budget. Mr. Hilling confirmed that it was. Ms. Creech commented that whoever was writing the grants was doing a great job. Staff members indicated that Esther Murphy was the grant writer. Mrs. Murphy thanked Ms. Creech for her comment.

Mr. Thompson moved to recommend to the Board the staff's recommendation to utilize \$5,000.00 from the Green Sea Property Delineation project in order to complete the site preparation and concrete work needed for carpet recycling. There was a second by Mr. Graves and the Motion was carried.

Lobbying

Mrs. Bitting stated at the last Board meeting the Board discussed whether or not to include lobbying costs in FY2017 budget. It was recommended that the matter be brought to the Finance & Administration Committee for discussion and recommendation.

Mrs. Bitting reviewed the worksheet included in the Committee Packet. She went over the impact lobbying costs had on the overall revenue over the years. Mrs. Bitting also indicated the SWA did make more revenue than was expenses spent on lobbying costs.

Mrs. Bitting went on to explain staff had budgeted \$50,000.00 for lobbying in FY2015 and spent \$24,800.00. Staff also budgeted \$50,000.00 for FY2016 and stated no expenses had been paid from that account so far this fiscal year.

Mrs. Bitting advised the Committee that she had contacted some municipalities to see if they had lobbying in place and inquired on who they used and the costs. She reviewed the sheet that was handed out showing the information that she had received.

Ms. Creech asked Mr. Knight to advise the Committee about the two bills that she had been informed on. Mr. Knight briefly discussed a container bill that basically said that only state government that could restrict container usage. He stated that bill was supposed to be heard last week; however, the bill was taken off the agenda. The other bill that was in the Senate was about changing the regulation on coal dust or fly ash.

General discussion followed on how the SWA was not aware of bills that concern the organization because we do not have a lobbyist in place. Ms. Creech stated her concern was how items can get attached to bills without anyone's knowledge. Mr. Thompson advised that he thought it was important to stay on top of current movements that could impact the SWA and the industry.

Mr. Graves moved to recommend to the Board the Committee's recommendation to budget \$50,000 in the FY17 budget for lobbying related expenses and authorize the Executive Director to execute a contract for professional services for FY16 in an amount to be determined by the Board. There was a second by Ms. Creech and the Motion was carried.

There being no further business to come before the Committee, the meeting was adjourned at 10:45 A.M.