

HORRY COUNTY SOLID WASTE AUTHORITY, INC.
BOARD WORKSHOP
January 12, 2026

A Workshop was held on January 12, 2026, 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 and Board Members Bo Ives, Dr. Albert G. Hayward and Wayne Fox. Board Treasurer Amos C. Berry, Sr., was not in attendance.

Highway 90 Liaison Michael Hughes, Jennifer Dolder and George Hazin from Public Employee Benefits Authority (PEBA), Tom Bevins from Gabriel, Roeder, Smith & Company, and Patrick Owens from Horry County Government 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, Trina Cooke, Cindy Keith and Kendra Dickerson.

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Ms. Creech led the group in the Pledge of Allegiance.

APPROVAL OF AGENDA

Mr. Jones moved to approve the Agenda as presented. There was a second by Ms. Creech and the Motion was carried.

Chairman Kemp informed the Board that the purpose of the meeting was to discuss employee benefits for the SWA. He then asked who would like to lead the discussion.

Employee Benefits Discussion

Mrs. Bitting informed the Board that representatives from PEBA, Horry County Government and Gabriel, Roeder, Smith & Company were joining by video call and asked everyone to speak up so they could hear clearly.

Mrs. Bitting offered a brief introduction of the individuals who joined by video call. She stated that Ms. Jennifer Dolder and Mr. George Hayzin were from South Carolina PEBA. Mrs. Bitting said that Mr. Tom Bevins was with Gabriel Roeder Smith, the firm that conducted the actuarial study of SWA's post-employment benefits. She informed the Board that they were available to answer any questions or concerns and added that they had been provided with a copy of the packet.

Mrs. Bitting reminded the Board that this was their requested workshop and encouraged them to ask questions, saying that staff was available to provide answers.

Mrs. Bitting stated that, in response to the Board's request, she reviewed retirement and health insurance benefits to compare the SWA and Horry County, stating that both are participants in the South Carolina Retirement System. Mrs. Bitting stated that the only difference between the two was that Horry County provides a wellness clinic for its employees. She indicated that the County began this program several years ago to help lower certain healthcare costs and added that the annual cost was \$414 per employee which equated to \$1,338.048 per year.

Mrs. Bitting stated that the SWA retiree health insurance was more complex. She explained that eligible retirees with 10 to 19 years of service received 50% of the employee-only cost for health and basic dental coverage, and once they reach Medicare age, they received a reimbursement of \$97.86, which represents half of the current \$195.71 subsidy. Mrs. Bitting informed the Board that documentation on medical expenses or coverage was required for reimbursement.

Mrs. Bitting indicated that the SWA employees retiring with 20 or more years of service were eligible for 75% of the employee-only cost of health insurance and basic dental coverage. She corrected herself to clarify that upon reaching Medicare age, such retirees may receive 100% of the Medicare stipend, currently \$195.71 subject to appropriate documentation. She further stated that reimbursement was limited to the documented amount.

Mrs. Bitting advised that County employees hired prior to June 30, 2011, with 25 to 28 years of service are eligible for 100% coverage of the employee-only cost for health insurance and basic dental. Upon reaching Medicare age, they also qualify for a reimbursable stipend.

Mrs. Bitting advised that County employees with 14 to 24 years of service are eligible for 50% coverage of health insurance and basic dental. She further stated that employees hired after June 30, 2011, may continue the health plan but must pay the full premium, as no supplement was provided.

Mrs. Bitting then reviewed the insurance premiums. She explained that employee-only coverage was fully paid by SWA at no cost to the employee. She stated that for employee-plus-spouse coverage, the employee contributes \$193.68 per month; for employee-plus-children coverage, \$68.92 per month; and for full-family coverage, \$270.96 per month, covering both health and basic dental. Mrs. Bitting stated the employer's monthly contribution represents SWA's portion of employee health and basic dental premiums. She stated the contributions were as follows: employee-only, \$789.22; employee-plus-spouse, \$1,518.74; employee-plus-children, \$1,261.72; and full-family, \$1,943.97 per month. Mrs. Bitting reported that these amounts were established annually by PEBA in accordance with legislation and are not set by SWA.

Ms. Creech inquired about how the amounts were set. Ms. Dolder explained that the monthly premiums for active employees, including the employer contribution rate, were established by the PEBA Board and required approval by the General Assembly. She stated that optional employer coverage included a load factor based on the organization's claims, which was incorporated into the premiums, with all rates ultimately approved by the General Assembly.

Ms. Creech asked whether the information applied to the State Plan. Ms. Dolder confirmed that it did.

Ms. Creech asked whether participation was required if employees stayed on the State Plan. Mrs. Bitting confirmed that it was mandatory.

Mr. Ives inquired about how the load factor was determined. Mrs. Bitting explained that it was based on the organization's claims and asked Ms. Dolder for further details. Ms. Dolder stated that the load factor depended on the employer's size small, medium, or large and stated that the SWA was classified as medium, with 100 to 499 covered lives. She said that 50% of the load factor was based on SWA's own claims, while the other 50% was calculated from an aggregate of other medium-sized employers statewide. Ms. Dolder stated that Horry County's load factor was based entirely on its own claims.

Ms. Creech asked whether the County still participated in the State Plan, and does it cover the costs for its employees. Mr. Owens said it was mandatory.

Ms. Creech asked whether the clinic reduced costs or improved outcomes. Mr. Owens stated that he did not know the effect. He said if County employees did not use the clinic, no claims were submitted to PEBA theoretically, the clinic should reduce costs, but there was no way to measure it directly.

Ms. Creech asked whether costs have increased or decreased since implementing the clinic. Mr. Owens responded that the organization continues to pay PEBA's standard charges.

Ms. Creech asked whether employees are granted two days of vacation for their annual health screening. Mr. Owens confirmed that they were. Mrs. Bitting explained that, according to Mr. Barry Spivey, the wellness clinic was provided as an employee benefit, not as a strategy to reduce health insurance costs, serving solely as an additional advantage for staff.

Mr. Owens stated that the wellness clinic's goal was to enhance employee health. He indicated that motivating changes in diet and physical activity was a challenge.

Mr. Owens explained that Horry County considered self-insurance in 1997, with costs determined by claims. He noted that despite implementing wellness initiatives, costs did not decrease, as employees increasingly relied on the clinic as their family doctor, turning it into a valued benefit rather than a cost-saving measure.

Ms. Creech asked whether the changes led to savings cost. Mr. Owens stated that they did not and that the County pays extra to maintain the benefit.

Ms. Creech inquired about payouts for unused sick and personal leave. Mr. Owens explained that sick leave was not paid, except for employees eligible for retirement. He said vacation was paid on a graduated scale: employees with 0 to less than 5 years of service and at least 80 hours of vacation were eligible for payout, with a maximum payout of 80 hours regardless of accumulation up to 240 hours. He said that sick leave accruals, up to 720 hours, were not eligible for payout.

Ms. Creech asked whether the SWA had the same policy. Mrs. Bitting stated the SWA did not pay sick leave but offered a \$75 quarterly incentive for minimal use and a year-end buyback paying half of any

sick leave accrued over 720 hours. She stated this creates a retirement liability and that vacation time counts toward retirement credit.

Ms. Creech stated that, aside from age requirements, the SWA retirees fell within the 10- to 19-year range, while the County increased its requirement from 25 to 28 years. Mrs. Bitting clarified that this change applies to the police and fire departments. She explained that police employees may retire after 25 years, whereas regular employees must meet the 28-year requirement.

Ms. Creech asked whether there were any differences between the SWA and the County. Mr. Fox responded that the only difference was that the County required five years. Mrs. Bitting added that anyone hired after 2011 was required to pay the full premium amount.

Mr. Ives indicated that in 2023 the plan was changed for individuals between the ages of 62 and 65.

Mr. Owens explained that County Council later passed an ordinance restoring the original plan, under which employees who retire with 28 years of service have 100% of their premium paid by the County, regardless of age. Mr. Owens stated that the County did not change its tier structure; it remained 28 years for regular employees and 25 years for police.

Mr. Fox stated that, based on what he understood, any current SWA employees hired after June 2011 would not create a significant future cost for the organization. Mrs. Bitting clarified that this cutoff applied to the County, not the SWA. She explained that the SWA had no such cutoff and that all current employees remain eligible for the same benefits.

Mrs. Bitting reported that the SWA's annual cost for this benefit was approximately \$60,000 and that the program was fully funded. She noted that last year the SWA's liability was slightly over \$2.5 million, while the OPEB account held \$2.6 million to cover that liability. Mrs. Bitting stated that there was a discount available if the funds were restricted; however, when the account was established years ago, the SWA chose not to restrict the funds and instead placed them in a designated account.

Ms. Creech asked whether the funds were unrestricted and if the money could be withdrawn. Mr. Knight responded that the Board has that authority. A general discussion followed regarding restricted and unrestricted funds.

Mr. Ives said he believed what makes the SWA's situation unique was that the organization had a defined date on which it would close its doors. He said that the SWA would continue to have operating expenses and long-term commitments to its employees even after it stopped generating revenue. Mr. Ives highlighted the importance of ensuring that financial projections align with employee expectations and the commitments that had been made. He added that, unlike the County and the State, which can rely on tax revenue to meet their obligations, the SWA would not have that option. Mr. Ives indicated once the SWA terminated operations, estimated around 2040, it would no longer receive any landfill revenue.

Ms. Creech expressed concern that the 2.5% inflation was insufficient. Mrs. Bitting asked Mr. Bevins to address the 2.5% inflation rate. Mr. Bevins stated that he was unsure which 2.5%. Ms. Creech was referring to. Mr. Ives explained that the figure appeared in the actuarial study. Mrs. Bitting then clarified for Mr. Bevins that it was listed on page B5 as the inflation rate of 2.25%.

Mr. Bevins informed the Board that the liability represented the probability-weighted value of future cash flows. He explained that one of the key assumptions involved the projected growth of health care costs, which was expected to rise significantly. He noted that the report included a roll-forward analysis, meaning a full evaluation of census and claims data was not performed annually; instead, a comprehensive review, including claims analysis, was being conducted every two years.

Mr. Bevins stated that Gabriel Roder & Smith serves as the actuarial firm for PEBA. He explained that all claims' data were used to calculate a per-capita cost and an average cost across all participants and that age-rating adjustments were applied, which was why actuarial expertise was required. Mr. Bevins stated that projections account for the higher health-care costs typically associated with older individuals, as well as cost differences related to gender.

Mr. Bevins emphasized that these liabilities were long-term and represented the present value of accrued benefits. He reported that approximately 40% of the \$2.6 million liability reflected current retirees, while the remaining 60% represented projected costs for future retirees and ongoing cash flows.

Mr. Bevins stated that health-care costs were increasing at a rate faster than general inflation. He explained that their projected health-care trend began at rates such as 6.5%, 6.3%, 6.1%, and 5.9%, all of which grew more rapidly than overall inflation. Mr. Bevins stated that after approximately 15 years, the trend decreased to around 4.25%. He added that their long-term assumption was that health-care cost growth would continue to outpace general inflation.

Mr. Bevins stated that the SWA's costs were relatively controlled compared to other plans. He explained that the post-65 benefit was not directly tied to PEBA costs, which was influenced by higher rates of general and medical inflation. Mr. Bevins said that the \$180 stipend was valued using an assumed rate of 2.25%.

Mr. Ives stated that in 2026 health-care costs were projected to increase by 11%, and, as Mr. Bevins noted, the CPI measures costs across a broad spectrum. Mr. Ives explained that health care consistently exceeded general inflation rates. Mr. Ives added that, based on his research, one contributing factor was the large number of individuals who are unable to pay their medical bills.

Mr. Ives stated that he was concerned about how much of the cost would be absorbed by the state system and how much it would ultimately fall on the employer. He indicated that once the SWA closed its gates and no longer generated revenue, there would be no alternative source of funding. Mrs. Bitting informed the Board that the SWA has post-closure funds available to cover those obligations. A general discussion followed.

Mr. Knight asked the Board what actions staff could take and what guarantees could be identified. Mr. Ives responded that the key was to achieve an investment return higher than the rate of inflation so that funds are not depleted. He stated that time was advancing faster than the interest being earned. Mrs. Bitting added that they would need to speak with Horry County Treasurer Angie Jones.

Mr. Knight asked Mrs. Bitting whether there was time to discuss placing additional funds into the designated account, stating that the SWA was currently meeting its liability. Mrs. Bitting responded that

she does not believe any adjustments were necessary, as the SWA was already meeting its liability. She said she does not see a reason to add more money to the fund and exceed the liability requirement. Mrs. Bitting stated that it would not be her recommendation to put additional funds into that account because it was recalculated and adjusted each year. She said, however, that it was the Board's decision.

Chairman Kemp asked Mr. Ives whether he felt the SWA was not meeting its projected expectations. Mr. Ives replied that his concern was about the absence of a safety net and whether the SWA failed to meet those projections. He indicated that no such safeguard currently exists.

Mr. Jones asked whether the SWA was already doing that by adjusting and reviewing it each year. Mr. Ives said that there would be a point when the SWA would no longer be checking because the SWA would have to shut our doors. Mr. Jones said that if the doors remained closed and the situation was reviewed and projected each year, then eventually, if it wasn't working, it would have to change.

Mr. Jones asked why the change was necessary. Mr. Ives responded that it is because the SWA was now 15 years away from the expected date of closure. General discussion ensued.

Mr. Fox asked whether the interest earned on the \$2.6 Million goes back into that account or is directed elsewhere. Mrs. Bitting explained that the SWA has an interest income account where all interest was deposited. She stated that, aside from the equipment replacement fund, the interest was not returned to the original account, instead, that account was adjusted each year based on the liability, whether it increased or decreased.

Mr. Fox asked whether the SWA needed to adjust it significantly over the years. Mrs. Bitting responded that it had not changed at all because the employee base has remained the same.

Mr. Knight asked Ms. Creech if she remembered how many meetings it took to establish the guidelines for where the money would go upon closure. Ms. Creech responded yes.

Chairman Kemp asked whether there were any further questions. Mrs. Bitting also asked whether there were any questions or concerns. Mr. Ives added that he wanted to ensure the audience understood their unique situation.

Mrs. Bitting expressed her appreciation to everyone for attending. Mr. Knight thanked Mr. Owens for attending.

MOTION TO ADJOURN

There being no further business to come before the Board, **Ms. Creech moved, seconded by Mr. Fox, to adjourn the meeting. The Motion was carried** and the Workshop was adjourned at 2:55 P.M.

Minutes approved on January 27, 2026.

HORRY COUNTY SOLID WASTE AUTHORITY, INC

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

ATTEST:

W. Norfleet Jones, Secretary

(L. S.)

Amos C. Berry, Sr.

(L. S.)

Pam J. Creech

(L. S.)

Wayne Fox

(L. S.)

Dr. Albert G. Hayward

(L. S.)

Bo Ives

(L. S.)