

SPECIAL MEETING
DARLINGTON COUNTY COUNCIL
DARLINGTON, SC

April 11, 2016

A special meeting of the County Council of Darlington County was held this 11th day of April 2016, at 6 p.m., at the Darlington County Courthouse Annex/EMS Building, 1625 Harry Byrd Highway, Darlington, South Carolina.

NOTICE OF MEETING

In compliance with the Freedom of Information Act, a copy of the agenda, giving the date, time, and place of the meeting was mailed in advance to the local newspapers, to persons requesting notification, and posted on the county's website, on bulletin board at the entrance to the County Administrator's Office and at the entrance of the Courthouse Annex/EMS Building.

COUNCIL MEMBERS PRESENT

Chairman Bobby Hudson, Vice Chairman Robbin Brock, Chaplain Dannie Douglas, Jr., Mr. David Coker, Mr. Marvin Le Flowers, Mrs. Wilhelmina P. Johnson, Ms. Mozella Nicholson, and Mr. Robert L. Kilgo, Jr.

ALSO PRESENT

County Administrator Terence Arrington, County Attorney James C. Cox, Jr., Clerk to Council J. JaNet Bishop, Environmental Services Director Renee Howle, Assistant Environmental Services Director Paula Newton, Finance Director Sherman Dibble, Emergency Management Director Mac McDonald, and others.

REPORTERS PRESENT

Ms. Samantha Lyles of the News and Press.

Call To Order /Invocation And Pledge Of Allegiance

Chairman Hudson called the meeting to order. Mr. Douglas presented the invocation and Council recited the Pledge of Allegiance.

Items For Discussion

Solid Waste Feasibility Study For The Landfill - Michael Baker International

Mr. Andy Busbee, of Michael Baker International, provided a handout of the Capital Improvement and Feasibility Report for Darlington County Environmental Services. The purpose of the study was to provide data on the county's existing landfill operations, facilities, and equipment to Council make informed decisions as to how to make improvements at the landfill.

Mr. Busbee talked about the existing facilities at the landfill, which consists of the Class 2 C&D landfill, the Class 3 Municipal Solid Waste (MSW) transfer facility, an

administrative building, a single vehicle weigh scale, an above ground fuel storage tank, and various small storage buildings. The County's Class 3 landfill closed in 1994. A picture of the existing facility layout was presented as Mr. Busbee described the operation as being confined to a small space with a lot of activities causing directional confusion and congestion for people entering/leaving the site. Pictures were presented of the existing Administration Building, transfer station, and auxiliary storage building. In reference to the conveyor belt system, Mr. Busbee stated that the equipment and technology were very old. Although the facility was functional, it needs improvements.

Mr. Busbee briefly talked about the outdated brochure on the county's thirteen recycling/disposal station locations. These centers are operated using approximately 34 part-time employees. A more up-to-date brochure will be added to the information. Mr. Busbee explained that the disposal stations accept all types of recyclable materials that are placed in a single bin and comingled. The yard debris, C&D material, used oils, electronics, are placed separately. When enough material is collected, a county truck will take the materials to the landfill. When a large load is collected at the landfill, a vendor will pick up the materials and the county will receive revenue. The exception to this rule is for comingled recyclable materials. These materials (glass, paper, plastics, cardboard, etc.) are collected at each site and delivered directly to a vendor.

Mr. Busbee presented a chart of the existing inventory of equipment/vehicles with purchase dates, standard life cycle, estimated 2016 cost, age, etc. The equipment being significantly older than the standard life expectancy. He pointed out that the 1994 Rex Trash Compactor used on the landfill was 22 years old with a standard life expectancy of five years. It was Mr. Busbee's understanding that this piece of equipment was recently out of service for about four years and cost \$75,000 to be repaired. During the time the Rex Compactor was out of service, trash was not being compacted. Therefore, the county used much more volume in the landfill than was necessary. The cost to replace all the equipment on the list was \$4 million.

Ms. Nicholson wanted to know which pieces of the equipment would not be needed. Mr. Busbee suggested that Council get with the Environmental Services Director to discuss this. Mr. Arrington mentioned that Council was looking for ways to consolidate and cut unnecessary expenses. He stated that even if Council was willing to spend \$3.5 million, the county does not need to spend it if it is not needed. Therefore, the plan would be to replace essential equipment to keep the landfill running and in good standards. As information, Mr. Arrington reported that the Rex Compactor had gone down again and the staff has to figure out how to repair it. This vital piece of equipment for the landfill should be considered for replacement. He said Council would like to make the landfill more efficient.

It was Mrs. Johnson's understanding that the landfill was closed and the garbage was going to Lee County. Mr. Busbee indicated that the County has to decide whether it wants to be in the landfill business. If the county wants to be in the landfill business, the county has to meet certain DHEC (South Carolina Department of Health and Environmental Services)

standards. Mr. Flowers explained that the current C&D landfill was different from what the county once operated. The household garbage goes to Lee County and construction/demolition debris, yard debris, furniture, etc. go to the county's C&D landfill. Mr. Busbee confirmed that the county once operated a Class 3 landfill, which accepted household garbage. This landfill was no longer in operation. Darlington County no longer accepts household garbage. Household garbage is processed through the landfill transfer station and sent to Lee County for burial. The county currently operates a construction and demolition landfill as explained by Mr. Flowers.

Ms. Nicholson thought there was an issue with the county running out of burial space. Mr. Cox suggested that Council listen to the report from Michael Baker, then meet to decide what questions to ask to fine-tune the report.

Mr. Busbee showed a picture of and talked about the existing traffic patterns at the landfill, which consists of multiple crossing paths in a very small space. He then reported on the composition of waste stream, which consist of household garbage (Municipal Solid Waste) (50 percent), recyclables (14 percent), and C&D materials (35 percent) and MSW generation by material such as plastics, metals, glass, paperboard, wood, yard waste, etc. He pointed out that a lot of materials make up MSW that are recyclable materials that were not being recycled. About 43 percent of recyclable materials were going to Lee County to be buried. Mr. Busbee stated that if this could be captured, it would increase the landfill's revenue stream significantly.

Mr. Busbee presented multiple improvements and funding alternatives using 20-year financial models, with ten-year bonds, based upon population and cost trends for the county over the past 20 years. He pointed out that the county's current trend for operating the landfill was unstable from a budget standpoint. In 2015, the landfill had a negative \$369,000 actual versus budget. Over the past three years, this number has continued to grow more negative. Therefore, for the last three years, on average, the deficit has been a negative \$170,000. Therefore, Council would want to reverse this trend immediately.

Funding Alternative No. 1 was to do nothing. Mr. Busbee explained that if the county does not change anything about taxes, fees, or anything regarding the operation, revenue, or expenses, there would be no investment or capital cost and no enhancements to revenue. Therefore, this would not be an economical viable option. He pointed out that residents were currently paying \$53 per year for Solid Waste Fee and the tipping fee charged for people/businesses dumping at the landfill, on average, was about \$47.50 per ton. These were the county's existing conditions with a negative downhill slide.

Funding Alternative 1A consisted of the county's existing condition with buying replacement equipment that is beyond its serviceable life. The equipment would cost about \$2.3 million. The county was currently spending about \$300,000 per year in maintenance cost for the equipment. Therefore, \$2.3 million would replace a lot of the equipment. This Alternative also included \$750,000 per year average in investment cost.

Funding Alternative 2 included the current user fee and tipping fees, \$3.5 million bond with a recurring yearly average of about \$192,000 to replace select equipment (the equipment list was included in the full report). This impact would result in increasing the revenue by being compensated for 74 percent of the recycling material that the county was currently collecting at the solid waste collection centers. Currently, the county was getting zero dollars for recyclables. In fact, the county was spending money by sending drivers (transportation and labor costs) to pick up and transport the recyclables to the vendor. This equates to about \$750,000 to \$800,000 per year that the county was not receiving. A second revenue enhancement would be to assure that all of the municipalities that the county serves are paying their share for waste management services. These two revenue enhancements would make this alternative an economical viable option without increasing user fees. It was Mr. Busbee's opinion that the county should invest significantly more than this amount to make this operation what it should be.

Mr. Busbee mentioned that the full report was still in draft form. Council's feedback may change what is included in it.

Mr. Busbee reviewed Funding Alternative 3A, 3B, and 3C, which consider various options for the sites, equipment purchase, etc. that would improve the operation and eliminate all concerns. The investments would equate to \$8.6 million. These options include the construction of a new administration building at another location at the landfill, a full interior road network that follows EPA guidelines to eliminate the congested areas and traffic patterns, construction of a new transfer facility, converting the existing transfer facility to covered parking for vehicles and equipment, and includes no residential tax increase, just an increase in user fees to people/commercial businesses dumping at the landfill. The impact of the user fees and no residential tax increase would equate to about 6.25 percent annual increase after at \$10 increase the first year. The adjustments in revenue would make this an economic viable option because it would pay for the \$8.6 million over a 20-year period.

Mr. Busbee explained that Funding Alternative 3B would purchase the same equipment as Funding Alternative 3A, and the initial cost would be the same. The change would be in revenue enhancement with lower user fee increase (five percent increase) with 50 percent of the market value for recyclables. An economical viable option.

The last funding Alternative, Funding Alternative 3C, differs in the way the revenue is made up with a smaller user fee increase. This option would allow the hiring of more staff to sift through the MSW garbage to pull out all the recyclable materials for a potential gain of up to \$800,000 from material that was currently going to Lee County.

Mr. Flowers asked about the start up cost for MRF (Materials Recovery Facility). Mr. Busbee explained the MRF operation and Horry County's operation, which uses temporary staff.

Mr. Kilgo questioned where his recyclables go that are collected by the City. Mrs. Howle explained that the City handles its own recyclables. Mrs. Newton explained that the recyclables collected by the county go directly to Sonoco Recycling Hartsville Facility and Sonoco takes it to their MRF in Columbia to be sorted and sold.

Mr. Douglas suggested the use of prisoners to work at the facilities to sort the recyclables to be sold. Mr. Arrington briefly talked about the county not having that many inmates. An option would be to contract with Palmer Pre-Release Program.

Mr. Coker asked why the county was not being compensated for the recyclables collected at the solid waste collections center. Mr. Busbee indicated that the county was losing up to \$800,000 that was being given away. Ms. Newton explained that when the county began single stream recycling, Sonoco stopped paying for the recyclables because of the mixture. Mr. Busbee and the staff talked about the amount of revenue the county could receive for baled materials such as cardboard. Mrs. Newton mentioned that the county does not have the equipment to bale material or a place to house/store the baled material.

Mr. Coker confirmed that the county gives the material to Sonoco and Sonoco sorts the materials and make money from it.

Mr. Kilgo asked whether the cities were paying the county for their residential waste. Mrs. Howle said no. The cities were only paying for commercial waste.

Mr. Busbee talked about educating people to use the facilities should the county implement sorting recyclables.

Mrs. Howle confirmed that the county is not paid for any recyclables. However, the county pays the drivers and pays for fuel and wear and tear on the equipment to deliver the recyclables to Sonoco. She indicated that the county receives payment for aluminum (loose and not baled).

Mrs. Johnson talked about the county reaching less than one have of the residents regarding the number of people using the solid waste collection centers. However, they are paying the \$53 annually.

Mr. Busbee concluded by talking about educating the public so that the revenue improvements will pay for the investment/infrastructure cost.

Ordinance No. 15-32, An Ordinance To Provide For The Issuance And Sale Of A Not Exceeding Three Million Five Hundred Thousand Dollar (\$3,500,000) General Obligation Bond Of Darlington County, South Carolina, To Prescribe The Purposes For Which The Proceeds Shall Be Expended, To Provide For The Payment Thereof, And Other Matters Relating Thereto (Environmental Services) - Third Reading

MOTION was made by Mr. Flowers to approve third reading of Ordinance No. 15-32.

The motion failed for lack of a second.

MOTION was made by Mr. Kilgo and seconded by Ms. Nicholson to receive Ordinance No. 15-32 as information and for the County Administrator to set up a worksession to discuss the information presented to Council by Michael Baker.

Mr. Flowers clarified that since the Ordinance failed third reading, it would have to start over at first reading to create a new bond ordinance.

Mr. Cox suggested that Council approve a motion to carry over third reading of the ordinance to eliminate having to start over.

The motion carried unanimously to receive Ordinance No. 15-32 as information and for the County Administrator to set up a worksession to discuss the information presented to Council by Michael Baker.

MOTION was made by Mr. Kilgo and seconded by Ms. Nicholson to carry over third reading of ordinance 15-32.

The motion carried unanimously.

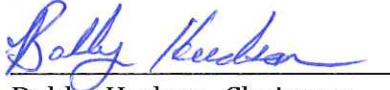
Adjournment

There being no further discussion, the meeting was adjourned at 6:02 p.m.

Respectfully submitted,



J. Janet Bishop
Clerk to Council



Bobby Hudson, Chairman
Darlington County Council

Approved at meeting of May 2, 2016.