

Regular Board Meeting

Wednesday, June 17, 2020

Present:

Chairman Jim Erwin, Tiffany Dunn-Executive Director, Hunter Schelle-Environmental Enforcement Officer, J. R. Walters, Jennifer Hill, Attorney Sam Ed Gibson, Ms. Leslie Morris, Jordan Woolbright, Zeke Jones, and Judge Jeff Arey.

Absent: Ms. Sheryl Childs-Proxy

Mayor Paul Mitchell-Proxy

1. Call to Order and Sign In

The Saline County Regional Solid Waste Management District Regular Board meeting was called to order at 2:00 p.m. by Chairman Jim Erwin at the Benton City Hall Council Chambers located at 114 South East Street in Benton, Arkansas. Because of the Pandemic, this meeting was closed to the Public, but could be viewed through a ZOOM login.

2. Review and Approval of Minutes from February 19, 2020 Meeting

Chairman Erwin ask if there is any discussion concerning the minutes from February 19, 2020. There is a motion for approval of the minutes made by Mr. J.R. Walters and seconded by Ms. Jennifer Hill. Motion passed.

3. Review of Financials from February, March, April, and May 2020: Jordan Woolbright

Chairman Erwin ask Mr. Woolbright if he would point out anything out of the ordinary since we have so many to discuss. Mr. Woolbright relays there is not anything out of the ordinary on any of the reports. Hunter Schelle was hired as the new Environmental Enforcement Officer on March 9, 2020, so you will notice an increase in the salaries and wages. In May 2020, please notice the Royalties payment from the first quarter of the year from Republic and there were monies from the Grant received from the Electronic Event that was held in February with Regional Recycling for a total of \$10,069.16. Mr. Woolbright relays during those four months things were routine and the start of February 2020, the cash equivalents were \$4,720,892.00 and May 2020 cash equivalents ended with \$4,824,959.00. The increase in the cash during this period is from the Royalty payment from Republic in the amount of \$159,970.56 to the Revenue Bank Account and \$10,069.16 to the Recycling Bank Account from the reimbursement of the Recycling Grant for the Electronic event that was held in February. Mr. Woolbright relays that the Operations Detail Reports for each month with the expenses and the percentage of the budget and year to date are included for each month and if there are any questions. Motion is made for approval of the Financials for February, March, April, and May 2020 by Mr. J.R. Walters and seconded by Ms. Jennifer Hill. Motion passed. Ms. Dunn relays to the Board that Esco is being paid monthly since January 2020 instead of yearly payment. Chairman Erwin ask if there was a particular reason for the change and Ms. Dunn relays it is easier to keep track of the number of items and payments by the month instead of yearly.

Attorney Gibson ask Chairman Erwin if he could interject for a moment. Attorney Gibson relays that there are four of the six members of the Board present and if there are any proxies for the members not present? Chairman Erwin relays that there are proxies for the members not present today. Attorney Gibson relays that is a quorum and let it be reflected in the minutes that there are proxies for the Board members not present today.

4. **2019 Audit Report: Zeke Jones with Yoakum, Lovell, & Company, PLC**

Mr. Jones relays to the Board this is the first year there is a net income since 2012, which was the first year the Landfill was sold. Mr. Jones relays this is a good report. Page 4 begins the Auditor's report, which is the unmodified opinion, the good opinion, where we had no findings. Page 6 is the beginning of the Balance Sheet ending with December 31, 2019, with cash in the amount of \$1,760,692.00 and this is up \$93,000.00 from the prior year. Investments are \$2,492,343.00 which is up about \$100,000.00 from the prior year, Accounts Receivable are \$139,827.00 which is up \$57,000.00 that is the fourth quarter Royalty payment that had not been received yet, so the total Assets for the year are up \$237,000.00. Mr. Jones moves forward to the Liability portion of the Balance Sheet and relays that the Net Pension Liability portion is \$166,686.00 which is an increase of \$20,000.00 from last year and the total Net Position increased \$255,000.00 which was the net income. On Page 7, it shows that net income and the Royalty income was \$399,418.00 which is an increase of \$58,000.00 from the prior year, and that left a total Operating Revenue of \$622,417.00, which is up \$52,000.00 from the prior year. Mr. Jones relays to the Board, the Operating Expenses were basically the same except there were no disposal fees paid for by the District in 2019 and that accounted for about \$126,000.00 in 2018. Mr. Jones relays that due to the fact disposal fees were not paid in 2019, it brought down the Operating Expenses by \$117,000.00 and that left the Operating Income at \$138,000.00 compared to 2018 as a loss of \$30,000.00. The Investment Return Income was \$116,000.00 which is up \$92,000.00 and that left the total change in Net Position of \$255,000.00. Page 8 is the Statement of Cash Flows that shows cash provided by Operating Activities was \$81,000.00 and the net increase in cash was \$93,000.00. Page 9 begins the notes to the Financial Statements and there are not any changes moving on to Page 10, Note 3 shows the Investment return of interest income on Investments is \$68,000.00 and change in unrealized gains was \$48,000.00. On Page 11, Note 5 shows the Grant Advances with a balance of \$363,000.00 of grant revenue that had been received but not spent at this time. On Page 11, Note 6 is the Retirement Plan information. This is part of APERS that has a Net Pension Liability of \$2.4 billion dollars and Saline County Regional Solid Waste Management District's portion is \$166,000.00. Chairman Erwin ask Mr. Jones if there have been any changes because the District did do things differently for Audit purposes in previous years, but it will continue to grow? Mr. Jones relays to Chairman Erwin, the program went down a year or two ago, but the District portion went up this year and this is all based on the contributions to the program. In 2018, contributions were lower, in 2019, there was a slight uptick and 2020 with Hunter's portion paid into the program. Mr. Jones relays that it basically is based on the percentage of contributions that is paid into the program compared to the overall contributions. Mr. Jones continues to Page 15, Note7, concerning the leased office space with a lease of \$350.00 per month, ending in September 2021. Note 8, is documented the company that a Board member's spouse owns was paid \$5,629.00 for promotional materials during 2019. Page 16 and Page 17 is the Schedule of the District's Proportionate Share of the Net Pension Liability that is required. Page 18 is the District's

2019 Operations Detail Report that shows the budget and year to date operations. Page 19 is the Auditor's report on internal control. We issued an unmodified opinion on this also by doing a random selection of 25 cash disbursements and 25 peril disbursements and had zero exceptions. Chairman Erwin ask if this is the first year we have done a full twelve month audit by ending in December and Ms. Dunn relays yes. Chairman Erwin relays this may work better. Motion made to approve audit by Ms. Jennifer Hill and seconded by Mr. J.R. Walters. Motion approved. Judge Arey commends Ms. Dunn and staff on a good job of the Audit and Ms. Dunn relays that there will probably be a Legislative Audit soon because they are making the rounds to other Solid Waste Districts. Chairman Erwin and Judge Arey relay we will be fine.

5. Inter-District Tire Update: Leslie Morris

Ms. Morris relays that there have been some adjustments with the 10% reduction in the budget. The budget is off as far as the tire program is concerned. We budgeted for 1.457 million and actually got 1.466 million, but our expenses are down and our income is down. The income is down due to the loss of revenue from the trailers and the expenses are down due to Davis Rubber taking the 10% reduction when we got the 10% reduction to the budget. This program is designed for money in and money out, not to make money. Ms. Morris relays to the Board this program just pays for the processing of the tires and the Districts are doing that and that is the most important thing to know budget wise. As far as the tires collected, we were down during the months of March and April with a program total for February 2020 of 61,000, March 2020 program totals were 63,000 and April 2020 program total was 53,000. This is a decrease of 30,000 tires from April this time last year. Ms. Morris relays to the Board that most of these tires came from clean-ups and the counties are not having clean-ups. There is quite a bit of business especially with trucking tires, because at the present time, local businesses are limited to what they are doing, and Wal-Mart has closed their tire stores. Ms. Morris relays that Davis Rubber is not having any trouble getting trailers out to customers or picking them up. Chairman Erwin ask how many trailers do we have here in Saline County and Hunter relays there are two trailers at the Landfill as a collection center for Saline County. Ms. Morris relays that Davis Rubber is managing the private sector and that everyone remained a customer. Ms. Dunn relays that Britt's did not keep a trailer and Ms. Morris relays that Britt's utilizes the tire collection center at the Landfill.

6. Environmental Enforcement Update-Hunter Schelle

Officer Schelle relays that since he started in March 2020, he has investigated 23 cases and they have all been taken care of and cleaned up. There has been a clean up of 81 illegally dumped tires since March and 910 tires collected from the tire trailer between March and May that were taken to Davis Rubber which created 6 manifests. Officer Schelle relays that he has inspected 17 Waste Haulers and at the present time we are adding 2 more Haulers, Anderson and CTS. Officer Schelle has had 93.115 tons cleaned up since he started in March. Officer Schelle relays since the first of the year, the County Road Department has picked up 20.58 tons, Saline County Sheriffs Office has picked up 5.50 tons, and the County Jail has picked up .95 tons. Officer Schelle ask the Board Members if there is anything else they would like to see on the spread sheet and Chairman Erwin ask for a rolling month total so they can see the progression through the year. Officer Schelle relays that is in the works for the next Board meeting. Chairman Erwin ask if there is a lot of dumping because of COVID-19. Officer Schelle comments that when he came in March, there was a lot that had to be cleaned up and inspections that had not been completed, so he was very busy. Things are getting into a pattern and not so busy right now. Chairman Erwin ask how many Haulers do we have now and are they following the rules that have been set in

place and Officer Schelle relays there are 34 Haulers including the Hot Springs Haulers and that the Haulers are in compliance with what has been set for them.

7. Executive Director Update: Tiffany Dunn

a.) Marketing and Education Report

Chairman Erwin thanks Ms. Dunn for her work in getting a new location for the Board meeting today and the City of Benton allowing us to meet their requirements for the meeting. Ms. Dunn relays that she will see if the next Board meeting could be held here, since the OEM Building is closed to outside meetings. Ms. Dunn relays that there have been a lot of changes and starting in March, Re-Fashion Bash and all events associated with Re-Fashion Bash had to be cancelled due to COVID-19. Benton Event Center has been paid in full and the money will be moved forward for the 2021 Re-Fashion Bash with no additional charges. Ms. Dunn relays that since the school year ended with school online, the Earth Day celebration was done online as well. Some of the schools participated virtual by doing a planting activity and taking a selfie and presented it to be a part of a drawing for a gift card. We are looking and discussing what the YEA! Team Program will look like for the upcoming year depending on how school is structured for 2020-2021. We did complete the Coloring Book and they have just arrived at the office. The children that participated in the Coloring Book have been sent copies of the Coloring Book in the mail and it will be another two years before another book is published.

Ms. Dunn relays that there was an E-Waste drop off at Bishop Park last week with a huge turn out and they filled 4 roll offs. Chairman Erwin asked what form of advertising does Ms. Dunn feel like is the most beneficial for our District? Ms. Dunn relays FACEBOOK has a lot of engagement.

Chairman Erwin ask if we are required to advertise this in the newspaper at all and Ms. Dunn responds, not the events. Ms. Dunn relays that she felt the needed to advertise this event due to the length of time between the events due to COVID-19 and this year the E-Waste events have been quarterly and not monthly, so they are ready, and in the mindset for the event. Ms. Dunn relays that we do get phone calls to the office and relay to the customer that they can dispose the E-Waste at Habitat if their need is immediate. Ms. Dunn relays to the Board, during the short time that Hunter has been here, she was able to get Shane Knight, former employee, to come and work with Hunter so that he could be licensed. Because of COVID, the academy was closing the in person classes for licensing, Ms. Dunn contacted DEQ and coordinated with Jennifer Merritt for Shane to administer the test in the office and DEQ's Judge swore Hunter in and Ms. Merritt brought the license and his ceremony took place on April 3, 2020 at the Courthouse Gazebo. Ms. Dunn relays to the Board that she was part of a Webinar with Arkansas Environmental Federation and they used Hunter's licensing ceremony as part of how to handle licensing during COVID. Judge Arey ask what Hunter's test score was, and Ms. Dunn proudly relays 92. Ms. Dunn relays to the Board that one of our Haulers, Stanley and Sons, is looking into providing recycling to their customers. Stanley and Sons would set up alley cats at their location in East End as a private collection to their customers once a week. Stanley is interested in purchasing alley cats and the District does own some alley cats that are housed at Bin There Dump That. There is a lot of research being done to gather information concerning these alley cats that are owned by the District because they were purchased with Grant money in 2012. Ms. Dunn feels the best solution is to contact DEQ to get correct procedure and rulings concerning the alley cats. Chairman Erwin ask what the intent would be of the alley cats and Ms. Dunn relays if Stanley and Sons is interested in purchasing and refurbishing them for recycling that would be better than sitting on the yard. Chairman Erwin ask how many do we have and Ms. Dunn mentions there are several not used and there are several that are used to pick up recycling at the non-profits and Chairman Erwin asks Ms. Dunn to keep them in the loop concerning them.

b.) Landfill Coupon Program

Ms. Dunn relays that since COVID, the office has been very busy and we are just seeing a decline. At the beginning, we were seeing 40 people a day in the office for the coupons. Judge Arey relays everyone is off work and ready to get rid of their junk; and all agree. Ms. Dunn mentions that the percentages of coupons used this year is 41% and the homes receiving coupons is 2207.5. Ms. Dunn relays the office is very busy on Monday and Friday; they clean out on Saturday and Sunday and are loaded and ready to go to the Landfill on Monday.

b.) Recycling Report

Ms. Dunn mentions that we still are picking up from our non-profits and we received a check from Natural State for the first time in a year in the amount of \$15.00, so we are rocking recycling. E-Waste is very busy and please notice the 21,823 pounds that were collected in February. This is attributed to the E-Waste event that we had in February. Ms. Dunn relays that the schools that we were collecting from stopped in March and the schools that Republic picked up has continued weekly and we will be re-evaluating that pick up in August or September.

8. New Business

No new business to report.

9. Old Business

No old business to report.

10. Public Comments

No one present due to COVID.

Motion made to adjourn by Mr. J. R. Walters and seconded by Ms. Jennifer Hill.
Motion passed.