

Hamblen County/Morristown Solid Waste Board of Directors Meeting

Minutes: March 15, 2024

Hamblen County Health Department Conference Room

Board Members Present: Tom Rush-Chairman, Bill Brittain- (Ex-Officio/County Mayor), Dennis Barnes-(Ex-Officio/Director), Mike Bell, Bob Garrett, Tim Horner, Matt Lacy, Pat McGuffin and Ventrus Norfolk.

Absent: Will Sliger

Others Present: Paul Lynch, Steve Bostic, Reuben Robertson, John Burgin, Tim Hendrick, Ron White, Stephanie Clonce and Public.

Meeting Called To Order: Tom Rush

Mr. Rush called the meeting to order at 9:00 a.m.

Presentation: None

Public Comment/General Public Forum: None

Approval of Minutes: Tom Rush

Mr. Lacy made the motion to approve the February 16, 2024 minutes and Mr. Horner seconded the motion with all board members in favor.

Financial Report: Paul Lynch and Tom Rush

1. Review of February 2024 Financials- Mr. Lynch stated that it was a pretty clean month. The balance sheet will show the final payment of \$702,667.50 for the GFL Land Purchase. Mr. Lynch stated that February's total income was \$281,022 which exceeded \$251,580 for the month ended February 2023. Net income for February 2024 was \$114,783 and fiscal year-to-date net income was \$429,086 before depreciation.
2. Mr. Rush stated that interest rates at First Horizon and LGIP were at 2.14% and 5.32% respectively.

Manager's Report: Dennis Barnes

1. Mr. Barnes stated that the TDEC inspection has been completed, but they have not sent it to us yet.

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2. Mr. Barnes stated that our new compactor had a small fire a couple of weeks ago and the fire suppression system put it out. The cab will have to be taken off to access the damage, and hopefully, it does not have much damage.
3. Mr. Barnes stated that we have had a fire smoking over at the Class III landfill for around three weeks now. It keeps moving around so we are putting dirt on it and trying to smother it out.

Engineer's Report: Steve Bostic & Reuben Robertson

Mr. Bostic updated the board on the engineering projects going on at the Landfill (see attachment).

Mr. Bostic discussed that he is trying to get TDEC to let us use the tire shreds to put under the gravel on the roads to help with drainage.

Mr. Bostic stated that TDEC had approved the stormwater extension on the expansion site.

Mr. Bostic stated that the lowest bid for completing construction of the landfill expansion was \$15,376,406.50. Mr. Brittain asked if we would need more than \$6.5 million in additional debt financing assistance that he is requesting from the county commission. Mr. Lacy stated his concern that we may need another \$2 million to \$3 million if the project goes over budget. Mr. Bostic stated that the cost will have to be watched on the excavating. The contractor is only supposed to dig down five feet and add the gravel. If they dig down too much, then we will have to pay for double digging.

Unfinished Business: Tim Horner, Bill Brittain & Tom Rush

1. Mr. Horner discussed with the board the PDS contract. Mr. Horner stated that it comes down to the language in the contract. Mr. Sargent from PDS had another lawyer look at the liability and confidentiality clauses. The only problem that Mr. Sargent has is that other competitors could get his pricing and services information. Mr. Rush stated he would need a motion to approve the PDS Managed Services Agreement and PDS Master Terms & Services Agreement. Mr. McGuffin made the motion to approve the PDS Managed Services Agreement and PDS Master Terms & Services Agreement. Mr. Lacy seconded the motion with all board members present in favor.
2. Mr. Rush stated that Rodefer Moss Audit had increased their proposed annual audit fee from the current amount of \$12,000 to \$15,000 per year for the 2024-2026 audits. The

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counteroffer that we sent them for \$13,500 was declined by Rodefer Moss, and they also pulled their original quote of \$15,000 leaving us to bid out the Audit Services.

3. Mr. Brittain gave some background on the additional \$6.5 million needed to complete the financing of the landfill expansion. Mr. Brittain stated that the larger expansion design that was bid extends the life of the expansion from 14 to 24 years giving the City and County an option to re-finance the bonds issued in 2022 and 2023 in 2028 to extend their lives and avoid a tipping fee increase to pay off the debt. Mr. Brittain stated that the County Commission will vote at its meeting on March 21, 2024 on a 20-year, \$6.5 million bond issue with the condition that the Solid Waste System agrees to reimburse the County for the bond payments.

Mr. Bostic stated that by summer the excavation portion of the project should be complete, and he can determine if more funding will be needed. Mr. Rush stated that the Solid Waste System has \$2.86 million in the LGIP capital account and \$2.55 million in the LGIP general account. Mr. Rush suggested the Solid Waste Board transfer \$2 million to the LGIP debt services account to assist with debt service requirements for the bond issue until the 2022 and 2023 bonds can be refinanced. Mr. Brittain stated the cost of the bond issue would be \$250,000 and would be paid from the proceeds of the bond issue.

4. Mr. Rush stated that the credit card company Elavon stated that we could not raise our credit card service charge over 3% without paying hefty fines.
5. Mr. Rush stated that the signed GFL Land Purchase documents, TDEC transfer of the Solid Waste Disposal Permit, and Traveler's Insurance documents are included in the packet for the board member's review.

New Business: Tim Hendrick & Tom Rush

1. Mr. Hendrick from East Tennessee Development District went over the 2023 Recycling Annual Progress Report with the board members stating that our diversion rate at 56.7% was a little less than 2022 but will go up when all the numbers are in from 2023. Mr. Lacy made a motion to approve the report to be sent into the State of Tennessee and Mr. Horner seconded the motion with all board members present in favor.
2. Mr. Rush stated that he would need a motion for a request for proposal (RFP) to bid out our audit services. Mr. McGuffin made a motion to issue a (RFP) to bid out audit services and Mr. Lacy seconded the motion with all board members present in favor.
3. Mr. Rush stated that we would need to nominate and appoint a new vice chairman for the board, since Mr. Jackson resigned. Mr. Lacy made a motion to nominate and

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appoint current board member Mr. Pat McGuffin as vice chairman and Mr. Horner seconded the vote with all board members present in favor.

Adjournment: Tom Rush

Mr. Rush adjourned the meeting at 9:50a.m.

Tom Rush-Chairman



Bill Brittain


