

Hamblen County/Morristown Solid Waste Board of Directors Meeting

Minutes: June 20, 2025

Hamblen County Health Department Conference Room

Board Members Present: Tom Rush-Chairman, Patrick McGuffin-Vice Chairman, Chris Cutshaw-(Ex-Officio/County Mayor), Dennis Barnes-(Ex-Officio/Director), Mike Bell, Bob Garrett, Tim Horner, Matt Lacy and Will Sliger.

Absent: Ventrus Norfolk

Others Present: Amy Hemminger, Steve Bostic, Matthew Davis, Joey Barnard, Ron White, Andrew Ellard, Chris Capps, Stephanie Clonce and Public.

Meeting Called To Order: Tom Rush

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

Public Comment/General Public Forum: None

Approval of Minutes: Tom Rush

Mr. Lacy made the motion to approve the May 16, 2025 minutes, and Mr. Bell seconded the motion with all board members in favor.

Budget Approval: Tom Rush and Amy Hemminger

Mr. Rush stated that we would skip this agenda item until we discuss some of the items appearing later the agenda pertaining to the budget approval.

Following those items, Ms. Hemminger started at the beginning of the budget and stated that the changes made at the June 6, 2025 workshop meeting are reflected in the proposed budget including salaries. Ms. Hemminger explained the overtime increase is an estimated number based on the increase in salaries that may be a little high to be conservative in the budget. We have discussed engineering services because estimated costs were provided at the workshop. We added a new line item for consulting for \$10,000, and the State insurance amounts were updated according to the revised proposal they presented. Cyber insurance will be renewed in December, so Ms. Hemminger just did an estimate for that and added the items we just talked about. She offered to answer any questions.

None of the income has been changed since the workshop. With additional expenses of the \$400,000 for the GEOS CQA proposal, \$120,000 for the dozer and \$50,000 for LDA (for a total of

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\$570,000), the increase in net position is now \$402,398. Mr. Rush stated that the tipping fees were going from \$50 per ton to \$60 per ton beginning August 1, 2025. The allocation for the tipping fee is \$32 for operating, \$20 for debt service and \$8 for capital. There will be no change for the 2025/2026 fiscal year in the recycling tipping fee which will remain at its current rate at \$40 per ton. Mr. Rush stated that the board has the proposed changes that have been made to our budget and would like a motion to approve the 2025/2026 fiscal year budget. Mr. Horner made a motion to approve the 2025/2026 fiscal year budget, and Mr. Bell seconded the motion with all board members present in favor of.

Financial Report: Amy Hemminger and Tom Rush

1. Review of May Financials- Ms. Hemminger stated that the balance at the end of May in the sweep account at First Horizon is larger than normal but noted that the funds were used in early June for the City bond payment that is included in accounts payables, bond interest expense and debt service. This payment was just under \$341,000. We will also be making transfers for the first quarter of 2025 capital and debt service tipping fees, so the balance will change quickly. On the income statement, a quiet month overall noting the purchase of the thermal imaging camera for just over \$2,000 to identify the fires and the City bond payment.
2. Mr. Rush stated that the interest rates at First Horizon are at 2.15% and LGIP are at 4.28%, respectively.

Manager's Report: Dennis Barnes

1. Mr. Barnes thanked the board for the raises for the employees. He said it would go a long way.
2. The TDEC inspection had no violations. Paula Plont with TDEC wanted a bear cloth skimmer installed and a pump put in. She wants the slag dumped in a different place. There were no fires or smoke this month.

Engineer's Report: Steve Bostic

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

Unfinished Business: Tom Rush

1. Mr. Rush stated to the board that we have completed the ACH policies and requested them to be approved as one since they go together. Mr. Horner made a motion to

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approve the ACH Electronic Business System and the Pre-Implementation Statement policies subject to approval by the State of Tennessee Comptroller's Office to go into effect on July 1, 2025, which is subject to change depending on the state's approval date. Mr. Lacy seconded the motion with all board members present in favor.

2. Mr. Rush stated that we have a contract agreement for the "stop/pause-work" with Ettl. Mr. Rush stated that Attorney Chris Capps has reviewed it, made some changes, and approved it. Mr. Barnard stated that it would be beneficial for both parties. Mr. Rush stated that he would like this to be approved with an effective date of June 20, 2025 along with authorization for Mr. Barnes to sign the contract agreement when Attorney Chris Capps completes the changes. Mr. Lacy made a motion to approve the contract agreement with an effective date of June 20, 2025 and authorize Mr. Barnes to sign the contract agreement once Attorney Chris Capps makes the final changes. Mr. Sliger seconded the motion with all board members present in favor.
3. Mr. Barnard asked the board about the change order agreement, because Ettl has been asking for it for their insurance and that has been 10 months ago. Mr. Rush stated that we would have it for the July meeting. Attorney Chris Capps stated that it needed to be taken care of at the July meeting.

New Business: Tom Rush, Steve Bostic, and Andrew Ellard

1. Mr. Rush stated that this part pertains to approving the budget, so he asked Mr. Bostic to explain the LDA budget since it has changed since our May draft budget workshop. Mr. Sliger inquired if, after we get the permit, any other charges would occur. Mr. Bostic stated that he did not know of anything. Mr. Bostic stated that PFAS may incur some expenses through MUS for the groundwater. Mr. Rush stated that he was trying to get an insight into what might happen and any costs that may occur. After much discussion, it was determined \$50,000 was sufficient to include in the budget for expansion engineering.
2. Mr. Rush stated that the State Insurance proposal was in the packet for approval. Mr. Barnes stated that Mr. Sliger called them about some of the vehicles and saved us around \$1,000. Mr. Sliger discussed the vehicle schedule and said State Insurance is running some of the older vehicles again for savings. They may change deductible and remove the lawn mower and forklift because they cannot be replaced with a deductible. State Insurance will get us a new proposal when the changes are made. Mr. McGuffin made a motion to approve the proposal with the specified changes, and Mr. Horner

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seconded the motion with all members in attendance in favor. Mr. Rush stated that in December we would renew the cyber insurance.

3. Mr. Rush stated that GEOS budget number for the expansion CQA would be \$400,000. Mr. Rush was wondering if this would happen on this year's budget or would it be next year. Mr. Barnes stated that if we do not get the permit for a year from now, it will be started after next year's budget.
4. Mr. Rush asked if we needed to consider the dozer quote. Mr. Barnes stated that it cannot wait any longer, because we are in desperate need of this machine. Mr. Rush mentioned that in the email from Stowers it states that the lease/purchase interest rate would be 5.49% with a minimum term of 24 months. Mr. Barnes stated that we could trade the scraper for the dozer, but Stowers is not interested in the machine. Mr. Lacy stated that we could take the scraper to the auction to sell or just keep it for now. Mr. Rush asked Attorney Chris Capps to tell us our options for financing the new dozer. Mr. Capps stated that we would have to make a lease purchase, so we would need to go back to Stowers and see what options we would have. Mr. Capps stated that he would check to make sure that we can do a lease purchase option. Mr. Barnes stated that we would not have a payment until the machine is delivered to us and that it could be 6 to 8 months. Mr. Rush stated he ran the numbers on the 5.49% lease/purchase option offered by Stowers. The payment would be approximately \$25,604 for a 24-month term lease and approximately \$17,532 for a 36-month term lease. Mr. Lacy stated that we need to vote on this so we can get it ordered instead of waiting another month to vote on it. Mr. Ellard stated that he is working on an RFP for MUS and would like to see if the city could pick up the dozer on that to finance for us. He stated that he would be getting the numbers back next week from Cumberland Securities. After considerable discussion by the board, Mr. Lacy made a motion to approve the purchase of the D6 dozer at the purchase price of \$580,690.55 and not to exceed the 5.49% interest rate on a 36-month lease/purchase after attorney Chris Capps looks into this with the exception that we are exploring other financing options. Mr. McGuffin seconded that motion, and all board members present voted in favor. Mr. Rush stated that we will add to the budget for 6 months payment of \$17,531.85, which will be \$105,191.13 on this year's budget. This will be on the high side, but we can change the numbers when Mr. Ellard gets his information next week. Mr. Lacy asked if we could just put in \$120,000 the budget for delivery or something extra to be on the safe side and we can change the numbers in July when we receive our information. Mr. Rush asked Mr. Barnes if we needed the excavator also, and Mr. Barnes stated that as hard as it is going to be we can just wait on

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it. Mr. Rush asked Mr. Ellard when he needed to know our answer. Mr. Ellard stated he would know next week when the RFP comes back whether he will be able to help us or not. Mr. Rush asked him to let us know what our options would be.

Adjournment: Tom Rush

Mr. Rush adjourned the meeting at 10:15 a.m. Mr. Horner made a motion to adjourn the meeting, and Mr. Lacy seconded the motion with all board members present in favor.

Tom Rush-Chairman

Handwritten signature of Tom Rush in black ink, written over a horizontal line.

Chris Cutshaw-Mayor

Handwritten signature of Chris Cutshaw in blue ink, written over a horizontal line.