

**CUMBERLAND COUNTY
FINANCE COMMITTEE MEETING
WEDNESDAY, AUGUST 5, 1998, 2:00 PM**

Present: H. Mac Tyson II, Chairman
Ed G. Melvin, Commissioner
Rollin W. Shaw, Commissioner
Cliff Strassenburg, County Manager
James Martin, Deputy County Manager
Cliff Spiller, Assistant County Manager
Neil Yarborough, County Attorney
Howard Abner, Finance
John Bittle, Solid Waste Management
Darlene Smith, Solid Waste Management
Rhonda R. Davis, Deputy Clerk to the Board
Press

Chairman Tyson called the meeting to order.

INVOCATION: Cliff Strassenburg, County Manager

1. Approval of Minutes: July 6, 1998

MOTION: Commissioner Shaw offered a motion to approve the July 6, 1998 Finance Committee meeting minutes.

SECOND: Commissioner Melvin.

VOTE: UNANIMOUS

2. Update on BCH Project and Commercial Solid Waste at the Ann Street Landfill.

Mr. Strassenburg advised an auction was held for the BCH property on July 14th. The property was not sold in its entirety to one person. It was sold in bits and pieces. The Materials Recovery Facility (MRF) was sold to The Green Team out of San Jose, California. This company specializes in recycling. It was sold for \$750,000 which equates to about .07 cents on the dollar. They are getting ready to break down the equipment and ship it. They are considering venturing into this area in their business and offering the County a proposal to do our recycling for us.

John Bittle, Deputy Director of Solid Waste Management advised he will be meeting with some of The Green Team representatives next week. Dupont is still interested in purchasing energy from the boilers. Representatives of The Green Team have spoken to Dupont, Bladen and Hoke counties and Fort Bragg. The representatives have gone back to their main office and are advising there are some possibilities here in Cumberland County.

Mr. Strassenburg advised a joint City-County Work Group has been organized to work on the recycling issue. James Martin is a member of the group as is Jimmy Teal with the City of Fayetteville. An initial meeting has been held and they are looking at options. The group is moving forward on the assumption that The Green Team will not be doing any recycling work for the County. As a part of the BCH auction, the County did get the Bankruptcy Trustee to relinquish the scales and scale house to the County. The County now has two sets of scales at the landfill. This will allow the County to provide better service. The Work Group will meet again next Tuesday and a presentation will be made to the City-County Liaison Committee at their next meeting on August 20th.

James Martin offered a report on the reduction in tonnage at the Ann Street Landfill. He presented a handout (Attached as Exhibit "A"). He noted the report includes only one month's actual results. There was a reduction in the month of July of 2,110 tons. They tried to project what the reduction in tonnage would be for the remainder of the fiscal year. If the funds hold true, the County will experience a loss in revenue of approximately \$974,039 by the end of June '99. He thinks the County can withstand the loss if it is in the projected range at least for this fiscal year. He thinks the County should hold firm on the tipping fee to see if the tonnage rate changes at all. If the County changes it's tipping fee, it will need to be reduced a lot in order to compete with BFI in Sampson County. The County may or may not get ARS to begin bringing their commercial solid waste back to the Ann Street Landfill and the County could have much more of a financial loss if the tipping fee is reduced. He feels the County should hold firm on the tipping fee for now.

Commissioner Shaw stated she also feels the County should wait before making any reductions in the tipping fee.

Commissioner Melvin and Chairman Tyson also stated they felt the tipping fee should remain as it is now.

Chairman Tyson asked what could be done to reduce the revenue loss.

Mr. Strassenburg stated the County could drop the tipping fee way down. If the County lowers the tipping fee just a little, we will only receive less revenue and won't get any more trash brought to the landfill. We will see an impact on operations. The landfill will still need the same number of people burying the trash. The recycling committee will be looking at all fees and the impact.

Chairman Tyson asked if the tonnage projections stay in the range presented would it be indicative that the County could get out of the garbage business. Does the County have to be in the garbage business.

Mr. Strassenburg stated the County could do that, but would have to provide a means for disposal. His concern with getting out of the garbage business would be all the current consolidation of companies. Many small counties have closed their landfills because they could not afford to comply with EPA regulations. Approximately 50 landfills in North Carolina have been closed. If the County gets out of the garbage business, there are only two major facilities that could service us. They are landfills in Montgomery and Sampson counties. He is also concerned the County could wake up one day and only have one landfill and one operator to choose from. The prices could go way up in that situation. There would be no way of knowing what would happen.

County Attorney Neil Yarborough arrived at the meeting.

Mr. Strassenburg then referenced an article in the "Atlanta Journal" regarding the concerns about monopolies in the waste industries and the fact that the public could not be in a good bargaining position.

Commissioner Melvin asked if the County would save money at this point if it had a deal with BFI.

Mr. Strassenburg stated the County could probably save money if it could get the same fee that BFI is charging ARS.

James Martin stated the County has looked at that scenario before and the cost averaged out to be more per ton that it costs us to handle it.

Mr. Strassenburg advised the County could also lose its permit if it does not keep the landfill operational.

Commissioner Melvin stated the County could still do some minimal dumping in the landfill in order to keep its permit.

John Bittle advised the County would still have the costs associated with enforcement, container sites and hazardous materials.

Mr. Strassenburg advised Solid Waste Management has more duties than the disposal of solid waste. When the County took proposals the last time, we could not get anyone to run the container sites. The County cannot get out of the Solid Waste Management business altogether.

Chairman Tyson stated he agreed with Commissioner Melvin in that one option should be to use a private enterprise to cut down on what is going into the landfill and cut our losses. Could the County doing a minimal operation at the landfill be looked at.

Mr. Strassenburg said staff could look at doing a minimal operation and see if it is an option.

Commissioner Shaw stated she feels the County needs to see if we are handling things in regard to solid waste that other counties are not and if we stopped would it be cost effective.

Chairman Tyson asked if the way to find out who could handle these operations would be to ask for bids.

Mr. Strassenburg stated the County could do a Request for Proposals (RFP's) and see if it would be feasible to get a private company to handle these operations.

MOTION: Commissioner Melvin offered a motion to request that staff do requests for proposals on solid waste operations for the County and bring these proposals back to the Finance Committee for consideration.

SECOND: Commissioner Shaw

VOTE: UNANIMOUS

3. Other Committee Concerns

No other committee concerns were raised.

MOTION: Commissioner Shaw offered a motion to adjourn.

SECOND: Commissioner Melvin

VOTE: UNANIMOUS

Meeting adjourned at 2:30 PM.