

## Saline County Regional Solid Waste Management District

### Board Meeting Minutes

June 15, 2011

Board Members Present: Judge Lanny Fite, Mr. J.R. Walters, Mr. Jim Erwin, and Mr. Bob McKeon

Board Members Present by Proxy: Mayor Arey (proxy Judge Fite)

Others Present: Mr. Michael Grappe', Executive Director; Mr. Sam Ed Gibson, Attorney for SCRSWMD; Mrs. Tai Marshall, employee; Mr. Jim Goble, Inter-District Tire Program; Mr. Jon Roberts, PCRSWMD; Mrs. Christy Peterson, Saline County Personnel Manager

Judge Fite called the meeting to order. Judge Fite recognized four Board members present in person and one present by proxy (Mayor Jeff Arey). Judge Fite asked everyone to sign in on the sign in sheet.

**Reading of Minutes:** Judge Fite stated the first order of business was the reading of the minutes. Mr. J.R. Walters made a motion to approve the May 2011 meeting minutes. Mr. Jim Erwin seconded the motion. All were in favor and motion passed.

**Financial Statement and Financial Position:** Mr. Grappe' went over the account balances. Mr. Grappe' read the district operation report and recycling report. Mr. Grappe' asked if there were any questions. Mr. Erwin asked if the Non Sufficient check listed had been cleared. Mrs. Marshall stated yes, the non sufficient check was received in February, a letter was mailed out, and the man paid the cost of the check plus a returned check fee in May. Mr. J.R. Walters made a motion to accept the financial statement and position report. Mr. Bob McKeon seconded the motion. All were in favor and motion passed.

**Inter- District Tire Update:** Mr. Goble apologized for being absent at the last meeting. Mr. Jim Goble introduced his Executive Director for the Pulaski County RSWMD, Mr. Jon Roberts. Mr. Goble stated that the tire program is still looking good. Mr. Goble stated the numbers parallel, which means everything is in excellent financial shape.

#### **Recycling Update:**

**Saline County Task Force Update:** Mr. Jim Erwin stated that he would like to resign his position as the Saline County Task Force Chairman. Mr. Erwin stated since he was now an appointed Board member he could no longer be the chairman of this committee. Mr. Erwin stated that there were only three people at last month's task force meeting and he basically just updated them on what is happening in recycling at this time.

#### **Executive Director Update**

**Presentation of Spot Audit Report:** Mr. Grappe' stated that as of April 20, 2011, he had Yoakum, Lovell, & Company perform a snap shot audit showing exactly what financial position the district was in. Mr. Grappe' stated that there was a red flag for the vacation & sick day payment made to Mr. Jones before his termination date (which is located at the bottom of the first page). Mr. Grappe' stated the reason for the red flag was because he was paid a large amount and there was no real documentation for that at the time of the audit. Mr. Grappe' stated that the documentation for this has been recovered since then and has been sent to the account to review. Mr. Grappe' stated the Board could discuss this later in the meeting in Executive Session if they wanted.

**Solid Waste Plan Review:** Mr. Grappe' stated that the Solid Waste Plan is now on the District's website if anyone wanted to look at it. Judge Fite stated that the Solid Waste Task Force was created to help draft the Solid Waste Plan, and asked if there is still a need for this committee now that the Plan has been submitted for ADEQ. Mr. Grappe' stated that there is not a need for the committee at this time. Mr. Jim Erwin made a motion to dissolve the Task Force at this time, but leave the option open to recreate this Task Force again if needed in the future. Mr. Bob McKeon seconded the motion. Motion passed with no opposition.

**Office Location Update:** Mr. Grappe' stated that included in the board packets is a copy of the floor plan for the new office. Mr. Grappe' stated that he has checked out prices of other buildings around town, and this is the lowest cost he could find. Mr. Grappe' stated the rent will be \$350/month plus utilities. Mr. Grappe' stated that he contracted Heritage Engineering to perform a preliminary investigation into the building for ADA compliances and found the site to be wholly inadequate in that regard. Mr. Grappe' stated that the original demolition cost would be \$20,000. Mr. Grappe' stated that he found ways to modified the structural changes and reduce the cost significantly to make the effort feasible over the five year lease period. Mr. Grappe' discussed the plans on changes for the office.

**Debt/Credit Report:** Mrs. Marshall stated that as of April 20 there were a total of 41 customers; after finance charges were written off, there were 22 debtors that owed the District and 12 customers with credits. Mrs. Marshall stated as of today there are 17 debtors; 5 have contacted and promised to pay; 3 are set up on payment plans; 1 company filed bankruptcy; and 6 have not responded to the registered letters that were sent out. Mrs. Marshall stated that there were 12 businesses that had accrued credits, and all of those credits have been reimbursed to the customer except for 2, which have not been able to be contacted. Mr. McKeon asked if we could run an ad about the credits for these businesses. Mrs. Marshall replied that she and Mr. Grappe' had discussed this, but the District would spend more running the ad, than what is owed to the customers (\$64.88). Mr. Gibson said that the District would be in existence for quite some time so as long as the money is still there, that will just give the accountant something to question, but to keep trying to contact. Mr. Erwin asked if these companies that owe that have had no contact were still in business. Mrs. Marshall stated that she is working on figuring that out. Mr. Erwin said that he could try to get information for Jocon and give to Mrs. Marshall. Mr. Erwin asked if Dewpoint had filed bankruptcy. Mr. Grappe' stated no they had not filed, but instead sold all their assets to Mid Arkansas Waste, and there is no longer a contact in this area for Dewpoint. Mr. Grappe' stated that he and Mrs. Marshall are collecting the information to give to our attorney to handle this account. Mrs. Marshall stated she would have an updated report at the next meeting. The Board

thanked Mrs. Marshall for her hard work on shrinking the list down and handling this matter in such a short period of time.

**New Focus Update:** Mr. Grappe' stated that he had met with New Focus of Benton and discussed their plans of operation. Mr. Grappe' stated that Mr. Gary Beck is the contact for New Focus and he is now a tire collector for Davis Tires in Saline County. Mr. Grappe' stated that New Focus is also going to be a white goods collector and they have their license to collect refrigerants. Mr. Grappe' stated that as of July 1<sup>st</sup>, we will let people know that they can take their white goods to him. Mr. Grappe' stated that we are not limiting this to just New Focus, if there are others that would like to be collectors, those will be welcomed and made public as well. Mr. Grappe' stated that he also met with the editor of the Saline Courier on Monday and discussed printing articles from the director for updates on recycling to keep the public informed. Mr. Grappe' said this will be coming soon.

**Roll-Off Recycle Container Update:** Mr. Grappe' stated that the new roll off containers are in place. Mr. Grappe' stated that the bins still have the old labels on there as well as the new labels, and this has confused some people. Mr. Grappe' stated we are ordering new stickers and this problem will be corrected soon. Mr. Grappe' also stated that he is in contact with a few other recycling companies to place more containers at other locations. Mr. Erwin asked about the update on the Bryant area. Mrs. Marshall stated that the Bryant roll off is now in place. Mr. Grappe' stated that Republic will pick up the four roll offs, at no cost to the District, and the District will help monitor the containers and notify Republic when they need to be serviced. Mr. Erwin asked what will be accepted in these new roll offs. Mr. Grappe' responded with plastics, paper, and metal and this includes all paper. Mr. Grappe' stated that he had a meeting Monday with Carol Bevis concerning E-Waste. Mr. Grappe' stated that they are working to get several Districts together as a public entity working with Goldman Recycling to provide an E-Waste program for citizens. Mr. Grappe' said that the District currently takes its E-Waste to L&W in Little Rock, and Pulaski County takes its E-Waste to Unicare. Mr. Grappe' stated that ideally the goal is to get everyone involved, get an infrastructure in place, and bring in more E-Waste. There was some discussion about this.

**Composting Issues:** Mr. Grappe' stated that there is still a roll off at the landfill designated for yard waste. Mr. Grappe' stated that everyone calls and comments that they want a place to take their yard waste, but we have yet to find a business willing to let us place a yard waste roll off once a month for collection of this. Mr. Grappe' stated that he has spoken with Hurricane Lake Estates, and they're discussing the issue and we should know something by the end of the month. Mr. Erwin how big of an area do we need for this. Mr. Grappe' replied that a 25' by 10' spot for the roll off and room for people to pull up, unload the yard waste, and leave. Mr. Grappe' stated that we are not taking in as much yard waste as we thought we would be at this time. Mr. Grappe' stated that last month, Republic hauled two or three loads to American Composting. Mr. McKeon asked if there was a size limit on the limbs for yard waste. Mr. Grappe' replied that the yard waste is merely just yard trimmings, grass clipping, leaves, small limbs, and things of that nature. There was a question about the new roll offs. Mr. Grappe' stated that we have five roll offs and only four have been placed, and we're still looking for a location for the fifth roll off. Mr. Grappe' also stated that the Haskell roll off site needed a new concrete slab where the new dumpster is, and the District will be handling that soon. Mr. Grappe' stated that he is in contact

with Terry's Waste, and we will have more businesses involved soon and roll offs county wide. Mr. Grappe' stated that several trash companies are going to be involved.

**HR Manual Update:** Mr. Grappe' stated that the District currently does NOT have a HR program in place. Mr. Grappe' stated that he has been working on this, with the help of Mrs. Christy Peterson, and is developing an HR program similar to the County's.

**Waste Hauler's Meeting Notice:** Mr. Grappe' stated that next Tuesday, June 21<sup>st</sup> at 7p.m. – 10p.m. at the OEM, he is holding a private meeting for all the waste haulers of Saline County. Mr. Grappe' stated that he has notified all of our waste haulers by mail. Mr. Grappe' stated that this meeting is to discuss several different items, one being the condition the waste hauler vehicles should be in to pass inspections. Mr. Grappe' stated that recycling will be discussed and how waste haulers can/should do this. Mr. Grappe' is encouraging each trash company to start a recycling program. Mr. Grappe' stated that they would also be discussing what is to come in the future. Mr. Grappe' stated that "the writing is on the wall – we are going to do recycling on the curbside." Mr. Grappe' stated that it depends on the response that the haulers give whether it is a voluntary program or has to be mandated. Mr. Grappe' stated that he would like for the haulers to help with this movement, but will go for an RFP if needed. Mr. Grappe' also stated that he would like to avoid the RFP if at all possible. Mr. McKeon asked if this would be open to the public. Mr. Grappe' stated this would be a closed working meeting between himself and the haulers. Mr. Erwin asked if Mr. Grappe' had gotten a good response from the haulers about this so far. Mr. Grappe' stated that two out of about 30 haulers, Terry's Waste and Republic, had contacted him and stated they would be present. Mr. Grappe' stated that these companies are eager to work with this process.

**Green Team Update:** Mr. Grappe' stated that he had been meeting with several schools green team leaders to discuss future recycling plans for the school districts. Mr. Grappe' stated that it's the District's goal to help the schools move forward in these efforts, and he has asked the schools he's met with what kind of things they need that the District can help with to move forward for promoting recycling. Mr. Grappe' stated that Bethel Middle School, one of our Green Schools in Saline County, has hopes for a green house to start a composting program. Mr. Grappe' stated that Benton schools needs help repairing the building where they collect all of their E-Waste because it has some storm damage. Mr. Grappe' stated that the District has goals for helping with these requests. Mr. Grappe' has spoken with the schools about a sponsorship program, offering a \$500 scholarship/award, for school teams/groups helping with the collection of yard waste. Mr. Grappe' stated that between now and the start of the fall semester, we are working on getting a private firm to go in, offer the same service for paper pick up that the District supplied, very similar to Pulaski County's current program. Mr. Grappe' stated that Matthew Adams from Goldman Recycling, and he have been meeting with the schools Green Team leaders to develop this at no charge. Mr. Grappe' added later that the District has money for a logo, and that this school year, he will be incorporating the schools in the development of the District's new logo, possibly through a logo contest. Judge Fite stated that he would like to put that on next month's agenda and talk about that and the possibility of shortening the District's name.

**Website Update:** Mr. Grappe' stated that the District now has control over its website. Mr. Grappe' stated that he settled with M-Com Technologies and has hired a new webmaster, the same webmaster that the County uses. Mr. Grappe' stated that the website is [www.salinecountyrswmd.com](http://www.salinecountyrswmd.com). Mr. Grappe' stated that this is a work in progress and things are being added almost daily to bring this site up to date. Mr. Grappe' briefed the Board on how this process occurred. Judge Fite asked if we could start a glossary of recycling terms to add to the website. Mr. Grappe' replied that we would work on this.

**Budget Update:** Mr. Grappe' stated that he is currently developing a budget for the District to present to the Board at the July meeting.

### **Old Business**

**Resolution 3 or 4 Adoption:** Mr. Bob McKeon made a motion to repeal Resolution 3 that implemented Flow Control. Mr. J.R. Walters seconded the motion. All approved. The motion passed with no opposition. Mr. Bob McKeon made a motion to repeal Resolution 4 that implemented the landfill tipping Fees. Mr. J.R. Walters seconded the motion. All approved. The motion passed with no opposition.

**By Laws Adoption:** Mr. J.R. Walters made a motion to accept the newly amended By-Laws. Mr. Bob McKeon seconded the motion. All approved. The motion passed with no opposition.

### **New Business**

**Grant Program Status – Recycle Fund needs to reflect \$135,221.23 and remainder to be moved to General Fund (\$91,587.07):** Mr. Grappe' stated that he learned after meeting with ADEQ several times that the District was incorrectly handling the grant money. Mr. Grappe' stated that the grant funds were placed in an account along with any revenue made from recycling. Mr. Grappe' stated that the grant funds are supposed to be held separately, and that the money for revenue needed to be moved out of the recycling account to properly reflect the grant money. Mr. J.R. Walters made a motion to take \$91,587.07 and move that money to the general fund to leave a remainder of \$135,221.23 in the recycling fund to correctly identify grant money. Mr. Jim Erwin seconded the motion. All were in favor. The motion passed with no opposition.

**Interlocal Agreement with Pulaski County Regional Solid Waste District:** Mr. Grappe' asked to table this discussion until the next meeting. Mr. Bob McKeon made a motion to table this point until the next meeting. Mr. Jim Erwin seconded the motion. All were in favor. Motion passed with no opposition.

**Office Expenditures:** Mr. Grappe' stated that he purchases two printers, a roll of stamps, and sundry items for the Solid Waste Plan which totaled approximately \$600. Mr. J.R. Walters made a motion to accept this information. Judge Fite asked for any discussion. Mr. Gibson stated that the Board by motion annually sets policies authorizing approval of expenditures for the director, which is currently set at \$5000, and this does not have to be listed out monthly in the meetings or seek Board approval unless it exceeds that amount. Mr. J.R. Walters withdrew his motion. Mr. Erwin asked how much furniture

the District has that we will be taking to the new office. Mrs. Marshall stated there is lots of office equipment, a conference table and chairs, several desks, etc. Mrs. Marshall stated that we will keep most of the office equipment and furniture, and some files will remain with Republic and we'll take the rest. Judge Fite stated that we would probably look into purchasing all new furniture once we moved.

Judge Fite introduces Mrs. Christy Peterson, the Saline County Personnel Manager. Judge Fite stated that he had asked Mrs. Peterson to attend the meeting today, because she had been helping the District work out some employment issues and the new HR policy.

#### **Employee Hours Discussion/Payroll Issues/Need for Part Time Help/APERS Issues:**

Mr. Grappe' stated that currently Mrs. Marshall works 32 hours per week and Mr. Adams works 39 hours per week. Mr. Grappe' stated that he needs their hours to be moved up to 40 hours per week to handle the business to be taken care of. Mr. Grappe' stated that after researching some issues for the accountant, we have discovered that some payroll issues concerning APERS payments on employees were not being handled correctly. Mr. Erwin asked what computer program the District currently uses to do payroll. Mr. Grappe' replied Sage Peachtree but will be switching to Quick Books in about a month. Mr. Erwin stated that he figures they were only allowing Mrs. Marshall to work 32 hours per week, because you don't have to pay benefits at that number. Mrs. Peterson replied that employees don't receive any benefits (such as sick/vacation, insurance, etc.) at that rate other than APERS. Mrs. Peterson also stated that any employee that works 80 hours in a one month period for three consecutive months is to receive APERS benefits. Mr. Grappe' stated that the District had not been doing this. Mrs. Peterson stated that Mrs. Marshall will have to contact Mrs. Hinson from APERS to get this all taken care of, but the District will be responsible for going back and paying delinquent service on the employees this was not paid on. Mr. Erwin asked if the Board would be fined for this. Mrs. Peterson replied, yes the Board will be fined for the delinquent service payments. Mrs. Peterson stated that every pay period contributory employees should pay 5% and the District has to contribute the employer rate as well. Mr. Erwin asked where the District came up with 32 hours. Mrs. Marshall responded that the Board met her when the landfill sold, and asked how many hours a week she worked, which was 38 to 40 doing general office duties. Mrs. Marshall added that after the next Special Meeting, when Mr. Brown was let go, Mr. Jones told her that the Board had instructed him to cut her hours back to 32 hours per week. Judge Fite stated that he could not discuss what went on during executive session, but Mrs. Marshall was considered part time, and her hours fluctuated as needed by the interim director and office manager. Mr. Erwin asked how many hours a week he need Mrs. Marshall to work and Mr. Grappe' responded 40 hours per week. Mr. Grappe' stated that he needed both employees to work 40 hours per week, being considered affirmative part time employees and their contributory APERS payments will begin July 1<sup>st</sup>. Mr. McKeon asked if the employees do time cards. Mr. Grappe' stated yes, and he will be signing these every pay period. Mr. Grappe' stated that the time card machine is broke, and he opted to not replace this because there are only 2 employees, but he does oversee the employees' hours. Judge Fite stated that Mr. Grappe' and Mrs. Marshall and finding lots of little things that have needed to be handled and are correcting them. Mr. Erwin asked if the state would get the District for this. Mrs. Peterson stated that APERS will probably give a little hand slap, but the District is not the only business unaware of this, and it can easily be corrected. Judge Fite stated that this is not

uncommon. Mr. Grappe' also stated that he was going to change the pay period to every other Friday instead of every other Monday. Mr. Grappe' stated that due to the sale of the landfill, the District is no longer opened on Saturdays or Sundays, therefore, he would like to adjust the pay period to reflect the current hours of operation. Mr. Grappe' stated that he only has one employee doing the recycling. Mr. Grappe' stated that he would like to hire some other part time help to assist Mr. Adams in the Recycling Department, so that we can get the building prepared to vacate the premises.

Mr. Jim Erwin made a motion to allow the Executive Director to take care of all the issues that were just discussed – the employees' hour increase, APERS issues, payroll issues, and need for part time help. Mr. Bob McKeon seconded the motion. All approved. Motion passed with no opposition.

**Arbitrage Statement:** Mr. Gibson stated that this was not included in the agenda but place in the Board packet, and he would like to bring the Board up to date. Mr. Gibson explained that upon the sale of the landfill the outstanding balances on the revenue bonds the District was issued were paid off, which kicked in a requirement to test the financial transaction to determine if the District would be owe anything to the IRS. Mr. Gibson stated that the Arbitrage statement shows that the District does not owe anything to the IRS. Mr. Gibson stated that this will allow the bond trustee to refund to the District what is accumulated in excess of what was necessary to pay off the bonds. Mr. Gibson stated that he will handle this for the District. Mr. Gibson stated that the next step is to get the Closure/Post Closure Trust dissolved and he will be working on that as well. Mr. Gibson also stated that the District is still carrying a Capital Improvement Fund that will no longer be needed because the particular bond for that is not in place, and the Board will need to approve by Board action on what to do with this money as they see fit.

Judge Fite asked if the information to be discussed in executive session had been turned over to the auditor. Mr. Grappe' replied yes. Judge Fite asked the Board if they felt it was necessary to table the discussion until they heard back from the auditor. Mr. Erwin asked if they could go into Executive Session to bring him up to date on what had happened. Judge Fite asked Mr. Gibson if the Executive Director could be present for the executive session. Mr. Gibson responded only if the issue to be discussed was about Mr. Grappe' and his employment future or history. Judge Fite called the Board into Executive Session. Mr. J.R. Walters moved the motion, and Mr. Bob McKeon seconded the motion. All approved. The Board came back from Executive Session 10 minutes later.

**Public Comments:** There were no public comments.

Judge Fite entertained a motion to adjourn. Mr. Bob McKeon made a motion to adjourn. Mr. J.R. Walters seconded the motion. All were in favor. Motion passed with no opposition.