

**CUMBERLAND COUNTY
FINANCE COMMITTEE MEETING
MONDAY, JULY 6, 1998, 2:00 PM**

Present: H. Mac Tyson II, Chairman
Ed G. Melvin, Commissioner
Cliff Strassenburg, County Manager
James Martin, Deputy County Manager
Larry Carter, Director, Solid Waste Management
Howard Abner, Finance
John Bittle, Solid Waste Management
Rhonda R. Davis, Deputy Clerk to the Board
Press

Absent: Commissioner Rollin Shaw

Chairman Tyson called the meeting to order. He noted the main item of business to be discussed during this meeting today was brought to his attention by County Manager Cliff Strassenburg in a memorandum dated June 29, 1998. This memorandum asked that he, as Chairman call a special meeting of the County Finance Committee to discuss this issue. Chairman Tyson asked that this memorandum be incorporated into and made a part of the minutes. (The memorandum is attached as "Exhibit A")

1. Approval of Minutes: June 4, 1998

MOTION: Commissioner Melvin offered a motion to approve the June 4, 1998 Finance Committee meeting minutes.

SECOND: Commissioner Tyson

VOTE: UNANIMOUS

2. Discussion of Commercial Solid Waste Issue Regarding the City of Fayetteville.

Mr. Strassenburg advised until July 1st of this year, the City had contracted solid waste pickup with ARS and took a "first pickup" and required that ARS take the solid waste to the Cumberland County landfill in conjunction with the BCH project. The City of Fayetteville, in a decision to cut expenses did away with the "first pickup" and solicited for bids. This solicitation indicated that the hauler could take the solid waste to the landfill of their choice. ARS received the bid from the City of Fayetteville and will be taking the City's solid waste to the BFI landfill because their tipping fee is substantially less than the County's. The County's tipping fee is \$37.00 per ton. This fee does not just pay for the disposal of solid waste into the landfill, but supports all facets of the solid waste program. This would include the Wilkes Road and other container sites located throughout the County. This tipping fee also subsidizes the Solid Waste User Fees charged to County residents. If the County's commercial waste is diverted somewhere else, there will be a shift in revenues without a shift in the operating costs of the Solid Waste Management department, as they will still

have to operate as usual. Management has had to try to decide whether to change the tipping fees, or wait to see what the effects will be and then there may be the need to increase the Solid Waste User Fee later on.

Commissioner Tyson asked if the commercial fees were subsidizing the residential tonnage dumped in the landfill or was the Solid Waste User Fee subsidizing the commercial tonnage being dumped.

Mr. Strassenburg advised the commercial fees are subsidizing the residential tonnage. The analysis shows if the tipping fee was reduced the County would capture more tonnage than we currently do, but we may merely offset or just break even on the fees.

Commissioner Tyson asked about the expected life of the County's landfill cells.

Larry Carter stated the current life of the first five cells is 2.18 years per cell.

James Martin then reviewed the handout information regarding the following:

1. Tonnage at the Ann Street Subtitle D. Landfill.
2. The expected operating life of the landfill in correlation to the tonnage dumped per year.

(This item is attached as "Exhibit B")

Mr. Martin then reviewed the second handout (This item is attached as "Exhibit C"). He advised that if the tipping fee were reduced, the household fee could increase as much as \$14.41. The current household fee is \$48.00. If the County's tipping fee went to an amount of about \$23.00, the County could not turn down any commercial waste and this would more than likely increase the tonnage going into the landfill a great deal, thereby filling the cells more rapidly.

Commissioner Melvin noted he was leaning toward supporting Option 1 to reduce the tipping fee and bring the City of Fayetteville's commercial trash back to the landfill.

Commissioner Tyson stated he does not want County residents to subsidize commercial businesses. He then asked about reducing the tipping fee. Could we possibly see a smaller or not as large a Solid Waste Management Department as we currently have.

Mr. Strassenburg stated the Solid Waste Management Department recently cut some staff and reduced operating costs to the citizens. The biggest cost to the Solid Waste program are the rural container sites. If reductions are made that could reduce the operating hours of these container sites or close them altogether. The Cliffdale site accounts for one-third of the costs for transportation. Private haulers could work out at that area to pick up residential trash, but the citizens may complain about having to hire a private hauler when they have been able to take their trash to the container site for free.

Mr. Carter noted the site on Wilkes Road is a benefit to the citizens and the County as it allows them to dump their household hazardous waste for free.

Commissioner Tyson stated that if they don't keep some cushion on the commercial haulers' fee then the County will have to go up on the residential customers user fee. He has no problem with slowing the amount of tonnage going into the landfill. If the City wants to have their trash taken to another landfill, he has no problem with that.

Mr. Strassenburg noted the City now has an agreement with ARS and no longer has first pickup. ARS is free to shop for where they want to dispose of their trash. If the County lowers the tipping fee and gets commercial haulers back, who is to say BCH may not lower their tipping fees and get into a bidding war with the County. He does not feel a bidding war would be something that would be beneficial to the County.

Commissioner Tyson stated he is in favor of letting the tipping fee stay the same and lowering the production at the landfill.

Mr. Strassenburg stated that would not help as the County would eventually have to subsidize the loss of revenue from commercial tipping fees or close rural container sites. He feels the closing of rural container sites would not be accepted well by County residents and would cause dumping in wooded areas and on private property.

Commissioner Tyson asked if this item could be considered at the August meeting of the Finance Committee.

Mr. Strassenburg stated they may want to see what will happen with the BCH project auction. They would also better know the commercial fee and tonnage loss due to the decrease in the amount the City dumps.

Commissioner Tyson asked what was happening with Fort Bragg at this time and where they were planning to dump their trash.

John Bittle stated Fort Bragg has bid this out and received bids but he has been unable to find out who got the bid and what will happen at this point. Fort Bragg is currently dumping their trash at the County landfill.

Mr. Carter and Mr. Bittle stated they would recommend that the County keep the tipping fee to commercial haulers at the current rate, as they anticipate it will cost more for ARS to haul the trash they are picking up to the BFI landfill as it is a 52 mile round trip. They would like to wait and see what happens.

Mr. Strassenburg stated the Committee may want to hold off the discussion of this matter until their August meeting because they will better know about the BCH project and the reduction in the City's tonnage at that time.

MOTION: Commissioner Melvin offered a motion to delay action on this matter until the

August 6, 1998 Finance Committee meeting in order to obtain results from actions to be taken on the BCH project and the reduction in the tonnage dumped into the County landfill by the City of Fayetteville.

SECOND: Commissioner Tyson
VOTE: UNANIMOUS

Mr. Carter noted the next phase of landfill cells have to be done. The funds for the engineering have already been budgeted and the funds are available and earmarked to pay for the cells. They will have to complete cells six or eight according to the permit to properly close the cells.

3. Other Committee Concerns.

No other committee concerns were raised.

MOTION: Commissioner Melvin offered a motion to adjourn.
SECOND: Commissioner Tyson
VOTE: UNANIMOUS

Meeting adjourned at 2:55 PM.