

APPROVED 6, 15 2020

EXHIBIT D

SENATE COMMITTEE ON CITY, COUNTY, AND LOCAL AFFAIRS HOUSE COMMITTEE ON CITY, COUNTY, AND LOCAL AFFAIRS MEETING JOINTLY

MINUTES

Monday, March 2, 2020

The Senate and House Interim Committees on City, County, and Local Affairs met on Monday, March 2, 2020, at 10:00 a.m., Multi-Agency Complex (MAC), Room B, Little Rock, Arkansas.

Committee members present: Senators Gary Stubblefield, Chair; Gary Leding, Vice-Chair; Scott Flippo, and Terry Rice. Representatives Lanny Fite, Co-Chair; Fredrick Love, Vice-Chair; Frances Cavanaugh, Cameron Cooper, Carol Dalby, David Fielding, Lee Johnson, Milton Nicks, Jr., Johnny Rye, and Matthew Shepherd

Other members present: Senators Ronald Caldwell, Linda Chesterfield, Jonathan Dismang, Kim Hammer, Bart Hester, and Mark Johnson. Representatives Fred Allen, Stan Berry, Craig Christiansen, Bruce Cozart, Andy Davis, Jim Dotson, Denise Ennett, Kenneth Ferguson, Charlene Fite, Vivian Flowers, Justin Gonzales, Steve Hollowell, Douglas House, Roger Lynch, Tippi McCullough, John Payton, Arron Pilkington, Jamie Scott, Keith Slape, Stu Smith, Dwight Tosh, DeAnn Vaught, and Carlton Wing

The meeting was called to order by Representative Lanny Fite. The purpose of the meeting was to discuss policy and funding concerning public waste tire collection centers and the community development block grant program.

Motion to Consider Approval of the January 13, 2020, Meeting Minutes [Exhibit C]

Representative Cavanaugh made a motion to approve the meeting minutes of January 13, 2020. The motion was seconded by Representative L. Fite, and without objection, the motion carried.

Discussion of Policy and Funding Concerning Public Waste Tire Collection Centers [Handout 1 and Exhibits D2 and D3]

Mr. Craig Douglas, Executive Director, Regional Recycling and Waste Reduction District (RRWRD), was recognized and provided an overview on the Inter-District Waste Tire Management Program (IDWTMP) [See Handout 1 for details]. Various points were made regarding the tire program cost analysis that included:

- IDWTMP covers 9 counties
- Processed 888,333 tires in calendar year 2019, of which 9,173 were classified as “fee paid”

- Hauling and processing costs totaled \$1,754,757
- Cost of operating the 9 county district in calendar year 2019, achieving the objectives and mandates of Act 317 of 2017, and Regulation 36, totaled \$1,951,558

Mr. Douglas stated increasing the rim removal fee would generate an additional \$700,000 - \$1,000,000, which would cover the deficit of the XL tire program. He also recommended restricting public collection centers to the public.

Ms. Melissa Rivers, Executive Director, East Arkansas Planning and Development District (EAPDD), was recognized and presented a PowerPoint presentation titled, “East Arkansas Waste Tire Inter-District” [See Exhibits D2 for details]. She stated the Inter-District has partnerships with the EAPDD, Solid Waste Management District, the Mississippi County Solid Waste District, and the Northeast Arkansas Solid Waste Management District. Eleven rural counties are served. The EAPDD and its partners focus on managing waste tire collection and disposal for the benefit of communities, managing compliance with state laws and regulations, and managing in a fiscally responsible way.

Regarding policy and funding public cleanup sites, the EAPDD follows Arkansas Regulation #36 Tire Accountability Program (TAP) guidelines pertaining to the cleanup of sites referred to the district. All efforts are made to work with state and local officials to facilitate the cleanup of the state. Moreover, future clean ups will be paid for through the abatement program in TAP or with the property owner on a per ton basis prior to clean up activity due to the diversity of tire sizes. Ms. Smith concurred with Mr. Douglas’ statements regarding the concern with the overall cost to operate the collection and processing of waste tires. The cost that is discussed does not include the cost to facilitate the cleanup of a significant illegal dump. Ms. Smith stated the cost per tire for the district is \$2.89, noting it is difficult to help clean up the communities when there is no funding. Ms. Smith concluded by discussing some of the challenges and concerns for the District through the new TAP Program which include:

- Carrying cost for the district requires approximately \$250,000 of cash on hand from the start of the quarter to receipt of reimbursement
- The 10% reduction would eliminate the district’s financial ability to deliver the program to communities
- Ongoing demand for timelines regarding cleanups that there are not funds available to accommodate the demand

After providing a detailed breakdown of the \$3.00 rim fee, Representative Fite suggested the program be moved to the local level to levy their prices, as every tire district is unique and different. He added there may be a need to appropriate a one-time fund to clean up all the tire dumps across the state, noting he would like to discuss this issue further before the next legislative session to address the problem.

Ms. Jan Smith, White River Regional Solid Waste Management District (WRRSWMD), and **Mr. Tracy Wallace, Used Tire Manager, (WRRSWMD)**, were recognized and presented a

PowerPoint presentation titled, “White River Regional Solid Waste Management District” [See Exhibit D3 for details].

Ms. Smith stated White River District serves ten counties in rural Arkansas. Mr. Wallace noted each county has one permitted public tire collection center. Eight of these centers are manned, operated and maintained by city/county entities and the other two are privately owned. There is not a designated funding source from TAP other than the business plan rate of \$2.38 per tire. Since 2006, the District has been operating a waste tire monofill, which is almost full. Other options are being explored to dispose of tires, as the state will not offer permits for an additional monofills. Regarding policy and funding public cleanup sites, residents are informed they can dispose up to 4 tires of any size per calendar month and additional tires can be disposed of by a fee set forth by the District. Moreover, the District offers assistance of leasing a short term trailer to accommodate larger cleanups. Trailers are located at waste tire collection centers where residents of the District may discard the waste tires.

The District’s total actual operating costs for 2019 was \$667,199 with a per tire cost of \$2.70 for the four quarters. In response to a question by Representative Payton regarding input on localizing the tire program, Representative Fite replied, I do not have a specific plan today. The plan may need to come from the Districts and others to address the issues. Representative Fite would like to meet after the fiscal session, to discuss the aforementioned issues with the Arkansas Department of Environmental Quality and the Department of Finance and Administration.

Overview of Community Development Block Grant (CDBG) Program [Exhibits E1 and E2]

Ms. Jean Noble, Director, Grants Management, Arkansas Economic Development Commission (AEDC) and Mr. Jim Hudson, Executive Vice President, Operations and General Counsel, AEDC, were recognized and discussed the Arkansas Community & Economic Development Grant Program (ACEDP), and State CDBG for Small Cities Program [See Exhibits E1 and E2 for details].

Mr. Hudson provided a brief overview of the CDBG. The CDBG represents the largest part of the granting capability at AEDC. The core mission of the CDBG is business, recruitment, and retention. In addition, the CDBG assists communities in their development needs to be competitive in business recruitment and business retention. The CDBG launched the new assistance grant program and funded 23 projects throughout Arkansas. Ms. Noble gave an overview of the State CDBG for the small cities program. All Arkansas counties and cities other than the 13 “entitlement cities” are eligible for ACEDP grants. Entitlement cities receive their own CDBG funding directly from the Department of Housing and Urban Development. The CDBG grants cannot be made directly to nonprofit organizations, for-profit companies or individuals. All CDBG grants must be made to a city or county only. Ms. Hudson stated they are in the process of planning for the 5-year consolidated plan for 2020, noting notification was received from HUD regarding an increase in funds. The CDBG will receive \$18.4 million in 2020, which is a \$550,000 increase.

There being no further business, the meeting adjourned at 11.57 a.m.