

LAW AND FINANCE MEETING  
Wednesday, April 25, 2012  
Held Immediately Following the Special City Council Meeting  
At 1:00 P.M.  
Council Chambers

The Law and Finance Committee met on Wednesday, April 25, 2012, immediately following the Special City Council Meeting held at 1:00 P.M., in the Council Chambers at City Hall. The meeting started at 1:20 P.M. The following people were present:

Law and Finance Committee:

Mayor Cornelia Olive	Council Member Rebecca Wyhof
Mayor Pro Tem Sam Gaskins	Council Member Walter McNeil, Jr.
Council Member L.I. (Poly) Cohen	Council Member James Williams
Council Member Jimmy Haire	Council Member Charles Taylor
City Manager Hal Hegwer	City Clerk Bonnie D. White
City Attorney Susan Patterson	

Mayor Olive called the meeting to order. She welcomed long-time Senator A.B. Swindell in the audience.

Consider Presentation from JoBrent Austin with Waste Industries, Inc. – (Exhibit A)

Ted Habets, from Waste Industries, introduced JoBrent Austin, Travis Hitchcock and A.B. Swindell from the company. He presented Council with a welcome letter summarizing some of the topics he will talk about regarding Waste Industries. He said that in the summer of 2013, the City's current contract for solid waste and recycling collection services expires. He mentioned that Council is currently considering a proposal to extend its contract with the current contractor, Waste Management.

Mr. Habets gave a bio on Waste Industries; it is a privately-owned solid waste collection and disposal company. They were founded over 40 years ago in Raleigh and they are still based there. *Forbes Magazine* recently recognized Waste Industries as one of the top 200 small companies in America. It is a family-oriented business. The company's first employee, Jim Perry, is still involved with the company and sits on the board as the chairman of the board of directors. They service customers throughout the southeastern United States. Within the reach of Sanford, they have collection operations in Raleigh, Durham, Graham, Greensboro, and Fayetteville.

Since 2008 when they were in the running for the City's contract, they have developed their business substantially in Moore County and feel they can offer the best value and highest levels of service to the City. They have enjoyed a lot of growth in Lee, Moore and Chatham counties. They are looking to site another hauling facility in the area as he speaks.

He said that Waste Industries offers the standard household solid waste collection, and promotes curbside recycling services using large 65 or 95 gallon rolling carts. They also have a partnership with a company that allows them to offer incentive-based recycling perks for recycling services. Their experience has shown that just converting to a large rolling cart increases participation rates on recycling.

Mr. Habets said that municipal work is a large part of their business. They service 176 municipalities in North Carolina. One of the features they are currently working on is a live on-line web portal from municipal customers that facilitates communication and documentation on all service requests from them and their customers to ensure smooth service delivery and open lines of communication. They also provide commercial and industrial collection services to a number of businesses in the area.

Mr. Habets announced that they have a new, compressed natural gas fueling station going online in Durham, North Carolina. In the second quarter of 2012, their fleet in Durham is being converted to CNG trucks. These trucks will soon be out in the community servicing customers. You will see them in the Town of Pittsboro soon as they start to integrate those trucks into their fleet.

He said that the biggest point they wanted Council to know is that they are aware of the savings other municipalities in the area have enjoyed recently by putting their contracts out to bid. He noted that the City of New Bern, City of Lumberton, Columbus County, and the Town of Pittsboro chose to not extend their existing service agreements. As a result of the competitive bidding process, they have enjoyed from 10 to 30 percent cost savings.

Mr. Habets said that they feel if Sanford's contract goes out to bid, we would enjoy similar savings.

Council Members asked questions regarding carts, the compressed natural gas, and the overflow of garbage.

Mr. Taylor stated that as Council goes through the process, be reminded of protecting the integrity of our bid process.

Ms. Wyhof said she has been asked about expanding the number of items that can be recycled in their rolling carts. She asked if they can have a list included in the bid process.

Consider Ordinance Repealing the Handicap Parking Restriction on a Parking Space Located in Front of 321 N. Steele Street of the City of Sanford – (Exhibit B)

City Engineer Paul Weeks informed Council that staff has received a request from the resident at 321 N. Steele Street to repeal a no-parking restriction in front of her house. According to the resident, the previous resident was handicapped and had requested this handicap parking spot in front of the house. She is no longer living at that house so the current resident would like to have it repealed.

Consider Ordinance Amending the Annual Operating Budget of the City of Sanford FY 2011-2012 - (Exhibit C)

City Engineer Paul Weeks advised that after the tornado last year, one of the outcomes of that disaster was our water and sewer rights-of-way were blocked by fallen debris and trees. We needed to get those cleared so we could maintain our water and sewer lines. Staff bid the project out and hired a contractor and paid the contractor. The work was completed and we have recently received reimbursement from FEMA for the funds that were spent to clear the rights-of-way. Those funds went into the General Fund account and not into the sewer capital account

from which we paid the contractor. Staff is asking Council to move that reimbursement from the General Fund to Sewer Capital so they can spend those funds on sewer projects.

Consider Lease for Community Garden on Hudson Avenue – (Exhibit D)

Public Works Administrator Laura Spivey stated that this lease is for Lots 10 and 11 on Hudson Avenue in the Washington Park Redevelopment area. The lessee is Crystal B. McIver with Steele Bridge Life Coaching. The lease would be for a period of one year beginning May 1, 2012. The lots would be used for a community garden project in which Ms. McIver has a committee of volunteers and community people that would like to see this project proceed. She has also asked, that considering the planting season is coming to a close, if Council would consider her going ahead and starting the project this week. Mayor Olive asked if there was a provision in the lease that stated she would return the lots to its clean state once the garden is over. Mrs. Spivey replied that the lease gives Ms. McIver the option to renew the lease after one year if she would like to continue the garden the following year. The lease states that anything put on the lot would be removed such as a bench, etc. She said the lot has to be maintained the same way that City personnel maintain it, which means keeping it mowed and cleaned. It was the consensus of Council to let Ms. McIver to proceed with her plantings.

Consider Recommendation for Classification and Pay Study – (Exhibit E)

City Manager Hal Hegwer said this will be a budgetary issue and staff did not talk about this at the retreat. He would like to budget this plan in next fiscal year's budget.

Human Resources Director Christy Pickens said that the request is to include \$32,000 in Fiscal Year 2012-2013 to cover the estimated cost of a classification and pay study. She stated that maintaining competitive jobs and associated pay grades is a strategic priority for the City that enables us to attract, recognize and retain valuable workers. In an effort to maintain a competitive edge, the City regularly participates in various annual wage and salary surveys. We have also had the North Carolina League of Municipalities to conduct classification and pay plan studies for us in the past years. Through the use of a consultant, we had a modified study completed in 2006. The salary data was solicited from eleven public agencies and recommendations were submitted at that time to the City for consideration. The City implemented one of the recommendations which was to add one additional step to the pay schedule; however, there were no changes implemented to any of the positions, salary grades, or to employee salaries at that time. The last comprehensive study that we have had was in April 2000. During that time we had job descriptions reviewed and updated; salary data that was collected from public agencies; classification decisions were made; and employee salaries were adjusted to maintain the competitive position in the local area market.

Mrs. Pickens said it has been twelve years since the study was done and staff is recommending that we complete a new study this upcoming year. They will look at including a review of the current job descriptions to ensure that the incumbents and supervisors have the opportunity to make sure they are still accurate and thorough. Staff will conduct an analysis and look at verification with those individuals. They will look at new class description development; assignment to proposed classes if they need to make changes to where individuals are classed within that schedule; and collect salary data from similar agencies.

She stated that it will be imperative that the City review specific employee salary data to ensure that the pay compression is not a major concern. Pay compression occurs when we have

a situation where there is only a small difference in pay between employees regardless of the skills or the experience they have. It is also referred to in the market place as salary compression. Salary compression is the result of the market rate for a given job outpacing the increases that are historical given to an employer who has high-tenure employees within the organization. Therefore, sometimes new hires are recruited at a higher rate and you see some differences between that individual and those senior professionals on staff. They can run the salary compression study at the same time they run the classification and pay plan study. As the economy improves, there is going to be some real challenges that the City faces in retaining, developing and finding skilled individuals to fill the necessary and essential services that we have. Mrs. Pickens said that staff is asking Council to review this for consideration in the 2012-2013 budget.

#### Consider Development and Permits Issued Reports – (Exhibit F)

Community Development Director Bob Bridwell gave an update on new building permits and commercial rezoning approvals issued.

#### Other Business

Council Member McNeil stated that regarding the lease for the community garden; the land is urban renewal land and he felt that the city manager should have the authority to sign the leases for the land rather than it being brought back to Council every time someone wants to lease land for community projects such as this one. Attorney Patterson clarified if this is for any city-owned lots within the urban renewal area and if he would like to have a resolution delegating the authority to the city manager to sign leases of a certain period of time (less than ten years) for community based projects. He replied yes. Mayor Olive said that Council would want to know anything that comes up like this. A report would be adequate.

Mr. Hegwer advised that he spoke with Mr. McNeil before the meeting because he had inquired about the lot. In the historic district, there are lots that were purchased through FEMA where we had flooding issues in the past. The Council granted the manager the authority to lease those lots no longer than one year and many of them have been leased for community garden type situations. Mayor Olive said she likes to know where they are because she went by and visited them and she felt it was good to have support from Council. Mr. McNeil said he did not mean to not let Council know about them, but once the lots are leased the information would go to Council. Council could get the information from the city manager about leasing the land.

Mr. McNeil asked if staff could call the State about Horner Boulevard to see when it is going to be paved because a lot of people have had to get their front-ends on their vehicles aligned.

Mr. Cohen advised that early voting started this week and urged everyone to vote. He announced that this coming weekend is Sporting Clays annual major shoot. People will be coming in from all over the country.

Ms. Wyhof congratulated the Town of Broadway on a fantastic festival last weekend. It was a tremendous way for the community to come together and she had a wonderful time.

Mr. Haire invited everyone to the open house of several homes this coming Sunday on the block of Green Street between Gulf Street and Horner Boulevard, from 1 P.M. to 6 P.M. It is a remarkable turn-around on those homes.

Mr. Williams said he received a call regarding the city's tap fee for some residents who already have city water but wanted to put in an irrigation system. They were complaining about the tap fees being higher than Harnett County. Mr. Czar replied that the part they did not tell him was our first tap fee is a lot less than Harnett County's. If you combine the City's two tap fees for a residential tap and an irrigation tap, it is actually less than if you get a residential tap and irrigation tap in Harnett County. We charge the same fee for each tap. Harnett County charges a reduced rate for their irrigation tap but they charge \$1,700 for the first tap.

Mayor Olive invited the public to participate in the Second Annual East Sanford Cleanup. They will be working on McIver Street from Market Street to Seventh Street. The lead team for this year's cleanup is the Sanford Board of Realtors. They are expecting over 200 people to come out and help clean up this area.

Closed Session

Upon a motion duly made by Council Members James Williams, seconded by Council Member Walter McNeil and passed unanimously, Council went into closed session in accordance with N.C.G.S. 143-318.11(a) (1) to prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States or not considered a public record within the meaning of Chapter 132 of the General Statutes.

**ALL EXHIBITS CONTAINED HEREIN ARE HEREBY INCORPORATED BY REFERENCE AND MADE A PART OF THESE MINUTES.**

RETURN TO REGULAR SESSION AND ADJOURNMENT

Having no further business to come before the Law & Finance Committee, the meeting was adjourned upon the motion of Council Member L. I. "Poly" Cohen, seconded by Council Member James Williams, the motion passed unanimously.

Respectfully submitted,

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Cornelia P. Olive, Mayor

ATTEST:

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Bonnie D. White, City Clerk