

LAW AND FINANCE MEETING

Wednesday, May 9, 2012

At 1:00 P.M.

Council Chambers

The Law and Finance Committee met on Wednesday, May 9, 2012, at 1:00 P.M., in the Council Chambers at City Hall. 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.

Consider Presentation by Sanford Rotary Club Regarding the Trailhead on Endor Iron Trail – (Exhibit A)

Tom Dossenbach, President of the Sanford Rotary Club, presented a powerpoint presentation regarding a proposed memorial in memory of Don Buie called the Don Buie Memorial Trailhead Project. Don Buie was a member of the Rotary Club and had a huge fondness for the outdoors and he loved what was happening with the greenway. The purpose of the trailhead project is to enhance the use of the existing greenway by offering access to the current northern termination point off of Douglas Drive. He said they see this as the beginning point for the future extension of the trailway going towards the Endor Iron Furnace. They plan to construct a gazebo with benches adjacent to the trail to provide a rest stop. The next feature is they want to have a water fountain located at that point, because during the summer after a long walk from the other end of the trail, it would be nice to have water fountain at that point. They plan to construct a paved parking lot off of Douglas Drive and the number of parking spaces has not been determined (possibly eight to ten spaces). The next feature is a connecting trail from the parking lot to the gazebo and greenway.

Mr. Dossenbach acknowledged there have been so many people supporting them in this project. He recognized Kirk Bradley and Lee Moore Capital, who have donated the lot to the foundation to move forward with the project.

Mr. Dossenbach said it is their intention to deed this property and all the improvements at the appropriate time to the City of Sanford from their foundation. He stated that in order to move forward with this project, they are asking for the City's assistance in three areas. The first thing they are asking for is for the City to provide the engineering assistance they will need to be sure everything is in compliance and fits with the overall plan of the greenway and requirements for drainage, etc. The second request is for the City to provide water down to the gazebo and water fountain. The third request is they would like assistance in completing the parking lot if they fall short in their funding and in-kind donations. The foundation is putting up \$50,000 in cash. The in-kind donations are the 1.3 acre lot and contractors providing services such as grading, etc. for the project.

Council Member Wyhof asked that when he discussed needing assistance with the completion of the parking lot, if he had an actual budget of what the items are anticipated to cost. Community Development Director Bob Bridwell said they have monies in the upcoming budget for the waterline and supplementary funds for the parking lot. They have been working with the Engineering Department to come up with some estimates for these areas. Mayor Olive asked how much money is appropriated for the waterline. Mr. Bridwell replied \$29,000. Mr. Hegwer added that \$25,000 has been set aside for the waterline and it would come out of the utility fund.

Consider Presentation by the Lee County Environmental Affairs Board – (Exhibit B)

Jane Smith, representing the Lee County Environmental Affairs Board (LCEAB), shared with Council the collective advice of the EAB concerning the possible development of the natural gas industry in our county. She said the recently released preliminary report by Department of Environment and Natural Resources (DENR) on the extraction of natural gas states “DENR believes that hydraulic fracturing can be done safely if the right protections are in place.” According to the EAB’s studies and supported by the DENR report, a number of states have experienced problems associated with the natural gas extraction because the appropriate safety measures were not in place from the beginning. She said we do not want to make that same mistake in North Carolina.

Ms. Smith said that the EAB is encouraging all the local officials and the state legislature not to make the same mistake as other states have done. They believe a regulatory framework needs to be developed with local input and put in place with appropriate funding for staff and resources to enforce the regulations before any gas well permits are issued.

Ms. Smith went over the advice listed on Exhibit B. They offer this advice to help maintain the quality of our most precious resources – people, water, air and land.

Mayor Olive asked if they had thought about going to Pennsylvania. Dr. Foster replied yes. Mayor Olive said that Council has too but has not made any specific plans. She felt it should be done to talk with some of the people who are directly involved who have suffered some problems.

Consider Resolution Authorizing the Advertisement of an Electronic Auction to Sell Certain Personal Property of the City of Sanford – (Exhibit C)

Shop Superintendent Randy Paschal stated that the resolution sets the date for the electronic auction to begin on June 4, 2012, at 9 A.M., on the [www.govdeals.com](http://www.govdeals.com) website. He corrected an error that was listed on the list of surplus vehicles; the Mack CF Fire Truck was listed as a 1997 model; however, it is a 1977 model.

Consider Renewal Contract for Inmate Labor Between the City of Sanford and the North Carolina Department of Correction – (Exhibit D)

General Operations Manager Tim Shaw advised that this is a renewal contract for inmate labor between the City of Sanford and the North Carolina Department of Correction for eight inmates at \$1 per day. The total cost is \$2,080 each year. The present contract ends June 30, 2012.

Consider Resolution to Temporarily Close a Portion of Chatham Street in Support of an Antique Car Show – (Exhibit E)

Downtown Development Manager David Montgomery explained that the resolution temporarily closes a portion of Chatham Street between Charlotte Avenue and McIver Street between the hours of 8 A.M. and 5 P.M., in support of an antique car show to be held on June 2, 2012.

Consider Comprehensive Bicycle Plan Contract and Work Order – (Exhibit F)

Downtown Development Manager David Montgomery advised that Council approved Alta Planning and Design as the planning firm for the bicycle plan. This is the contract and work order for the bicycle plan and staff is seeking approval for the mayor to execute the contract.

Consider Ordinance to Assign Recently Annexed Areas to a City Electoral Ward – (Exhibit G)

Community Development Director Bob Bridwell explained that recently Council approved two annexations in the Tramway area. This ordinance assigns the annexed area on the northeast side of Tramway Road to Ward 4.

Consider Ordinance to Assign Recently Annexed Areas to a City Electoral Ward – (Exhibit H)

Community Development Director Bob Bridwell explained that recently Council approved two annexations in the Tramway area. This ordinance assigns the annexed area on the southeast side of Tramway Road to Ward 4.

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

Community Development Director Bob Bridwell advised that the ordinance appropriates \$10,000 to the Community Development Department's budget for funds to be applied toward the North Carolina Certified Retirement Community Program. It is the \$10,000 application fee that will be necessary for the City's application in July. The application is currently being completed and the marketing plan, which the mayor's committee will be working on, will be completed before the deadline on July 31.

Consider Resolution Delegating Leasing Authority to City Manager – (Exhibit J)

City Attorney Susan Patterson explained that at Council's last meeting, the request was brought to Council for a community garden for a lot that existed in the Brick Capital Redevelopment area or the Washington Park Redevelopment area. At that time, it was noticed that a previous program the City had, was a program in which lots were bought under the FEMA buyout program, within the historic district. In that area, Council had delegated to the city manager the ability to lease those lots to individuals with certain parameters; it could only be for a certain period of time and for certain purposes. Those lots could not be built on and had restrictions placed on them by the FEMA buyout program.

She said that Council Member McNeil requested that we consider the same kind of delegation of authority to lease lots in both the redevelopment areas. There are two designated redevelopment areas; one is the Brick Capital Redevelopment area and the other is the Washington Park Community Development area. Within those areas, due to different activities of the Redevelopment Commission, (which succeeded the City Council has now become the Redevelopment Commission), there are various vacant lots owned by the City. The question was whether Council wanted to delegate the manager the authority to enter into leases in that

area under similar parameters. This resolution delegates that authority to the city manager to enter into lease agreements for periods up to one year under the terms as the manager shall determine (such as put lot back into the same condition it was in) and a general statement that these lots are surplus to the city's current needs. The lease turns over the maintenance and the expense of taking care of the lots during the period of the lease to the lessee.

Consider Solid Waste Overview - (Exhibit K)

Refuse Superintendent Larry Craig stated that he wanted to talk about the City's current solid waste program and a proposal they were presented a couple of weeks ago. The current contract is with Waste Management from 2008 to 2013 for garbage and recycling services. This is residential only; the City does not provide service to commercial accounts. Garbage is picked up once weekly with a 96-gallon rollout cart. Recycling is once weekly with an 18-gallon bin.

Mr. Craig advised that with our current contract, there is an annual renewal at the end of 2013. At the end of 2012, another option is to consider a proposal from Waste Management for a five-year renewal with larger recycling carts. The City could purchase its own recycling carts through a grant from the Department of Environment and Natural Resources (DENR). DENR is providing a \$75,000 grant towards the purchase and Waste Management would continue to be our contractor through this year. Another option would be to submit requests for proposals by January 2013. There is no law that requires us to bid this project. It is a service and it can be negotiated. If it goes out to bid and the low bid is taken, it is not always someone who has the sufficient equipment to do the job.

Mr. Craig went over Waste Management's proposal as listed in Exhibit K. The City's garbage goes to a Sampson County landfill after passing through the transfer station owned by Waste Management. Each year, that rate is determined by the CPI that is between the County and the owner, Waste Management.

Mr. Craig explained that Waste Management's proposal to start this July was to provide the City with 64-gallon carts with a Radio Frequency Identification Tag (RFID). Most manufacturers are putting this tag in the cart. There are a lot of items that can be put in a recycling bin now. The RFID will let you collect data that is good for the management system for analyzing the efficiency and effectiveness of the recycling collection system, such as participation rate; the set out rate, and the trucks are so equipped you can weigh it at each residence. The carts have a serial number. When the new carts are put out, you assign that serial number to that residence so you have all that information. This will be something that DENR requires us to put on the carts (RFID) if we apply for the grant.

Mr. Craig asked Waste Management for a quote on a larger cart. A lot of municipalities are going to the larger cart so we are considering a 96-gallon recycle cart and a 96-gallon garbage cart. He went over the quote presented by Waste Management for different scenarios. He said that Waste Management is willing to waive the CPI this year. This year it was 3.3 percent which equates to about 30 cents per household increase. We currently have 8,825 homes that they service and this would be a monthly savings of \$2,650; that savings over a six-year period (this year and the five-year extension) would equate to \$190,811. By negotiating now, you will save \$2,650 per month. Mr. Craig explained the potential savings by using a larger recycling cart.

Mr. Taylor said that Waste Management has had the renewed contract since 2008 and that the garbage is hauled to Sampson County. He asked who owns the facility in Sampson County? Mr. Craig replied Waste Industries. Mr. Taylor said that Waste Management hauls it to a Waste Industries facility. Mr. Taylor stated that on July 14, they asked for some information on a roll cart for the recycling program and he was surprised that it took eight months before Council could get that information. It would behoove Waste Management now under the current contract to bid a reduced amount of materials they are hauling to Sampson County and be able to put that into Recycle America in their facility in Raleigh and make money off the recycling.

Mr. Craig talked about the advantage of purchasing the carts and answered questions regarding this issue. Mr. Taylor asked for clarification, if the \$75,000 grant could be applicable to whomever the City contracts with for solid waste collection. Mr. Craig replied as long as the City is buying its own carts, it does not matter who picks it up. Mayor Olive asked what is the life span of a cart? Mr. Craig replied 15 years.

Mr. Craig gave a current contractor evaluation of Waste Management. He said they have a proven record of performance. He has a list of the calls they received at the Service Center for the first quarter of this year and there were maybe four or five calls where garbage had been missed; most of the calls are pertaining to issues such as the wheels are off the cart and Waste Management would take care of it. Waste Management pays \$40,000 to \$50,000 each year in local taxes; has a long-term working relationship with the city; maintains a local office; uses local vendors and employs local residents. Mr. Craig said if we do a RFP, we need to keep this in mind and put in the RFP, a requirement that that they have a local office.

Mr. Craig advised that one item in the contract was they could approach us to increase their rates due to fuel. Since 2008, fuel has doubled. He said that Waste Management has never asked for a fuel surcharge.

Mr. Hegwer stated that no decision needs to be made today. He said that staff would like to get a feel for what items council feels is important in order to do a RFQ. The county manager has expressed a concern he has regarding the transfer station. The county plans to talk Monday night about their solid waste fund. Waste Management owns the transfer station; they have a franchise agreement with Lee County to operate it. The County owns the disposal side. The amount of tonnage that comes from the city is leverage when they determine their disposal rate.

Council Member Charles Taylor and Mayor Pro Tem Gaskins felt that the City needs to receive RFQs. Mr. Gaskins said we need to identify the specifications and make it clear so we can get a comparable bid from each company. Mr. Craig said that most of the time when you receive a RFP, there is a sheet where the company has to list the equipment you have to do the job with and we would want to require that information. Mr. Craig said he is not favoring any company; he is just presenting the facts. The decision is Council's.

Mr. Hegwer said that staff will come back with a list of parameters, such as equipment, local office, etc. The Council can see the list and decide which ones are important.

Council Member Taylor said that in fairness to all parties, would it be appropriate to have a consensus taken by Council if they want to use the RFP/RFQ process. Mr. Hegwer suggested

bringing the parameters back to Council to assume that we would be moving in some type of a selection process. The more information you have the better decision Council can make.

Mr. Taylor said we currently have a proposal on the table that could potentially have action taken on Tuesday night and in fairness to all the parties, he would like to have a consensus that we would want to go down the RFP/RFQ process.

Council Members Taylor, Haire, Wyhof, Cohen, and Mayor Pro Tem Gaskins were in favor of using the RFP/RFQ process. Council Members Williams and McNeil, Jr. were not in favor of the process.

Other Business

City Manager Hal Hegwer announced that the City Council will hold a Law and Finance Committee meeting on Wednesday, May 23, at 10 A.M., in lieu of the regularly scheduled meeting scheduled for Wednesday, May 30 in order to hold a budget workshop that day.

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

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