

LAW AND FINANCE MEETING
Wednesday, September 26, 2012
1:00 P.M.
Council Chambers

The Law and Finance Committee met on Wednesday, September 26, 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 Charles Taylor
Mayor Pro Tem Sam Gaskins	Council Member James Williams
Council Member Rebecca Wyhof	Council Member Walter McNeil, Jr.
Council Member L.I. (Poly) Cohen	Council Member Jimmy Haire
City Attorney Susan Patterson	City Clerk Bonnie D. White
City Manager Hal Hegwer	

Consider Resolution in Support of the Temporary Closure of Portions of Several Streets for the Central Carolina Jaycees 2012 Sanford Christmas Parade – (Exhibit A)

Street Superintendent Magda Holloway explained that the ordinance temporarily closes portions of several streets for the Central Carolina Jaycees 2012 Sanford Christmas Parade on Monday, December 3, 2012 between the hours of 6 P.M. and 10 P.M.

Consider Waiver of Bidding Procedures (Piggyback) and Award of Contract to Purchase 9,000 Roll Out 96 Gallon Recycling Containers to Cascade Cart Solutions– (Exhibit B)

Refuse Superintendent Larry Craig introduced Shannon Horner and Scott Downer from Cascade Cart Solutions in the audience. He explained that staff requests the City Council to consider a waiver of the bidding procedures under NCGS 143-129(g) at its October 2 meeting to purchase 9,000, 96-gallon roll out recycling containers from Cascade Cart Solutions. This process would allow the City to “piggyback” on a contract that was bid within the previous twelve months. Waiving the bidding process under this statute would save the City time, money, and would leverage our buying power. He is required to advertise this in the newspaper ten days in advance of the council meeting, which has been done. Cascade Cart Solutions has agreed to extend to the City of Sanford the prices and terms set forth in its contract with the City of Garland, Texas.

He said that in staff’s evaluation process, several cart manufacturers and their carts were reviewed by Sanford Public Works staff. Cascade Cart Solution had the lowest previously bid contract of the others we received and is one of staff’s preferred carts. The larger roll out enclosed recycling containers will increase Sanford’s recycling effort, make it easier for residents to get their materials to the curb for pickup and reduce our carbon footprint in the years to come. Staff recommends waiving the bidding procedure and approving the contract to purchase the recycling carts from Cascade Cart Solutions.

Mr. Haire asked if the \$1.50 in-mold label per unit states what can be put in the container for recycling. Mr. Craig replied yes; staff will have to design a label for our carts and the

company will need that info before the carts are produced. It is a label that is molded into the lid that shows what can be put in the container.

Ms. Wyhof asked what happens if we have a new pickup waste contractor and the list of recycling items changes with the new company; can we put a new label on top of it or how do we handle that matter? Mr. Craig replied that in the bid process, we would have to indicate what we want to be recycled. If the company says they cannot take certain items, then that might be a deciding factor in deciding who is going to be our waste contractor.

Mr. Taylor asked if Cascade Cart Solutions has any materials that have been used in other areas to help promote the use of these carts, whether it is public service announcements, etc. Mr. Taylor said it typically falls under the purview of Waste Management in this particular case. Mr. Craig replied that Cascade Cart Solutions would be more than glad to work with staff to provide us with anything they have available. Staff met with Cascade Cart Solutions this morning and discussed some of the assembly and distribution process and maybe putting a door hanger on the cart as they are distributed, etc.

Consider Ordinance Amending the Annual Operating Budget for FY 2012-2013 – (Exhibit C)

Public Works Administrator Laura Spivey advised that the ordinance amends the operating budget to transfer \$348,000 from fund balance to Sanitation and appropriates the \$75,000 grant the City received from the NC Department of Environment and Natural Resources for the purchase of the roll out recycling containers.

Consider Grant Project Ordinance Amendment - Sanford Farmers Site Infrastructure Cloverleaf Cold Storage – (Exhibit D)

Public Works Director Victor Czar explained that the City has had an opportunity to expand a project that has already been talked about – the Cloverleaf Cold Storage project. The good news is they have accelerated their phase two because they are having some success which means they are adding more jobs than they previously anticipated. This means they have access to additional grant funding through the Rural Center.

The ordinance amendment modifies the existing budget ordinance. We have access to additional funding so the total project would be \$381,000 now, which was previously \$304,500. No City funds are involved with the project. The local match comes from the company and the remainder of the funds comes from the Rural Center.

Consider Ordinance Amending the Annual Operating Budget for FY 2012-2013 – (Exhibit E)

Assistant Financial Services Director Beth Kelly stated that the ordinance amends the operating budget to appropriate \$1,600 from Contingency funds to the Utility Fund Administration Department for software modifications regarding emailed bills to utility customers.

Consider Ordinance Amending the Annual Operating Budget for FY 2012-2013 – (Exhibit F)

Police Major Kevin Gray explained that the ordinance amends the operating budget to budget grant funds in the amount of \$5,000 received from the National Association of Drug Diversion Investigators (NADDI), Inc. It is to be used for enforcement and/or education of

prescription drug abuse problems in the City. The grant was applied for in January and 49 departments received funds from this grant; fifteen of them are in North Carolina. He informed Council that NADDI gave the City a mailbox type box located in the lobby of the Police Department for people to dispose of pharmaceutical drugs in the correct way that are no longer needed with no questions asked.

Consider Resolution Authorizing Sanford ABC Board's Adoption of the Travel Policy of the City of Sanford as the Travel Policy of the Sanford ABC Board - (Exhibit G)

City Manager Hal Hegwer stated that ABC Boards, who adopt the travel policy of the appointing authority, which is the City of Sanford, must certify that the City of Sanford is okay with it and every year they must submit it to the ABC Commission. This resolution authorizes the ABC Board's adoption of the same policy that the City has with minor changes such as the name, etc.

Consider Resolution Declaring the Intention of the City Council to Consider the Closing of Imperial Drive – (Exhibit H)

Administrative Assistant Angela Baker explained that staff has received a petition from CCS Realty Company, the adjoining property owner to Imperial Drive, requesting to close Imperial Drive and revert the property back to CCS Realty. The resolution declares the intent to close the street. Mr. Hegwer added that this is the Cloverleaf property and the new construction takes up the existing roadway for parking and some other issues.

Consider Presentation by John Clayton Regarding Citizens App

City Manager Hal Hegwer said that during budget time, Mr. Taylor stated an interest in the City pursuing an app for the City. Staff has been researching the issue. IT Director John Clayton gave a live demonstration of a mobile app called YourGOV Mobile. It will work on any iPad, iPhone, or Droid System. When you open up YourGOV app, it will go to a map screen. Mr. Clayton showed how you can report issues such as a drainage issue, graffiti, hydrant issue, manhole issue, pothole, etc. Wherever you are at, you take a picture of the street light and it will pick up your address from where you are located and submit it. As soon as you do this, a work request will automatically be generated at the Public Works Service Center and they can dispatch employees to fix the problem. It cost only \$3,100 and this is the best app that he has looked at. Mr. Hegwer added that it allows citizens with their smart phones to give an extra set of "eyes and ears" for us. This technology is fairly new and ties in with our work order system at the Public Works Service Center with Cartegraph now. Cartegraph makes this app and it makes sense to use this app. Mr. Clayton stated that this will be put on Facebook and Twitter, along with the website. Mr. Clayton said it is free to citizens. You can go to the iTunes app store and download this for free.

Mr. Hegwer stated that it cost \$3,100 (upfront cost) with a \$300 recurring cost each year.

Consider Discussion of Bids Regarding Jonesboro Parking Lot and Downtown Sanford Parking Lot - (Exhibit I)

City Engineer II Paul Weeks advised that there are two parking lot diagrams for Council's consideration – the Humber Street parking lot and the Chatham Street parking lot. Bids have been received for both projects and staff needs direction on which way Council wishes to proceed.

Mr. Weeks said that Raleigh Paving was the low bidder for the Humber Street parking lot. There are two different options. The first option is for one parking bay and sidewalk at a bid of \$130,246. It would give 17 parking spaces off of Humber Street. To add the second parking bay (outlined in red on diagram in Exhibit I), it would add an additional 16 parking spaces and would cost an additional \$18,251 for a total project cost of \$148,497. We currently have budgeted \$150,000 for this project. Mr. Weeks said that staff would like to give Council some other options to enhance the parking lot. Staff has been talking with Progress Energy and some independent vendors on lighting and he will bring some more information about to Council about it. One way that lighting is done in parking lots and other areas is that the City enters into an agreement with Progress Energy where they install the poles and lights and bill us on a monthly basis. If we would go this route with Progress Energy, there would be a one-time charge of about \$745 for the lights and a monthly charge of about \$150. You are basically leasing the lights and poles at that point. Progress Energy would take care of the lights, but we pay for that service. There has been some interest in staff pursuing some LED lights. Staff looked at one vendor for the LED street lights, a vendor called Holophane, who we do a lot of work with. They came up with a material cost of about \$20,000. Based on the \$20,000 cost, we estimate installation would be another \$20,000; so total estimated cost would be \$40,000 for LED lighting. Staff is working with other vendors and Progress Energy for leasing options. He will bring the lighting costs back to Council at a later date.

Mr. Weeks would like to get direction from Council to see if they would like to proceed for the full parking lot at a cost of \$148,497. If so, Council needs to add 10 percent as construction contingency should we run into a matter where funds are needed. He pointed out that in the process of bidding, there were two items involved in it. They were bid out as two separate items and then combine them to get these prices. Sometimes when this is done, you double count items and that is what happened in this bid. There is an extra \$7,000 in it that staff does not anticipate being spent. We would enter into a contract for \$148,497 with the contractor but we assume there is about \$7,000 in it that would not be spent because of the double counting.

Council Member Taylor asked if staff had talked with CREE about a partnership. Raleigh did their first LED city in the United States promotion back in 2007 with CREE which is a Research Triangle based company. Mr. Weeks replied yes, and the cost he hears from CREE is considerably less than the cost presented to Council and he does not have a full package from CREE yet. Mr. Taylor asked if CREE will be engaged in this project. Mr. Weeks replied yes.

Mr. Hegwer asked if Council has interest in LED lighting and if they would like for staff to pursue it. Mr. Hegwer said you have the capital cost up front; however, you receive the decrease in lighting cost over time. He asked for any thoughts in philosophy from Council Members on LED and if they are okay with the second parking bay with sixteen spaces.

Mr. Gaskins felt Council should go ahead with the additional parking bay with the difference in the cost. He preferred going with the LED lighting.

Mr. Hegwer added that \$150,000 was budgeted for this project this year. The Chatham Street project was in a prior capital project budget and was carried over into this year. This

project is going to fall within the \$150,000 but it would be a little over depending on which way Council decides to go with the lighting. Mr. Weeks advised that the capital project ordinance he would bring before Council will probably be a little more to take into account the 10 percent contingency. They may need a little more stone, etc. and we would not have to stop construction to come back before Council to appropriate more money. Mr. Hegwer said that sidewalk, and curb and gutter are included in the project. It would run from the project to Lee Avenue.

Mr. Weeks stated that Council appropriated \$400,000 in the 2011-2012 budget for Downtown Sanford. We spent \$159,300 in streetscape design for Steele Street, Horner Boulevard and five intersections. We expect to have contract drawings hopefully at Christmas or right after Christmas. The Chatham Street parking lot design and construction management was \$51,300; Progress Energy Design to put Downtown power grid underground was \$30,000; and Christmas Decorations were \$30,000. We spent \$4,000 for a DENR grant preparation. We found that DENR had a 50/50 matching grant potential for us so we applied for it. We did find out that we were not awarded the money for that grant. We did some additional survey work for \$2,700 and put an ad in the newspaper that had to do with the bidding of the parking lot at a cost of \$99.48. The remaining budget from the \$400,000 is \$122,600.52.

Mr. Weeks advised that the low bidder is Raleigh Paving with a bid of \$327,862. That is well above what is in the budget which is \$122,600. The way the General Statutes are written in a bidding situation, if all the bids are above the amount you have appropriated for the project itself, you select an apparent low bidder and then you enter negotiations with that bidder. If the negotiations fail with that bidder, then you rebid the project. We entered into negotiations with Raleigh Paving with the regards to the bio retention cell. The cell was put in as a demonstration project. It is not something that we need to have but we thought it would be nice for us to start doing this and it is something that DENR is starting to require for larger communities. Unfortunately the funding for the DENR grant failed through so we entered discussion with the contractor – that worked out with a deduction of \$45,875.01. We also talked with the contractor regarding the dumpster pad and enclosures. With respect of what we bid, we bid brick-faced enclosures which are very nice, good-looking enclosures but we felt we might be able to do something less than that, therefore, deducting \$36,000. With these deductions, that brought the bid total down to \$245,986.99.

Mr. Weeks explained that there are a few other options that were bid with the project. If we were to do the streetscape option on McIver Street, there would be an additional cost of \$58,495. If we add in the greenway option, which would run from McIver Street to Charlotte Avenue, it would cost \$11,650. Staff has been in discussion with Progress Energy on the lighting. There is a special type of lighting we use there and we entered into a lease agreement and they would charge us a one-time fee of about \$6,900 to install thirteen lights which would match the same existing lights you see in that area. We would have a recurring charge of \$750 per month. That sounds high but that is typical down there in that area. This gives us a total of \$322,969.91. Remaining funds from DSI appropriation is \$122,600.52 which has a funding difference of \$200,369.39. Progressive Contracting indicated that they would contribute \$51,995 towards this project as part of the Buggy Factory rehabilitation project. This means the revised funding difference would be \$148,374.39 which is a shortfall. Staff needs to know how to proceed with this project.

Mr. Hegwer said there is no hurry today to make a decision. Mr. Weeks advised that the contractor has to hold his bid for 60 days and we are only 30 days into it, so if Council would like to discuss it at the next Council meeting or Law and Finance meeting, that would be fine.

Council Member Wyhof asked for clarification that right now the greenway option does not connect to anything, would it be a future portion of potentially connecting. Mr. Weeks replied yes.

Council Member Taylor asked if we have any local vendors bidding on the project. Mr. Weeks replied that three vendors bid the project and none of them were located in Sanford. It was published in the Raleigh News and Observer and the AGC in Raleigh and typically we are flooded with bids.

Mayor Olive stated that judging from the reaction of the council members, they would like to take the information home to study it and be prepared to discuss it later.

Other Business

Mr. McNeil asked about the City putting up flags for Veterans Day on the main thoroughfare. Mr. Hegwer replied that we have looked at it and we will bring something back to Council to talk about it.

Mr. Taylor stated that there is going to be a very important meeting regarding the U.S. #1/Hawkins Avenue interchange. It will be held on Monday, October 8, 5 P.M. – 7 P.M. at the Dennis Wicker Center regarding the roundabouts. Rob Stone with the Department of Transportation will be leading the meeting.

Mayor Olive said that she was notified today by mail that Sanford has been chosen to be one of the Certified Retirement Communities in North Carolina. We had to apply for this status through the state and this is very exciting. We will receive a considerable amount of publicity from this because it operates through the Department of Commerce, the Division on Tourism.

Closed Session

City Attorney Susan Patterson stated that Council needs to go into closed session in accordance with N.C.G.S. 143-318.11(a) (5) to instruct the public body staff or negotiating agents concerning the position to be taken on behalf of the public body in negotiating the price or the material terms of a contract or proposed contract for the acquisition of real property. So moved by Council Member L. I. "Poly" Cohen, and seconded by Council Member Walter McNeil, Jr., the motion carried unanimously.

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 Rebecca Wyhof, seconded by Council Member Walter McNeil, Jr., the motion passed unanimously.

Respectfully submitted,

Cornelia P. Olive, Mayor

ATTEST:

Bonnie D. White, City Clerk