

LAW AND FINANCE MEETING
Wednesday, February 13, 2013
1:00 P.M.
Council Chambers

The Law and Finance Committee met on Wednesday, February 13, 2013, 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 (left at 1:30 PM)
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 Manager Hal Hegwer	City Clerk Bonnie D. White
City Attorney Susan Patterson	

Mayor Olive called the meeting to order. Mayor Olive read a letter she received in the mail today because she was very proud of it. The letter was from the Government Finance Officer's Association stating the City of Sanford has received the Distinguished Budget Presentation Award. It is the highest form of recognition in governmental budgeting and represents a significant achievement by the City. When this award is granted to an entity, a Certificate of Recognition for budget presentation is also presented to the individual department designated as being primarily responsible for having achieved this award. Mayor Olive recognized and thanked Financial Services Director Melissa Cardinali and her staff for the good work they do.

Consider Bid Results for Solid Waste Collection – (Exhibit A)

Refuse Superintendent Larry Craig explained that last fall, Council directed staff to send out requests for proposals for garbage and recycling services. Proposals were initially to be opened on January 15 but the opening was delayed until January 30 to get more data for the prospective bidders on the recycling using the new 96-gallon rollout recycling carts. This information was passed along to the service providers through January 17 to help them in preparing their quotes. Since opening the proposals, staff has found that recycling has increased from 72.45 tons in January 2012 to 116.85 tons in January 2013; an increase of 44.4 tons or 61 percent. This is an average of 10.09 lbs. per household per month. If we maintain this monthly average for one year, we will exceed the state average per household of 301 lbs. per year by 17 lbs.

Mr. Craig advised that the initial proposal included the Town of Broadway for a request for 9,500 households. We have presented proposal results for the City with 8,800 households due to finalizing the solid waste list from the distribution of the new recycling carts. This figure could vary.

Mr. Craig referred Council to Exhibit A-the bid results. Staff changed the quantity back to 8,800 from their original quote of 9,500 to include Broadway. Waste Industries came in at low bid for the garbage and recycling. Waste Industries' quote was \$10.70 combined; Republic

Services was \$12.01; Waste Connections was \$12.67; Waste Management was \$12.73; all these proposals were providing new carts. Staff asked them to do this versus a price with our existing carts.

Waste Management and Waste Connections quoted with existing carts; he assumes Waste Connections had some used carts they were going to provide.

Mr. Craig said there were several additional bid questions that we asked in the bidding process which are listed at the bottom of the bid results sheet. Waste Industries and Republic Services would not keep and maintain equipment at a site in the city limits and would not register their equipment with the tax office. Republic Services would not purchase fuel or use vendors in Sanford. They all replied that they would try to employ local people. They all replied yes to the question of actively participating in the community.

Waste Industries said that are far as facilitate transition, he got the impression from the proposal they may want to alter the routing that we currently have; Waste Management would keep the current route with no change; the other two firms - there would be some transition problems but nothing serious.

Mr. Craig advised that we have 1,200 tons annually of bulk trash such as couches, chairs, etc. and it goes through the transfer station here in Sanford. Most of the companies that have quoted are looking at hauling this material from a roll-off placed at the Public Works Center. If the contract is awarded to the low bidder, Waste Industries would transfer it to Fayetteville as it is filled. There are a few issues with this if it is located at the compost site and if it rains with a stack of mattresses; it would double in weight when it is raining. It could be covered but it would be more aggravating uncovering it when one of his employees has to unload something into it.

Mr. Craig stated that we have 400 tons of street sweepings that we have to dispose of; currently, most of that goes to the transfer station that is here. Waste Industries has indicated that they can put a roll-off there for that at \$46 per ton. Waste Management was \$47.50; Republic was \$25 with no transportation cost – that would go to Uwharrie towards Troy; Waste Connections was \$50.60. Sometimes the street sweepings are dumped at the Service Center and we load it into a roll-off so we are currently using a roll-off some; however, it is much easier for that truck to go to the transfer station and dump it and go back to the route. With Waste Industries, we would have to dump it out and load it into the roll-off and transport it to Fayetteville.

Mr. Craig said that Waste Industries did indicate that they were looking at property in the Lee and Moore County area to build a transfer station. They did not indicate how soon that would take place.

Council Member Taylor said that he thinks that by putting this out for bid, we are being prudent with our resources and also how we do business. He was glad to see everybody take this seriously in lieu of what happened five years ago. Five years ago, there was a split vote of five to two, with two individuals not wanting to put this out for bid. Based on the numbers presented

today, we have been able to see what other municipalities such as Lumberton and Pittsboro have seen, where there has been a change or some competitive bids put out. It has resulted in a 15 percent savings across the board. He is glad to see staff put together a tight bid proposal. If your services are equal across the board, you have put yourself in a situation to save money and ultimately, that is what our citizens need to see.

Mr. Craig added that staff held a pre-bid conference and had a lot more questions involved, but these were the main questions that were sent out with the RFPs. Mr. Craig felt that Council needs to consider what might happen if we go with another contractor concerning the transfer station. He said that there is a lot more to it. Sanford is complex and we have a complex garbage situation. Lee County has a contract with Waste Management for a disposal and we are tied into that contract and that is how we negotiate the rates for the City and County. If we go with a company that will haul the debris to another site, then if they lose that 33 tons per day from the City, that could cause the rates to go up for everyone. Mr. Craig said if you live in the County and want to take a mattress to the transfer station on Saturday morning, you can do that. If we do not have a transfer station, you could not do that; you would have to throw it out on the side of the road or take it to a convenience center. If the convenience center does not have a transfer station to dispose of it, then what are they going to do with it?

Council Member Williams asked that with our present vendor, what kind of taxes are being paid in Lee County. Mr. Craig replied that combined, they pay about \$34,000 to \$35,000; about \$6,000 in water and sewer bills; they employ 24 employees and 15 of them live in Lee County.

Council Member Haire asked where the trucks would have to come from since they do not have trucks in Sanford. Mr. Craig replied they would have to come from Fayetteville and once the truck is full, they have to go to Fayetteville and dump it.

Council Member Taylor advised about how the information regarding a transfer station was incorporated in the bid package. Mr. Craig replied that Waste Industries has put in their bid packet that their plans are to open a transfer station in Lee or Moore County area. He did not know where the station would be located.

Council Member McNeil asked Attorney Patterson the difference between a bid and a proposal. She replied that the statutes require a formal bidding process for purchase of goods and supplies. It has been determined that trash service is a service. You can choose to request proposals or not. The formal bidding process is different. Requests for proposals is where you ask for the qualifications of the people to perform the work; you ask for their ability or their references where they performed it; you evaluate it and go through the different criteria on the proposals submitted. You have the ability to select the best, qualified, responsible submittal of a proposal to the City that is in the best interest of the City. Council has the right to reject any or all bids in all proposals; it was reserved in the specifications.

Council Member Walter McNeil advised that he has received a number of robotic calls telling him that he was not fair in not taking the lowest bid. People have called him and said they look to him to select what is best for the city. Several individuals did not know what they

were talking about when they called. He did not appreciate someone calling him and saying he is not fair when the proposal has not even been presented to Council to work on.

Council Member Rebecca Wyhof asked about the timing that the transfer station for Waste Industries would be built. It is a huge difference between six months and three years.

Harry Habets, President and COO of Waste Industries, replied that they have been in the business for 41 years and based in domicile out of Raleigh, North Carolina. He replied to Ms. Wyhof that they are in very active discussions with several locations; the Brick Works being one of them to site a transfer station. He gave a brief history of Waste Industries and what they offer. Mr. Habets informed them that the impact on the local work force would be minimal.

Ms. Wyhof asked about the time frame on the local transfer station. Mr. Habets replied that it comes down to having the proper zoning and local approval. They have had their special projects person working on it now for over thirty days. They are in active discussions with a couple of property owners, one of which he previously mentioned.

Mayor Pro Tem Gaskins asked Mr. Habets would the transfer station be located in Lee County or in the City limits. Mr. Habets replied that they do not have a preference. It really comes down to finding a suitable piece of property as soon as possible. If the City could provide them with some guidance, it would be greatly appreciated.

Chip Dodd, spoke from Waste Management. She said that Waste Management has been in the area for 34 years. They helped the City go to curbside garbage collection and then to curbside recycling. They would very much like for the City to consider the benefits that are in place in Sanford. They have a very convenient, environmentally friendly location with their hauling company and transfer station. She advised that they employ 24 employees with 15 that live in Sanford. The transfer station would be affected if they lose a lot of volume there and they will have to raise the gate rate and that will affect the citizens individually and businesses.

Mr. Habets pointed out that they plan on servicing the recycling customers from its Raleigh branch. The Raleigh branch is currently undergoing a conversion to compressed natural gas. All of the vehicles operating out of the Raleigh branch, except for the roll-off, will be compressed natural gas and the cost of that is about half of what it cost for a gallon of diesel. The recycling trucks will initially come out of Raleigh; the trucks for the solid waste will come out of Fayetteville. He explained that as soon as they get their transfer station up and running, which can be done in a matter of three to five months, depending upon the property and getting special use if necessary. It will be operating out of this footprint. He said they are very interested in serving the citizens of Sanford and Council will have his personal commitment that Sanford will get top notch service. He can be in Sanford in 30 to 35 minutes.

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

Shop Superintendent Randy Paschal advised that the resolution authorizes the City to sell its surplus vehicles and surplus items on govdeals.com by electronic auction on March 4, 2013.

Consider Resolution Directing the Clerk to Investigate a Petition Received Under G.S. 160A-31 – (Exhibit C)

Community Development Director Bob Bridwell explained that this resolution directs the city clerk to investigate the sufficiency of a petition requesting contiguous annexation of approximately 5.94 acres of property owned by New Hope Baptist Church, Inc., at the corner of Beechtree Drive and Cotton Road.

Consider Participating in the League’s Joint Action Program on Progress Energy/Duke Power Utility Rate Case – (Exhibit D)

City Manager Hal Hegwer advised that Progress Energy/Duke Power has filed a rate case before the North Carolina Utilities Commission that will be decided this summer whether to allow significant increases in base loads rates. Many of the League of Municipalities’ members have expressed interest in developing a joint action committee, essentially to minimize this rate increase impact. From the literature, they are looking at an average increase of 11 percent. Staff looked at how it would affect the City of Sanford and we are looking at about a \$60,000 increase in our utility rates; about 65 percent is in the Utility Fund because we are operating the water treatment plant and the wastewater treatment plant. In the General Fund, it will be about 35 percent of that \$60,000 for street lighting. It will cost the City about \$1,500 to participate. Sixty five percent of the cost will come from the Utility Fund and 35 percent will come from the Street Department.

Mayor Olive added that we had one industry (Parkdale Industries) that was due to close here and it was going to relocate and when we got into the nuts and bolts of why they were relocating, they said it was the power rates. They said the rates are so much higher here than they were in the western part of the state where municipalities own their power companies and have the ability to lower rates at will. It took a lot of diplomacy to get them to change their mind.

It was the unanimous consensus of council members to proceed with Sanford joining the League’s action program.

Other Business

City Manager Hal Hegwer advised that the City Council retreat will be held on Wednesday, February 27, at 8:30 A.M., in the West End Conference Room. The regularly scheduled Law and Finance Committee meeting will be at 1 P.M. that same day. He informed Council that Town Hall Day will be on Wednesday, March 27, the same day as the Law and Finance Committee meeting is scheduled to be held. He said we need to cancel that Law and Finance Committee meeting on March 27.

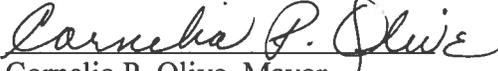
Mayor Olive announced that the North Carolina Symphony will be performing at the Civic Center tomorrow night and State Director Grant Lewellyn will be conducting for the first time in several years. She also announced that the East Sanford cleanup day will be Saturday, April 13. The Rotary Clubs will be our lead teams.

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 Walter McNeil, Jr., the motion passed unanimously.

Respectfully submitted,


Cornelia P. Olive, Mayor

ATTEST:


Bonnie D. White, City Clerk

RESOLUTION AUTHORIZING THE ADVERTISEMENT
OF AN ELECTRONIC AUCTION TO SELL
CERTAIN PERSONAL PROPERTY
OF THE CITY OF SANFORD

WHEREAS, on behalf of the City Council and pursuant to G.S. 160A-270, the city manager will hold an electronic auction to sell certain personal property belonging to the City, as shown on the attached sheet, and any additions or deletions thereto; and,

WHEREAS, the City Council proposes to accept the offer of the highest responsible bidder.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sanford that:

1. The Sanford City Manager or his designee is authorized to sell at electronic auction certain person property belonging to the city, as shown on the attached sheet, and any addition or deletions there to and to accept the offer of the highest responsible bidder.
2. The electronic auction will begin at 9 a.m. on March 4, 2013 at the following website www.govdeals.com.
3. The city clerk shall cause a notice of this resolution to be published in accordance with G.S. 160A-270.
4. Terms for the electronic auction are that payment in full is due no later than five (5) business days from the time and date of the buyer's certificate. Payment must be made electronically through the GovDeals website.

Acceptable Forms of Payment are:

- . Paypal
- . Wire Transfer
- . Visa
- . Master Card
- . American Express
- . Discover

5. All items must be removed within 10 business days from the time and date of issuance of the buyer's certificate. Purchases will be released only upon receipt of payment as specified.
6. The buyer will make all arrangements and perform all work necessary, including packing, loading and transportation of the property. Under no circumstances will the City of Sanford assume responsibility for packing,

loading or shipping. Property may be removed between the hours of 9:00 am and 3:00 pm., Monday through Thursday, excluding legal Holidays.

7. The City Council reserves the right to reject any or all bids.

ADOPTED this 19th day of February, 2013.

Cornelia P. Olive, Mayor

ATTEST:

Bonnie D. White, City Clerk



P.O. Box 3729
Sanford, NC 27331-3729

City of Sanford

Phone (919) 777-1250
Fax (919) 775-8323

Randy Paschal
Fleet Maintenance Superintendent

2012 Surplus Vehicles

02 Volvo L700 Loader
06 Chevy C2500 Truck
99 Dodge One Ton Truck
98 18Ft D1 Axle Trailer

L70DV19593
1GCHK24U36E226017
3B6MC3652XM551281
1L9AF1827LS1L9994

2012 Surplus Property

Lot of Computers, Key boards, Monitors, Fax Machines, Adding
Machines and Printers.

Lot of Weed Eaters.

Transit, Tripod and Tape Measure
General Gas Blower

Lot of Office Chairs

Lot of Desk

Gas Powered Edger
Air Compressor
Gas Powered Generator
Gas Powered Generator
Push Lawn Mower

Lot of Fire Turnout Gear

Lot of Sump Pump

File Cabinet

Lot of Traffic Flags

Lot of Thumpers

Stanley Hyd. Cutter
Coats 4050A Tire Changer
Christmas Tree
4 Large Pumps
2 Electric Motors
2 JB Crane

Lot of Street Lights

1995 185 Sullair Compressor
04 Toro Master Skidsteer Mower

**RESOLUTION DIRECTING THE CLERK TO INVESTIGATE
A PETITION RECEIVED UNDER G.S. 160A-31**

WHEREAS, a petition requesting contiguous annexation of approximately 5.94 acres of property owned by New Hope Baptist Church, Inc., at the corner of Beechtree Drive and Cotten Road and is further identified as Tax Parcel # 9644-45-7317-00 and 9644-45-4759-00 particularly described in said petition, was submitted and received by the City Council of the City of Sanford, North Carolina; and

WHEREAS, G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the City of Sanford Clerk before further annexation proceedings may take place; and

WHEREAS, the City Council of the City of Sanford of Lee County, North Carolina deems it advisable to proceed in response to this request for annexation;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sanford of Lee County, North Carolina that:

The City of Sanford Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the City Council the result of her investigation.

Adopted this 19th day of February, 2013.

Cornelia Poe Olive, Mayor

ATTEST:

Bonnie D. White, Clerk

Susan Patterson, City Attorney

New Hope Baptist Church, Inc. of Sanford, North Carolina

Being a 5.94 Acre Parcel located in the West Sanford Township, Lee County, North Carolina and more particularly described as:

BEGINNING at an Existing Iron Pipe (EIP) on the Northern Right of Way (R/W) of SR# 1403 (Cotten Road) also being a common corner with Pilson (906/845, Lot A, PC 10/55-I); thence with Pilson N05°24'37"E 195.67' to an EIP; thence N60°53'20"W 41.00' to an EIP; thence S81°18'34"W 108.93' to an EIP; thence N81°50'21"W 89.91' to an EIP; thence N04°18'40"E 81.98' to an EIP; thence N04°23'51"E 423.97' to an EIP; thence S85°24'00"E 180.18' to an NIP; thence N01°20'41"W 100.00' to a computed point (CP) in an 18" pine tree; thence S85°16'06"E 220.06' to an NIP on the western R/W of SR# 1444 (Beechtree Drive); thence with the R/W of SR#1444 south, a curve with a Radius of 3,669.72', an Arc of 99.49', Chord Distance 99.49' and Chord Bearing of S01°20'27"E to an EIP with NC Grid Coordinates of N=645,617.0975' & E=1,944,916.5308'; thence continuing with R/W and curve an Arc of 426.45', Chord Distance 426.21', Chord Bearing S02°45'54"W to an EIP; thence continuing with R/W and Curve an Arc of 200.04', Chord Distance 200.02', Chord Bearing S07°39'21"W to an EIP at end of Curve; thence S43°58'00"W 74.51' to an EIP; thence S87°18'44"W 124.72' to the Point of BEGINNING, Containing 5.94 Acres, more or less, and being all of Deed Book 1293, Page 904 (Tract B of Plat Cabinet 10, Slide 55-I) and Deed Book 1298, Page 478, according to a plat by Dowell G. Eakes, PLS entitled "Survey for New Hope Baptist Church Inc. of Sanford North Carolina" dated 10/11/12 and recorded at Plat Cabinet 2012, Slide 99; and described in Deed Book 1298, Page 480, Lee County Registry, as shown on a map entitled Annexation Map for the City of Sanford, dated October 31, 2012, by Dowell G. Eakes, PLS, and recorded in PC ____, Slide _____, Lee County Registry.

Bonnie White

From: "Hal Hegwer" <hal.hegwer@sanfordnc.net>
To: <bonnie.white@sanfordnc.net>
Sent: Tuesday, February 12, 2013 11:46 AM
Subject: FW: NCLM Joint Action Program - Progress Energy/Duke Power Rate Case

From: Paul Meyer [mailto:pmeyer@mailings.nclm.org]
Sent: Monday, January 28, 2013 11:37 AM
To: hal.hegwer@sanfordnc.net
Subject: NCLM Joint Action Program - Progress Energy/Duke Power Rate Case

As you all are aware, Progress Energy has filed a rate case before the NC Utilities Commission, which should be decided and finalized sometime in the summer of 2013. The company is seeking significant increases in base loads rates due to variety of cost factors, including new plants being built and brought online. Duke Energy Corp. has announced an intention to file a similar rate case soon.

Accordingly, the League has been asked to organize a joint action program for cities to band together to advocate for rate concessions during both of these rate cases, with the North Carolina League of Municipalities acting as an intervening party.

The League has solicited bids from law firms with qualified utility law practices, and has narrowed and priced the scope of work to what is reasonably needed for a successful intervention to obtain reductions from the proposed increases. In order to organize this program, the League would need cities to support the effort financially, and to assist in moving the effort forward. The League of Municipalities ("League") is requesting participation in a joint action program on utility rate cases for the purposes of financing the costs of protecting North Carolina municipalities' collective interests.

A participation form for the joint action program that includes a rate structure for participation fees is available [here](#). If interested in participating, [the form](#) needs to be sent back to the League by February 8th. More details are included on the form. If you have any questions, please contact Sarah Collins a governmental affairs intern at the League by calling 919- 715-3934. This will also be sent by standard mail to your office today.

To unsubscribe or to manage your subscriptions [click here](#).

North Carolina League of Municipalities
Joint Action Program
Progress Energy/Duke Power Rate Case
Member Participation Form

Page 1 of 3

Joint Action Program Request:

The League of Municipalities (“League”) is requesting participation in a joint action program on utility rate cases for the purposes of financing the costs of protecting North Carolina municipalities and Water Sewer Authorities’ collective interests.

History and Goals:

Progress Energy has filed a rate case before the NC Utilities Commission, which should be decided and finalized sometime in the summer of 2013. The company is seeking significant increases in base loads rates due to variety of cost factors, including new plants being built and brought online. Duke Energy Corp. has announced an intention to file a similar rate case soon.

Accordingly, the League has been asked to organize a joint action program for municipalities and Water and Sewer Authorities to band together to advocate for rate concessions during these rate cases, with the League acting as an intervening party.

The League has solicited bids from law firms with qualified utility law practices, and has narrowed and priced the scope of work to what is reasonably needed for a successful intervention to obtain reductions from the proposed increases. In order to organize this program, the League would need municipalities and authorities to support the effort financially, and to assist in moving the effort forward.

Share of Cost:

Share of cost depends on number of participants and utility use. See invoicing structure below to determine your participation fee.

Deadline:

The submission of this participation form is an agreement to participate in this joint action program. Deadline for submitting this participation form is February 8, 2013. Payment of fees can be submitted with this form. If not, they must be remitted as soon as possible after participation form is submitted.

Disclaimer:

If the League does not gain enough notification of participation by the above deadlines, the program will not move forward and funds will be reimbursed.

**North Carolina League of Municipalities
Joint Action Program
Progress Energy/Duke Power Rate Case
Member Participation Form**

Page 2 of 3

By signing the participation agreement below, the preparer agrees on behalf of his/her municipality/ authority to participate in the League's rate case joint action program and to submit the payment fee by the above listed deadline.

Program Contact: _____ **Contact's phone:** _____
Contact's Email: _____

Preparer's Signature _____ **Date of Request:** _____
Name of Preparer: _____
Position Title: _____
Municipality/Authority: _____
Address: _____
Telephone: _____ E-mail: _____

Please submit this form and payment to:

North Carolina League of Municipalities*
PO Box 742106
Atlanta, GA 30374-742106

- This Atlanta address is where NCLM receives payment

**North Carolina League of Municipalities
 Joint Action Program
 Progress Energy/Duke Power Rate Case
Participation Fee Structure**

Page 3 of 3

Participation fees are set by the population the municipality or authority serves combined with the number of services that the municipality or authority provides. Please select your fee based on the structure below. If you have any questions contact Sarah Collins (governmental affairs intern) at (919) 715-3934/ scollins@nclm.org.

Services Provided:

1. Street Lighting 2. Wastewater Treatment 3. Water Treatment 4. Recreation Facilities/
 Ball Field Lighting

Population	Number of Services	Participation Fee
150,000 +	4	\$20,000.00
75,000 - 149,999	4	\$10,000.00
25,000 - 74,999	4	\$2,500.00
10,000 - 24,999	4	\$1,000.00
0 - 10,000	4	\$500.00

Population	Number of Services	Participation Fee
150,000 +	3	\$15,000.00
75,000 - 149,999	3	\$5,000.00
25,000 - 74,999	3	\$1,500.00
10,000 - 24,999	3	\$750.00
0 - 10,000	3	\$250.00

Population	Number of Services	Participation Fee
150,000 +	2	\$10,000.00
75,000 - 149,999	2	\$2,500.00
25,000 - 74,999	2	\$1,000.00
10,000 - 24,999	2	\$500.00
0 - 10,000	2	\$100.00

Population	Number of Services	Participation Fee
150,000 +	1 (or less)	
75,000 - 149,999	1 (or less)	
25,000 - 74,999	1 (or less)	\$500.00
10,000 - 24,999	1 (or less)	\$200.00
0 - 10,000	1 (or less)	\$100.00