The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Henry H. Dunlap, Jr. Building Classroom, located in Pittsboro, North Carolina, at 10:00 AM on February 07, 2005.

Present: Chairman Bunkey Morgan; Vice Chair, Tommy Emerson; Commissioners Patrick Barnes, Mike Cross, and Carl Outz; County Manager, Charlie Horne; County Attorney, Robert L. Gunn; Assistant County Manager, Renee Dickson; Finance Officer, Vicki McConnell; and Clerk to the Board, Sandra B. Sublett.

The meeting was called to order by the Chairman at 10:45 AM.

**Work Session**

1. Solid Waste Advisory Committee
2. Presentation by Board of Elections

(LUNCH)

3. Transportation Improvement Plan (TIP)
   Overview of the TIP process and pending deadlines for submission of a new transportation projects to the Triangle Rural Transportation Planning Organization for the 2007-2013 update

**CLOSED SESSION**

Commissioner Emerson moved, seconded by Commissioner Outz, to defer the Closed Session until after lunch with the Cooperative Extension Session. The motion carried five (5) to zero (0).

**REGULAR SESSION**

Commissioner Emerson moved, seconded by Commissioner Cross, to reconvene in Regular Session. The motion carried five (5) to zero (0).

**SOLID WASTE ADVISORY COMMITTEE**

John McSween, Solid Waste Advisory Committee Chairman, reviewed the process, proposals for curbside collection, recommendations, and lessons learned from the “request for proposals” process as follows:
The Process

- June 2004 – Commissioners request staff to solicit proposals for County solid waste programs and disposal options
- September 2004 – Proposals mailed to vendors
- October 2004 – Proposals received by County
- November 2004 – Commissioners designate SWAC and senior staff to review proposals and make recommendations
- December 2004-January 2005 – SWAC holds series of meetings to review proposals

  January 2005 – Commissioners decide to delay consideration of proposed disposal options and directs SWAC to review only proposals for current operations
  February 2005 – SWAC makes final recommendation on current operations and presents to Board of Commissioners

- Three vendors submitted proposals for operation of landfill
- One vendor declined to submit proposal
- One vendor submitted proposal on education only
- One vendor submitted proposal for curbside services – Waste Industries
- Two vendors submitted proposals for current operations – County/Waste Industries

Review Process

- Cost analysis for each proposal
- Cost comparison between proposals
- Ranking of each proposal using same criteria as Solid Waste Feasibility Study

The Review - Curbside

- Two Options:

  Option A-1 – Exclusive residential franchise
  Only residential collector for unincorporated areas. Eliminates all other private solid waste haulers in County.

  Option A-2 – Mandatory curbside collection
  All residential households must subscribe to service.

Conclusions – Curbside Collection

Option A-1 and Option A-2:
- Only one proposal – Waste Industries
- Too many unknown variables:
  § Variation in waste tonnages and recyclables
  § Limited collection of recyclables for subscribers
  § Potential decrease in county disposal fee revenues

Option A-1:
- No financial benefit to the County – no reduction in expenses associated with operation of 12 collection centers
- Potential increase in cost to customers
- No other private waste haulers allowed

**Option A-2 – Mandatory Collection**
- Less desirable than Option A-1
- Limited collection of recyclables
- Potential restrictions due to private roads
- Not user friendly for older population
- Negative traffic impact – approximately 13,000 more collection stops
- Greater than a $100 increase in annual cost per household
- Only four collection centers open

**Recommendation - Curbside**

The Committee feels that this service would not benefit the County at this time.

**The Review – Current Operations**

**Current Operations**

- Two vendors submitted proposals
  - County staff
  - Waste Industries

**The Review – Collection Center Operations Cost Comparison**

<table>
<thead>
<tr>
<th></th>
<th>County</th>
<th>Waste Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Proposal (Option B)</td>
<td>$ 2,244,361</td>
<td>$ 1,528,039</td>
</tr>
<tr>
<td>Agreed upon adjustments</td>
<td>(134,869)</td>
<td>469,838</td>
</tr>
<tr>
<td>Total</td>
<td>$ 2,109,492</td>
<td>$ 1,997,877</td>
</tr>
<tr>
<td>*Continuing Cost</td>
<td></td>
<td>67,500</td>
</tr>
<tr>
<td>Total</td>
<td>$ 2,109,492</td>
<td>$ 2,065,377</td>
</tr>
<tr>
<td>Cost Difference</td>
<td></td>
<td>$ 44,115</td>
</tr>
</tbody>
</table>

*Continuing Cost: Cost that will continue even if waste management operations are contracted out, included indirect cost for manager, finance, MIS etc., ($57,000) and other expenses associated with HHW, white goods, and education ($10,500)

**The Review – Current Operations – Ranking**

<table>
<thead>
<tr>
<th></th>
<th>County</th>
<th>WI</th>
<th>Weighting Factor</th>
<th>County</th>
<th>WI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td>7.86</td>
<td>5.43</td>
<td>26%</td>
<td>2.04</td>
<td>1.41</td>
</tr>
<tr>
<td>Social/Cultural</td>
<td>8.14</td>
<td>5.71</td>
<td>25%</td>
<td>2.04</td>
<td>1.43</td>
</tr>
</tbody>
</table>
### Conclusions – Current Operations

- Our County has State-acclaimed program
- Cost benefit of switching to privatization is minimal (only $1.55 per household reduction in availability fee per year)
- Loss of public ownership
- Loss of control and flexibility
- Limited control over future price increases of private contractor
- Loss of equipment sharing between County departments
- Once out – costly for County to get back into waste business

### Recommendation – Current Operations

The committee recommended that the Waste Management operations remain with the County.

### Lessons learned from the RFP process

- Current County waste management program is competitive
- Heightened or increased employee ownership of solid waste program
- Resulted in ideas for potential improvement
- County-wide participation needs to be addressed
- There is value to being an enterprise operation

<table>
<thead>
<tr>
<th></th>
<th>County</th>
<th>Waste Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Staffing of Collection Centers</td>
<td>735,814</td>
<td>735,814</td>
</tr>
<tr>
<td>B. Container transportation</td>
<td>410,153</td>
<td>(88,000)</td>
</tr>
</tbody>
</table>

Adjustment: Net cost proposed by Waste Industries resulted in $88,000 adjustment for County.

| C. Disposal | 562,380 | (46,869) | 515,511 | 485,528 | 29,983 | 515,511 |

Adjustment less tonnage and lower tipping fee proposed by Waste Industries resulted in ($46,869) adjusted for County and $29,983 adjusted for Waste Industries.
The Review-Collection Center Operations Cost Comparison

<table>
<thead>
<tr>
<th>County</th>
<th>Waste Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proposal Sub-Total</strong></td>
<td><strong>1,708,347</strong></td>
</tr>
</tbody>
</table>

Other Cost:

Adjustment: Waste Industries did not add cost of the following to their original total. They did provide detail cost for individual programs. Resulting adjustment to Waste Industries proposal totaled $306,855.

<table>
<thead>
<tr>
<th>D. Educational Program</th>
<th>42,785</th>
<th>42,785</th>
<th>25,800</th>
<th>(2,000)</th>
<th>23,800</th>
</tr>
</thead>
</table>

Adjustment: Addition error by Waste Industries resulted in a $2,000 adjustment

<table>
<thead>
<tr>
<th>E. Special Collections</th>
<th>45,565</th>
<th>45,565</th>
<th>118,655</th>
<th>118,655</th>
</tr>
</thead>
<tbody>
<tr>
<td>F. Environmental Enforcement Program</td>
<td>50,473</td>
<td>50,473</td>
<td>65,400</td>
<td>65,400</td>
</tr>
<tr>
<td>G. Household Hazardous Waste Program</td>
<td>59,726</td>
<td>59,726</td>
<td>35,000</td>
<td>15,000</td>
</tr>
</tbody>
</table>

Adjustment: Waste Industries requested cost adjustment of $15,000 to Household Hazardous Waste Program.

<table>
<thead>
<tr>
<th>H. LCID &amp; Capped Landfill</th>
<th>246,896</th>
<th>246,896</th>
<th>60,000</th>
<th>120,000</th>
<th>180,000</th>
</tr>
</thead>
</table>

Adjustment: Waste Industries requested cost adjustment of $120,000 to LCID & capped landfill.

<table>
<thead>
<tr>
<th>I. Grants and Reports</th>
<th>90,567</th>
<th>90,567</th>
<th>2,000</th>
<th>(2,000)</th>
<th>2,000</th>
</tr>
</thead>
</table>

Total Other Cost | 536,014 | 536,014 | 306,855 | 133,000 | 439,855 |
Other considerations for operations remaining with the County:

Current duties performed by Waste Management staff may require additional personnel in other departments:

- Financial reports for the “cost over-run” grants for white goods and tires
- Tracking costs for white goods management to ensure the County receives all available funds from the white goods tax distribution
- Contract management and inspections of collection centers

Loss of resources for other departments:

- Waste management staff assist other departments with management of surplus items, recyclables and waste with no impact on departmental budgets

Loss of resources when handling natural disasters (ice storms, hurricanes)

- County staff has been able to work within their budget by shifting responsibilities and prioritizing expenditures to handle unexpected expenses related to natural disasters

Loss of flexibility

- Unexpected occurrences not covered by contract may not be done or may be done for additional cost to County
- Short-term savings could be lost with the negotiations of future contracts

Waste Management staff reside in the County and have a vested interest in the well-being of the program.

- “It’s not just a job. Our efficiencies affect us monetarily as taxpayers and give us a sense of pride in our community.”

After a question and answer period, Chairman Morgan moved, seconded by Commissioner Cross, to accept staff recommendation, and permit the waste management operations to remain with the County. The motion carried five (5) to zero (0).

BOARD OF ELECTIONS

The Chatham County Board of Elections came before the Board of Commissioners to request additional funds for the Elections office.

Dawn Stumpf, Chatham County Board of Election’s Director, stated that due to the many additional burdens on the Elections Office during the past election year, the Elections Office budget had been depleted and could not meet their expenses for the remainder of the fiscal year; that the additional responsibilities and requirements of the “Help America Vote Act” are impacting the Elections Office to the extent that certain changes needed to be made in this fiscal year.

She requested funds for a secure filing system in the amount of $20,000, funds for an additional employee in the amount of $15,000, funds to complete list maintenance as required by General Statutes in the
amount of $3416.30, and funds for board expenses for the remainder of the fiscal year in the amount of $2450.00. She stated that the Elections Office had received a grant to purchase a scanner to be used in the processing and maintenance of voter registration; that they need office space to house the scanner and a new filing system to bring the Elections Office up-to-date in the security requirements of the General Statutes as pertains to voter registration security. The Director asked the Board to grant the use of the Dunlap Conference room as a permanent part of the Elections Office.

The Board of Commissioners discussed the request and asked questions of the Director.

Chairman Morgan stated that he felt that the Commissioners should grant the request for the funds for list maintenance and the Board expenses, but that the request for the filing system and the additional employee could be requested in the County budget process. The Chairman asked that the Board of Elections Director talk with Renee Dickson, Assistant County Manager and Vicki McConnell, Finance Officer, concerning the request for the conference room space.

**TAX ADMINISTRATOR**

- Commissioner Cross moved, seconded by Commissioner Outz, to ask the Tax Administrator to come to the afternoon work session to discuss farm property tax revaluation. The motion carried five (5) to zero (0).

**RECESS FOR LUNCH WITH COOPERATIVE EXTENSION SERVICE**


Commissioner Cross moved, seconded by Commissioner Outz, to recess the meeting for lunch with the North Carolina Cooperative Extension Service and for presentation of their annual report. The motion carried five (5) to zero (0), and the meeting was recessed at 12:00 PM.

**RECONVENE**

- The Board reconvened their work session at 2:03 PM.

**TAX OFFICE**

- Kim Horton, Chatham County Tax Administrator, explained that the Tax Office and Cooperative Extension conducted a listing workshop for farmers after several recent audits of farm businesses showed there was some confusion about how to properly list property. She stated that the purpose of the workshop was to ensure that farmers had the right information about listing; that farmers were instructed to list machinery equipment, computers, furniture and supplies that are used to produce income; that the Tax Office is alerted that a property owner may have an income producing farm if they are in the Land Use Program or if they have farm buildings listed as real property; that in conducting reviews, the Tax Office compares what has been listed with the taxpayer’s Federal Income Tax Return Schedule F; that the best way for farmers to ensure everything is listed property is to sit down with the Tax Office to review their situation; that all taxpayers have the right to appeal values placed on property by the Tax Office; and that appeals are heard by the Board of Equalization and Review, a citizen review committee appointed by the Board of Commissioners.

Ms. Horton stated that “Real Property Revaluation Notices” are on schedule to be mailed February 15, 2005.
A lengthy question and answer period ensued.

TRANSPORTATION IMPROVEMENT PLAN (TIP)

Jason Sullivan, Chatham County Planner, gave an overview of the Transportation Improvement Plan (TIP) process and pending deadlines for submission of the new transportation projects to the Triangle Area Rural Transportation Planning Organization for the Fiscal Year 2007-2013.

A copy of the “Transportation Improvement Plan (TIP): 2007-2013, Timeline and Project Suggestions” is attached hereto and by reference made a part hereof.

RESOLUTION REGARDING “OUTDOOR SPORTS LIGHTING”

Commissioner Emerson moved, seconded by Commissioner Cross, to adopt Resolution #2005-05 Regarding a Lease Purchase Agreement for the Purpose of Procuring “Outdoor Sports Lighting”, attached hereto and by reference made a part hereof. The motion carried five (5) to zero (0).

NOISE ORDINANCE

Commissioner Emerson moved, seconded by Commissioner Outz, to postpone the discussion on the noise ordinance until a later date pending County Attorney review. The motion carried five (5) to zero (0).

MANAGER'S REPORTS

The County Manager reported on the following:

Legislative Delegation Meeting:

The Legislative Delegation meeting will be held on February 24, 2005 at The Fearrington House at 6:00 PM.

COMMISSIONER REPORTS

PTA Thrift Shop:

Commissioner Barnes stated that he had received several telephone calls regarding the PTA Thrift Shop volunteers asking for permission to dispose of large items (i.e. sofas, chairs, etc.) that cannot be sold at the shop in the closest collection area.

By consensus, the Board agreed to revisit this matter at their Board meeting on February 21, 2005.

CLOSED SESSION

Commissioner Cross moved, seconded by Commissioner Outz, to go out of Regular Session and convene in Closed Session for the purpose of property acquisition and litigation. The motion carried five (5) to zero (0).

REGULAR SESSION

Commissioner Barnes moved, seconded by Commissioner Outz, to adjourn the Closed Session and
reconvene in Regular Session. The motion carried five (5) to zero (0).

**ADJOURNMENT**

Commissioner Cross moved, seconded by Commissioner Barnes, to adjourn the meeting. The motion carried five (5) to zero (0) and the meeting was adjourned at 4:00 PM.

___________________________
Bunkey Morgan, Chairman

**ATTEST:**

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Sandra B. Sublett, CMC, Clerk to the Board
Chatham County Board of Commissioners