

June 6th, 2011

At 7:00pm., on Monday, June 6th, 2011, in the Board Room of the Landis Municipal Building, Mayor Dennis Brown called to order the Town of Landis Board of Aldermen Regular Meeting. Those present along with the Mayor were Aldermen James Furr, Roger Safrit, Craig Sloop and Tony Hilton, Public Works Director Steve Rowland, Police Chief Brian McCoy, Town Manager Reed Linn, Deputy Town Administrator Debbie Goodman, Recreation Director Andrew Morgan, Finance Officer Ginger Gibson, Administrative Assistant Heather Wood and Town Attorney Rick Locklear.

A quorum was met.

Mayor Dennis Brown opened the meeting and welcomed all those in attendance.

The invocation was led by Reverend Bill Coughlin.

The pledge of allegiance was led by Mayor Dennis Brown.

Alderman Furr motioned, seconded by Alderman Sloop, to adopt the agenda with the change of reversing items #7 - Public Hearing Regarding the Proposed 2011-2012 Budget and #8 - Consider Awarding Contract for Solid Waste Collection to Crash Morrison's Garbage Service, Inc.. Alderman Furr requested that citizens be able to comment during the discussion on the contract approval, but Mayor Brown stated that they would be able to speak during the Public Hearing. All voted aye.

Alderman Furr motioned, seconded by Alderman Safrit, to adopt the minutes from the April 11th, 2011 Budget Workshop, the April 19th, 2011 Budget Workshop, the May 2nd, 2011 Regular Meeting and the May 10th, 2011 Budget Workshop as amended. All voted aye.

The first order of business was to consider awarding the contract for solid waste collection to Crash Morrison's Garbage Service, Inc. Manager Linn stated that they had received the proposed contract and went over some of it. The day of the week collection would be done on was left up to the Town, and after discussion it had been decided that solid waste collection would be done on Mondays and recycling would still be collected on Tuesdays. The total cost per household would be \$6.50. Mayor Brown inquired if recycling would be done every Tuesday and Manager Linn confirmed that it would be. The entire Town would be done every Tuesday. Manager Linn stated that Town's Attorney Rick Locklear had been provided with a copy of the contract and he had reviewed it.

Alderman Hilton inquired about Crash Morrison's Garbage Service, Inc. having entered into contracts with China Grove and Spencer, Manager Linn confirmed that they had.

Attorney Rick Locklear then addressed some of the concerns he had with the contract as presented. On the second page, paragraph 9, the contract talked about material violations but he called it "vague and wide open" and he would feel more comfortable if it were "spelled out". He commented that if the designated pick-up day was Monday and garbage was not collected on that day, would that constitute a material violation (of the contract)? He also pointed to a point in the contract where "Intellectual property" is discussed, but he was uncertain what they were speaking of there. Mr. Locklear stated that when a service was contracted out, the Town gave up control to a certain extent; Crash Morrison would be an independent contractor.

There was further discussion on that matter and Mr. Locklear stated that the Board had always been very accessible, but a contractor would control the methods and their employees when it came to collection once

contracted out.

Mr. Locklear also felt the paragraph that dealt with disputes should be changed. As it stood now, it stated that in the event of a dispute, a resolution could be sought in court, with the losing party being responsible for reimbursing all court costs and attorney fees. Mr. Locklear stated that this part needed to be taken out all together.

Mr. Locklear went on to say that there were pros and cons to contracting out the solid waste collection and he wanted the Board to understand they were “giving up control”. In the past citizens could simply call Public Works or Town Hall if there was a problem, but he didn’t know what, if any, emergency contingency agreements would be in place with the contractor. Mr. Locklear said, speaking as a citizen and not an attorney, he had always found it impressive how available the Board was to citizens. He stated that he also understood that capital expenditures in regards to continuing garbage service could be tough.

Mr. Locklear also had issues with the paragraph that spoke of successors and that he was concerned about the fact it was a corporation and the Board needed to understand that they would be entering into an agreement with a corporation. He stated that they needed to address the issues and view it as a legal document and to look at what was best for the citizens.

Mr. Locklear spoke further about the contract and concluded by saying he felt it was impossible to describe all possible material violations of the contract, but he did think that the line stating that the losing party in a dispute would pay all costs for both sides should be removed. Alderman Hilton commented that they could also add a line that would provide for use of a mediator instead of going straight to court, he stated that this was standard for most contracts of this type. He also stated that he agreed with Mr. Locklear that the line stating that the losing party would pay the costs for both sides should be removed.

Alderman Furr stated that in the five years he had sat on the Board, that was the best advice and commentary he had heard from Mr. Locklear and that if the Town had the money, he would raise his salary. He stated that Mr. Locklear had covered a great deal of the concerns that he had himself. Alderman Furr went on to say that with his initial opposition of contracting out solid waste collection he had done research and laid the facts out – stating that he felt the number of employees would remain the same, only this hadn’t taken two years. In the initial budget the employees that were currently collecting solid waste would remain as employees of the Town even if the service was contracted out. Alderman Furr stated that the contract they had been presented with indicates every problem he had with contracting out the solid waste collection.

Alderman Furr then went over various details of the contract. He stated that he first had an issue with the term of the contract, which indicated 5 years. Mayor Brown commented that Crash Morrison had indicated that they would do a contract for how ever many years the Town wished. Alderman Furr reminded Mayor Brown that he had the floor.

Alderman Furr stated that most citizens he had spoken to were against contracting out solid waste collection. The only citizen he had spoken to who was in favor of it was one who simply wanted to see a set date and time for collection. He pointed out that the contract does not specify a date or time for collection. Also, the contract did not address the elderly and whether or not backyard pickup would be made available for them, it had all been verbal agreement. Alderman Furr stated that cleanliness had not been addressed either, if Crash Morrison were to leave a lot of garbage out, would they be able to cancel the contract? Nothing in the contract indicated so. Also, there was nothing in the contract addressing Crash Morrison being willing to take on any employees displaced from their jobs due to contracting out solid waste collection.

Alderman Furr stated that he also had some safety concerns since Crash Morrison was the same company that was currently handling the Town’s recycling. He knew of two instances of safety violations while

recycling was being collected. He had called Public Works Director Steve Rowland and spoken to him about his concerns, and then the same thing had happened again. Alderman Furr commented that he had decided if it happened again he would make a motion to terminate the recycling contract.

Alderman Furr stated that the contract as presented did not indicate anything about liability. He stated the only thing that he saw was that the contract guaranteed that Crash Morrison would get paid on time with no other guarantees for the Town. He also inquired what “household garbage” means, as there is nothing in the contract defining what constitutes household garbage.

Alderman Furr drew attention to the section about intellectual property, stating that they were “collecting garbage here” and that it only added confusion. He stated that as independent contractors, the Town would have no control over Crash Morrison and how they collect the garbage. Alderman Furr also had concerns about the section that addressed subcontractors, as it allowed Crash Morrison to subcontract out to anyone they chose without the Town being able to do anything about it.

Alderman Furr stated that he also felt any loss or damage to the carts should be between Crash Morrison and the citizen, and that the Town should not have involvement in that.

Alderman Furr motioned to deny the presented contract and to continue garbage collection in the Town as had been done in the past.

The motion died due to lack of a second.

Alderman Furr commented that they (the citizens) couldn’t “blame” him.

Mayor Brown stated that they either needed to approve the contract or let the attorney look at it and make changes in the wording. He also cautioned the Board if they do that, then they would need to wait to approve the budget as well. Mr. Locklear stated that he could look the contract over again and pass on the recommended changes. Alderman Hilton stated that he agreed with Alderman Furr on the contract as it had been presented and it was his suggestion that the contract be looked at and rewritten. He stated that he knew they did not have a lot of time, but that it needed to be done.

Alderman Hilton motioned, seconded by Alderman Sloop, to have Staff and Town Attorney Rick Locklear take the contract and rewrite it to include the following: backyard pickup for the elderly/disabled, liability, Town approval of subcontractors, clarification of material violations, removal of the item that stated the losing party would pay all fees for both sides in the event of a dispute in court, addition of a mediator for disputes, addition of the cost of replacement of carts being between Crash Morrison and the customer, the term of the contract being only two years, and anything else that Staff and Mr. Locklear felt needed to be added or clarified.

During discussion of the motion, Alderman James Furr stated that “time is of the essence” and this should have been settled “six months ago”. He stated that the budget was up and he felt they were now going on a “ready, fire, aim” approach. He felt the situation was like with a car salesman and that the Town was being “pushed” into the decision, which was a prime circumstance for making bad decisions. Mayor Brown commented that they still had three weeks to approve the budget so it was not “short term”. He indicated that they would recess this meeting. Alderman Hilton once again reiterated that he agreed that the contract as presented was not a good one.

Aldermen Sloop, Safrit and Hilton voted aye. Alderman Furr voted nay. The motion passed.

Mayor Brown stated they would have the public hearing concerning the budget, but no decision would be made on the budget ordinance until after the contract had been approved.

Mayor Brown then opened the Public Hearing concerning the 2011-2012 Proposed Budget.

Nadine Cherry: inquired (concerning contracting out the garbage collection) what if a person was unable to take their garbage to the curb, she wanted to see in writing what a disabled person would have to do to get their garbage collected in their yard instead of pushing it to the curb. Also, she wanted to know how they would keep people from watching the houses to know who was disabled from who had their garbage picked up in the back. She stated that it put disabled people "at risk". She stated that she was against the budget if it included contracting out the solid waste collection.

Will Beaver: stated that the "garbage thing was the silliest thing he'd heard in a long time". He stated that the "town" backed Alderman Furr "100 percent". He commented that the rest of the Board should hear what citizens were saying about them. He wanted to know why they were doing this. He commented that they would have to get rid of three people and that he felt they should cut the salaries of the Public Works Director and the Town Manager to keep the employees if they had to. He stated that if Director Rowland couldn't "manage them" then they needed to "get someone who can". He stated that the contract was "sorry". Mayor Brown indicated to Mr. Beaver that that was "enough".

No one else spoke during the public hearing.

Mayor Brown closed the Public Hearing.

Item #9 (Consider Adopting the 2011-2012 Budget Ordinance) was skipped.

The next item of business concerned certain budget amendments. Finance Officer Ginger Gibson stated that these changes needed to be made before the year's end so that the LGC (Local Government Commission) would be happy with the books. The amendments concerned moving of a couple of items, and she stated that there had been extra expenses in several departments. She indicated that the Board could see by the most recent financial statement that all funds were "doing well".

Alderman Sloop motioned, seconded by Alderman Safrit, to approve the budget amendments as presented. All voted aye.

The next order of business was the consideration of adopting the application and permit fees for Stormwater. Manager Linn stated that the Town currently had none in place and they had a new development coming into the north end that would disturb more than 20,000 square feet, so they needed to get these fees in place. They would operate much like zoning fees; it would be a one time charge.

Manager Linn went over the fees in more detail.

This would also require an engineer's review and certification (at the developer's cost). He stated that this would not have any bearing on the proposed budget – the last fifty years they had never had these fees, they just needed to get them in place. There was some discussion of what constituted "disturbed land".

Alderman Hilton motioned, seconded by Alderman Safrit, to adopt the proposed application and permit fees for Stormwater as presented. All voted aye.

John Keever from Electricities then addressed the Board concerning the "North Carolina Weatherization Program". He stated that they were working with public power cities to promote the program. He indicated

that Manager Linn had some of the information already. What the program does is help low income households in North Carolina with utility bills by helping them weatherize their homes. The mission of the program is to improve energy efficiency and household safety. There was further discussion concerning the program. The only thing the Town would have to supply would be a two month billing history for any customers who may apply for assistance through the program.

Alderman Furr asked who this was administered through. Mr. Keever stated that anyone in Rowan County could apply. Alderman Furr clarified that they would not have to live in Landis. Mr. Keever confirmed that was the case. It also was not just for utility bills, landlords could apply if they have low income renters. Mayor Brown inquired about any web information that Mr. Keever could supply and it could be linked to the Town's website. Mr. Keever stated that they could also put information into billing, and that they would provide brochures at no cost to the Town.

Department Head Comments

Recreation Director Andrew Morgan: had nothing new for the Board. He stated that the pool was now open and running smoothly. The Pavilion roof had been finished and they were still making minor lake and Pavilion improvements. Mayor Brown asked if the lake had been very busy. Director Morgan stated that it was less crowded now that it had gotten so hot, and there were not as many people visiting on the weekends as they would like since you could not buy permits on the weekends.

Town Manager Reed Linn: stated that Staff was requesting to close City Hall at 12:00pm on Thursday, June 30th, 2011 to close out the budget year. He also reminded the Board that pending budget approval, furlough days would start in July.

Public Works Director Steve Rowland: stated that the 12kv conversion for the year had been completed. They had converted over 200 homes in the area.

Board Comments

Mayor Brown: stated that they had received a certificate from the JROTC for the support the Town had shown. Mayor Brown read the certificate aloud. He also stated that on Memorial Day he had gone by the pool and couldn't get in, that it had been very crowded and that was a good thing.

Alderman Safrit motioned, seconded by Alderman Sloop, to close City Hall at 12:00pm on Thursday, June 30th, 2011 to close out the budget year. All voted aye.

Citizens Comments

Jerry Wright: stated that he had seen the tax delinquent notices in the paper and it said that the Town owes around \$7,000.00 in taxes. He wanted to know what it was for. Mayor Brown pointed out that the Town does not pay taxes. Mr. Wright stated that someone owes money to the Town and they needed to find out who it was. Mayor Brown reminded Mr. Wright that the county handles all of the Town's tax collecting now, but they could check into it. Mr. Wright stated that they should have the employees who were currently collecting garbage take up the tree trimming if the Town contracted out solid waste collection. Mayor Brown stated that some of the areas had to be handled by the tree trimming contractors. Mr. Wright stated that there was also some mowing the Town could do itself.

Nadine Cherry: inquired if it was true that last month the entire Board, save for Alderman Sloop, had gone to Raleigh. She had been told that all but the Mayor had taken the train. She stated that this was an illegal meeting. Alderman Furr interjected that it couldn't possibly be an illegal meeting since he had taken the train alone. Mayor Brown also pointed out that the Board is allowed to meet socially as long as no Town business is discussed. Ms. Cherry insisted it was an illegal meeting since she had no way of knowing if they had discussed Town business on the train or once they arrived in Raleigh. She had asked City Hall for a total amount the trip had cost, but had been told she would be given the numbers once all of the invoices were in. She stated that something needed to be done about the brush/leaves on the roads. She concluded by stating, "Wake up Landis, don't be silenced".

Mayor Brown clarified that the Board (except for Alderman Sloop) had been in Raleigh for a meeting, Town Hall Day, and that it was perfectly legal. He drove himself, Alderman Furr took a train, and Aldermen Safrit and Hilton took a separate train together. At no point during the travel to Raleigh were more than two of them together. Alderman Furr stated that he thought Ms. Cherry owed them an apology. Mayor Brown stated that Ms. Cherry needed to get her facts straight.

Alderman Furr motioned, seconded by Alderman Safrit, to go into Executive Session to discuss Legal Matters. All voted aye.

The Board went into Executive Session.

Alderman Furr motioned, seconded by Alderman Sloop, to come out of Executive Session. All voted aye.

Alderman Furr motioned, seconded by Alderman Safrit to recess the meeting until Monday, June 13th, 2011 at 6:00pm. All voted aye.

The meeting was recessed at 8:35pm on Monday, June 6th, 2011.

Heather Wood
Administrative Assistant