

MINUTES

City Council Public Works & Utilities Committee

Thursday, May 10, 2018 – 5:30 PM
Administrative Conference Room at City Hall

Members Present: Mac Morrow, Chair, Council Member
Maurice Jones, Vice-Chair, Council Member
Jim Fatland, City Manager
Emory Owen, WWTP Director
Dennis Richardson, WTP Director
David Lutz, Public Works Director
Clay Sykes, Citizen Member

Absent: None

Staff Present: Tom Whitlock, Deputy Finance Director
Denise Hodsdon, Executive Assistant

A. Welcome & Call to Order

Committee Chair Mac Morrow called the meeting to order at 5:34 PM.

B. Certification of Quorum

Executive Assistant Denise Hodsdon certified that a quorum was present.

C. Approval of Minutes from March 29, 2018 Meeting

Motion by Mr. Jones, seconded by Mr. Fatland to approve the minutes of the March 29, 2018 meeting as presented. Motion carried unanimously.

D. Residential and Commercial Recycling

Mr. Fatland reported that as part of our budget process, he and Public Works Director David Lutz met with Waste Pro to discuss renewal of their service contract. They are currently charging \$3.00 for residential customers and \$4.00 for commercial customers. As of October 1, 2018 their rates will increase to \$4.75 for residential and \$5.75 for commercial. That rate will only be guaranteed for 12 months and we would most likely see the rates increase annually. Mr. Lutz has been analyzing the feasibility of his crews taking over collection of residential recyclables. He feels that we have the manpower to take on residential collection and that we

can operate within the \$3.00 fee so it would not be necessary to raise that rate. He would like to keep the commercial collection with Waste Pro and start with the residential customers for a one-year trial period. Following discussion, Mr. Jones moved and Mr. Fatland seconded to try in-house residential recycling for a one-year period. Motion carried unanimously.

E. Proposed Water and Sewer Rates for FY19

Mr. Fatland reported that he has contacted the NC Division of Water Infrastructure and the Regional EPA Office to request a loan modification for the Neely Road pump station project. The interest rate for that loan is currently 1.84%, but subsequently, the loan program was modified and if we applied today, our project would qualify for a zero-interest loan. If we are approved for a zero-interest loan, it will save the City \$2.7 million over 20 years.

Mr. Fatland said in looking at water and sewer revenues and expenses, we have been ramping up our monthly rates each year for the last four years, but we still have not quite reached the point of covering expenses. In order to break even by year four and not put a lot of stress on the ratepayers, he is recommending a 4% increase per year over the next four years, which amounts to a \$3.00 per month increase for a 5000 gallon customer.

F. Wastewater Treatment Plant Storage Building & Concrete Pad

WWTP Superintendent Emory Owen has requested funding in the upcoming budget for a new storage shed and concrete pad. He explained that the WWTP currently has an open carport, but when going through the RBC rehab, the carport had to be moved in order to get a crane in there and it was damaged in the process. Mr. Owen has obtained quotes for a 24' x 30' metal building and concrete pad from three companies, ranging from \$21,000 to \$60,000. There was discussion as to where the building would be located and whether a 24' x 30' building is large enough. There was consensus that we should build as big a building as we can in the footprint available. Mr. Owen will continue to research other options prior to finalization of the budget.

G. Set Date for Next Meeting

No date was set for the next meeting.

H. Adjourn

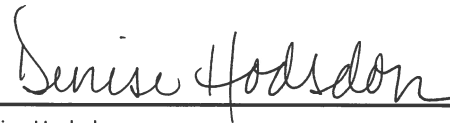
There being no further business, Mr. Fatland moved, and Mr. Morrow seconded to

adjourn the meeting at 6:23 PM. Motion carried unanimously.

X 

Mac Morrow
Chair, Council Member

Minutes Approved: March 7, 2019

X 

Denise Hodsdon
Executive Assistant