



Mr. Rowe presented an overview of the history of the program in Forsyth County, including major elements of the amended City-County Utility Agreement.

*(Council Member Terry entered the meeting at 4:14 p.m.)*

Mr. Rowe summarized the responsibilities of the Utility Commission and its service areas, as well as solid waste financing and funding for recycling programs as covered by the amended agreement. At the request of Council Member Besse, he read into the record the text of Slide 4 of his presentation, which covers funding for recycling programs, as follows:

- Until July 1, 1991, the Commission will finance solid waste management and disposal pilot study costs (including recycling costs throughout the entire service area where there is sufficient interest to warrant recycling) from tipping fees and recycling revenue.
- Revenues from tipping fees and recycling may not be sufficient to finance recycling after July 1, 1991. It is anticipated that such revenues will be needed for capital improvements for solid waste disposal, and it may be necessary for local units of government to use other funds to assist in funding the recycling programs in each of their jurisdictions.

Council Member Besse pointed out that ambiguous language in the second paragraph should be clarified to prevent any misunderstanding regarding local government responsibilities for the recycling program.

*(Council Member Merschel entered the meeting at 4:18 p.m.)*

Mr. Rowe continued with the outlook and trends for Solid Waste funding in regards to tonnage and tipping fee revenue, the cost of the curbside recycling program and services offered compared to the number of participants, pointing out that the cost of fuel has also contributed to budget stressors on the program. He summarized increased regulatory requirements including new state legislation requirements. Approximately

half of the solid waste budget goes towards the operation of the Hanes Mill Road Landfill, however, he noted that the Hanes Mill Road Landfill also produces more revenue than any of the City's other solid waste revenue sources. Mr. Rowe explained that the unrestricted fund reserves will be exhausted by year 2011 and by 2014, there will be no restricted revenue funds available. One option would be an increase in tipping fees, which could provide some short-term relief for operating revenue and General Fund expenditures. Another short-term relief option would be a service fee levied on the recycling program. Some long-term relief options include adjustments to program expenses and implementation of flow control measures. He indicated that if all of the options are utilized, the availability of unrestricted reserves could be extended beyond the year 2025.

Mr. Garrity noted that solution includes debt financing, increased tipping fees, and implementation of a recycling fee or property tax adjustment over two years.

Mr. Pat Swann, Chairman, Utility Commission, recognized that many Commission members were in attendance. He explained that the Commission was given the responsibility of solid waste management in 1990, excluding collection, recycling and enforcement. He noted that the Solid Waste Fund has financed the recycling program since that time. Mr. Swann explained that due to exhausted funds and new expenses, the restricted funds are unfortunately having to be utilized. He noted that recycling should continue to be a positive process and expressed concern over charging for the service.

Mayor Joines asked for Council comments and noted that staff and members of the Utility Commission are expecting suggestions to enable them to move forward with budget discussions.

Mr. Gregory M. Turner, Assistant City Manager/Public Works, responded to Council Member Leight's question, stating that budgetary responsibilities to the landfill include bringing in enough waste to cover all costs. The more expenditures there are, the greater the need for waste being brought into the landfill. He indicated that if the amount of waste coming into the landfill is decreased, revenue needed to fund the program is decreased.

Council Member Clark expressed a concern that the City needs to decide whether or not to operate a landfill and if so, how to pay for the State mandated recycling program. He pointed out that tipping fees could be increased or a monthly service fee could be instituted. He noted that all of the graphs presented only go to 2015 even though there are large expenditures going past that year, presenting the possibility of going into debt as becoming more significant. He stated that funds need to be put aside for the possible need to purchase land for a new landfill.

Mayor Joines inquired if net present value of the landfill had been figured into the options in the case of having to locate a new landfill site.

Mr. Rowe explained that although the funding options are not included in the current outlook data, net present value of the landfill is taken into account in the flow control scenario, in which case a site would have to be located as soon as 2010 instead of 2018. In response to Council Member Besse's question, he indicated that part of the

Capital Projects budgeting is for a new construction and demolition (C&D) landfill in 2011. However, if that project is delayed, there would be a major change in funding options available for the solid waste landfill.

Council Member Besse asked what the effective date was of the last statewide Solid Waste Management Act and if it included mandates on waste reduction targets per capita.

Mr. David Saunders, Director of City/County Utilities, indicated that the goals were set for tonnage per capita, which was supposed to be decreased. He noted, however, that the City has experienced an increase in tonnage, as have most other major municipalities with solid waste programs.

Council Member Besse noted that the State has charged all municipalities with the task of decreasing tonnage. He inquired if staff has reviewed this year's Solid Waste Legislation and its comparative cost effects on private solid waste haulers.

Mr. Saunders indicated that private and public haulers would be affected by the new tipping fee tax increase, of which 18% is allowed to go towards funding programs such as recycling. However, those funds will not be allowed to enter into the revenue stream. He explained that most of the other legislation is based on permitting of new sites, which would affect haulers differently based on their tonnage and locations. Mr. Saunders further responded to Council Member Besse that the landfills competing with the City's landfill have a similar lifespan and the City will need to monitor how quickly they fill up to determine its competitive advantage.

Council Member Besse requested that staff provide revenue stream forecasts based on the amount of tonnage per capita coming into the landfill and its effects on the amount of tipping fee funds that will be available for local programs.

In response to Council Member Besse, Mr. Rowe stated that staff pursued a benchmarking study in 2004 which showed that the City's facilities are financially in line with State and other facilities throughout the Southeastern United States that have separate solid waste and construction facilities.

Mr. Saunders explained that although recycling of materials at the current C&D landfill is not feasible, the operations are being figured into planning of the new C&D site. He noted that a significant portion of the C&D stream can be removed for recycling but the question is the availability of a market for those commodities.

Council Member Besse commented that the City's solid waste handling program includes recycling and the recycling program should not be separated out when considering funding options. He stated that charging a fee for the recycling program which is a fundamental part of solid waste management is basically a tax and would be considered a regressive tax due to the fact it would be an across the board fee and the resulting negative impact on low income households. He further requested that staff utilize local and national information to develop alternative options for controlling landfill operating expenses, the possibility of diverting the stream of C&D waste and marketability of those materials, and look at new statewide revenue in terms of recycling across the board.

Council Member Merschel requested that staff and the Utility Commission members develop commensurate reductions in overhead based on a 1/2% mark, a 1% mark, etc., mirroring the proposed fee structures. She noted that although the operations are streamlined, there is also a need to reduce overhead.

Council Member Burke requested information regarding the resulting expense for the City to pick up waste for those residents who do not deliver their waste to the landfill.

Mr. Rowe answered Council Member Burke's question, noting that overall losses are offset by revenue brought in by the Hanes Mill and Old Salisbury Road Landfills. Some are expected losses and should not be on the list next year. He noted, however, that the sale of commodities from recycling is not sufficient enough to cover the cost of program.

Mr. Turner noted that approximately 49% of the city's residents are currently recycling their waste.

Council Member Besse thanked Mr. Swann and other Utility Commission members and staff for their efforts.

Council Member Johnson requested staff make available to absent Council Members the information handed out regarding household recycling.

Council Member Burke thanked Mr. Swann and pointed out the invaluable resource offered by individuals with experience in specifically targeted areas being discussed by the City.

Council Member Leight requested a report on the City's tire recycling program.

Council Member Clark requested a report on cash flow through the year 2025.

Council Member Merschel asked staff to provide an update to the Finance Committee in November.

Mayor Joines thanked Mr. Rowe and other key staff for their input into the report. In response to Council Member Clark, he indicated that aside from an update to the Finance Committee, the topic will also be discussed during Fiscal Year 2007-2008 budget deliberations.

Council Member Johnson requested that the issue also be included for ongoing discussion by the Public Works Committee.

2. DISCUSSION OF ELECTRONIC MESSAGE BOARD SIGNS AND THE NEW ON-PREMISES SIGN REGULATIONS.

Mayor Joines noted that the Council needs to readdress the issue of electronic message boards (EMB's) as it regards changing of static signs such as gas stations and he pointed out the difficulty of doing this due to rapidly changing pricing.

Ms. Gayle Anderson, Chamber of Commerce, 601 West Fourth Street, explained that the Chamber members feel that owners of EMB's should be allowed a 15 year amortization period such as the owners of static signs, and she noted that the EMB's are more expensive to replace. She stated that they would also like the opportunity to allow changes once every eight seconds for EMB's to allow adequate use of signs during the 15 year amortization period. At that time, the sign owners would be amenable to having EMB's change once every 24 hours. Ms. Anderson indicated that there is only one sign out of a total of 34 EMB's that cannot physically comply with the proposed change. She explained that Mr. Maurice Redd is a local insurance agent with a scrolling sign that

cannot be made to change. He plans to retire during the next 10 years, at which time the sign will be taken down.

*(Council Member Terry exited the meeting at 5:14 p.m.)*

Council Member Clark expressed concern over the requirement for new EMB signs to be required to change once every 24 hours, noting that the technology is changing on a regular basis and the City may be greatly limiting businesses and themselves for future use of new technology. He stated that every two or three hours would be more adequate to address the problem without closing the door on new technology.

Council Member Besse indicated that although the ideal preference is a longer period of time between EMB changes, he felt that two hours would most likely have the same relative effect to decrease the distraction level of the signs.

Mayor Joines noted that the Council would need to make a motion for the September 4, 2007 consideration of the item if a change is recommended.

Council Member Johnson requested that there also be a consideration for alternative EMB needs in the event of local emergencies.

Council Member Leight stated that although she would prefer a ban of EMB's, she could agree with the two hour time interval.

Mayor Joines requested that staff draft a motion for September 4, 2007 using the aforementioned recommendations.

Mr. Ron Seeber, City Attorney, indicated that City Council could move forward with a motion on the proposed changes in today's meeting package, but substitute the recommendations made tonight.

Council Member Clark inquired about how to address the issue of the existing sign that scrolls and cannot be made to change its intervals.

Mr. Seeber stated that the current ordinance does not permit scrolling and would have to be changed to allow scrolling, but no single exception could be made.

In response to Council Member Burke's concern, Mayor Joines stated that although City Council could legally vote on the item tonight, he felt that most of the Council Members prefer to vote on September 4th.

In response to Council Member Besse's question, Mr. Seeber indicated that City Council could ask the Planning Board to consider its recommendations from the September 4th meeting during its September 27th work session for review of those comments by City Council on October 1st.

Mayor Joines indicated that, without objection, the item with recommended changes will be considered by City Council on September 4th to be considered by the Planning Board during its September 27th work session. In response to Council Member Clark's question, he indicated that the issue of the scrolling sign will have to be considered separately at that time.

ADJOURNMENT: 5:23 p.m.