

**MINUTES OF BOARD OF COUNTY COMMISSIONERS
OF GUILFORD COUNTY
WORK SESSION**

Greensboro, North Carolina
July 14, 2022

The Board of County Commissioners met in a duly noticed Work Session at 3:00PM in the McAdoo Conference Room located on the third floor of the Truist Building, 201 W. Market St., Greensboro, NC.

PRESENT: Chairman Melvin “Skip” Alston, presiding; Vice Chair J. Carlvena Foster (in at 3:12PM); Commissioners Justin Conrad, James Upchurch, Frankie T. Jones, Jr., Carly Cooke, Alan Perdue (in at 3:15PM via virtual participation).

ABSENT: Commissioners Mary Beth Murphy and Kay Cashion.

ALSO PRESENT: County Manager Michael Halford; Interim County Attorney Matthew Mason; Clerk to Board Robin Keller; Assistant County Manager Erris Dunston; Assistant County Manager Victor Isler; Assistant County Manager Jason Jones; Ariane Webb, Deputy Clerk to Board; J. Leslie Bell, Planning & Development Director; Clyde Harding, Solid Waste Program Manager; members of staff, media and the public. Virtual participation was made available to members of the public and media partners.

I. WELCOME AND CALL TO ORDER

Chairman Melvin “Skip” Alston welcomed those present and called the meeting to order at 3:10PM.

II. NEW BUSINESS

**A. 2022-269 CONSIDER RESIDENTIAL SOLID WASTE HAULER
REQUEST FOR RATE INCREASES AND RATE ADJUSTMENT
OPTIONS**

J. Leslie Bell, Planning & Development Director, reviewed the goals of the agenda and introduced the item. He discussed the County’s role with regards to solid waste collection and noted the County does not provide these services. Bell referenced Chapter 15.5 of the Guilford County Ordinance that allows the Board to issue a franchise for solid waste hauler services, per NC General Statute 153A-136.

Vice Chair J. Carlvena Foster arrived to the meeting at 3:12PM.

Bell reviewed the Customer Bill of Rights and reminded the Board the last fee increases were approved in 2019. He noted Republic Services serves 85% of total solid waste customers, GFL Environmental serves approximately 14% and Randolph County Garbage Service serves the remaining 1%.

Clyde Harding, Solid Waste Program Manager, presented a map of the coverage area for residential solid waste customers and discussed the current rates and container fees. He discussed the primary challenges reported by the providers that are now impacting the industry, which include: rising fuel costs, driver and technician labor, customer support and disposal costs. Harding noted these challenges have an annual impact of approximately \$1.341 million upon providers.

Commissioner Alan Perdue arrived to the meeting via virtual communication at 3:15PM.

Harding reviewed the requested fee changes for weekly garbage and twice per month recyclables collection, which include:

- Republic Services - an increase from \$21.50 to \$26.56 per month
- GFL Environmental – an increase from \$21.50 to \$26.05 per month
- Randolph County Garbage Services – an increase from \$18.50 to \$21.50 per month

Commissioner James Upchurch asked for clarification on the last rate increase.

Harding confirmed rates for Republic Services and GFL Environment increased from \$16.50 to \$21.50 in June 2019.

Chairman Alston offered the opportunity for vendor representatives to speak to the Board regarding the request.

Norma Yanez, GFL Environmental Government Contracts Manager, noted that, while they did receive a rate increase in 2019, there had been no increases for the prior ten (10) years and shared their experiences with rising labor costs, which increased by 41% in 2019. She emphasized labor costs for residential waste haulers are approximately \$76 per hour, and noted repair and maintenance costs have increased by 61% while fuels costs have increased by 99% within the past three (3) years.

Ms. Yanez stated GFL Environmental would appreciate the Board's consideration of rate increases to maintain service area coverage in the unincorporated areas.

Commissioner Frankie T. Jones, Jr. questioned the fees for back-door service and if a comparable increase would be presented for consideration.

Ms. Yanez shared vendors have been absorbing the rising costs for two (2) years and noted the market is currently very vulnerable.

Commissioner Upchurch questioned if the vendors would return to the Board for a rate decrease if fuel prices decline.

Ms. Yanez noted that, since fuel rates are variable, this would not be a best practice for the business.

Chairman Alston stated that during the last presentation he expressed his interest in learning how the previously approved rate increases impacted staff, specifically driver's pay.

Ms. Yanez confirmed they are experiencing the same labor shortages observed in other industries, but have tried to combat this with salary adjustments, sign-on and weekend work bonuses.

Chairman Alston expressed his interest in viewing their financial statements to analyze actual costs.

Commissioner Frankie T. Jones, Jr. questioned if the vendor has included a clause in their contracts guaranteeing favored customer.

Ms. Yanez stated it is challenging to meet this guarantee given the variations in rates across the state.

Commissioner Justin Conrad questioned if their contracts included conditions to reduce rates if fuel prices decrease and how do they determine when this clause could be activated.

Ms. Yanez discussed how fuel kicker clauses are addressed in contracts with other entities.

Chairman Alston questioned if the Board could hold a public hearing to receive feedback from residents on the requested rate changes, as they will be impacted by the increased fees.

Ms. Yanez stated staff typically respond to complaints by the end of the following day.

Vice Chair J. Carlvena Foster spoke to the importance of customer service and satisfaction and number of complaints reported by Board members during their last presentation. She questioned if the increase in Republic Services rates was based on fuel price variations.

Ms. Yanez noted that, during the height of the COVID-19 pandemic, many employees were out of the office due to illness and the company utilized substitute drivers. She confirmed that they worked to address houses and stops that were missed by these drivers as quickly as possible.

Interim County Attorney Matthew Mason stated that, while there is no requirement to hold a public hearing, the Board can schedule one.

Tracy Nestor, Senior Area Manager with Republic Services, shared the pay rate for drivers has increased from \$16.00 to \$25.00 per hour, in addition to increased transporter fees, requiring them to absorb increased service costs for over eighteen (18) months. She noted only two (2) other counties in the state offer waste collection services using a model similar to Guilford, as the majority of the other counties utilize their municipalities to manage this service.

Ms. Nestor noted Guilford County's waste is transferred to Montgomery and Randolph counties, resulting in additional transfer fees. She shared they employ over 105 employees and have made significant investments in the local market to remain good corporate partners.

Ms. Nestor spoke to the serious nature of the request and shared the City of Greensboro is now charging residents \$15.00 per load, or approximately \$60.00 monthly, to deliver their waste at the Greensboro Transfer Station. She noted the customer always has the option to change providers and they will work to remain competitive to maintain their market share. Nestor spoke to Republic's willingness to re-evaluate their rates on an annual basis.

Joe Salomon, Vice President of Marketing for Republic Services, shared they have hired additional supervisors, dispatchers and customer service providers to improve service to Guilford County, and noted that out of the 24,000 customers they serve in this area, they have only received fifteen (15) complaints. He discussed the process of waste hauling and the associated costs and reiterated their dedication to and investment in Guilford County.

Commissioner Conrad requested examples of the benchmarks utilized to determine rates included in these contracts, which could assist the county in identifying best practices.

Commissioner Jones echoed Commissioner Conrad's request.

Commissioner Carly Cooke thanked the providers for taking time to answer the Board's questions and asked if their contracts with municipalities are also being re-negotiated.

Ms. Nestor confirmed and noted they are requesting similar rate increases from Cleveland, Alamance and Davie counties and the other municipalities they serve. She noted certain towns have annual escalators built into their contracts.

Commissioner Cooke expressed her interest in vendors including customer input in the process.

Mr. Salomon confirmed they contact every customer who experiences a missed pick up and encourages residents to call if they have issues.

Commissioner Alan Perdue shared customer service has been the greatest concern with vendors and noted past issues. He stated that, if a rate increase is approved, customer service should be offered accordingly and reiterated the expectation that if someone pays more they should expect more.

Ms. Nestor noted the information requested is marked confidential.

Chairman Alston requested the confidential information shared with the Board and schedule a public hearing to be conducted during their August 4 regular meeting.

Attorney Mason reviewed the process under proprietary and confidential information sharing with the board.

B. 2022-325 UPDATE ON DESIGN-BUILD PUBLIC PROJECTS DELIVERY PROCESS

Eric Hilton, Facilities and Property Management Director, introduced the presentation and shared the multiple paths to deliver projects, like design-build and construction manager at-risk. He discussed the advantages of the design-build model to include faster time to produce

construction bid processes, faster ordering of long-lead equipment, reduced project schedule and the ability to maximize MWBE opportunities with bid package development.

Hilton shared they posted two (2) request for qualifications (RFQ) packages after the last Board meeting for Building Systems & Renovations and Envelope and Waterproofing services. He noted these projects were included in the two-thirds bonds proposal and shared the team of county staff interviewing the firms who submitted RFQ packages.

Hilton spoke to the challenges currently impacting construction that includes weeks and months of lead time to purchase items such as air handlers, generators and roof insulation. He confirmed construction cannot start for many of these projects until materials can be delivered and reiterated lead times, in addition to price escalations, are significantly impacting construction.

Hilton spoke to the large workloads in permitting offices and noted the design-build model involves the constructor early, which improves the permitting process and accelerates the schedule.

Hilton stated the county has three (3) valid respondents for the Building Systems & Renovations project and the team can make a recommendation for this package almost immediately to begin negotiations on scope and fees. He noted they have four (4) valid respondents for the Envelope & Waterproofing project with two (2) interviews completed and two (2) scheduled for next week. Hilton expressed his hope that the team can make a recommendation and begin negotiations by August 1.

Hilton shared staff's recommendation to continue pursuing the design-build delivery method for both projects and staff will present contracts to the Board for an award after MWBE and Purchasing have reviewed and approved each selected firm, scope and pricing negotiations are complete and appropriate legal review of the contracts has been conducted.

Chairman Alston questioned the selection process once the request reaches the Board of Commissioners.

County Manager Michael Halford stated staff can share the RFQ documents with the Board to receive their input.

Chairman Alston stated he wants to ensure the Board has an opportunity to complete due diligence and ask questions about the scope of the projects and the qualifications of the potential vendors, and noted the length of time associated with the process.

Mason stated the criteria for selection must be set at the time the RFQ is published and if modifications are required, the County needs to re-bid the projects. He reviewed the RFQ parameters utilized.

Commissioner Upchurch questioned the role of the Board in these selections and who determines which vendor is most qualified.

The Board discussed the process and Commissioner Jones questioned staff regarding the reasonable level of Board involvement in this process.

Mason advised the Board they should ensure they are comfortable with the criteria of the bid packages and the selection team.

Chairman Alston thanked him for this information and reiterated his interest in receiving additional information prior to a decision being made regarding vendors.

Hilton discussed the selection team and noted they have already started the vendor interview process, although this can be restarted, at the Board's request. He emphasized that he is seeking Board approval to utilize the design-build delivery method.

Chairman Alston shared that he would like more time to review the Board's role in this process.

Vice Chair Foster stated she was willing to defer the process to ensure the Board is comfortable in moving forward. She noted MWBE participation is very important and hoped this goal was being prioritized.

Hilton shared their most recent projects have included MWBE participation rates within the 30% range and confirmed it was his goal to keep participation rates in this range for these projects.

C. JOINT GUILFORD COUNTY/GUILFORD COUNTY SCHOOLS (GCS) CAPITAL CONSTRUCTION COMMITTEE

Halford reminded the Board of the joint committee they developed with the GCS Board of Education (BOE) as they worked the findings of the initial school facilities assessment. He noted this was a collaborative process that resulted in the bond dollar amounts presented to Guilford County voters. Halford stated that as the schools move into the design phase for these projects, it is appropriate to reassemble the joint committee.

Chairman Alston confirmed he had spoke with BOE Chair Deena Hayes-Green on this topic.

Chairman Alston nominated the following Board members to participate in the Joint Guilford County/Guilford County Schools Capital Construction Committee:

Chairman Melvin "Skip" Alston
Vice Chair J. Carlvena Foster
Commissioner Kay Cashion
Commissioner Carly Cooke

Commissioner Conrad expressed his interest in Commissioner Alan Perdue participating, as he was part of the original joint committee.

Chairman Alston stated every Commissioner can attend these public meetings.

Commissioner Conrad expressed his support for the nominations, but reiterated his interest in Commissioner Perdue's appointment to the committee.

Chairman Alston questioned if there was general consensus to proceed with the nominations.
Commissioner Perdue expressed his support for the nominations.

By general consensus, the Board appointed the following nominees to the Joint Guilford County/Guilford County Schools Capital Construction Committee:

**Chairman Melvin “Skip” Alston
Vice Chair J. Carlvena Foster
Commissioner Kay Cashion
Commissioner Carly Cooke**

III. OTHER BUSINESS

Halford requested the Board schedule a work session to discuss first-pass request for ideas (RFI) submissions American Rescue Plan Act (ARPA) funding.

Halford noted staff updated the Behavioral Health Oversight Committee on mental health resources available for children in the County’s care and discussed potential ideas for recovery housing for women with children. He confirmed funding for broadband services will be awarded in July. Halford recommended a half-day work session to thoroughly review the ARPA RFI submissions.

Chairman Alston questioned the Board regarding available dates and times for a work session.

By general consensus, the Board scheduled a work session for July 29 at 9:00AM.

IV. ADJOURN

There being no further business, the meeting was adjourned by unanimous consent at 4:57PM.

Robin Keller
Clerk to Board

Melvin “Skip” Alston
Chairman