

1 **MINUTES OF THE SPECIAL MEETING OF THE**
2 **EMERALD ISLE BOARD OF COMMISSIONERS**
3 **TUESDAY, JUNE 27, 2006 – 4:30 pm – TOWN HALL**
4

5 The special meeting of the Board of Commissioners was called to order by
6 Mayor Art Schools at 4:30 PM.
7

8 Present for the meeting: Mayor Art Schools, Commissioners Floyd Messer, Nita
9 Hedreen, John Wootten, Pete Allen, and Maripat Wright.

10
11 Others present: Attorney Richard Stanley, Town Manager Frank Rush, Asst.
12 Manager Mitsy Overman.
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14 After roll call, everyone stood for the Pledge of Allegiance.
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16 **4. ADOPTION OF AGENDA**
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18 Town Manger Frank Rush asked that a final budget amendment be added to the
19 agenda after the discussion of solid waste proposals. Commissioner Hedreen
20 made a motion to adopt the agenda with the additional item. **The Board voted**
21 **unanimously 5-0 in favor. Motion carried.**
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24 **5. Discussion of Solid Waste Collection and Disposal Contract**
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26 Town Manager Frank Rush said the Board received a total of four proposals.
27 One of those proposals was for dumpster service only, received by GDS
28 Republic. Waste Industries, Inland Service Corp and Simmons and Simmons
29 were the three bidders for residential/recycling services.
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31 The Town's RFP essentially requested proposals on two basic service options.
32

33 **Option A-1 & B-1** – Residential garbage be collected in the entire Town on
34 Mondays, and on Fridays in the summer months. Recycling collected in the
35 entire Town on Tuesdays. This option allows the entire town to be collected right
36 after and right before the weekends, and has been viewed as the "ideal" solution.
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38 **Option A-2 & B-2** – Residential garbage collected in the southern (south of Hwy
39 58 and Coast Guard Road) part of Town of Mondays and Thursdays in the
40 summer. Residential garbage collected in the northern (north of Hwy 58 and
41 Coast Guard Road) part of Town on Tuesdays and Friday in the summer. This
42 option allows for the entire oceanfront area to be collected right after the
43 weekends, and has been viewed as a more affordable option due to the fact that
44 the Town would still be split between two collection days.
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D – Dumpster service for all condominium complexes in Town and the Town’s dumpsters. This is a small component of the overall contract. It calls for dumpsters to be collected on Mondays, and Fridays in the summer months, regardless of whether A-1 & B-1, or A-2 & B-2 is selected. The Town must award **D** along with either A-1 & B-1 or A-2 & B-2.

C – Container roll-back service for all residential units collected. This service was an option for the Board to review and decide whether or not the cost is worth the additional expense.

Town Manager Frank Rush said that Simmons and Simmons did offer the best price for the two options. Their cost for A-1 & B-1 was a total of \$9.75 per unit per month, and under option A-2 & B-2, a total of \$8.85 per unit per month, which when combined with **D** (required dumpster service) would yield an annual solid waste fee of \$175 per year, or a \$25 increase over the current fee.

At this point, it appears that the Town would either contract for **D** from a separate firm, or Simmons and Simmons would subcontract the dumpster service to a separate firm. Either approach would be acceptable to the Town. The Board should note too that container roll-back service © would increase the annual cost by \$70,800, and would require an additional \$10 annual solid waste fees, taking the annual fee to \$185 per year.

Option A-2 & B-2 are very similar to the Town’s current system whereby a portion of the Town’s garbage is collected on Mondays (and Thursdays during the summer) and a portion is collected on Tuesdays (and Fridays in the summer). The current system divides the Town east and west, and A-2 & B-2 would divide the Town north and south to enable the entire oceanfront area to be picked up on Mondays after the weekend. When combined with **D** (required dumpster service), the annual solid waste fee would be \$165 per year, an increase of \$15 over the current fee.

Alternate Proposal - Simmons and Simmons has an alternate proposal which is summarized in the agenda packet and the operating plan for that proposal is attached. Their alternate proposal is very similar to A-2 & B-2, however, it included the roll-back feature in the pricing and provides for twice per week collection on a year-round basis. Equipment and staffing levels are identical to A-2 & B-2. Simmons and Simmons quoted a flat monthly fee of \$64,519 per month for these services, which equates to a total annual expense of \$774,228. The town could implement Simmons and Simmons alternate proposal for an annual fee of \$175 per year per unit.

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3 Town Manager Frank Rush said he had checked background/references for
4 Simmons and Simmons and had included the past three years of financial
5 statements and tax returns for the two owners, Estel and David Simmons. These
6 statements illustrate the financial strength of this company. Mr. Rush said he
7 checked with two other governmental clients, one in Moore County and the other
8 in Vance County. Both indicated they have been extremely pleased with
9 Simmons and Simmons and found them to be honest, responsive and easy to
10 work with. Mr. Rush said he also checked references with two other solid waste
11 clients previously served by Davis Benton in his capacity with another solid waste
12 firm, Atlantic Coast Contracting. Both were very positive in their comments. Mr.
13 Rush said he has concerns, due to the fact that this will be the first solid waste
14 client. However, after hearing all the positive comments, the confidence level in
15 Simmons and Simmons performing the work for the Town has increased.
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18 Town Manager Frank Rush introduced Mr. Davis Benton and Estel Simmons,
19 both of Simmons and Simmons, as well as Dallas Goodwin, formerly of Waste
20 Industries. Mr. Davis Benton said he has no doubt that Simmons and Simmons
21 can do the job that needs to be done. Simmons and Simmons wants to continue
22 to grow, not necessarily out of state, but grow within the state. Davis said he had
23 thirteen years in the business. Simmons and Simmons does work such as
24 demolition, site work, tub grinding. We have a good track record, we want to
25 branch out and continue to grow.
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27 Dallas Goodwin said Mr. Rush had asked him to look over the proposals. He
28 said this will be Simmons and Simmons first solid waste client, and the Town
29 needs some assurances in place, such as a performance bond, in case they fail
30 to perform. They will have a large layout of capital equipment to get all the
31 trucks, etc. needed to do the work required. They have indicated they have a
32 portable mechanic that can go where needed to make repairs to equipment.
33 Their references are good and they have a good operating plan.
34

35 Commissioner Wootten, speaking with Estel Simmons, said the amount of
36 information provided by your company is amazing. Commissioner Wootten said
37 it looked like the company will have to assume more debt, for the capital
38 equipment needed. Commissioner Messer said at first, he had concerns, but now
39 he was feeling better about the performance issues. Commissioner Wootten
40 wanted to know what the cost would be for an irrevocable letter of credit. Estel
41 stated he would have to come up with the total contract amount. Estel said the
42 performance bond will cost approximately \$15,000 per year. Estel asked if the
43 Board would consider holding 5% per month for the first two years, or hold the
44 \$25,000 the Town is currently holding. Estel commented that Simmons and
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Simmons will do the job because they will have capital equipment that will need to be paid for as well. Commissioner Messer said he wanted some assurance, if there is a default, the Town is covered. He would feel better about a bond for the first year. Attorney Stanley said when they put up a performance bond, and a default occurs, the Town is going to have to spend some money for the garbage to get picked up before the performance company steps in. You might consider a combination of a bond and irrevocable letter of credit. Attorney Stanley said the Town would probably be spending more money at that point to get the garbage collected, because we will be dealing with a company that bid a higher price. Commissioner Wootten said he just wanted to make sure the Town is protected.

Commissioner Wootten said the alternate proposal is just A2 & B2 with added features. Mr. Rush said that was correct. Commissioner Wootten asked Estel the reasoning behind the alternate proposal. Estel said it was keeping the personnel working all year around. Commissioner Allen and Commissioner Wright stated they were both in favor of the alternate proposal. Commissioner Allen said he had a problem with the other option requiring the Town to be picked up in one day. He said that added additional stress on every one, which is why he favors the alternate proposal. Estel said the company will do whatever it takes to get the job done. Commissioner Hedreen thanked them both for all the information/disclosures provided to the Board.

Tom Youngblood with Emerald Isle Realty asked about roll-back service. He wanted to know if they saw any problems with rolling the cans back. Davis said no. Commissioner Wootten said the comments he hears from full time residents is they are paying the fee for the second homeowner to have their cans rolled back. The rental agencies charge the homeowner to roll their cans back. Commissioner Wootten said we are shifting the expense from the rental to the Town and we need to be sensitive to that. Tom said the second homeowners feel they are not getting fair service either, because they have to pay the rental agency to provide that service. Mr. Rush said the cost of roll-back for everyone will be approximately \$64,519 per year. This will be for year round service.

Commissioner Wootten requested Mr. Rush negotiate further, whether or not it is with the performance bond, a letter of credit or combination of both as long as the Town is covered. Attorney Stanley said again, the bonding company would be in the same boat as the Town, they would have to go and find someone to pick up the garbage which could take weeks or longer. Commissioner Wootten said the bonding company might even try litigation to keep from paying out the full amount. Attorney Stanley agreed.

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6. Budget Amendment

A budget amendment was presented to the Board for the current fiscal year. The amendment only made transfers between departments and does not change the total budget. Commissioner Wootten made a motion to approve the amendment. **The Board voted unanimously 5-0 in favor.**

7. Adjourn

Commissioner Hedreen made a motion to adjourn. Motion carried.

The meeting adjourned at 5:54 PM.

Respectfully submitted:

Mitsy Overman
Deputy Clerk
Asst. Town Manager/Finance Officer