

## ORANGE COUNTY BOARD OF COMMISSIONERS

### AGENDA

BOCC Regular Work Session

May 13, 2014

Meeting – 7:00 p.m. (Following Joint Meeting with Board of Health)

Southern Human Services Center

2501 Homestead Road

Chapel Hill, NC

- (7:00 – 7:45) 1. Southern Branch Library Siting Criteria Update
- (7:45 – 8:45) 2. Employee Benefits Updates, Preliminary Renewal Estimates Regarding Calendar Year 2015 Health Insurance, and Anticipated Health Care Reform Components
- (8:45 – 9:15) 3. Interlocal Agreement for Solid Waste and Recycling
- (9:15 – 10:00) 4. Issues and Funding Options for Orange County’s Recycling Programs
- (10:00-) 5. Closed Session  
“To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee” NCGS § 143-318.11(a) (6).

**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** May 13, 2014

**Action Agenda  
Item No.** 1

**SUBJECT:** Southern Branch Library Siting Criteria Update

**DEPARTMENT:** Library, Asset Management  
Services (AMS), Planning

**PUBLIC HEARING: (Y/N)**

No
----

**ATTACHMENT(S):**

- A. BOCC Approved Southern Library Siting Criteria
- B. Criteria Report – 120 Brewer Lane
- C. Presentation: Available at  
<http://orangecountync.gov/library/documents/BOCCPresentation.pdf>

**INFORMATION CONTACT:**

Lucinda Munger, 919-245-2528  
Jeff Thompson, 919-245-2658  
Michael Harvey, 919-245-2597

**PURPOSE:** To:

1. Receive an update and provide feedback regarding the 120 Brewer Lane Primary Phase Public Input process and Southern Branch programming report delivered by County staff and Freelon Group Architects of Durham; and
2. Provide direction to the Manager with regard to authorizing further due diligence to be performed on the 120 Brewer Lane site for the development of the Southern Branch Library.

**BACKGROUND:** On September 18, 2012 the Orange County Board of Commissioners (BOCC), in conjunction with the Carrboro Board of Aldermen, approved a set of guiding principles and a comprehensive site selection criterion (Attachment A) for locating the new Southern Branch of the Orange County Library (hereafter “the Branch”). Since that time the Town has submitted several properties for review by County staff consistent with the approved Branch siting process.

On November 5, 2013 the BOCC authorized staff to continue with a more granular level of Preliminary Phase I analysis regarding the 120 Brewer Lane site. Attachment B summarizes the overall due diligence findings of the site, as framed by the Site Selection Criteria.

On January 23, 2014 the Board authorized the engagement of Freelon Associates of Durham, NC to facilitate the Primary Phase Public Input (“Primary Phase”) for the Brewer Lane site. Freelon Associates began working with the project staff in February 2014. Freelon completed a thorough assessment of library space needs, and developed alternatives based on maximum efficiencies, known statistical information regarding the library and demographic projections. Input from the community, the library staff, Friends group, and the Southern Branch Library project team, was included in the development of this recommendation.

Freelon Associates and County staff conducted two community engagement workshops and a middle school workshop, gleaned input from the Carrboro Community Dinner attendees, and offered an online survey and public comment cards to collect data to assist in defining the recommendation.

Based on this process and public input, Freelon Associates recommends the Southern Branch Library size be between 15,650 and 18,475 square feet (minimum net square footage).

Freelon Associates noted that while this recommendation accommodates the basic current needs of the community, it does not account for the standard 20-year projected population/library growth. Building in flexibility will allow for a measure of changeability, but will not accommodate the potential expanded needs of 20 years in the future. A plan for future expansion opportunity should be considered.

Freelon's recommendation on distilling this square footage into a flexible and adaptable program to serve the southern area of Orange County is below.

#### Recommended Conceptual Program

##### **PUBLIC SPACES**

Adults/Teens/Children	53%
Meeting/Gathering Spaces	15%
Marketplace	12%
Creation spaces	10%

##### **NON PUBLIC SPACES**

10%

---

100%

Adults/Teens/Children: Collections, Seating, Computers, Small Study Spaces, Group Spaces

Meeting/Gathering: Multipurpose flexible meeting space, Conference room

Marketplace: Entry, Service Desk, Self-Checkout, Returns, Holds, New Releases, Display, Gallery, Download Hubs, Technology Vending, Book Sales

Creation: Technology/Media Lab, Training Classroom, Flexible Multipurpose Lab

Non Public: Staff Workspaces, Shipping/Receiving, Book Return

These areas will be designed to provide support to these critical components of a 21<sup>st</sup> century library:

Flexibility: Flexibility is key in new library design. Future services and rearrangements must be taken into account. This ranges from flexibility within the infrastructure and technology, to flexible furniture.

Collections: This conceptual program takes into account the changing world of library programming. As new neighborhood libraries open with innovative programs tailored to meet

the specific community's needs, circulation counts are known to double and in some cases even triple. The use of a floating collections concept along with strong ILL (Inter-library loan) partnerships allows libraries to maintain smaller shelving footprints while increasing the range of available materials.

**Programs:** This coincides with the ever-increasing need to provide more "people space." Communities need access to the latest technology, training, meeting and collaborative space. As customers find fewer locations outside of the home for quiet study and reading, it is increasingly important to provide these opportunities within the library. Children's spaces are expanding to include more exploratory learning opportunities. And teen spaces are including zones not only for hanging out but also for creating. Access to high and low tech creation spaces allows the synergies between age groups to be utilized and are essential to providing a complete library experience.

**Operations:** To minimize operational costs and increase security, the library spaces should be open and visible. This is accomplished with a single main entry point, lower shelving heights and smaller touchdown hubs for floating staff to consult with customers. Operational costs are also minimized by consolidating technical services work (cataloging, processing, etc.) at the Main Branch Library.

Representatives of Freelon Associates will present a more in-depth report outlining the process, findings and associated recommendations to the Board and will be available for questions. The meeting presentation for this item (Attachment C) is available at <http://orangecountync.gov/library/documents/BOCCPresentation.pdf>

If the Board determines that staff should continue with the due diligence process regarding the 120 Brewer Lane property as the potential site for the Southern Branch library, staff will be prepared to present estimated development costs and more detailed project information at the June 17, 2014 regular Board meeting.

Should the Board direct staff to continue with the due diligence, the general schedule will be as follows:

TASK	PROPOSED BEGINNING DATE	END BY DATE
<b>BOCC Action: Workgroup and Consultant report to the BOCC for feedback (to include public input summary and programming parameters to assist in potential future design of Southern Library)</b>	<b>May 13, 2014</b>	<b>May 13, 2014</b>
<b>BOCC Action: Decision to allow further due diligence to be performed through the 2014 summer break</b>	<b>June 17, 2014</b>	<b>June 17, 2014</b>
<b>BOCC Action: Potential Development Agreement review and approval to move forward with developing the 120 Brewer Lane Site</b>	<b>October, 2014</b>	<b>October, 2014</b>
Designer Request for Qualification process	October, 2014	December, 2014
<b>BOCC Action: Approval of Project Designer</b>	<b>January, 2015</b>	<b>January, 2015</b>
Design Process (with several design updates to the BOCC; public design input continues throughout process)	February, 2015	December, 2015
Construction Bid Advertisement and Process	January, 2016	April, 2016
<b>BOCC Action: Bid Award</b>	<b>May, 2016</b>	<b>May, 2016</b>
Facility Construction and Commissioning (15 months)	June, 2016	September, 2017
Facility Stocking	September, 2017	October, 2017
<b>Grand Opening</b>	<b>October, 2017</b>	<b>October, 2017</b>

**FINANCIAL IMPACT:** Costs related to the due diligence activities of the 120 Brewer site total \$36,000, including site title work as well as the public process facilitation process. An additional \$15,000 is encumbered for current and potentially future legal counsel related to the drafting and negotiation of the Development Agreement with the Developer.

The Board has appropriated \$650,000 within the FY2012-13 and FY2013-14 Capital Investment Plan for due diligence and land acquisition costs for the Southern Branch library.

**RECOMMENDATION(S):** The Manager recommends that the Board:

- 1) Receive an update and provide feedback regarding the 120 Brewer Lane Primary Phase Public Input process and Southern Branch programming report delivered by County staff and Freelon Group Architects of Durham; and
- 2) Provide direction to the Manager with regard to authorizing further due diligence to be performed on the 120 Brewer Lane site for the development of the Southern Branch Library.

## ORANGE COUNTY SOUTHERN BRANCH LIBRARY LOCATIONAL CRITERIA

### Guiding Principles

When selecting a site for a new or expanded library, the Library system takes into account three fundamental factors:

- The Library System recognizes that as a regional service provider, the location of libraries must provide for optimal service to the most number of residents within the entire System service area. This takes precedence over political boundaries or undeveloped neighborhoods.
- The Board is committed to providing an equitable level of service throughout the entire County.
- The placement of a library in a manner that maximizes its use will be more valuable over the long term than the original investment made in land or building. Typically, the original cost of a new building is exceeded in just three years by its cumulative operating costs.

*\*\* As amended by the BOCC at its June 14, 2012 work session*

### PRELIMINARY PHASE–TECHNICAL SITE REVIEW AND ASSESSMENT

#### **Visibility:**

- Visible from the street
- Classification of street where property will be accessed from (i.e. private, local, arterial, collector, major thoroughfare, etc.).
- Visual appeal

#### **Site Capacity:**

- Able to provide comprehensive library services to all the residents of southern Orange County.
- Meets minimum acreage (urban services vs. rural services)
- Space for building and on-site parking
- Adequate utilities and availability
- Space for future expansion (building to allow for additional library services, parking, etc.) to serve all the residents of southern Orange County.
- Space to accommodate the necessary setbacks, road expansions and other site amenities.

#### **Access:**

- Accessibility for pedestrians

<ul style="list-style-type: none"> <li>• Accessibility for vehicles</li> <li>• Accessibility for public transportation</li> <li>• Design capacity and existing traffic load of roadway proposed to access site.</li> </ul>
<p><b>Alignment with Planning Tools (Comprehensive Plan):</b></p> <p>Alignment with planning tools applicable for the subject property (County Comprehensive Plan, adopted Small Area Plans, Strategic Plans, etc.)</p>
<p><b>Lease versus Purchase:</b></p> <ul style="list-style-type: none"> <li>• Analysis of the long term viability of the site</li> <li>• Availability of property for lease</li> </ul>
<p><b>Centrality of Location:</b></p> <ul style="list-style-type: none"> <li>• Existing and potential future population in a given area</li> <li>• Growth and development opportunities/constraints in a given area (i.e. what is future development, as embodied in applicable plans, going to look like and how will it impact the proposed library)</li> <li>• Proximity to schools</li> <li>• Proximity to retail</li> <li>• Proximity to other libraries</li> </ul>
<p><b>Site Conditions, Allowances, and Constraints:</b></p> <ul style="list-style-type: none"> <li>• The cost-benefit conclusions of physical, legal, and land-use allowances/constraints</li> <li>• Technical and environmental assessments (planning/zoning, jurisdictional processes, etc.)</li> <li>• Environmentally sustainable (C&amp;A, storm water mgt, buffers, energy “net zero” capacity)</li> <li>• Operationally sustainable</li> <li>• Defeats obsolescence</li> </ul>
<p><b>Cost and Availability:</b></p> <ul style="list-style-type: none"> <li>• Cost for site acquisition</li> <li>• Availability of property for lease</li> <li>• Analysis of long term viability of site</li> <li>• Timeframe for development of the site</li> <li>• Terms for site control necessary for development process</li> </ul>

**ORANGE COUNTY SOUTHERN BRANCH LIBRARY LOCATIONAL CRITERIA:**

\*\* As amended by the BOCC at its June 14, 2012 work session

**PRIMARY PHASE –PUBLIC INPUT AND ASSESSMENT****Community Preference**

- Input from elected officials
- Input from a board cross-section of the area to be served
- Orange County & Carrboro Friends of the Library

**Partnerships**

- Co-location with other private or public entity
- Mutually beneficial joint development
- Enhances service possibilities

**SITE EVALUATION CRITERIA:**

<b>PHASE 1 - PRELIMINARY ASSESSMENT</b>
---

<b>VISIBILITY</b>
-------------------

	120 Brewer Lane
Visible From Street	Library building will not be directly visible from Main Street or other major roadway. Off-site directional signage, including directional signage within the 300 East Main property, will be necessary directing motorists and pedestrians to the site.
Classification of Street where property will be access from	Arterial
Visual Appeal	Building housing proposed library shall be part of a mixed use development comprised of residential and non-residential land uses as well as a parking deck. Rear of the property looks over wooded area. An existing, unused, building is to be demolished.

SITE CAPACITY	
	120 Brewer Lane
Able to provide comprehensive library services to all the residents of southern Orange County	Yes
Meets minimum acreage	Yes
Space for building and on-site parking	Yes
Adequate utilities and availability	Yes
Space for future expansion (building to allow for additional library services, parking, etc.) to serve the residents of southern Orange County.	Sufficient flood space shall be available to accommodate anticipated library based on County consultant and Library Project Team estimates.
Space to accommodate the necessary setbacks, road expansions, and other site amenities	Yes

ACCESS	
	120 Brewer Lane
Accessibility for Pedestrians	Property is downtown and will be adjacent to a proposed parking deck as well as an existing sidewalk system affording pedestrian access off of Main Street. The property is part of a master planned development with internal access points for various residential/non-residential uses located on-site.
Accessibility for Vehicles	Access would be off of Main Street and 'Brewer Lane' (undeveloped street access)
Accessibility for public transportation	Public transportation access will be possible
Design capacity and existing traffic load of roadway proposed to access site	Based on comments from Town of Carrboro this should not be an issue but will have to be addressed by the developer as part of the permit review process.

**ALIGNMENT WITH PLANNING TOOLS (COMPREHENSIVE PLAN)**

	120 Brewer Lane
Alignment with planning tools applicable for the subject property (County Comprehensive Plan, adopted Small Area Plans, Strategic Plans, etc.)	This property satisfies various 'goals' with respect to the location of a library from both the County and Carrboro's standpoint.

**LEASE VERSUS PURCHASE**

	120 Brewer Lane
Analysis of long-term viability of site	This will be a lease/purchase situation for the County as part of an agreement with the developer
Availability of property for lease	This will be a lease/purchase situation for the County as part of an agreement with the developer

<b>CENTRALITY OF SITE</b>
---------------------------

	120 Brewer Lane
Existing and potential future population in given area	Site would provide access to existing and future, local, population. County residents will have parking available to make use of the facility.
Growth and development opportunities/constraints in a given area	The size of the 'space' for the library will be limited to a lease/purchase agreement with the developer. Expansion will be viable only if there are vacancies in other proposed 'store fronts' allowing the County to lease/purchase for expansion.
Proximity to schools	Approxiamtely 2 miles from Carrboro elementary School
Proximity to retail	Will be in the heart of a retail/residential mixed use development.
Proximity to other libraries	Approxiamtely 4 miles from existing library located within the Town of Chapel Hill

<b>SITE CONDITIONS, ALLOWANCES, AND CONSTRAINTS</b>	
	120 Brewer Lane
The cost-benefit conclusions of physical, legal, and land use allowances/constraints	The County's Attorney (B. Ferrell) and Library Project Team have concluded project is viable and constraints are either negligible or manageable.
Technical and environmental assessments (Planning/Zoning, jurisdictional process, etc.)	Developer will address permit process. Could involve a heightened level of permit review by Carrboro (i.e. Special Use Permit).
Environmentally Sustainable (C and A, stormwater management, buffers, energy, 'net zero capacity')	No apparent issues. Project can accomplish several stated goals of the BOCC and Carrboro Board of Alderman with respect to the building/development being sustainable. Please note library will only be a small component of the total development of the property. The library project team cannot make commitments on sustainability for the developer.
Operationally Sustainable	Yes.
Defeats obsolescence	Conceptual layout for library space maximizes adaptability for the library overtime to address issues of obsolescence.

<b>COST AND AVAILABILITY</b>
------------------------------

	120 Brewer Lane
Cost for site acquisition	Developer has indicated a strong desire to discuss lease/purchase options for a space to house the library.
Availability of property for lease	Developer has indicated a strong desire to discuss lease/purchase options for a space to house the library.
Analysis of long-term viability of the site	Property offers potential for reasonable expansion , assuming willingness of developer and vacancies, and partnership opportunities to support long-term provision of library services.
Timeframe for development of site	Pending on permitting from Carrboro but appears consistent with established CIP program guidelines/timeframes
Terms of site control necessary for the development of the site	Being handled by the developer

<b>PHASE 2 - PUBLIC INPUT AND ASSESSMENT</b>
--

<b>COMMUNITY PREFERENCE</b>
-----------------------------

	120 Brewer Lane
Input from Elected officials	Completed
Input from a broad cross-section of the area to be served	Completed
Orange County and Carrboro Friends of the Library	Completed

<b>PARTNERSHIPS</b>	
---------------------	--

	120 Brewer Lane
--	-----------------

Co-location with other private or public entity	
---	--

Mutual beneficial joint development	
-------------------------------------	--

Enhances service possibilities	
--------------------------------	--

**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** May 13, 2014

**Action Agenda  
Item No.   2**

**SUBJECT:** Employee Benefits Updates, Preliminary Renewal Estimates Regarding Calendar Year 2015 Health Insurance, and Anticipated Health Care Reform Components

**DEPARTMENT:** Human Resources

**PUBLIC HEARING: (Y/N)**

No

**ATTACHMENT(S):**

- A. Plan Year Highlights
- B. Healthcare Reform and Health Insurance for Temporary Employees
- C. Mark III Health Insurance Update

**INFORMATION CONTACT:**

Cheryl Young, Assistant County Manager, 919-245-2307  
Diane Shepherd, Benefits Manager, 919-245-2558

**PURPOSE:** To provide an update on health insurance initiatives, preliminary health insurance cost estimates for calendar year 2015, and the impact of Health Care Reform.

**BACKGROUND:** Effective January 1, 2014, the County changed the employee health insurance funding from premium-based (fully-insured) to self-insured. The County pays UnitedHealthcare an administrative fee, including stop-loss coverage, and pays the claims costs. The County does not pay a per member premium. The County will save approximately \$667,000 for the 2014 Plan Year, because some fees related to health care reform are not imposed on self-insured plans.

Based on early claims data, consultant Mark III has projected up to a 14.35% increase in premiums for a renewal of the same benefits beginning January 1, 2015. The projected general fund budgetary increase for FY 2014-15 is \$423,446 (January through June 2015).

Overall 2014 enrollment numbers remained consistent, with a slight increase in the High Deductible Health Plan compared to 2013. The number of employees waiving coverage, generally due to spousal coverage, has increased. The chart below shows current enrollments:

Health Plan	Active Employees		Retirees	
	# Enrolled	% Enrolled	# Enrolled	% Enrolled
Traditional Point of Service (POS)	630	72.5%	145	97.3%
High Deductible Health Plan (HDHP)	201	23.1%	4	2.7%
Employees Waiving Health Coverage	38	4.4%	<b>0</b>	
<b>Total (includes Commissioners)</b>	<b>869</b>		<b>149</b>	

Employees continue to appreciate the option to enroll in and pay for products (short term disability, whole life insurance, critical illness and accident insurance) through payroll deduction.

In June 2014 Orange County will partner with UNC Wellness @ Work program to offer health screenings to all employees. In Fall 2014 flu clinics will be arranged and the County will host the second Orange County Breast Cancer Awareness Day (for mammograms) at UNC Radiology.

No changes to the 2015 health insurance plans are expected. Based on current trends, staff is projecting up to a 14.35% increase in health care costs.

#### Dental Insurance

The County will continue coverage with Delta Dental. Beginning with January 2015 coverage, employees with dependent coverage are expected to see an increase in their deductions for the first time since 2007. The amount will be determined in September as part of the insurance renewal.

#### Healthcare Reform

In FY 2013-14, the County complied with all notification requirements of the Affordable Care Act (ACA). Attachment B includes information about the potential impact on 2015 health insurance.

**FINANCIAL IMPACT:** The projected budget impact for FY 2014-15 is \$423,446.

**RECOMMENDATION(S):** The Manager recommends that the Board discuss employee insurance benefits for calendar year 2015.

## 2014 Plan Year Highlights

### Health Insurance Enrollment (at start of each Plan Year)

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Traditional Plan	n/a	610	605	624
High Deductible Plan	n/a	187	197	198
Total Health Plan Participation	n/a	797	802	820
Health Savings Account (employee contribution)	n/a	81	89	73
Waived Health Insurance	20	22	21	29

**New employees enroll in plans effective with the 1<sup>st</sup> of the month after hire, and terminating employees end coverage on the last day of the month employed.**

### Enrollments as of May 2014

<b>Benefit</b>	<b>Enrollments</b>
Traditional Health Plan	630
High Deductible Health Plan	201
Medical Flexible Spending Account	142
Dependent Care Spending Account	16
Accident Insurance	199
Critical Illness	183
Disability	226
Whole Life	105
Community Eye Care	463

## Wellness Events/Activities

### Annual Employee Flu Shot Clinic Participants

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
204	169	225	207

### Orange County Sportsplex

Sportsplex Membership remains consistent with the past few years. Approximately 250 employees are members, receiving a sizable discount on membership.

### Employee Wellness Challenges

1. In-Tune Stress Management Summer Challenge: 103 employees signed up for this challenge which focused on coping with stress.
2. National Nutrition Month Challenge: 19 participants
3. Maintain, Don't Gain Holiday Challenge: 20 participants

### Additional Sponsored Health Screenings

Hepatitis C Screenings	16
Orange County Breast Cancer Awareness Day Mammograms	38
Biometric Screenings (blood pressure, cholesterol, & glucose)	To be held June 2014

## Health Care Reform and Health Insurance for Temporary Employees

### **Background**

The Affordable Care Act (ACA) “Employer Mandate” to offer coverage to full-time employees becomes effective January 1, 2015. This requirement has the potential for increased financial liability for Orange County because employers are required to provide health insurance for all full-time employees or face penalties. A full-time employee is defined as one working an average of 30 hours a week. This requirement is often referred to as the “Play or Pay” component of health care reform, and applies to all full-time County employees, regardless of temporary or permanent status.

The County will be responsible for providing health insurance benefits to any employee who works an average of 30 hours or more a week during a 12 month period. Temporary employees who work an average of 30 hours or more must be offered health insurance coverage under the ACA beginning January 1, 2015.

Departments have been monitoring employee hours to limit the use of temporary employees over the past year. There are currently four employees who have worked an average of more than 30 hours/week in the past twelve months.

The County will be required to offer health insurance to all full-time employees, including dependent coverage, as defined by the ACA OR pay a monthly penalty. Departments will be charged if temporary employees become eligible for health insurance.

### **Financial Impact**

Individual costs for the County for each temporary employee that must be covered range from a minimum of \$814 to a maximum of \$1,498 per month based on 2015 projections. Penalties for failing to provide health insurance to any qualifying employee would be approximately \$138,300 a month.



Attachment C



# MEDICAL PLAN UPDATE

---

2015 Projection



May 13, 2014

# 2013 Plan Experience



## HSA Plan

Date	Subs	Mbrs	Premium	Medical	Pharmacy	Capitation	Combined Medical Claims	Claims Per Sub Per Month	Loss Ratio
January-13	212	390	\$162,620.27	\$50,871.77	\$2,083.01	\$4,361.12	\$57,315.90	\$270.36	35.25%
February-13	209	391	\$161,350.00	\$37,112.00	\$2,042.00	\$4,384.00	\$43,538.00	\$208.32	26.98%
March-13	210	392	\$161,860.15	<b>\$136,181.99</b>	\$2,065.05	\$4,394.84	\$142,641.89	\$679.25	88.13%
April-13	206	383	\$158,880.89	\$57,726.66	\$5,333.90	\$4,316.16	\$67,376.72	\$327.07	42.41%
May-13	207	386	\$159,957.00	\$74,496.00	\$7,300.00	\$4,350.00	\$86,146.00	\$416.16	53.86%
June-13	206	384	\$160,013.41	\$24,155.00	\$10,519.03	\$4,327.40	\$39,001.43	\$189.33	24.37%
July-13	209	387	\$162,110.12	\$177,976.62	\$9,258.79	\$4,361.12	\$191,596.53	\$916.73	118.19%
August-13	207	383	\$160,207.27	\$44,748.25	\$8,418.69	\$4,316.16	\$57,483.10	\$277.70	35.88%
September-13	207	382	\$160,911.28	\$25,177.42	\$8,300.03	\$4,304.92	\$37,782.37	\$182.52	23.48%
October-13	211	385	\$162,635.59	\$51,424.32	\$11,943.56	\$4,327.40	\$67,695.29	\$320.83	41.62%
November-13	212	383	\$161,559.18	\$71,041.87	\$16,723.54	\$4,304.92	\$92,070.33	\$434.29	56.99%
December-13	212	382	\$161,243.00	\$83,601.00	\$17,403.00	\$4,294.00	\$105,298.00	\$496.69	65.30%
<b>Total</b>	2,508	4,628	\$1,933,348.16	\$834,512.91	\$101,390.60	\$52,042.04	\$987,945.56	<b>\$393.92</b>	51.10%

## PPO Plan

Date	Subs	Mbrs	Premium	Medical	Pharmacy	Capitation	Combined Medical Claims	Claims Per Sub Per Month	Loss Ratio
January-13	793	1270	\$658,202.86	\$413,768.21	\$128,819.17	\$14,151.16	\$556,738.54	\$702.07	84.58%
February-13	785	1254	\$656,871.00	\$526,142.00	\$101,875.00	\$14,117.00	\$642,134.00	\$818.01	97.76%
March-13	781	1252	\$654,106.50	\$490,533.16	\$117,996.66	\$14,072.48	\$622,602.31	\$797.19	95.18%
April-13	782	1251	\$655,198.46	\$425,139.55	\$113,863.00	\$14,094.96	\$553,097.50	\$707.29	84.42%
May-13	787	1247	\$653,715.00	\$477,339.00	\$109,433.00	\$14,039.00	\$600,811.00	\$763.42	91.91%
June-13	790	1251	\$656,713.28	\$270,417.84	\$103,850.88	\$14,094.96	\$388,363.68	\$491.60	59.14%
July-13	795	1254	\$656,662.74	\$404,477.45	\$119,256.79	\$14,106.20	\$537,840.44	\$676.53	81.91%
August-13	805	1274	\$661,074.72	\$441,628.08	\$114,516.61	\$14,241.08	\$570,385.77	\$708.55	86.28%
September-13	799	1261	\$657,918.82	\$348,069.93	\$112,611.29	\$14,184.88	\$474,866.10	\$594.33	72.18%
October-13	802	1265	\$659,433.64	\$457,286.77	\$116,096.62	\$14,196.12	\$587,579.51	\$732.64	89.10%
November-13	804	1260	\$657,476.94	\$746,131.28	\$112,374.53	\$14,106.20	\$872,612.01	\$1,085.34	132.72%
December-13	803	1259	\$658,739.00	\$411,300.00	\$119,551.00	\$14,129.00	\$544,980.00	\$678.68	82.73%
<b>Total</b>	9,526	15,098	\$7,886,112.96	\$5,412,233.28	\$1,370,244.55	\$169,533.04	\$6,952,010.87	<b>\$729.79</b>	88.16%

## Combined Plans

Date	Subs	Mbrs	Premium	Medical	Pharmacy	Capitation	Combined Medical Claims	Claims Per Sub Per Month	Loss Ratio
January-13	1,005	1,660	\$820,823.13	\$464,639.98	\$130,902.18	\$18,512.28	\$614,054.44	\$611.00	74.81%
February-13	994	1,645	\$818,221.00	\$563,254.00	\$103,917.00	\$18,501.00	\$685,672.00	\$689.81	83.80%
March-13	991	1,644	\$815,966.65	\$626,715.16	\$120,061.72	\$18,467.32	\$765,244.19	\$772.19	93.78%
April-13	988	1,634	\$814,079.35	\$482,866.21	\$119,196.90	\$18,411.12	\$620,474.22	\$628.01	76.22%
May-13	994	1,633	\$813,672.00	\$551,835.00	\$116,733.00	\$18,389.00	\$668,568.00	\$672.60	82.17%
June-13	996	1,635	\$816,726.69	\$294,572.85	\$114,369.91	\$18,422.36	\$408,942.76	\$410.59	50.07%
July-13	1,004	1,641	\$818,772.86	\$582,454.08	\$128,515.58	\$18,467.32	\$710,969.65	\$708.14	86.83%
August-13	1,012	1,657	\$821,281.99	\$486,376.33	\$122,935.30	\$18,557.24	\$609,311.64	\$602.09	74.19%
September-13	1,006	1,643	\$818,830.10	\$373,247.35	\$120,911.32	\$18,489.80	\$494,158.67	\$491.21	60.35%
October-13	1,013	1,650	\$822,069.23	\$508,711.09	\$128,040.19	\$18,523.52	\$636,751.28	\$628.58	77.46%
November-13	1,016	1,643	\$819,036.12	\$817,173.15	\$129,098.07	\$18,411.12	\$946,271.22	\$931.37	115.53%
December-13	1,015	1,641	\$819,982.00	\$494,901.00	\$136,954.00	\$18,423.00	\$631,855.00	\$622.52	77.06%
<b>Total</b>	12,034	19,726	\$9,819,461.12	\$6,246,746.19	\$1,471,635.16	\$221,575.08	\$7,792,273.07	<b>\$647.52</b>	79.36%
					<b>\$122.29</b>			<b>113.89%</b>	⌋

# 2014 Self-funded Quotes



	UHC Insured 2013		Renewal: UHC Self-funded 2014	
	Current POS	Current HSA	Current POS	Current HSA
	In-Network	In-Network	In-Network	In-Network
Primary Care Physician Visits	\$20	Deduct/20%	\$20	Deduct/20%
Specialist Physician Visits	\$40	Deduct/20%	\$40	Deduct/20%
Preventive Care	100%	100%	100%	100%
Deductible	\$500	\$1,500	\$500	\$1,500
Deductible - Family Maximum	\$1,500	\$3,000	\$1,500	\$3,000
Out of Pocket Limit (includes deductible)	\$1,500	\$3,500	\$1,500	\$3,500
Out of Pocket Limit - Family Max	\$4,500	\$5,000	\$4,500	\$5,000
Radiology	Deduct/20%	Deduct/20%	Deduct/20%	Deduct/20%
Minor Surgery in Office	Office Copay	Deduct/20%	Office Copay	Deduct/20%
Hospital Services	Deduct/20%	Deduct/20%	Deduct/20%	Deduct/20%
Urgent Care	\$50	Deduct/20%	\$50	Deduct/20%
Emergency Room	\$150	Deduct/20%	\$150	Deduct/20%
Pharmacy	\$4/\$25/\$45	Deduct/20%	\$4/\$25/\$45	Deduct/20%
Vision Hardware	Not covered	Not covered	Not covered	Not covered
HSA		\$1,237.20		\$1,237.20
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited
<b>Difference</b>			0%	

# 2014 Plan Rates



## Monthly - PPO

	Sub Count	County Monthly Contribution	County Monthly Premium	Employee Monthly Contribution	Employee Premium	County and Ee Monthly Contribution	County and Ee Monthly Premium
Employee Only	528	\$631.18	\$333,263.04	\$0.00	\$0.00	\$631.18	\$333,263.04
Employee and Spouse	60	\$922.61	\$55,356.60	\$409.19	\$24,551.40	\$1,331.80	\$79,908.00
Employee and Children	157	\$792.62	\$124,441.34	\$229.90	\$36,094.30	\$1,022.52	\$160,535.64
Employee and Family	31	\$1,151.55	\$35,698.05	\$741.99	\$23,001.69	\$1,893.54	\$58,699.74
Total	776		\$548,759.03		\$83,647.39		\$632,406.42
					\$107.79		
Annual Total			\$6,585,108.36		\$1,003,768.68		\$7,588,877.04
						Cost/Sub/Mth	\$814.96

## Monthly - HSA

	Sub Count	County Monthly Contribution	County Monthly Premium	Employee Monthly Contribution	Employee Premium	County and Ee Monthly Contribution	County and Ee Monthly Premium
Employee Only	109	\$628.15	\$68,468.35	\$0.00	\$0.00	\$628.15	\$68,468.35
Employee and Spouse	16	\$922.61	\$14,761.76	\$271.80	\$4,348.80	\$1,194.41	\$19,110.56
Employee and Children	48	\$792.62	\$38,045.76	\$151.82	\$7,287.36	\$944.44	\$45,333.12
Employee and Family	31	\$1,158.71	\$35,920.01	\$489.74	\$15,181.94	\$1,648.45	\$51,101.95
Total	204		\$157,195.88		\$26,818.10		\$184,013.98
					\$131.46		
			\$1,886,350.56		\$321,817.20		\$2,208,167.76
						Cost/Sub/Mth	\$902.03

## Combined Plans

	Sub Count	County Monthly Contribution	County Monthly Premium	Employee Monthly Contribution	Employee Premium	County and Ee Monthly Contribution	County and Ee Monthly Premium
Employee Only	637		\$401,731.39		\$0.00		\$401,731.39
Employee and Spouse	76		\$70,118.36		\$28,900.20		\$99,018.56
Employee and Children	205		\$162,487.10		\$43,381.66		\$205,868.76
Employee and Family	62		\$71,618.06		\$38,183.63		\$109,801.69
Total	980		\$705,954.91		\$110,465.49		\$816,420.40
Annual Total			\$8,471,458.92		\$1,325,585.88		\$9,797,044.80
						Cost/Sub/Mth	\$833.08

# 2014 Plan Experience



## PPO Plan

Date	Subs	Medical	Pharmacy	Combined Medical Claims	Claims Per Sub Per Month	Total Administration	Total Cost	Stop-loss Credits	Net Costs	County Budgeted
January-14	778	\$141,278	\$68,600	\$209,878.21	\$269.77	\$104,360.92	\$314,239.13	\$0.00	\$314,239.13	\$634,038.88
February-14	776	\$291,097	\$102,181	\$393,278.39	\$506.80	\$104,092.64	\$497,371.03	\$0.00	\$497,371.03	\$632,408.96
March-14	776	\$625,686.00	\$136,455.00	\$762,141.00	\$982.14	\$104,092.64	\$866,233.64	\$81,074.81	\$785,158.83	\$632,408.96
<b>Total</b>	2,330	\$1,058,061.53	\$307,236.07	\$1,365,297.60	<b>\$585.96</b>	\$312,546.20	\$1,677,843.80	\$81,074.81	\$1,596,768.99	\$1,898,856.80

## HSA Plan

Date	Subs	Medical	Pharmacy	Combined Medical Claims	Claims Per Sub Per Month	Total Administration	Total Cost	Stop-loss Credits	Net Costs	County Budgeted
January-14	201	\$17,242	\$265	\$17,507.01	\$87.10	\$26,962.14	\$68,187.15	\$0.00	\$68,187.15	\$181,308.03
February-14	204	\$73,041	\$1,774	\$74,814.30	\$366.74	\$27,364.56	\$126,250.86	\$0.00	\$126,250.86	\$184,014.12
March-14	198	\$232,235.00	\$1,114.00	\$233,349.00	\$1,178.53	\$26,559.72	\$283,272.72	\$0.00	\$283,272.72	\$178,601.94
<b>Total</b>	603	\$322,517.72	\$3,152.59	\$325,670.31	<b>\$540.08</b>	\$80,886.42	\$477,710.73	\$0.00	\$477,710.73	\$543,924.09

## Combined

Date	Subs	Medical	Pharmacy	Combined Medical Claims	Claims Per Sub Per Month	Total Administration	Total Cost	Stop-loss Credits	Net Costs	County Budgeted
January-14	979	\$158,520.44	\$68,864.78	\$227,385.22	\$232.26	\$131,323.06	\$382,426.28	\$0.00	\$382,426.28	\$815,346.91
February-14	980	\$364,137.81	\$103,954.88	\$468,092.69	\$477.65	\$131,457.20	\$623,621.89	\$0.00	\$623,621.89	\$816,423.08
March-14	974	\$857,921.00	\$137,569.00	\$995,490.00	\$1,022.06	\$130,652.36	\$1,149,506.36	\$81,074.81	\$1,068,431.55	\$811,010.90
April-14										
May-14										
June-14										
July-14										
August-14										
September-14										
October-14										
November-14										
December-14										
<b>Total</b>	2,933	\$1,380,579.25	\$310,388.66	\$1,690,967.91	<b>\$576.53</b>	\$393,432.62	\$2,155,554.53	\$81,074.81	<b>\$2,074,479.72</b>	<b>\$2,442,780.89</b>
		Rx Per Sub	\$105.83	<b>Change</b>	<b>89.04%</b>			31.41%		<b>\$368,301.17</b>
		<b>Change</b>	<b>86.54%</b>							

# 2015 Renewal Expectation



Orange County Government	Subscribers	Total Claims	Stop Loss Credits	Net Claims	HSA
April-13	988	\$620,474.22	\$0	\$620,474.22	\$21,238.60
May-13	994	\$668,568.00	\$0	\$668,568.00	\$21,341.70
June-13	996	\$408,942.76	\$0	\$408,942.76	\$21,238.60
July-13	1,004	\$710,969.65	\$0	\$710,969.65	\$21,547.90
August-13	1,012	\$609,311.64	\$0	\$609,311.64	\$21,341.70
September-13	1,006	\$494,158.67	\$0	\$494,158.67	\$21,341.70
October-13	1,013	\$636,751.28	\$0	\$636,751.28	\$21,754.10
November-13	1,016	\$946,271.22	\$0	\$946,271.22	\$21,857.20
December-13	1,015	\$631,855.00	\$0	\$631,855.00	\$21,857.20
January-14	979	\$614,054.44	\$0	\$614,054.44	\$23,718.00
February-14	980	\$685,672.00	\$0	\$685,672.00	\$24,072.00
March-14	974	\$995,490.00	\$81,075	\$914,415.19	\$23,364.00
<b>Total</b>	<b>11,977</b>	<b>\$8,022,518.87</b>	<b>\$81,074.81</b>	<b>\$7,941,444.06</b>	<b>\$264,672.70</b>

## Self-funded Calculation

Current PPO Plan Design	2014 Renewal
<b>Claims - Without Benefit Change</b>	<b>\$8,022,519</b>
Trend 2014 - 8%	<b>113.00%</b>
Trended 2014 Claims	\$9,065,446
Administration	\$479,080
Stop Loss Insurance	\$1,377,355
<b>PPACA - Fee for Comparative Effectiveness Research Agency</b>	<b>\$3,188.00</b>
<b>PPACA - Transitional Reinsurance Fee - 2014 - 2016</b>	<b>\$72,621.96</b>
<b>Copays Accumulate to Out of Pocket Maximum - 5%</b>	<b>\$453,272.32</b>
HSA Cost - \$1,416	\$288,864.00
<b>2015 Cost</b>	<b>\$11,739,828</b>
Current Contribution	\$9,977,799
HSA Contribution Budget - \$1,416	\$288,864
Total Contribution for 2014	\$10,266,663
<b>Percentage Change over 2014</b>	<b>114.35%</b>



**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** May 13, 2014

**Action Agenda  
Item No.**   3  

**SUBJECT:** Interlocal Agreement for Solid Waste and Recycling

---

**DEPARTMENT:** Solid Waste Management

**PUBLIC HEARING: (Y/N)**

No

**ATTACHMENT(S):**

Draft Interlocal Agreement

**INFORMATION CONTACT:**

Michael Talbert, 919-245-2308

John Roberts, 919-245-2318

Gayle Wilson, 919-968-2885

---

**PURPOSE:** To receive and discuss the creation of a Draft Interlocal Agreement for Solid Waste & Recycling between the Towns of Carrboro, Chapel Hill and Hillsborough and Orange County.

**BACKGROUND:** The original Interlocal Agreement for Solid Waste Management adopted in 1999 recently became null and void due to the closure of the municipal solid waste landfill previously operated by Orange County.

The Towns and County have frequently expressed interest in continuing to work together to continue the high performing recycling and waste reduction services that have been strongly supported by residents over the years. Furthermore, local elected officials have expressed a desire to expand and improve existing programs and to investigate new waste reduction opportunities such as organics processing, regional cooperative possibilities, incentive-based waste collection, etc. Other elements of solid waste management may also be important to address such as emergency storm debris planning and cooperation, management of existing and closed disposal facilities, providing a basis on which continuing dialogue can take place among the parties regarding solid waste matters, environmental enforcement, solid waste planning and reporting, education and outreach, etc. There almost certainly would be considerable advantages from continuing to work together due to economies of scale.

Towns and County Solid Waste/Public Works staff has been developing an outline of an interlocal agreement over the past several months that form the basis of the attached draft agreement. From those staff level efforts, there was general agreement on most issues, but some issues remain uncertain or unresolved. Among the uncertainty is the process by which the agreement could be finalized and executed by the July 1, 2014 target date. Other issues that remain in question or outstanding from staff perspective are:

- The level of detail of existing recycling programs and services that needs to be incorporated into the agreement. For example, is it necessary to detail each individual

recycling service, delineating what materials are collected, frequency of collection, number and type of containers used, etc. within the agreement?

- Should the County or a Town (or Towns) plan, site and develop a waste transfer station would consideration be given to allowing the other parties to the agreement access to the facility?
- The degree of involvement and advance notice given to the parties to the agreement to regarding proposed fee increases (which fees and what flexibility/limitations would be granted) and the level of authority to approve or authorize fee changes.
- The composition, mission and authority (if any) of a new advisory committee/board/commission/waste partners group. Staff considered that elected officials may wish to initiate a separate process to discuss and address this matter. It is possible that among the first topics of such an advisory body could be coordinating the investigation into pay-as-you-throw and/or organics management options.
- Provisions for withdrawing from the agreement including a more clear definition of “outstanding debt”.
- Inclusion of the University as a party to the agreement (could be a secondary priority to be pursued at a later date)

The more fundamental issues of an agreement could be incorporated and adopted in the short term (by July 1), with other issues to be resolved through a mutually agreeable process among the parties (or by a new advisory group) over the next several months. Alternatively, a final and comprehensive agreement could be pursued regardless of the time necessary and the parties could continue in an informal manner until a final agreement is executed. There may also be other options for proceeding.

**FINANCIAL IMPACT:** There is no financial impact with discussion on the development of a new interlocal agreement for solid waste and recycling. However, decisions with regard to this agreement may have profound impact on the nature of funding for solid waste and recycling services in the future.

**RECOMMENDATION(S):** The Manager recommends that the Board discuss the issues related to a new interlocal agreement and provide guidance to staff with regard to the various elements of the agreement and the process and timeline to finalize an agreement with the Towns of Carrboro, Chapel Hill and Hillsborough.

**INTERLOCAL AGREEMENT BETWEEN ORANGE COUNTY AND THE TOWNS OF  
CARRBORO, CHAPEL HILL, AND HILLSBOROUGH REGARDING THE PROVISION OF  
SERVICES RELATED TO AND THE DISPOSITION OF SOLID WASTE IN ORANGE COUNTY**

**THIS AGREEMENT**, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ between Towns of Carrboro, Chapel Hill, and Hillsborough, North Carolina municipal corporations, of Orange County, North Carolina (hereinafter referred to individually as the “Town” and jointly as “Towns”); and Orange County, a political subdivision of the State of North Carolina (hereinafter referred to as the “County”), for the provision of solid waste services and disposition of solid waste within Orange County. (County and Towns may be referred to collectively as the “Parties”)

**WITNESSETH**

**WHEREAS**, the County and Towns are public bodies, politic and corporate, under the laws of the State of North Carolina and are vested with the power and authority by Article 20 of North Carolina General Statutes Chapter 160A to enter into this Interlocal Agreement (hereinafter referred to as the “Agreement”); and

**WHEREAS**, the County operates and/or contracts for the operation of solid waste and/or recyclable materials collections services in the jurisdictions of the County and Towns; and

**WHEREAS**, the County and Towns desire to establish procedures, policies, rights, and responsibilities for the collection, transport, and disposition of solid waste, construction and demolition materials, and recyclable materials.

**NOW, THEREFORE**, in consideration of the foregoing and on mutual promises and obligations set forth herein, the receipt and sufficiency of which is hereby acknowledged, the County and Towns agree as follows:

**I. TERM AND TERMINATION**

- A. This Agreement shall continue in effect until such time as it is amended or terminated.
- B. Any Party to the Agreement may withdraw upon 12 months’ notice and payment of its per-capita share of any outstanding debt related to the services and programs listed above.
- C. County may terminate this Agreement, without penalty or cost, pursuant to the terms of Paragraph V (D) below.

**II. CONSTRUCTION AND DEMOLITION (“C&D”) AND MUNICIPAL SOLID WASTE (“MSW”) LANDFILLS**

- A. County shall maintain financial, regulatory and environmental responsibility for operations, closure, and for post-closure maintenance/monitoring, of Orange County’s C & D and MSW Landfills.
- B. County shall, pursuant to the terms of its agreement with the University of North Carolina at Chapel Hill, monitor the operation and performance of the University Landfill Gas Recovery System.

- C. Towns and County will, in support of the solid waste enterprise fund, direct C&D waste from projects where local government funding is utilized, including school construction and renovation, to the Orange County C&D Landfill.
- D. Tipping fees shall be established annually as part of the County budget process, may include some portion of the fee to apply to post-closure costs, and shall become effective on July 1 of a given year.

### **III. MUNICIPAL SOLID WASTE (“MSW”) COLLECTION AND TRANSFER**

- A. Towns and County will maintain authority and responsibility, financial and environmental, for MSW collected and transferred within their respective jurisdictions.
- B. Should the County or a Town (or Towns) plan, site, and develop a waste transfer station any Party to this Agreement shall be granted access to use such waste transfer station subject to payment of prevailing tipping fees as established by the relevant governing body. These tipping fees shall be established annually as part of the regular budget approval process and become effective on July 1 of a given year.
- C. County will maintain, operate, and fund Solid Waste Convenience Centers that accept residentially generated MSW, C&D, bulky waste, recyclable materials, etc. for the use and benefit of all County and Town residents.
- D. Parties will provide minimum twelve months’ notice of intent to implement a pay-as-you-throw residential waste collection system.
- E. Towns and County will, in support of the solid waste enterprise fund, deliver white goods/appliances, mattresses, vegetative wastes, C&D waste, clean wood, cardboard and scrap metal to designated Orange County facilities.
- F. County shall provide for the specific recycling and/or, where legally permissible, the reuse of the following materials:
  - 1. White Goods/Appliances;
  - 2. Scrap tires;
  - 3. Scrap metal;
  - 4. Clean wood waste;
  - 5. Vegetative waste;
  - 6. Electronics
  - 7. Mattresses.
- G. County will endeavor to maximize schedule of operation and services available (subject to material markets and budgetary considerations and constraints) at convenience centers consistent with current District/Neighborhood concept or other convenience center concepts as directed by the Board of Commissioners. Current District Center (Walnut Grove Church Road and Eubanks Road Convenience Centers) services provide for the disposal of:
  - 1. Residential municipal waste;
  - 2. Household hazardous waste;

3. Cardboard;
4. Waste oil, filters, and anti-freeze;
5. Yard waste;
6. Scrap tires;
7. Clean wood waste;
8. Scrap metal and white goods;
9. Cooking oil and residential food waste;
10. Recyclable materials (bottles, cans, mixed paper);
11. Rigid plastics;
12. Textiles/shoes;
13. Salvage shed;
14. Electronics;
15. Batteries (wet & dry cell);
16. Plastic bags and film.

#### **IV. RECYCLABLE MATERIALS**

- A. Recycling programs and services that are provided at the time of implementation of this Agreement are anticipated to be continued for the foreseeable future. Periodic expansions, modifications, improvements or adjustments to programs/services may be made by the County (subject to material markets and budgetary considerations). County will coordinate/collaborate with Towns regarding changes to programs/services operated within the Towns through an advisory board/committee established for this purpose, or other means as agreed.
- B. It is the County's objective to offer equivalent services/programs within the Towns. County may also provide special services to individual Towns that may require special negotiated service fees or other specific compensation that fall outside of this Agreement. The portion of Chapel Hill located within Durham County should receive those services which other parts of the Town of Chapel Hill receive, however, it is solely the responsibility of the Town of Chapel Hill to establish the authority by which County shall provide services in that portion of the Town.
- C. County shall ensure that recycling programs/services provided by the County are of high quality and reliable with regard to the reasonable: Adherence to route schedules; prevention of overflow of drop-off site receptacles; resolution of complaints; safety; making progress toward waste reduction objectives, etc. County will endeavor to coordinate urban curbside recycling collection routing with municipal waste collection routing (as requested) to the extent possible, consistent with collection efficiency, budgetary constraints and available resources (i.e. roll-carts, compacting collection vehicles, etc.) County will endeavor to maintain maximum efficiency in recycling and waste reduction programs consistent with generally accepted industry best management practices.
- D. Current 24-Hour Recycling Drop-off Centers are intended to remain in service, subject to County budgetary considerations, site availability, space limitations, material market availability, and Town recyclable material drop-off requirements. The five current drop-off sites include: Cedar Falls Park, Hampton Point, Carrboro Plaza, University Mall, and Meadowmont. No reductions or additions of drop-off sites are contemplated at this time.
- E. Subject to state and federal law and subject to budgetary considerations and constraints it is expected by the Parties that recycling services offered at the time of the execution of this

Agreement shall continue. As of the date first above recorded current recycling services provided to Towns by County include:

- a. Weekly residential curbside collection (single stream);
- b. Multi-family collection (single stream);
- c. Food Waste collection from commercial establishments;
- d. Bar/Restaurant and other small commercial location collection (single stream);
- e. Downtown cardboard Collection – Chapel Hill only – fee based;
- f. Pedestrian bins ( locations) – Chapel Hill only – fee based;
- g. Park&Ride lot collection ( currently 3 locations each in Chapel Hill and Carrboro);
- h. Municipal park collection;
- i. Government building collection for all local governments, OWASA and public schools;
- j. Public housing - (multi-family style service or single family, as appropriate to housing type);
- k. Public schools collection -- fee based, contractual service.

## **V. FINANCIAL**

- A. Fees for the purpose of providing multi-family and urban curbside recycling services within the jurisdictions of the Towns shall be established through each Town's budgetary process. Through such process Towns shall establish recycling service fees based on County's recommendation, which recommendation shall be based on County's good faith estimate of the costs of providing recycling services within the Towns' jurisdictions. Each Town shall authorize County to collect and administer fees established for the purpose of providing recycling services within the Towns' jurisdictions. County shall apply the full revenue of said fees solely toward the costs of providing services within the Towns' jurisdiction.
  1. The Town of Chapel Hill shall, through its budgetary process, set fees for the costs of services provided pursuant to the terms of this Agreement for those areas of the Town situated in Durham County.
  2. The Town of Chapel Hill shall establish said fees based on County's recommendation, which recommendation shall be based on County's good faith estimate of the costs of providing services contemplated by this Agreement within that area of the Town situated in Durham County.
  3. The Town of Chapel Hill shall authorize County to collect and administer said fees and County shall apply the full revenue of said fees solely toward the costs of providing services in that area of the Town of Chapel Hill situated in Durham County.
- B. Annually no later than April 1 County shall notify Towns of any proposed tipping fee increases and any proposed fee increases associated with multi-family and urban curbside recycling services provided pursuant to the terms of this Agreement. Subject to the terms and any exceptions in this Paragraph V County shall be solely responsible for establishing said fees. County shall establish said fees through its good faith estimate of the actual costs of providing the services contemplated by this Agreement. Fees imposed pursuant to the terms of this Agreement shall be uniform for each Town and shall be in an amount sufficient to fully cover the direct and indirect costs of providing the services contemplated by this Agreement.

- C. Subject to the two exceptions set out below, any fee increase of more than five percent (5%) must be approved by the Towns in advance by June 1 of any given year.
1. This Paragraph V(C) shall not apply where County has provided at least twelve (12) months' notice of said fee increase and where such increase greater than five percent (5%) is necessary to maintain the then current level of services.
  2. County's contract with its service provider, a provider of urban curbside service contemplated by this Agreement, contains provisions for annual increases in costs based on annual increases in the national Consumer Price Index ("CPI"). This Paragraph V(C) shall not apply where a greater than five percent (5%) fee increase is necessary based on the CPI increase requirement of County's contract with Waste Industries, or any other service provider where the service contract contains a similar provision, and where County has notified Town prior to the first day of April when such a CPI increase greater than five percent (5%) is expected for the next fiscal year.
- D. In the event a Town or Towns fail to approve a multi-family or urban curbside recycling fee increase of greater than five percent (5%) for any service where such increase is necessary to fully pay for the provision of any service contemplated by the terms of this Agreement or where such increase is necessary for County to meet its contractual obligations with any contractor engaged in providing any of the services contemplated by this Agreement County may, at its option, terminate this Agreement as it applies to any Town that fails to approve said fee increase.
1. Any termination pursuant to this Paragraph V(D) shall be without cost or penalty to County.
  2. In the event County terminates this Agreement pursuant to the terms of this Paragraph V(D) the Town or Towns with which the Agreement is terminated shall be responsible for the full amount of any outstanding costs, contractual obligations or debt related to the provision of services contemplated by this Agreement as such costs or debt apply within its territorial jurisdiction.
  3. Any termination pursuant to this Paragraph V(D) shall be effective at the end of the fiscal year in which a Town or Towns fail to approve the aforementioned fee increase and after written notice by the County to the Town(s).

## VI. MISCELLANEOUS

- A. Holiday service. County shall publish holiday schedules annually for curbside collection. There will be no service on New Year's Day, Thanksgiving Day, or Christmas Day. Other holiday service will be scheduled according to the specific day of week of observed holidays.
- B. Storm debris management. County shall manage construction debris created by or from severe storms at its Construction & Demolition Landfill. County shall provide debris management sites for delivery of severe storm event vegetative debris. Emergency storm debris collection and monitoring shall be the responsibility of each Party within its territorial jurisdiction.
- C. Ordinance enforcement. Each Town shall enforce County's Regulated Recyclable Materials Ordinance within each Town's jurisdiction. Towns shall monitor waste collected by Town staff for banned materials in order to prevent the delivery of banned

materials for disposal. County shall provide solid waste plan advice, review, and approvals in concert with development applications to various jurisdictions. County may assist towns' enforcement staff in enforcement of landfill bans on privately collected waste containers.

- D. Education and Outreach. County shall be responsible for the preparation, distribution, expense, and coordination of education and outreach services related to waste management, recycling, and reduction services and programs under its administration.
- E. Solid waste management, planning, and reporting. County, in cooperation with Towns, is responsible for the development and timely submission of required annual reporting and solid waste management planning to the North Carolina Department of Environment and Natural Resources. Towns and County shall cooperate with requests for information, data, and records, in a reasonable and timely manner. Consideration shall be given by County to investigation of increased diversion of organic wastes, especially commercially generated food wastes, and the expansion of non-residential recycling programs and services. County, in cooperation with Towns, may develop recycling performance and tracking measures for various programs of interest. Collected data will be maintained in a secure manner, consistent with public records law of North Carolina.
- F. Future Landfill/Transfer Station. In the interest of joint long-term planning County and Towns shall cooperate and jointly participate in the siting and location of any future MSW landfill or transfer station that is sited within the boundaries of Orange County.
- G. Advisory Board. County and Towns shall cooperate and jointly participate in the creation of a solid waste management advisory board. The document containing the bylaws and/or operating procedures of such advisory board shall be attached to this Agreement as Exhibit 1.

## VII. INDEMNIFICATION

To the extent authorized by North Carolina law County and Towns each agree to indemnify and hold harmless one another, their agents, officials, and employees, from and against all claims, actions, demands, costs, damages, losses and/or expenses of any kind whatsoever, in whole or in part, resulting from any acts of County or each Town, their agents, officials, employees, guests or invitees caused by or directly related to the performance of this Agreement, including but not limited to court costs and attorney's fees incurred by the County and Towns in connection with the defense of said matters.

## VIII. NOTICE

Any notice required by or pursuant to this Agreement, or any amendment or renewal, shall be in writing and delivered by United States Mail to the following:

### **To Carrboro:**

Town of Carrboro  
Town Manager  
301 West Main Street  
Carrboro, NC 27510

### **To Hillsborough:**

Town of Hillsborough  
Town Manager  
101 East Orange Street  
Hillsborough, NC 27278

**To Orange County:**

Orange County  
County Manager  
200 S. Cameron Street  
Hillsborough, NC 27278

**To Chapel Hill:**

Town of Chapel Hill  
Town Manager  
405 Martin Luther King, Jr. Blvd.  
Chapel Hill, NC 27514

**IX. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement of the Parties hereto and is effective the date first above recorded.

[SIGNATURE PAGE TO FOLLOW]

DRAFT

In witness whereof, the Parties, by and through their authorized agents, have hereunder set their hands and seal as of the day and year first above written.

\_\_\_\_\_  
Mayor, Town of Chapel Hill

\_\_\_\_\_  
Chair, Orange County

ATTEST:

ATTEST:

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Clerk to the Board

\_\_\_\_\_  
Mayor, Town of Carrboro

\_\_\_\_\_  
Mayor, Town of Hillsborough

ATTEST:

ATTEST

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Town Clerk

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act:

\_\_\_\_\_  
Carrboro Finance Director

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act:

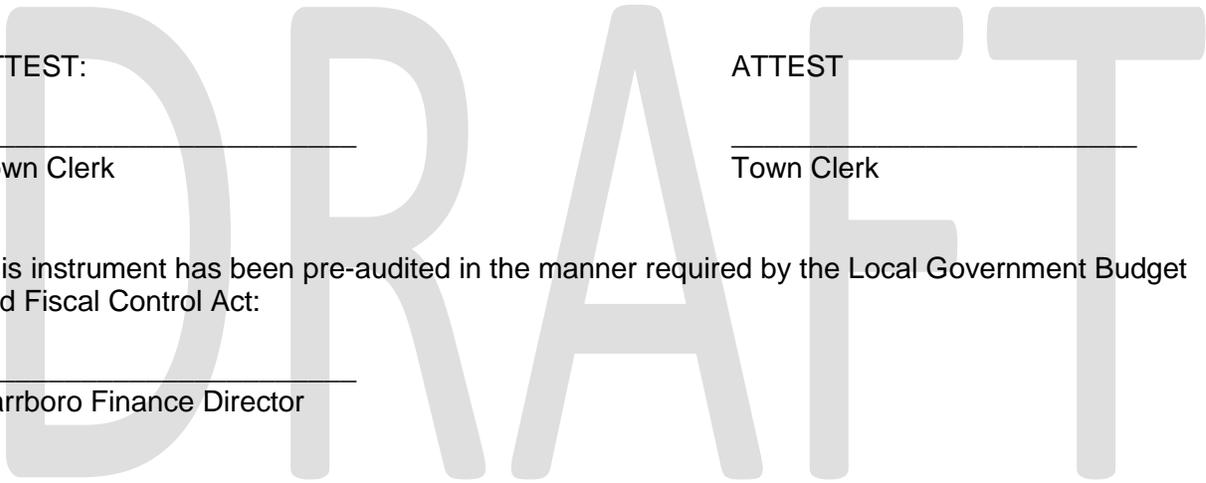
\_\_\_\_\_  
Chapel Hill Finance Director

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act:

\_\_\_\_\_  
Hillsborough Finance Director

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act:

\_\_\_\_\_  
Orange County Finance Director



**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** May 13, 2014

**Action Agenda  
Item No.** 4

**SUBJECT:** Issues and Funding Options for Orange County's Recycling Programs

---

**DEPARTMENT:** Solid Waste/Recycling

**PUBLIC HEARING:** (Y/N)

No

**ATTACHMENT(S): (Previously Provided)**

*Abstract Agenda Item 7-f from May 8, 2014  
Board Meeting – Issues and Funding  
Options for Orange County's Recycling  
Programs*

**Board members may find it beneficial to  
bring the May 8, 2014 meeting paper  
copies of Item 7-f to the May 13<sup>th</sup> work  
session as reference documents. Item 7-f  
can also be accessed electronically at  
[http://www.co.orange.nc.us/occlerks/1405  
08.pdf](http://www.co.orange.nc.us/occlerks/140508.pdf) (starting on electronic page 445 of  
the link)**

**INFORMATION CONTACT:**

John Roberts, 245-2318  
Michael Talbert, 245-2308  
Gayle Wilson, 968-2885

**PURPOSE:** To discuss issues and funding options for Orange County Recycling Programs.

**BACKGROUND:** The County's Reduce, Reuse & Recycle (3-R) Fees consists of one annual recycling fee that is billed in conjunction with the annual property tax. The fee is a Basic Availability Fee of (\$47/year) that is charged to all improved properties county-wide and funds various recycling operations such as the county Toxicity Reduction Improvement Program (Household Hazardous Waste, batteries, waste oil, electronics, etc.), recycling drop-off sites, recycling at solid waste convenience centers, education and outreach, enforcement, planning, etc.

It is anticipated that the Towns will levy an Urban Curbside Fee (\$59/year) and a Multi-family Fee (\$19/year) to improved residential properties within incorporated municipalities and funds weekly curbside recycling service.

Not related to recycling, the County also assesses a county-wide Solid Waste Convenience Center Fee that is billed in conjunction with the annual property tax. The Unincorporated Areas Fee is (\$40/year/Household), Incorporated Areas Fee is (\$20/year/Household), and Multi-family Fee is (\$4/year/multi-family unit). This basic Solid Waste Convenience Center Fee covers a portion of the operating costs of the County's five (5) Convenience Centers.

At the May 8, 2014 regular meeting, the Board expressed a desire to step back and review all options to fund the County's rural curbside recycling program at the May 13, 2014 Work Session. The Board noted that it was important to include the County's partners to find a comprehensive county-wide solution to recycling, which could be a component of a new Solid Waste Interlocal Agreement. It is desirable that an equitable county-wide recycling solution will be implemented by Fiscal 2015/2016 to preserve Solid Waste reserves to fund future Closure/Post Closure costs. Recycling Options that were available and discussed in 2013 have not changed. However; the Towns have agreed to levy both an Urban and Multifamily curbside recycling fee for Fiscal 2014/2015.

**The Board requested the following information:**

***Issues to be discussed at May 13, 2014 Work Session***

- Discussion of Frequently Asked Questions from the Public Hearings (see Attachment 9)
- Does the County want to continue Rural Curbside Recycling, and if so, what is the customer base - the existing rural district (13,700 customers) and/or additional customers
- How does the County fund Rural Curbside Recycling for Fiscal 2014/2015
- Recycling and Solid Waste issues with the County's partners
- Other ways to provide recycling services and look at options
- New Solid Waste Interlocal Agreement
- A stable funding source for recycling that is fair and equitable
- Discuss different options for servicing high density rural residential clusters. including costs/benefit analysis

***Decisions by July 1, 2014:***

- Does the County want to continue Rural Curbside Recycling, and if so, what is the customer base, the existing rural district (13,700 customers) and/or additional customers
- How does the County fund Rural Curbside Recycling for Fiscal 2014/2015

**FINANCIAL IMPACT:** There is no financial impact to the County in discussing funding options for the County's Recycling Programs.

**RECOMMENDATION(S):** The Manager recommends that the Board receive the information and provide guidance to staff. **Board members may find it beneficial to bring the May 8, 2014 meeting paper copies of Item 7-f to the May 13<sup>th</sup> work session as reference documents. Item 7-f can also be accessed electronically at <http://www.co.orange.nc.us/occlerks/140508.pdf> (starting on electronic page 445 of the link).**