

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, OCTOBER 8, 2014
8:30 A.M.

Present: Michael G. Lallier, Chairman
Wick Smith, Vice Chairman
Lynne B. Greene, Secretary
Darsweil L. Rogers, Treasurer (Via Conference Call)

Others Present: Mike Bailey, Hope Mills Liaison
Karen McDonald, City Attorney
PWC Staff

Absent: Steve Blanchard, CEO/General Manager
James Arp, Council Liaison
Billy King, County Liaison
John Ellis, Hope Mills Liaison

Chairman Lallier called the meeting of September 24, 2014 to order.

Approval of Agenda.

Upon motion by Commissioner Greene, seconded by Commissioner Smith, the agenda was unanimously approved.

Consent Items

Upon motion by Commissioner Greene, seconded by Commissioner Smith, the following Consent Items were unanimously approved:

- A. Minutes of meeting of September 24, 2014
- B. Capital Project Fund Budget Amendment #1 for FY 2015 for Annexation Phase V 6 Areas 16 & 17 increasing the budget by \$3.5 million and to forward to City Council for inclusion in the City's budget.

Budget Amendment #1 adjusts the estimates based on recent bids which includes increasing the number of lots to be served per area than originally estimated in the initial budget. This amendment also eliminates bond proceeds as a revenue source and is intended to be funded solely from the Annexation Reserve Fund.

- C. Bid recommendation to award contract for LED Street Light Conversion Project-FY2015 to Pike Electric, LLC, Mount Airy, NC, the lowest responsive, responsible bidder in the total amount of \$1,908,434.50 and to forward to City Council for approval.

This is a budgeted item in FY2015 ó CIP EL 22 ó Street Lights-LED Conversion in the budgeted amount is \$1,475,000. The difference will come from FY2015 EL 23 ó Thoroughfare LED Roadway Lighting (\$175,000) and FY 2015 EL 9 ó Military Business Park Feeder Tie (\$350,000).

Bids were received June 19, 2014 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Pike Electric, LLC, Mount Airy, NC	\$1,908,434.50
Mastec North America, Inc., Roxboro, NC	\$2,401,250.00
M-W Electric, Red Springs, NC	\$2,987,629.00
Sumter Utilities, Inc., Sumter, SC	\$3,339,652.00
King Electric, Fayetteville, NC	\$4,724,900.00
Lee Electric, Aberdeen, NC	\$6,903,800.00

- D. Bid recommendation to award contract for water main rehabilitation work for Fiscal Year 2015 (with the option to extend contract for additional one-year period(s) upon the agreement of both parties) to Heitkamp, Inc., Watertown, CT, the lowest responsive, responsible bidder in the total amount of \$2,051,370.00 and to forward to City Council for approval.

This is a budgeted item in the FY 2015 CIP: WS 5 ó Water Distribution System Rehabilitation, budgeted amount of \$3,375,000.

Bids were received September 18, 2014 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Heitkamp, Inc., Watertown, CT	\$2,051,370.00

Note: Invitations to Bid were sent to nine (9) bidders with one (1) bidder responding. Bids were originally due September 11, 2014; however, only one bid was received. North Carolina General Statutes require that three (3) bids be received for formal construction or repair projects in order for bids to be opened on the first advertisement. The work was re-advertised and bids were opened on September 18, 2014, with one (1) bidder responding. There is no statutory requirement that a certain number of bids be received on the second advertisement. Heitkamp meets the qualification requirements outlined in the bid for the performance of this work.

- E. Bid recommendation to award contract for Annexation, Phase V ó Project VII, Area 17, Section I ó Blue Spring Woods, Beacon Hill and Emerald Gardens Subdivisions to ES&J Enterprises, Autryville, NC, the lowest responsive, responsible bidder in the total amount of \$3,111,782.75 and to forward to City Council for approval.

This is a budgeted item in FY 2015 - CIP WS 50 ó Phase V Annexation. \$4,797,639.00 was budgeted for construction of Area 17 Sections I and II. The budgeted amount was calculated prior to the City of Fayetteville's request to add 119 additional lots to this area. The recommended bids for Area 17 Section I and Section II (separate recommendation) total \$6,330,526.25. The additional cost will be covered by Annexation Phase V ó Areas 16 & 17 Capital Project Fund Amendment #1.

Bids were received September 17, 2014 as follows:

<u>Bidders</u>	<u>Total Cost</u>
ES&J Enterprises, Autryville, NC	\$3,111,782.75
State Utility Contractors, Inc., Monroe, NC	\$3,271,288.35
DeVere Construction, Alpena, MI	\$3,285,193.00
Billy Bill Grading, Inc., Fayetteville, NC	\$3,831,884.27

- F. Bid recommendation to award contract for Annexation, Phase V ó Project VII, Area 17, Section II ó Blue Spring Woods, Beacon Hill and Emerald Gardens Subdivisions to Billy Bill Grading, Inc., Fayetteville, NC, the lowest responsive, responsible bidder in the total amount of \$3,218,743.50 and to forward to City Council for approval.

This is a budgeted item in FY 2015 - CIP WS 50 ó Phase V Annexation. \$4,797,639.00 was budgeted for construction of Area 17 Sections I and II. The budgeted amount was calculated prior to the City of Fayetteville's request to add 119 additional lots to this area. The recommended bids for Area 17 Section I and Section II (separate recommendation) total \$6,330,526.25. The additional cost will be covered by Annexation Phase V ó Areas 16 & 17 Capital Project Fund Amendment #1.

Bids were received September 18, 2014 as follows:

<u>Bidders</u>	<u>Total Cost</u>
Billy Bill Grading, Inc., Fayetteville, NC	\$3,218,743.50
DeVere Construction, Alpena, MI	\$3,616,427.00
State Utility Contractors, Inc., Monroe, NC	\$3,683,072.00

Review of Alternative Logos/Branding for Fayetteville PWC (This is in response to the Fayetteville City Council's request in the City Council Resolution No. R2013-052)

Carolyn Justice-Hinson, Communications/Community Relations Officer presented the recommended logo/rebranding options for Commission review as requested during the September 24, 2014 Commission meeting which incorporates the current City of Fayetteville brand. Handouts with the proposed logos, estimated costs for the rebranding initiative and replacement schedule were provided to the Commission. Ms. Hinson stated several years ago PWC started using "PWC, Fayetteville's Hometown Utility" on main customer communications including billing, web, communications and other promotional items. She stated it is recommended that we use "PWC, Fayetteville's Hometown Utility" as the recommended PWC Logo which is consistent with the City of Fayetteville brand. Two recommended logo options were presented to the Commission, one stating "PWC,

Fayetteville's Hometown Utilityø in blue and the other logo option stating PWC, *Fayetteville's* Hometown Utilityø with the departmentø identified using the City of Fayetteville burgundy color to identify the department. Ms. Hinson also included examples of how the *City of Fayetteville* brand is used in other City of Fayetteville vehicles and various departments. She stated the script *'Fayetteville'* is the consistent piece.

Ms. Hinson reviewed the estimated costs for the logo replacement. She stated for a complete rebrand/logo replacement, the estimated cost was over \$800,000. Ms. Hinson stated at the Commissionø request, staff looked at a phased approach where we would first update any logos that did not currently have the reference to Fayetteville in there and make that the first priority and the second priority would be changing out logos that currently had some type of Fayetteville reference, which would be replaced with øPWC, *Fayetteville's* Hometown Utility.ø Ms. Hinson stated the cost for Phase I, which would be in Fiscal Year 2015, would be to replace primary items without Fayetteville reference is estimated at \$238,000. Phase II which would be in Fiscal Year 2016, would replace any logos that some type of Fayetteville reference is estimated at \$51,500. She stated any other secondary signage and equipment would be replaced through normal maintenance. The total estimated cost for Phase I and II is \$289,500. Ms. Hinson discussed the logo replacement schedule. She stated if the Commission approves this item today, it would be presented to City Council during their November work session. Ms. Hinson stated if Council approves the logo/rebranding changes, signage would be replaced by May 2015 and uniform logo changes would be complete by June 2015. She stated by June 2015, 95% of the vehicles would have the logos replaced. Ms. Hinson stated in Fiscal Year 2016 plans are to move forward with updating items that currently reference Fayetteville such as signage.

Discussion ensued. Ms. Hinson provided copies of this option for the Commission to review. Chairman Lallier also commented that from the meeting of October 8th there was discussion about eliminating signage that indicate øCity of Fayettevilleø therefore, that would reduce the cost by \$94,000, bringing the cost down to the \$150,000 range with patches. Chairman Lallier commented that the Commission had agreed during the last meeting that as long as the øCity of Fayettevilleø was on the logo, we had met the intent of the resolution. He stated people are looking at the vehicles (rolling stock) and the employeesø patches. Commissioner Smith commented the problem we are dealing with is that this is all very subjective. He stated PWC, after 109 years, we are certainly an arm of

the City, but by the same token we are the only arm of the City that touches virtually every citizen, every minute of every day. Commissioner Smith stated we are looking at smart meters, LED lighting, and other areas in the future that are cutting edge, progressive, providing the best possible service to the rate payers and tax payers. He stated we need to look that way and he has never liked the current PWC logo. He stated if we are going to swap out our logo, now is the time to change the look and feel and this is our one opportunity for the next 15 or 20 years to get it right. Commissioner Smith stated he also did not like the combination of blue and burgundy and we should look at other complimentary colors. He stated he cannot support an effort of spending money and still have the same old tired logo that we have had for 30 years; it is a bad decision to do that. Commissioner Smith stated this is a long term decision. Commissioner Rogers stated he likes the logo and is open to consider different colors. Karen McDonald, City Attorney, commented the City's other color is gray and burgundy is the primary color. Commissioner Greene stated she did not object to the logo at all, it is part of who we are and the logo is what the public looks for and are used to seeing. She said she did not object to the color change and there are a lot of ways to change the blue out to make it more uniform.

In order to gain consensus, Chairman Lallier asked if the Commission agrees to try and get the new patches as part of the uniform contract and reducing that expense. He asked if the Commission is in agreement on eliminating the signage piece unless and until those signs need to be replaced because of other reasons, not a logo change and the Commissioners were all in agreement regarding the signage. Commissioner Smith asked that any cost that is assigned to the logo changes be amortized over 10+ years. Chairman Lallier stated, excluding the colors, it is his understanding that three of the Commissioners (Lallier, Rogers, Greene) support the logo/style of PWC, *Fayetteville's Hometown Utility* as the recommended PWC logo.

Following discussion, it was the consensus of the Commission to delay action and have staff prepare a recommendation regarding the logo colors as discussed and report back to the Commission at the next meeting (October 22nd) for their review and approval. Following Commission action at the October 22nd meeting, a recommendation regarding the logo change will be sent to the Council for their consideration during their November work session.

General Manager Report

- Carolyn Hinson, Communications/Community Relations Officer informed the Commission that this week is National Public Power Week and that Fayetteville PWC received the 2014 Public Power Awards of Excellence from ElectriCities of North Carolina, Inc., in the following categories:
- Competitive Business Environment
 - Energy Efficiency
 - Financial Stability
 - Legislative Involvement
 - Service Excellence

Reports and Information: The Commission acknowledges receipt of the following reports and information:

- A. Personnel Report for September 2014
- B. Position Vacancies
- C. October 2014 Wholesale Power Cost Adjustment
- D. Actions by City Council during meeting of September 22, 2014, related to PWC:
 - Adopted City Council Policies relating to PWC Economic Development & Community Support
 - Approved bid award for ArcGIS and ArcFM Solution Upgrade
 - Approved bid award for 54,000 lb. GVWR Cab and Chassis with 12 Cubic Yard Dump Body
 - Approved bid award for Cab and Chassis with Service Body and PTO Mounted Compressor
 - Approved bid award for Lakeview Road Sewer and Water Main Replacement

Closed session as allowed by NC General Statutes 143-318.11(6)

Chairman Lallier entertained a motion to go into closed session for personnel matters as allowed under N.C. General Statutes 143-318.11(6).

Upon motion made by Commissioner Greene and seconded by Commissioner Smith, the Commission unanimously voted to go into closed session at 9:10 a.m. as allowed under N.C. General Statutes 143-318.11(6).

Following discussion, upon motion made by Commissioner Greene and seconded by Commissioner Rogers, the Commission voted to return to open session at 9:50 a.m.

There being no further business, upon motion by Commissioner Rogers, seconded by Commissioner Greene and unanimously approved, the meeting was adjourned at 9:52 a.m.