

MINUTES FOR BOARD OF ALDERMEN WORK SESSION

August 2, 2022

10:30 AM

The following elected officials were present: Mayor Coleman, Alderman Cearley, Alderman Milton, Alderwoman Morrow, Alderman Withers, and Alderman Martin.

The following Staff members were present: Maria Stroupe, Town Manager; Brian Finnegan, Planner; Jonathan Newton, Finance Director; Brandon Whitener, Parks and Recreation Director; Bill Trudnak, Public Works Director; and Earl Withers, Fire Chief.

Mayor Coleman called the meeting to order at 10:30 am.

The Mayor then opened with the Pledge of Allegiance to the Flag.

Town Manager, Maria Stroupe, gave a Power Point Presentation covering the following items, with discussion on each item after the presentation. (Exhibit 1, 1-22)

Item 1 CMAQ Grant Update

In 2013 the Town began work to apply for a CMAQ grant. After several changes and modifications, the Town was awarded a CMAQ grant for a sidewalk project to provide walkability to the US Post Office, Gaston College, and Gaston County Park in May 2018. In May 2020, grant projects were put on hold due to budget shortfalls with NC DOT, until further notice. At this time, the Town has not received any information about being able to proceed with the project. Within the last couple of weeks, the Town has received information that based on the original grant agreement, the project is to be completed by May 2023. We are exploring the possibility of an extension or a change to the scope of work, due to anticipated cost increases from the original cost estimates. These increased costs would have to be absorbed by Dallas, as the grant funding is set.

Discussion was held on the possible options, but until further information is received from NC DOT on what is allowable a direction could not be identified. Once we receive information concerning possible scope of work changes or an extension from NC DOT, the final decisions will be made on further steps.

Item 2 Concept Drawing from Architect

Provision was made in the FY22 budget to have an architect develop concept drawings and cost projects for three projects of interest to the Town: 1) Renovation of 208 N. Holland St., 2) Bathroom facilities at Cloninger and Jagers Parks, and 3) A museum addition to the Fire Department to display two antique fire trucks. After many meetings between Staff and the architect, drawings and rough projections on cost are ready for review.

After discussion, it was determined to explore cost saving options on the bathroom facilities due to concerns over potential cost. Renovation of 208 N. Holland St. has been provided for within the current year Economic Development Fund budget, with \$100,000 of the cost being covered

by a State Construction and Infrastructure Grant (approximately 60% of the cost). Discussion was held concerning funding the Fire Department Museum addition. Possible funding options are forming a 501c3 foundation in order to conduct a fund raising campaign and seeking state funding assistance.

Item 3 Hardin Road/High Shoals Water Project

Town Staff has been in discussions with the Gaston County Economic Development Commission about possible extension of the Town's water line to Hardin Road and to the City of High Shoals to facilitate economic development along that corridor.

The Board of Aldermen were in agreement to continue pursuing this project.

Item 4 Water Plant Capacity

As Dallas continues to grow, the capacity of the Water Treatment Plant will need to be increased. Preparations need to be in the near future to address the anticipated needs and position Dallas to meet those needs.

The Water Plant is currently operating at approximately one half of the permitted capacity of 1MGD. In order to increase production additional plant operators will be required in order to run the plant up to 24 hours per day 7 days per week. This is the first step and will be needed within the next year. Also, steps need to be initiated to increase the amount the plant is permitted to produce. Once the increased permit is in place, construction can begin to increase the output.

Item 5 ARPA Update and Potential Projects

After many months of attending training and waiting for final guidance from the US Treasury, Staff is able to provide an update on allowable uses of ARPA (American Rescue Plant Act) funds. Potential projects to begin utilizing these funds to the benefit of Dallas citizens will also be presented.

Dallas is receiving \$1,528,91.64 in ARPA funds. Four potential projects were presented for consideration: 1) Upgrade the Dallas/Stanley Highway Pump Station, as the current pump station is nearing capacity, 2) Make repairs to the Water Treatment Plant facility to correct cracking walls and foundational issues in order to stabilize and preserve the building, 3) Install an automatic bar screen at the Waste Water Treatment Plant on the recommendation of the NC Department of Environmental Quality, and 4) Install a restroom facility at one of the Town's public parks. Projects 1,2, and 3 were deemed as the first projects to complete; with Project 4 being determined as not necessary at this time.

Item 6 Future Public Utilities Facility

A very preliminary meeting has been held between Town Staff and a builder to gain information on planning for a future facility for Public Utilities.

Renderings of facility in Gaston County were shown for information purposes. There was interest in setting up a tour of the facility to gain further knowledge to guide planning for a future facility for Dallas.

Item 7 Summary of Potential Projects Town-Wide

Finally, the items were summarized to show potential financial effects in each of the Town's major operating funds.

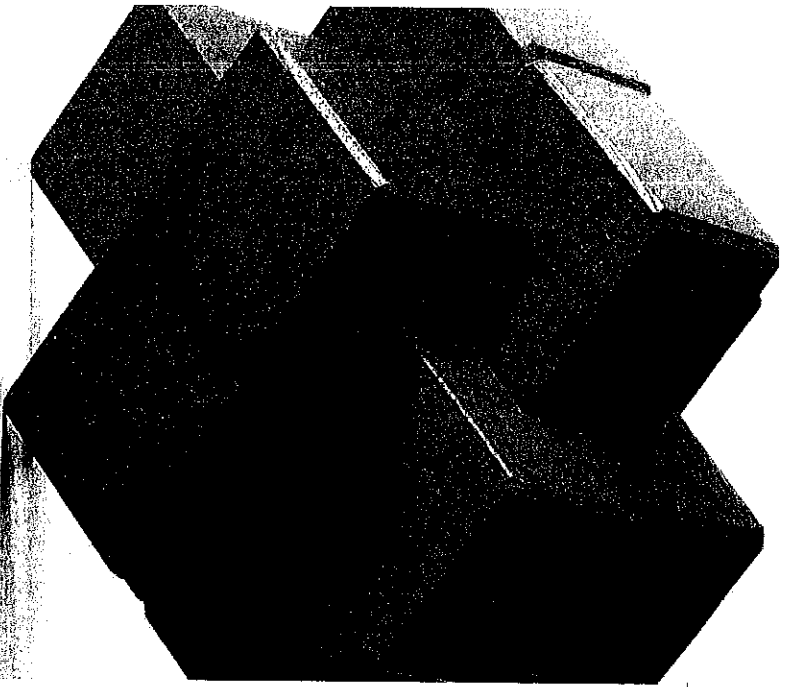
The Town Manager reminded the Board of up-coming events for the Town.

Alderman Withers made a motion to adjourn, seconded by Alderwoman Morrow, and carried unanimously (1:03).

Rick Coleman
Rick Coleman, Mayor

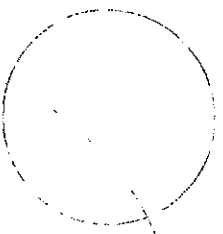
Sarah Hamrick
Sarah Hamrick, Town Clerk





BUILDING BLOCKS FOR THE FUTURE

AUGUST 2, 2022





AGENDA

- CMAQ Grant Update
- Concept Drawings for Construction Projects
 - High Shoals Water Project
 - Water Plant Capacity
- ARPA Update and Potential Projects
 - Future Public Utilities Facility
 - Summary





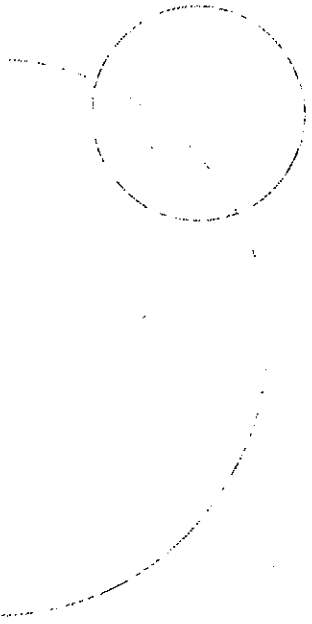
CMAQ GRANT OVERVIEW

Project Scope Under Grant

- ❖Phase 1 – Approximately 1400 lf on the west side of US 321B from the end of existing sidewalk at McDonald's to north end of the US Post Office
- ❖Phase 2 – Approximately 450 lf on the north side of NC 275-279 from the Advanced Auto Parts (and crosswalk to Gaston College) to existing sidewalk at Walgreens
- ❖Phase 3 – Approximately 1250 lf on the south side of NC 275/279 from Gaston College Access Road (at crosswalk) to the entrance of Gaston County Park and Citizens Resource Center. The project will also include a crosswalk across NC 275/279

Project Cost Estimates (2018)

- Total Project = \$482,795
- CMAQ Grant Funding = \$383,779
- Local Match = \$99,016



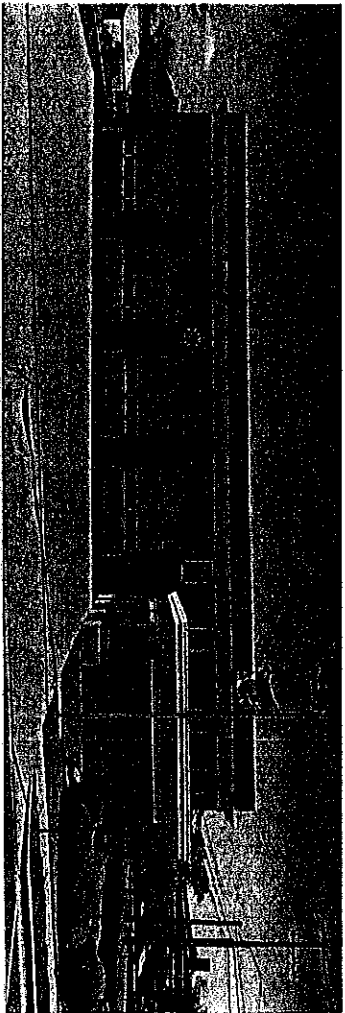
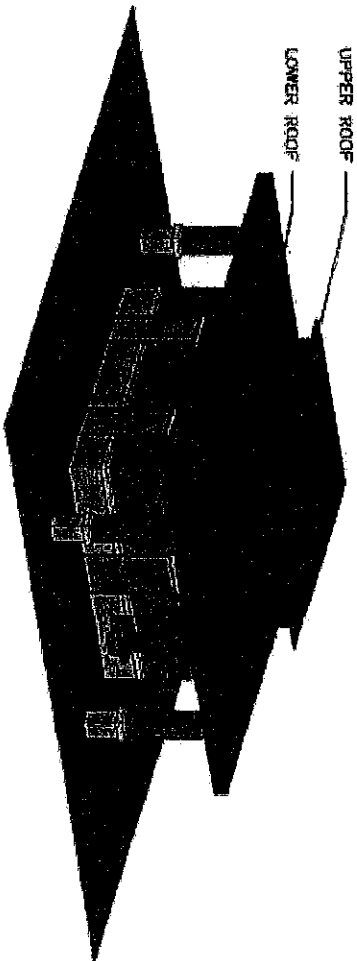
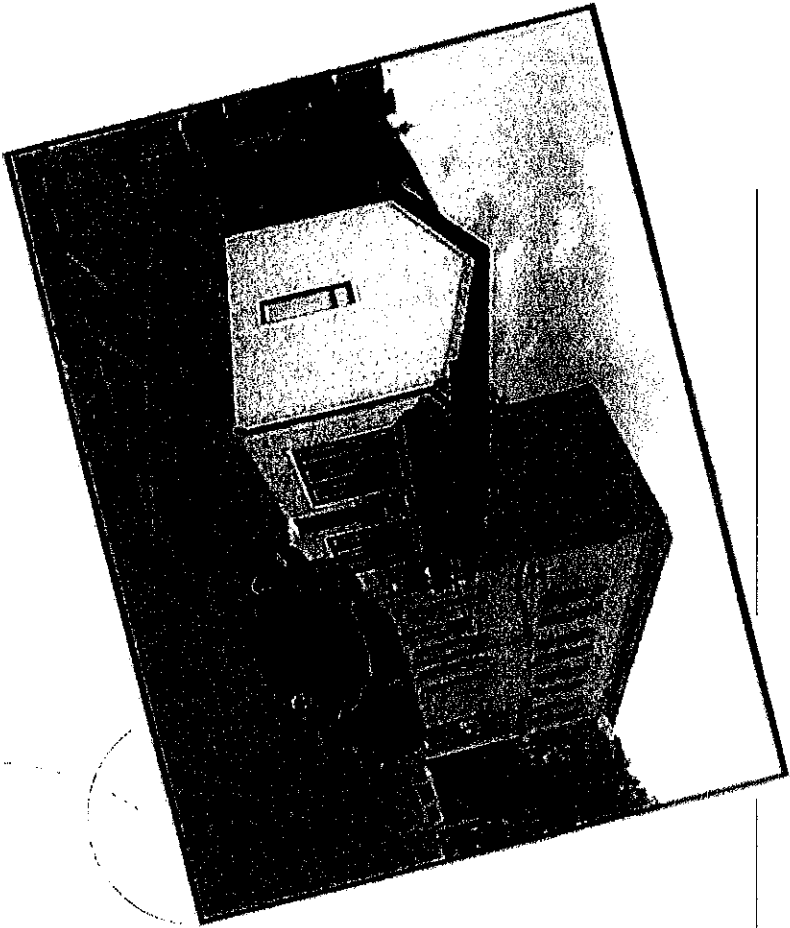


CMAQ GRANT UPDATE

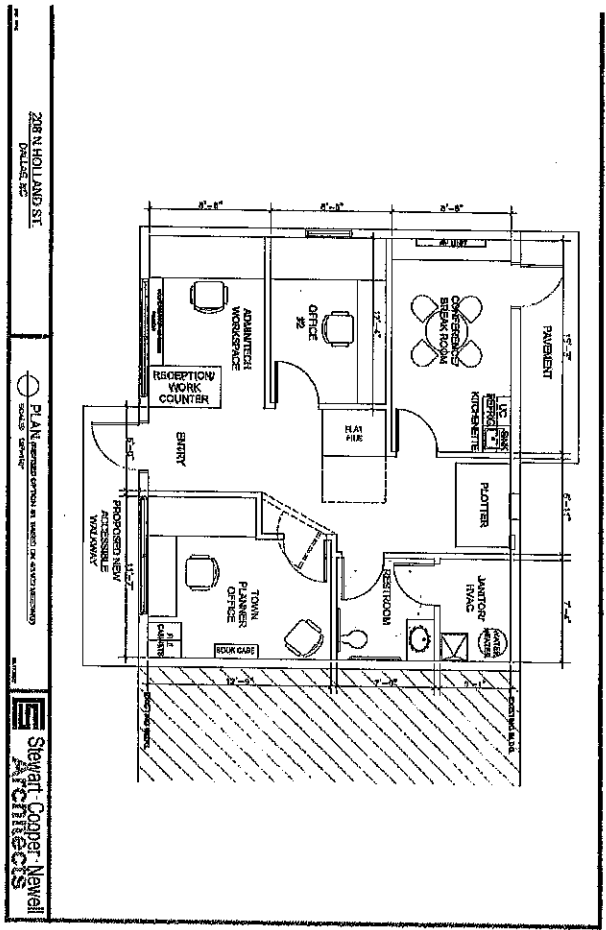
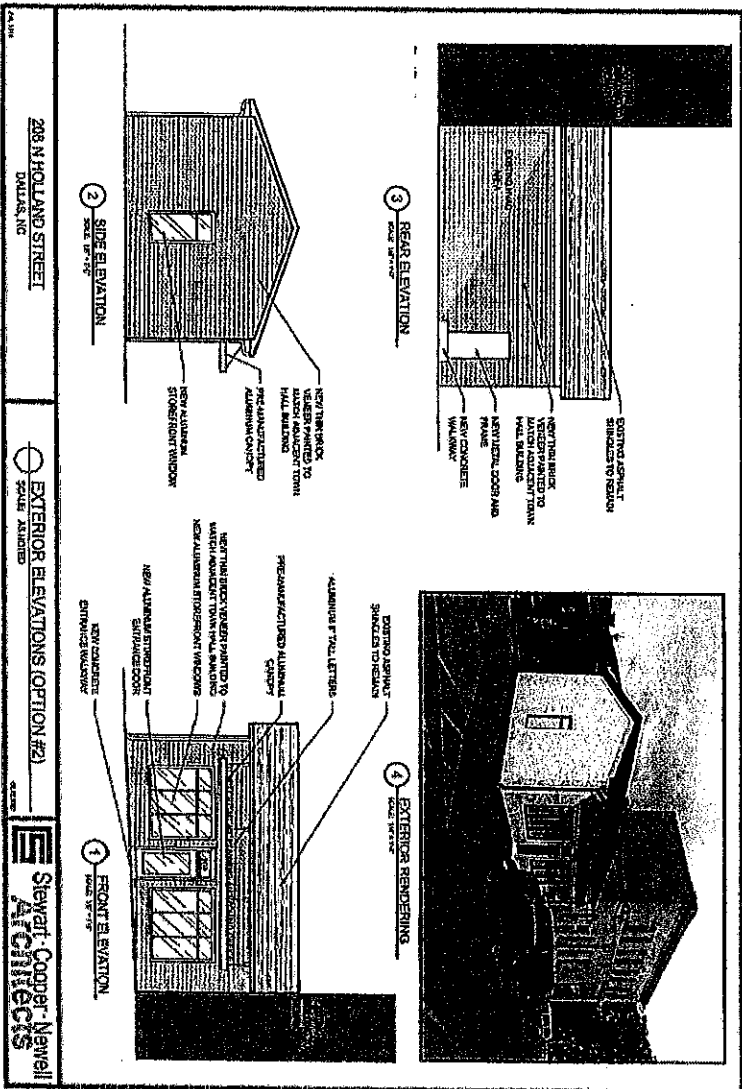
- Executed agreement dated 5/7/2018 allowed five (5) years for project completion
- Engineering and design was completed in the Fall of 2019
- Engineering and design was approved by NC DOT
- Due to budget shortfalls, NC DOT put a hold on all projects as of May 2020
- There has been no notification of that hold being removed
- Town was notified by email of project deadline of May 2023
- Inquiries have been sent to NC DOT to determine if an extension can be filed, or scope of project can be changed. No response yet.
- Would Town consider a scope of work change?

CONCEPT DRAWINGS AND PROJECTIONS

STAFF HAS BEEN WORKING WITH STEWART-COOPER-NEWELL ARCHITECTS ON THREE PROJECTS FOR DALLAS

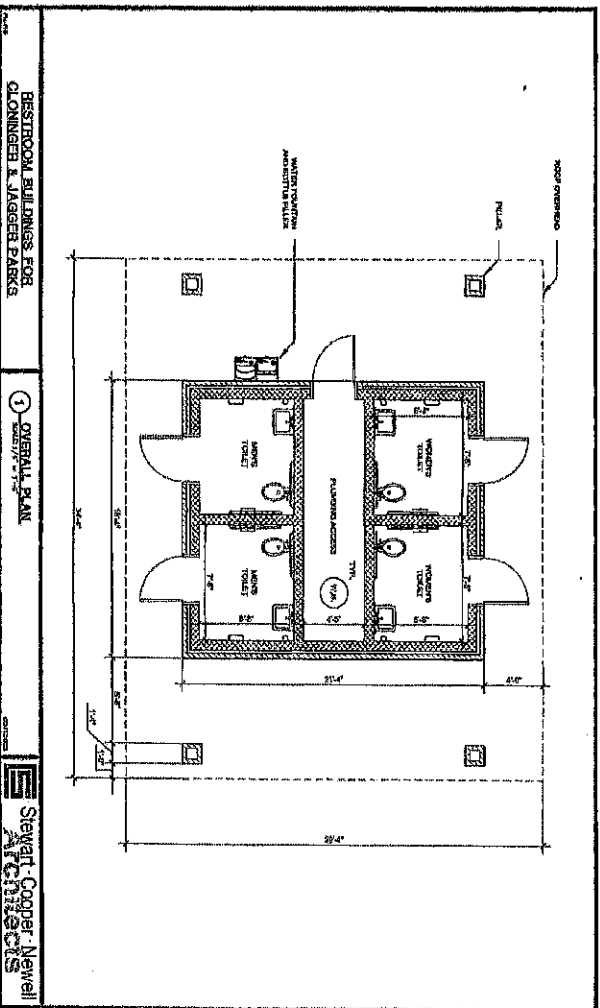
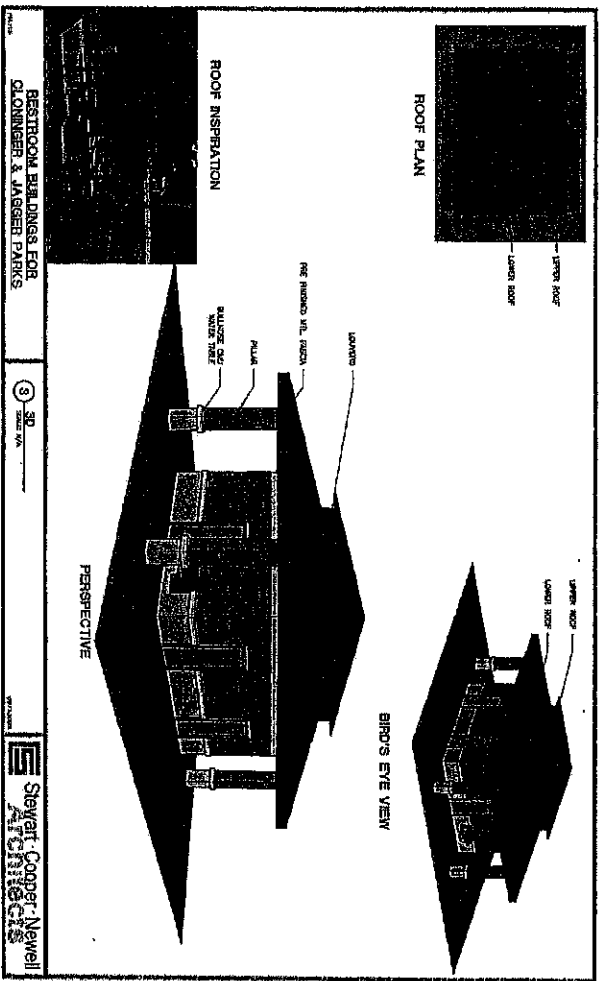


August 2, 2022



Town Hall Annex

208 N. Holland St. was purchased with the goal of providing a space to house the expanding Development Services department to facilitate working with potential business owners and developers. There is currently no space at Town Hall to provide a better option for improving the function of development services. The building is 885 sf and the projected cost of renovation \$182,628. Dallas received a State Construction and Infrastructure Fund (SCIF) Grant in the amount of \$100,000 toward the renovation of the building. The Town's portion of the costs would come from the Economic Development Fund and is provided for in the current year's budget.



Cloninger and Jagers Park Bathrooms

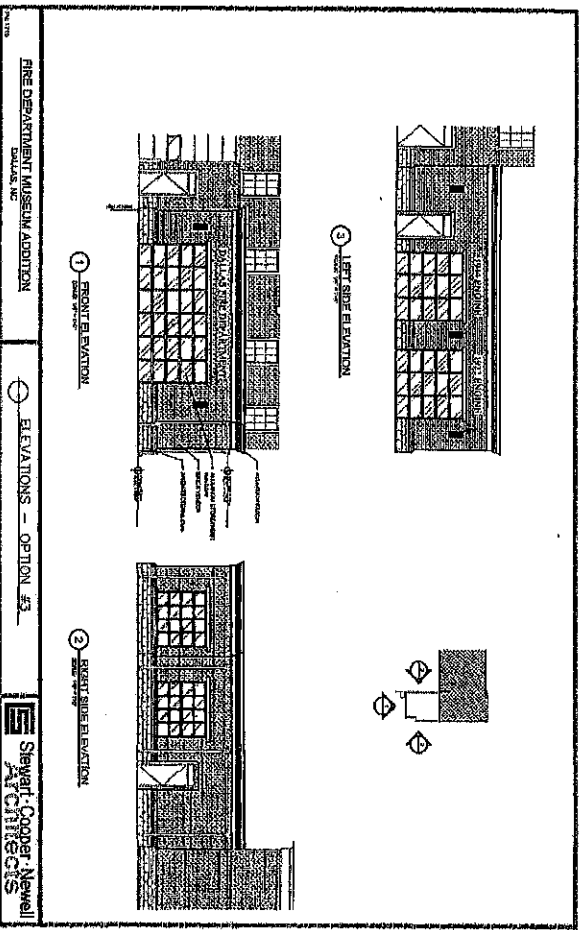
Bathroom facilities at both of the Town's public parks would eliminate the need to provide porta-jons and would be more appealing to park users. The roof is designed to complement the picnic shelter roofs at both parks.

Projected cost for Cloninger Park = \$418,800.

Projected cost for Jagers Park - \$445,800.

*Jagers Park will require a retaining wall due to the terrain and location.

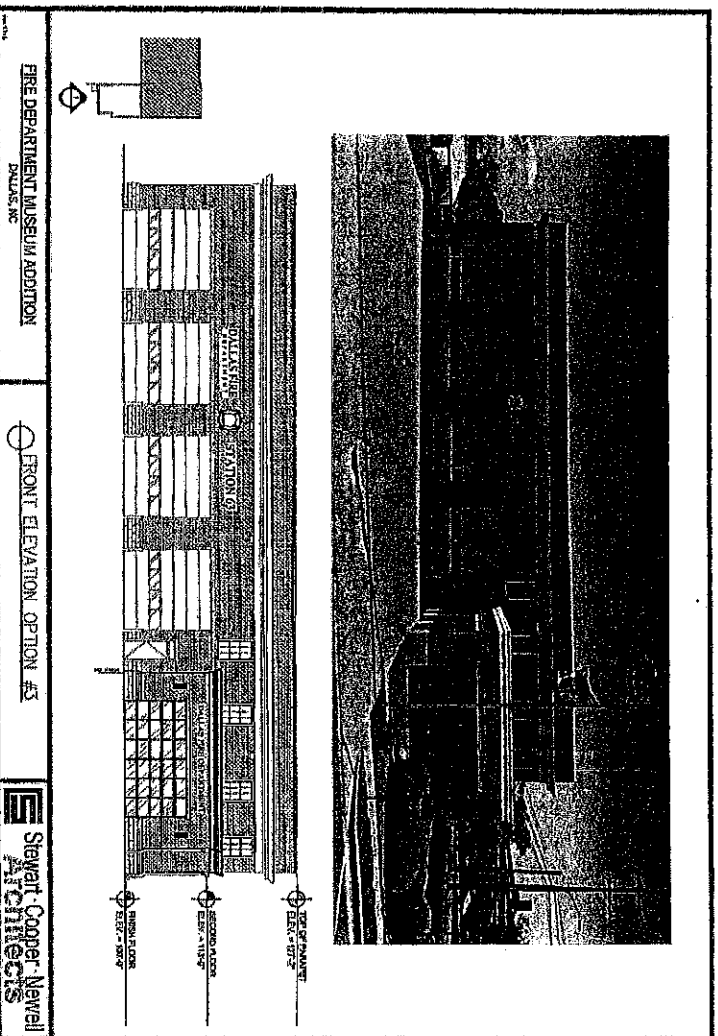




F.D. Museum

Dallas has obtained and restored the first two original fire trucks owned by the Town; a 1922 model truck and a 1944 model truck. The Museum on the front of the Fire Department building would showcase these two trucks for public viewing in a 1344 sf addition.

Projected cost for the Museum addition = \$806,400.





HARDIN ROAD/HIGH SHOALS PROJECT

- Development interest at Hardin Road interchange – Potential 50,000 gal/day
- Possible 750 unit housing development in High Shoals and would open up future development for High Shoals
- High Shoals demand would be over 100,000 gal/day
- High Shoals currently purchases water from Lincoln County, but cannot purchase any additional water
- High Shoals would like to pursue purchasing water from Dallas
- Gaston County has pledged \$12M in ARPA funds to extending Dallas' line to High Shoals
- An agreement would be needed determining where master meter placement would occur
- A line upsize from 8" to 12" for future corridor expansion would be at Dallas' cost (50% increase in materials cost)
- At the point of needing to determine if Dallas moves forward

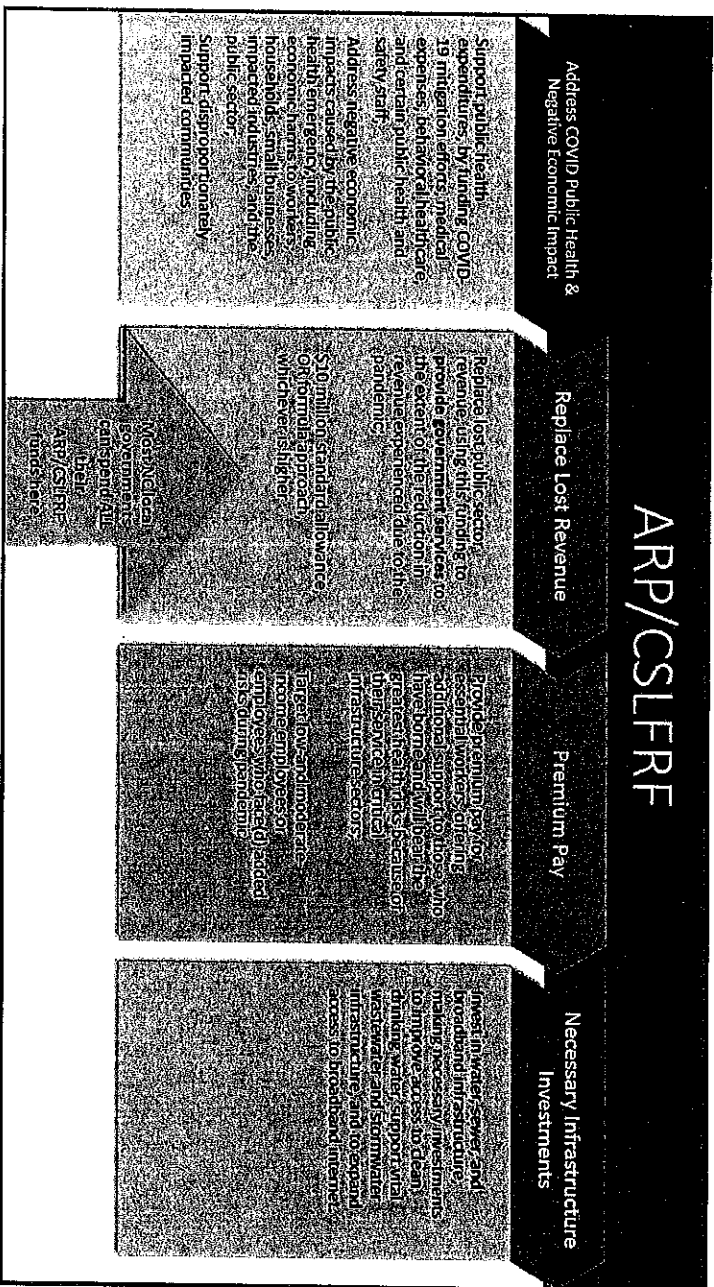


DALLAS WATER PLANT CAPACITY

- Current permit is for 1MGD (million gallons per day)
- Presently running at approximately 0.5 MGD
- Running the plant 24/7 would produce 1MGD – Would require 2 more full-time operators
- Under current capacity, Dallas could supply Hardin Road and High Shoals' present demand
- New permitting is required when 80% capacity is reached
- Permitting takes approximately 1 year
- Construction costs can be up to \$2M for every 1MGD in capacity increase per Town Engineer
- If all approved Dallas development builds out, demand will increase by 350,000 to 400,000 daily

●●● ARPA FUNDS -- ALLOWED USES

(FROM STATE TREASURERS CONFERENCE)

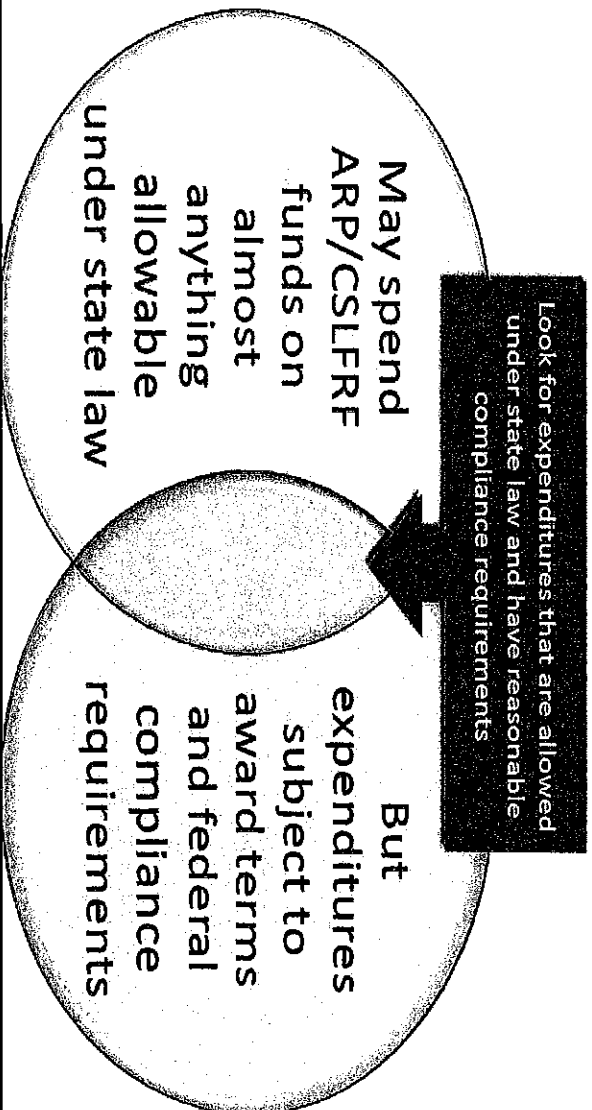


Up to \$10M can be used to replace lost revenue without verifying lost revenue through the US Treasury's approved formula

ARRPA FUNDS – REVENUE REPLACEMENT

(FROM STATE TREASURER'S CONFERENCE)

Revenue Replacement Maximizing Benefit / Minimizing Burden



ARRPA FUNDS – COMPLIANCE

(FROM STATE TREASURER'S CONFERENCE)

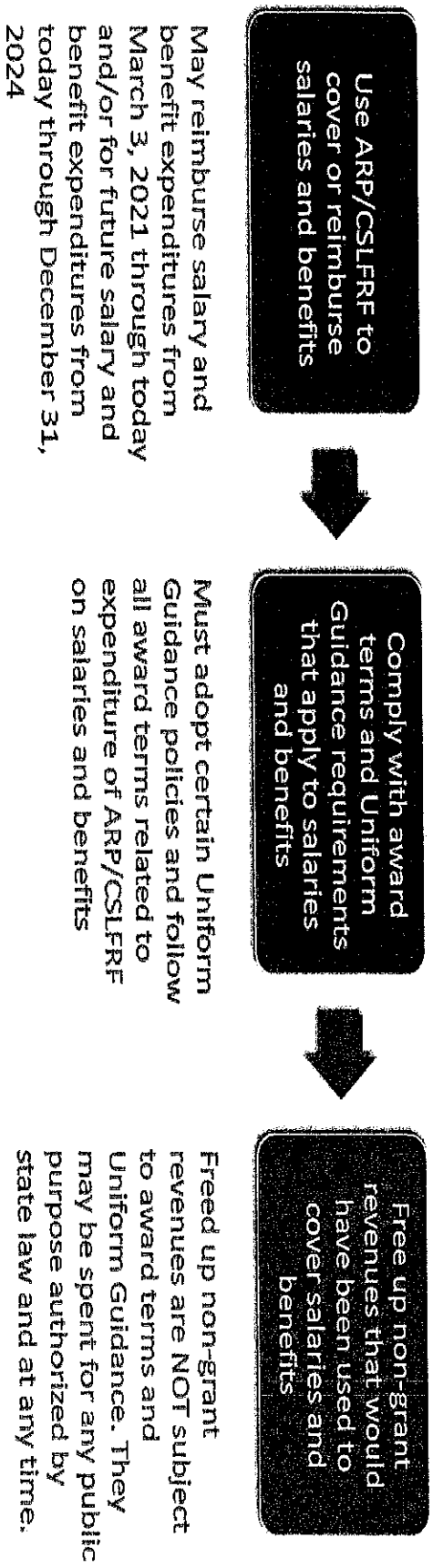
Compliance Requirements

Award Terms	Prohibited Expenditures	Uniform Guidance
<p>All funds obligated by December 31, 2024 & fully expended by December 31, 2026</p> <p>Reporting requirements:</p> <ul style="list-style-type: none"> Project & Expenditure reports (quarterly or yearly, depending on size) Performance Plan reports (for largest units only) Civil rights compliance / nondiscrimination policy Compliance with all applicable Uniform Guidance provisions Records retention policy with retention for at least 5 years after award term ends Special audit requirements 	<ul style="list-style-type: none"> NO: Pension fund contributions NO: Borrowing money NO: Financial reserves / rainy day fund NO: Settlement/Judgment/consent degree NO: Undermines or discourages compliance with GDC guidelines NO: Violates conflict of interest provisions NO: Violates state law or other federal laws and regulations, including applicable Uniform Guidance 	<ul style="list-style-type: none"> General Financial Management Internal Controls Eligible Projects Determination & Documentation Policy Cost Principles/Allowed & Cost Policy Applies to ALL projects Programs Suspension & Debarment Policy Subaward Policy Program Income Policy Property Management Policy Applies ONLY TO SOME projects
<p>What local government agreed to as condition of receiving funds. Applies to ALL categories.</p>	<p>The Final Rule prohibits certain expenditures no matter what. Applies to ALL categories.</p>	<p>Set of federal compliance regulations that apply to federal awards.</p>

ARRPA FUNDS -- SUPPLANTING SALARIES

(FROM STATE TREASURERS CONFERENCE)

Using ARP/CSLFRF For Salaries and Benefits (aka Supplanting)





ARRPA FUNDS – POTENTIAL DALLAS PROJECTS

Dallas ARPA Allotment = \$1,528,791.64

Dallas/Stanley Highway Pump Station Upgrade	\$300,000
Water Treatment Plant Building Repair	\$100,000
Waste Water Treatment Plant Bar Screen Installation	\$186,000
Park Restroom	\$430,000

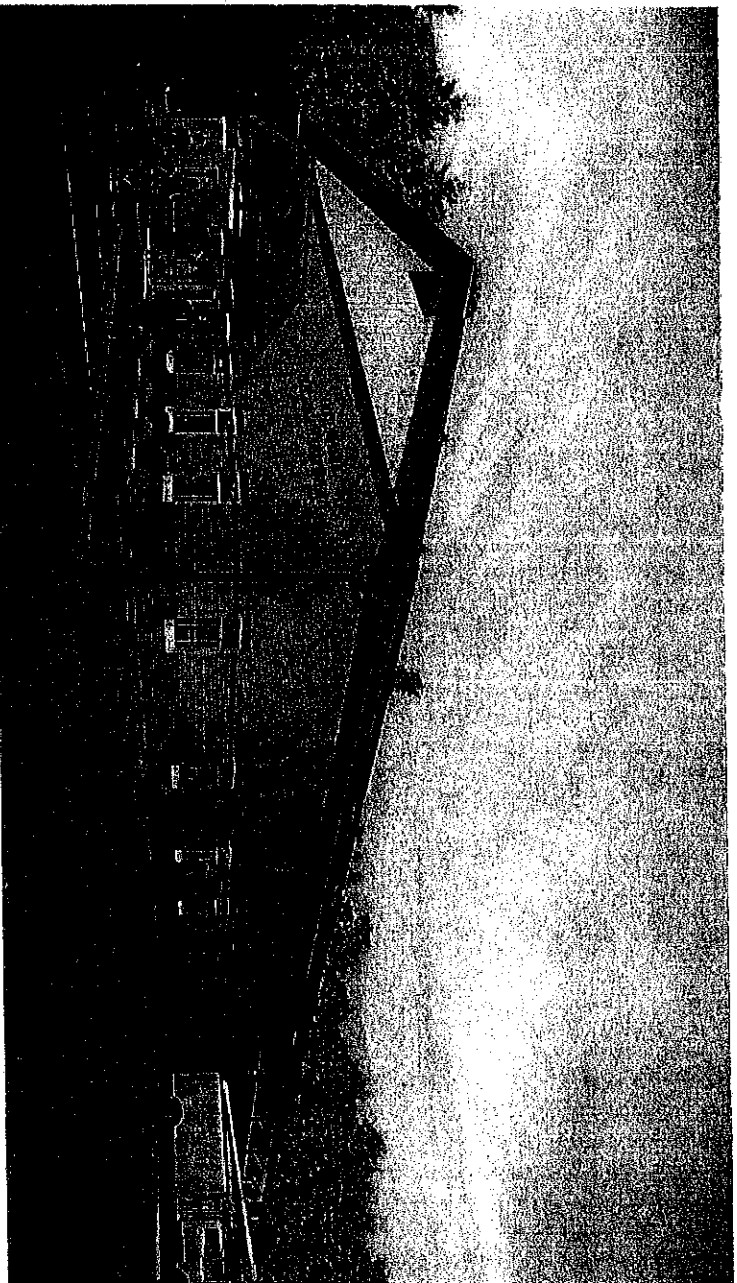
Sub-Total = \$1,016,000.00

Remaining Allotment = \$512,791.64





FUTURE PUBLIC UTILITIES FACILITY



- Preliminary meeting with Edifice General Contractors
- Currently working on Electric Facility for City of Gastonia
- Concept drawing shown
- This facility 19,992 square feet
- Contains 7 offices, work station room, conference room, kitchen area, SCADA room, ready room, multi-stall bathroom facility, 2 individual bathrooms, storage room, and 16 truck bays
- May be able to schedule a tour to view layout
- Projected cost = \$400/sf construction + upfit costs



SUMMARY OF PROJECTS – GENERAL/ELECTRIC FUNDS

General Fund

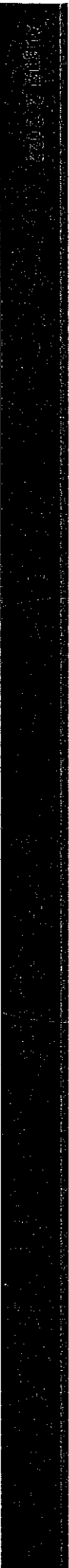
CMAQ Grant Project = \$99,016 minimum
Bathroom Facility at Cloninger Park = \$418,800*
Bathroom Facility at Jagers Park = \$445,800*
Fire Department Museum = \$806,400

TOTAL POTENTIAL PROJECTS COST = \$1,770,016

Electric Fund

Warehouse Facility = \$5,000,000

*Could use ARPA Funding for at least one bathroom facility



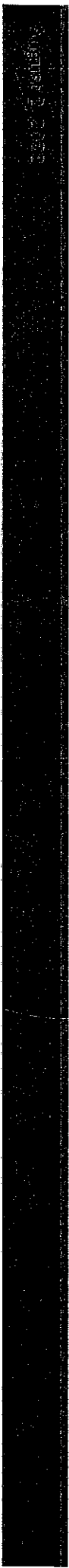
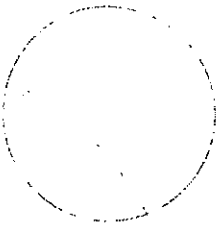


SUMMARY OF PROJECTS – WATER/SEWER FUND

Dallas/Stanley Hwy. Pump Station	= \$300,000*
Water Plant Building Repair	= \$100,000*
Water Treatment Plant Automatic Bar Screen	= \$186,000*
Water Plant Expansion to 4MGD	= \$6,000,000
Upsize Water Line to High Shoals	= \$2,000,000

TOTAL POTENTIAL PROJECTS COST = \$8,586,000

*Could use ARPA Funding



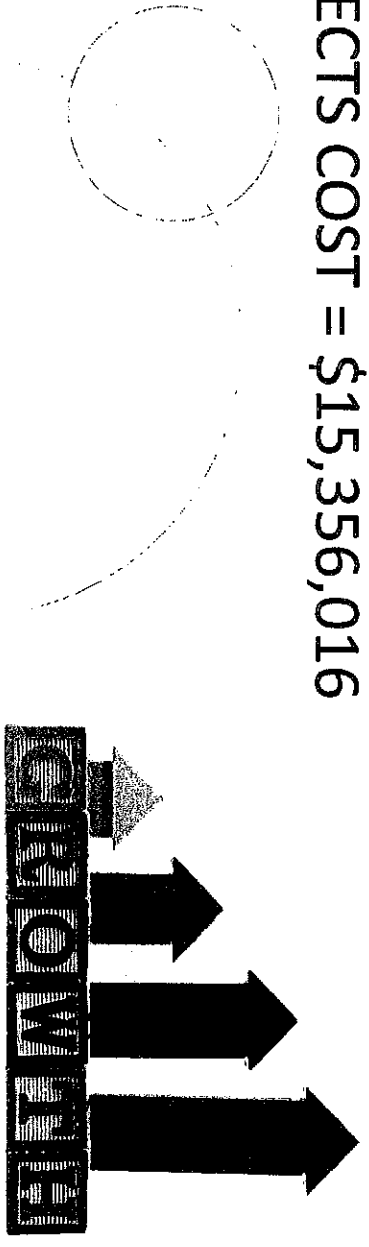


SUMMARY OF PROJECTS -- TOWN-WIDE

General Fund	= \$1,770,016
Water/Sewer Fund	= \$8,586,000
Electric Fund	= \$5,000,000

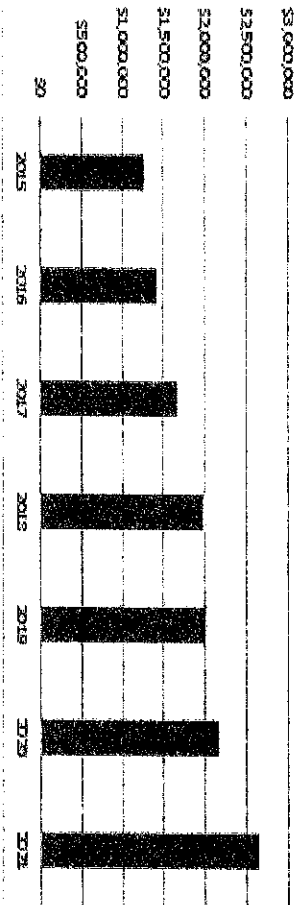
TOTAL POTENTIAL PROJECTS COST = \$15,356,016

*Could use ARPA Funding for \$1,016,000

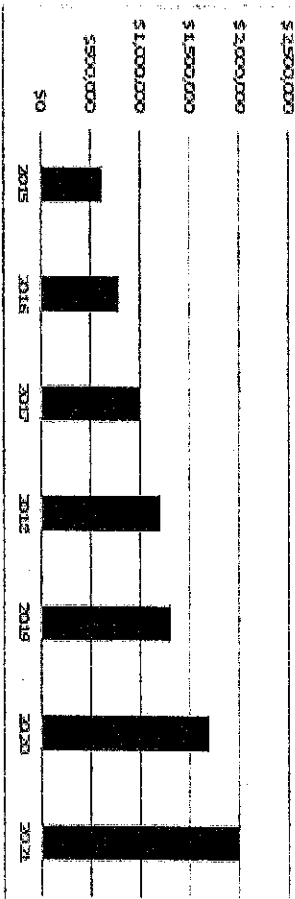


SUMMARY – FUND BALANCE HISTORY

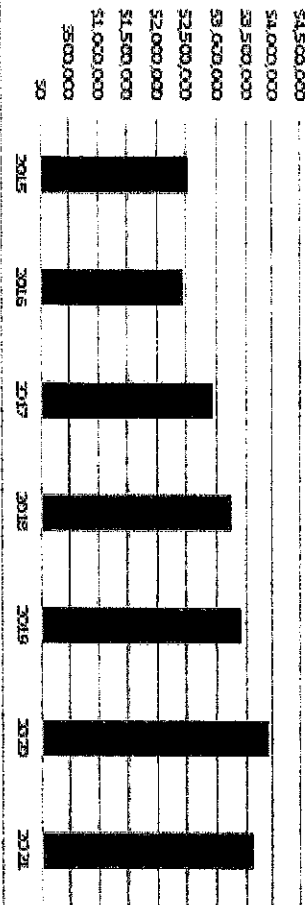
General Fund - Fund Balance



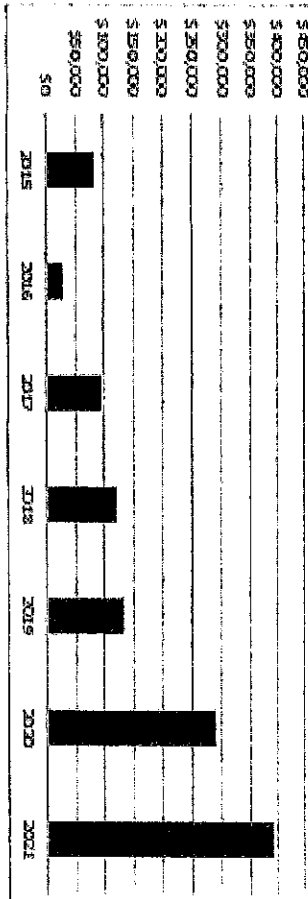
Water/Sewer Fund - Net Position



Electric Fund - Net Position



Stormwater Fund - Fund Balance





SUMMARY -- FY23 FUND BALANCE APPROPRIATED

General Fund = \$2,643,407 - \$476,971 = \$2,166,436 (48.3% of budget)
Water/Sewer Fund = \$1,997,040 - \$ 16,300 = \$1,980,740 (49.5% of budget)
Electric Fund = \$3,626,693 - \$390,382 = \$3,236,311 (36.2% of budget)
Stormwater Fund = \$ 392,431 - \$112,919 = \$ 279,512 (137.1% of budget)

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DISCUSSION

