

MINUTES FOR BOARD OF ALDERMEN MEETING
January 11th, 2011
6:00 PM

The following elected officials were present: Mayor Coleman, Alderman Friday, Alderman Huggins, Alderman Martin, and Alderman Withers. Alderman Beaty was absent.

The following staff members were present: Ed Munn, Interim Town Manager; Pennie Thrower, Town Attorney; Maria Stroupe, Administrative Services Director; Doug Huffman, Electric Director; Gary Buckner, Police Chief; Bill Trudnak, Public Works Director; Community Development Director, David Kahler; Anne Martin, Recreation Director; and Steve Lambert, Fire Chief.

The Mayor called the meeting to order at 6:00 pm.

Mayor Coleman opened with the Invocation and the Pledge of Allegiance to the Flag. The Mayor asked if there were any additions or deletions to the agenda. Mr. Withers asked that a discussion on live-in firefighters be added to the agenda. Mr. Martin made a motion to set the agenda including the addition, seconded by Mr. Withers, and carried unanimously.

Mr. Martin made a motion to approve the minutes from the December 14, 2010 regular meeting, seconded by Mr. Friday, and carried unanimously.

Recognition of Citizens:

Mr. Leon Lay, 110 N. Davis St., asked if anything had changed concerning his request for the 100 block of N. Davis St. to be available to one way traffic only. Mr. Munn stated that this request has been forwarded to the State for study, but the Town has not received any information back yet. He will try to have information from the State by the February meeting.

Consent Agenda:

There were no items on the consent agenda.

Public Hearing:

There was no public hearing.

Old Business:

The first item, Item 6-A, was discussion concerning the NC Parks and Recreation PARTF Grant. The grant application is due January 31, 2011. Based up on how much the Town is willing to spend, a decision needs to be made regarding submitting an application this year or waiting until next year. Johnny Denton, Diamond Engineering, presented a plan for a limited grading, paved walking trail, and two picnic slabs at an estimated total cost of \$76,679.24. The Town would

provide 50% of the funding, which would be \$38,339.62. (Exhibit A) A discussion followed about various options for the walking trail and picnic areas. The walking track could be completed with one covered picnic shelter and one picnic slab for approximately \$93,000. Mr. Friday made a motion to pursue the PARTF Grant for developing the walking track with one covered picnic shelter (to be located on the Ingles end of the walking track) and one picnic slab (to be located at the other end of the walking track), seconded by Mr. Huggins, and carried unanimously.

The second item, Item 6-B, was a presentation from Mr. Kevin O'Donnell, Nova Energy Consultants, addressing electric rate recommendations. (Exhibit B) Mr. O'Donnell was unable to attend the meeting due to weather conditions, but was available over the telephone. He has evaluated the Duke Energy wholesale rate increase that became effective January 1st. The wholesale rate that Dallas pays Duke has increased 6.8%. Mr. O'Donnell recommended a 4% increase to cover the increase from Duke and an additional 2% increase as protection against Dallas missing the peak, which could cost as much as \$400,000 in one year. Mr. Huggins made a motion to raise Dallas' electric rates by 6%, effective on the next bill, based on the 6.8% increase from Duke Energy, seconded by Mr. Friday, and carried unanimously.

The third item, Item 6-C, was a discussion of the voluntary annexation requested by Gaston Fence. Mr. Cearley has decided to request annexation for all of his property on Friday Park Road. One parcel of the property may be on Gastonia's side of the annexation line between Dallas and Gastonia. Mr. Martin made a motion to table the request until the February meeting in order to check out the annexation agreement with Gastonia, seconded by Mr. Friday, and carried unanimously.

The fourth item, Item 6-D, was presentation of a Capital Project Ordinance for the Police Department Renovation Project. The expenditures and revenues necessary for completion of the Police Department building are outlined in the ordinance. A separate fund, Fund 12, has been established in the accounting system to capture all of expenditures and revenues related to the project. (Exhibit C) The Board would like to see a separate monthly expenditure report included with the monthly financial reports during the life of the project. Mr. Withers made a motion to approve the Capital Project Ordinance, seconded by Mr. Friday, and carried unanimously.

New Business:

The first item, Item 7-A, was a discussion concerning the annual mid-year Board Work Session. The work session will be held at the Community Room at the Fire Department. The Board does not go out of town on an annual retreat. The work session was set for Thursday, February 10, 2011 at 5:00 pm.

The second item, Item 7-B, was the added item of a discussion on live-in firefighters. Chief Lambert has two firefighters that are willing to live at the fire department. Previously, the Board had approved one firefighter for a six-month trial. Insurance premiums for the building will decrease by 21% with having someone on site 24 hours per day. It will cost approximately \$1000 for 2 beds and 2 chests for the firemen. Mr. Friday made a motion to approve two live-in

firefighters at the Fire Department to start as soon as Chief Lambert is ready, seconded by Mr. Huggins, and carried unanimously.

Item 8, was a manager's report from Mr. Ed Munn, Interim Town Manager. During the manager's report, there was a discussion concerning the current privilege license fee structure. Currently, the ordinance states that anyone purchasing a privilege license after January 1st of each year will pay ½ of the license fee. Mr. Huggins made a motion to prorate the privilege license fee by month, seconded by Mr. Friday, and carried unanimously. Since the fee structure is part of an ordinance, the ordinance will need to be changed. Mr. Friday made a motion for staff to make the desired changes to the ordinance and present the ordinance for approval at the February meeting, seconded by Mr. Withers, and carried unanimously.

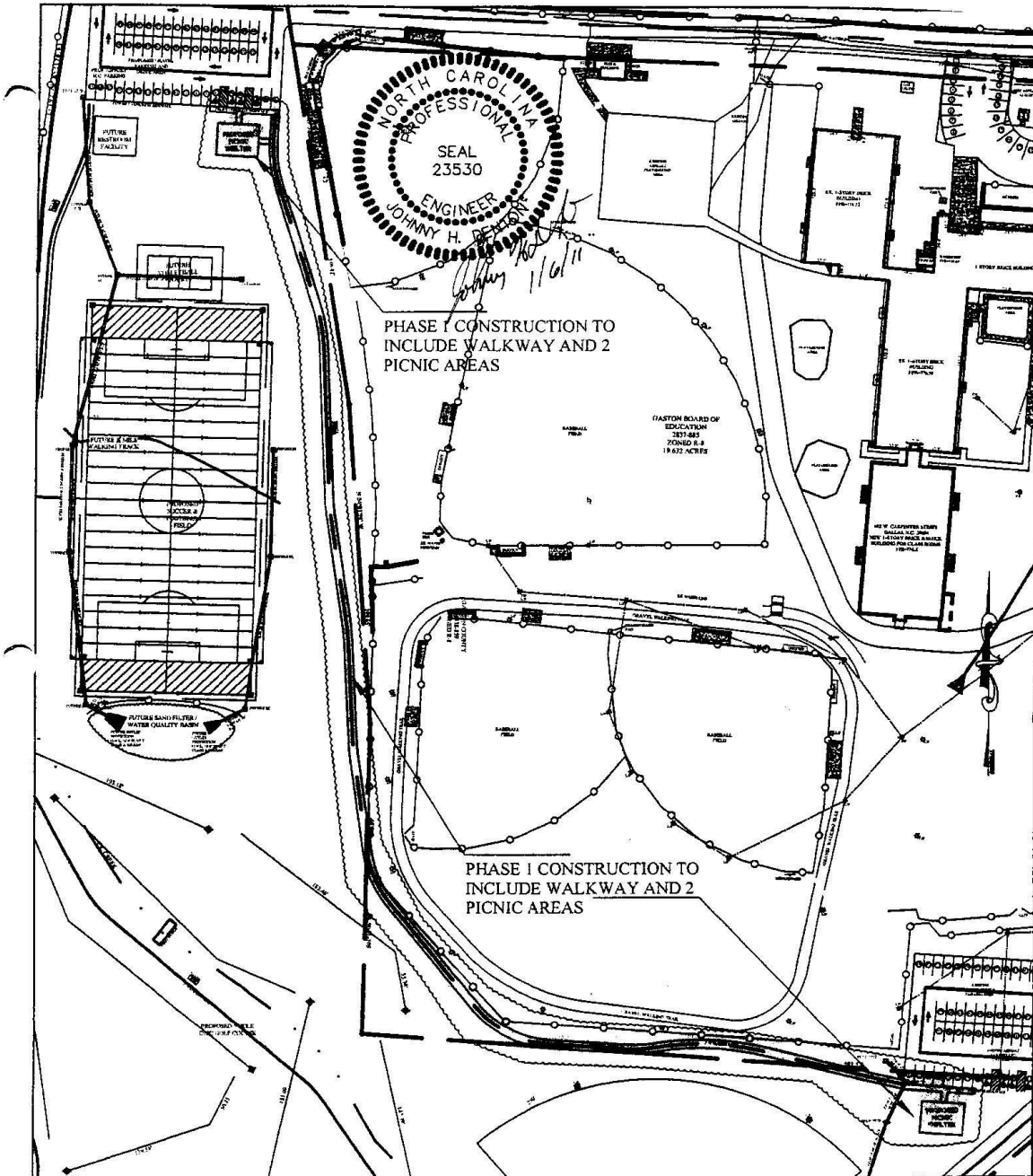
Closed Session:

There was no closed session.

Mr. Friday made a motion to adjourn, seconded by Mr. Withers, and carried unanimously.
(7:31)

Rick Coleman, Mayor

Maria Stroupe, Town Clerk



DIAMOND ENGINEERING, PLLC
 CIVIL ENGINEERING & SURVEYING
 SITE & SECTION DESIGN
 PROJECTS, PLANNING
 AND WATER AND SEWER
 CONSULTING
 1100 W. WOODRIDGE
 DALLAS, TX 75201
 972.381.1111
 www.diamond-engineering.com

Project:
 TOWN OF DALLAS
 PHASE I PARKING PLAN
 WALK TRAIL/PICNIC AREAS
 DALLAS, NORTH CAROLINA
 PRELIMINARY PLAN

PROJ. No.:
 Date: 3 JAN 11

Drawing Ref.:
 1.00

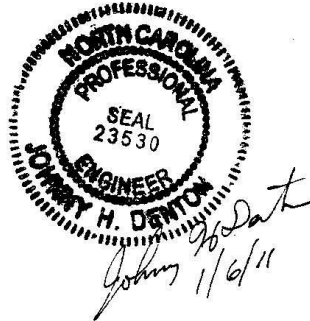
Bulletin No.:
 CBD-1

40

Town Of Dallas Park
Phase 1 Option 3 Construction Project
Walking Trail / Picnic Areas

ESTIMATE #3

DESCRIPTION	QTY.	UNITS	UNIT PRICE	AMOUNT
Mobilization	1	LS	\$5,000.00	\$5,000.00
Clearing & Grubbing	3	AC	\$1,666.67	\$5,000.00
Unclassified Excavation	2,500	CY	\$3.00	\$7,500.00
Prop. 24" HDPE	128.59	LF	\$36.00	\$4,629.24
Grated Drop Inlet	1	EA	\$1,500.00	\$1,500.00
Open Throat Catch Basin	2	EA	\$1,500.00	\$3,000.00
Rip Rap Outlet Protection	6.5	TN	\$40.00	\$260.00
Inlet Protection, Complete in Place	3	EA	\$100.00	\$300.00
Silt Fence Complete in Place	1000	LF	\$2.50	\$2,500.00
Temporary Gravel Construction Entrance	2	EA	\$1,000.00	\$2,000.00
5' Concrete Sidewalk (4" uniform)	150	SY	\$30.00	\$4,500.00
Class 57 Washed Stone	10	TN	\$20.00	\$200.00
Asphalt Walking Trail 8' Wide	1286	LF	\$15.00	\$19,290.00
Permanent Grassing (Seed, Mulch, & Tack)	100	MSF	\$50.00	\$5,000.00
Temporary Grassing (Seed, Mulch, & Tack)	50	MSF	\$40.00	\$2,000.00
Picnic Area Slab 30' x 30' x 6"	2	SF	\$3,500.00	\$7,000.00
Contingency	1	LS	\$7,000.00	\$7,000.00
			TOTAL	\$76,679.24



Presented
by
Nova Energy Consultants, Inc.

30

Current Status of Dallas Electric Fund

- Good news - at the present time, the Dallas electric fund is doing well.
- Good news – Dallas continues to have some of the lowest electric rates in NC. See accompanying ranking.
- Bad news – Duke Energy, our power supplier, is undergoing major plant expansion efforts (Cliffside Coal Plant down the road) and our rates are rising.
- Bad news – regardless of your power supplier, rates across the US will rise in the next 10-15 years.

1/6/2011

Nova Energy Consultants, Inc.

2

31



Why are Energy Cost Sure to Rise?

1. Supply and demand – developing countries are demanding more resources. Example – China’s demand for oil is estimated to rise 5% next year whereas the US demand is estimated to rise 1%.
2. Environmental costs – cap and trade seems dead, but the EPA is trying to mandate their own emission standards. Doing so will be costly to US electricity consumers.
3. Capital costs – utilities across the US are facing growing capacity requirements and the need to modernize their fleets.



1/6/2011

Nova Energy Consultants, Inc.

3

32



Risks to Current Energy Picture

- Natural gas seems plentiful now that technology has come up with shale rock fracturing (fracking). If groundwater is found to be polluted due to fracking, the EPA will then regulate fracking thereby causing the commodity to skyrocket.
- Instability in the mideast – age old problem.
- Global warming concerns – efforts to restrict coal use will hammer Duke’s customers.
- Construction costs get out of hand for Duke and other utilities.

1/6/2011

Nova Energy Consultants, Inc.

4

33

Duke Costs to Dallas are Headed Up

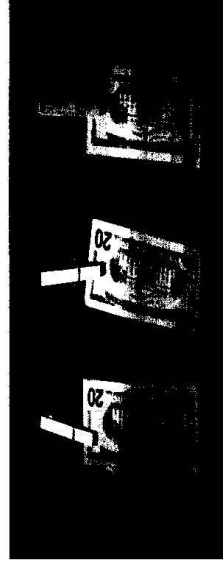
- Wholesale cost from Duke to Dallas increased by 6.8% in 2011. Wholesale costs currently account for about 55% of the town's total cost of providing electric service to its citizens.
- Duke's costs to Dallas is expected to increase by 11% in 2012 and another 6% in 2013.
- Dallas cannot absorb these rate increases from Duke. Budget is simply too tight to allow for the town to absorb the increase.

1/6/2011

Nova Energy Consultants, Inc.

34

EXHIBIT B(5)





Issue to Consider – Rainy Day Fund

- The town literally lives and dies on its ability to have our generators running at the time of the peak. Mechanical issues occur, mistakes are made (we are only human). If we miss a peak, the town could end up owing Duke over \$400,000.
- Nova suggests that Dallas consider preparing an insurance fund just in case we ever miss the peak for whatever reason. A 2% rate increase over our costs to Duke will generate roughly an extra \$100,000 to put in a rainy day fund in case we ever miss a peak.

1/6/2011

Nova Energy Consultants, Inc.

6

EXHIBIT B(6)

35



Nova Recommendation

- We recommend that Dallas increase rates by 4% across the board – customer charges, energy rates, and demand rates. This charge will cover just the wholesale cost increase from Duke. We also recommend that the board raise rates another 2% to begin to build a rainy day fund in case we miss the generation peak.

1/6/2011

Nova Energy Consultants, Inc.

7

36

Table 6

Ranking of Residential Electric Costs in North Carolina
 Source of raw data: US Energy Information Administration for Calendar Year 2009

Ranking	Entity	State	Class of Ownership	Number of Consumers	Sales (megawatthours)	Revenue (thousand dollars)	Average Retail Price (cents/kWh)
1	City of Highlands	NC	Public	2,317	23,356	1,944	8.32
2	New River Light & Power Co	NC	Public	5,613	52,800	4,394	8.32
4	Town of Huntersville	NC	Public	3,663	45,474	3,888	8.55
5	Public Works Comm-City of Fayetteville	NC	Public	69,168	931,231	79,945	8.58
6	Town of Pineville	NC	Public	2,053	21,037	1,825	8.68
7	Town of Cornelius	NC	Public	2,212	24,063	2,145	8.91
8	Concord City of	NC	Public	23,040	301,675	27,407	9.08
9	City of Morganton	NC	Public	6,524	72,904	6,638	9.11
10	City of Shelby	NC	Public	6,054	69,693	6,442	9.24
11	City of Statesville	NC	Public	10,303	111,244	10,383	9.33
12	Lincolnton City of	NC	Public	2,163	23,687	2,211	9.33
13	Town of Drexel	NC	Public	1,175	14,677	1,414	9.63
14	Town of Bostic	NC	Public	172	2,450	237	9.67
15	Mountain Electric Coop, Inc	NC	Cooperative	12,557	146,305	14,303	9.78
16	Newton City of	NC	Public	3,939	46,295	4,551	9.83
17	Virginia Electric & Power Co	NC	Investor Owned	100,761	1,578,817	156,036	9.88
18	City of Monroe	NC	Public	8,379	101,071	10,050	9.94
20	Town of Waynesville	NC	Public	2,331	24,450	2,503	10.24
21	Granite Falls Town of	NC	Public	1,987	24,389	2,507	10.28
23	Town of High Point	NC	Public	33,230	370,447	38,184	10.31
24	Tri-County Elec Member Corp	NC	Cooperative	19,774	328,030	33,938	10.35
25	Murphy Town of	NC	Public	3,334	42,802	4,453	10.40
26	EnergyUnited Elec Member Corp	NC	Cooperative	104,435	1,513,243	157,529	10.41
27	Jones-Onslow Elec Member Corp	NC	Cooperative	54,216	773,654	80,777	10.44
28	Progress Energy Carolinas Inc	NC	Investor Owned	1,092,968	15,051,019	1,570,594	10.44
29	City of Albemarle	NC	Public	9,840	129,145	13,528	10.48
30	Landis Town of	NC	Public	2,399	30,221	3,186	10.54
32	Town of Forest City	NC	Public	3,198	35,722	3,784	10.59
33	Town of MacClesfield	NC	Public	245	3,024	321	10.62
34	Town of Windsor	NC	Public	1,422	18,788	2,004	10.67
36	City of Lexington	NC	Public	15,839	214,926	23,281	10.83
37	Lumbee River Elec Member Corp	NC	Cooperative	51,818	879,268	95,207	10.83
38	Union Electric Membership Corp	NC	Cooperative	63,612	975,458	106,452	10.91
40	Blue Ridge Mountain E M C	NC	Cooperative	12,907	138,416	15,206	10.99
41	Carteret-Craven El Member Corp	NC	Cooperative	34,647	439,783	49,033	11.15
42	Town of Lucama	NC	Public	1,054	15,034	1,681	11.18
43	Stantonsburg Town of	NC	Public	1,095	13,880	1,560	11.24
44	Maiden Town of	NC	Public	867	9,875	1,115	11.29
45	Tri-State Electric Member Corp	NC	Cooperative	1,258	11,754	1,335	11.36
46	Surry-Yadkin Elec Member Corp	NC	Cooperative	26,268	335,781	38,407	11.44
47	Town of Sharpsburg	NC	Public	1,132	14,069	1,621	11.52
48	City of Winterville	NC	Public	2,992	34,473	3,983	11.55
49	South River Elec Member Corp	NC	Cooperative	38,724	616,709	71,353	11.57
50	Central Electric Membership Corporation	NC	Cooperative	17,967	282,540	33,033	11.69
51	Town of Apex	NC	Public	12,762	144,557	17,199	11.90
52	Blue Ridge Elec Member Corp	NC	Cooperative	61,905	684,338	81,862	11.96
53	Brunswick Electric Member Corp	NC	Cooperative	78,964	986,833	118,796	12.04
54	Albemarle Electric Member Corp	NC	Cooperative	11,708	177,239	21,360	12.05
55	Four County Elec Member Corp	NC	Cooperative	29,379	448,279	54,086	12.07
56	French Broad Elec Member Corp	NC	Cooperative	32,631	288,353	35,030	12.15
57	Edgecombe-Martin County E M C	NC	Cooperative	10,685	163,729	19,958	12.19
58	Pee Dee Electric Member Corp	NC	Cooperative	20,017	274,132	33,466	12.21
59	Pitt & Greene Elec Member Corp	NC	Cooperative	7,307	122,371	15,003	12.26
60	Wake Electric Membership Corp	NC	Cooperative	32,043	485,831	59,893	12.33
61	Randolph Electric Member Corp	NC	Cooperative	29,220	369,945	45,894	12.41
62	Town of Selma	NC	Public	2,277	25,365	3,157	12.45
63	Roanoke Electric Member Corp	NC	Cooperative	12,582	195,863	24,431	12.47
64	Town of Black Creek	NC	Public	649	8,908	1,119	12.58
65	Town of Walstonburg	NC	Public	103	1,417	179	12.63
66	Town of Fremont	NC	Public	719	8,911	1,128	12.66
67	Greenville Utilities Comm	NC	Public	55,614	681,081	86,765	12.74
68	Cape Hatteras Elec Member Corp	NC	Cooperative	6,374	93,988	12,108	12.88

Table 6

Ranking of Residential Electric Costs in North Carolina
 Source of raw data: US Energy Information Administration for Calendar Year 2009

Ranking	Entity	State	Class of Ownership	Number of Consumers	Sales (megawatthours)	Revenue (thousand dollars)	Average Retail Price (cents/kWh)
69	Town of Ayden	NC	Public	4,070	45,949	5,936	12.92
70	Town of Wake Forest	NC	Public	5,198	61,903	8,021	12.96
71	Tideland Electric Member Corp	NC	Cooperative	19,835	227,656	29,630	13.02
72	Haywood Electric Member Corp	NC	Cooperative	24,935	246,141	32,211	13.09
73	Piedmont Electric Member Corp	NC	Cooperative	27,397	384,896	50,432	13.10
74	Town of Hookerton	NC	Public	317	4,350	576	13.24
75	Lumberton City of	NC	Public	9,863	94,861	12,692	13.38
76	Town of Pikeville	NC	Public	428	5,491	737	13.42
77	Town of Edenton	NC	Public	3,421	40,900	5,511	13.47
78	City of Laurinburg	NC	Public	4,665	52,945	7,170	13.54
79	Scotland Neck Town of	NC	Public	1,355	13,649	1,849	13.55
80	Halifax Electric Member Corp	NC	Cooperative	10,543	125,434	17,073	13.61
81	Mecklenburg Electric Coop, Inc	NC	Cooperative	121	1,498	204	13.62
82	Town of Smithfield	NC	Public	3,536	43,002	5,861	13.63
83	City of New Bern	NC	Public	17,662	227,729	31,140	13.67
84	City of Southport	NC	Public	2,004	25,705	3,516	13.68
85	City of Elizabeth City	NC	Public	10,031	137,942	18,888	13.69
86	Town of Oak City	NC	Public	226	2,547	350	13.74
87	Belhaven Town of	NC	Public	973	8,988	1,236	13.75
88	Town of Louisburg	NC	Public	1,525	18,800	2,587	13.76
89	Town of Clayton	NC	Public	4,343	53,495	7,443	13.91
90	City of Washington	NC	Public	10,916	132,199	18,440	13.95
91	City of Rocky Mount	NC	Public	23,736	301,065	42,028	13.96
92	Benson Town of	NC	Public	1,384	16,142	2,261	14.01
93	La Grange Town of	NC	Public	1,308	17,355	2,445	14.09
94	City of Kinston	NC	Public	10,060	139,643	19,932	14.27
95	Town of Enfield	NC	Public	1,097	11,568	1,651	14.27
96	Town of Pinetops	NC	Public	665	7,996	1,151	14.39
97	City of Robersonville	NC	Public	1,069	10,910	1,577	14.45
98	Town of Tarboro	NC	Public	5,176	59,245	8,577	14.48
99	Town of Fountain	NC	Public	260	2,806	408	14.54
100	City of Wilson	NC	Public	29,319	387,809	56,558	14.58
101	Town of Hamilton	NC	Public	222	2,394	351	14.66
102	Red Springs Town of	NC	Public	1,453	16,294	2,443	14.99
103	Hertford City of	NC	Public	1,005	11,345	1,709	15.06
104	Town of Farmville	NC	Public	2,429	27,701	4,286	15.47
105	Broad River Electric Coop, Inc	NC	Cooperative	398	5,697	955	16.76
106	Town of Hobgood	NC	Public	241	2,688	481	17.89

**Capital Project Ordinance
Fund – 12 Dept - 5100
Renovation and Construction for New Police Building**

Purpose: This Capital Project Ordinance is established identify the revenues and to capture all the costs associated with the New Police Building Project.

Expenditures: The Finance Officer is allowed to make line item adjustments within this fund.

<u>Accn't</u>		
7500	Capital Outlay: Building Construction	
	Contracted Construction: Building	\$439,430.00
	IT Equipment and Materials	\$ 20,500.00
7400	Capital Outlay: Equipment	\$ 10,000.00
	Appliances and Cabinets	\$ 3,000.00
	Signage	\$ 2,000.00
0400	Professional Services	\$ 10,000.00
	Architect	\$ 9,000.00
	Materials Testing	\$ 1,000.00
3500	Furnishings	<u>\$ 15,000.00</u>
	Total:	\$499,930.00

Revenues:

<u>Accn't</u>		
3920	Contribution From General Fund	\$424,930.00
3940	Contribution From Capital Reserve	<u>\$ 75,000.00</u>
	Total:	\$499,930.00

Motion by Alderman _____ to adopt this Ordinance. Seconded by Alderman _____ and carried by the following vote:

Ayes: Aldermen:

Nays: Aldermen:

Adopted this 11th day of January, 2011

Mayor Rick Coleman

Attested: _____ Maria Stroupe, Town Clerk