

MINUTES FOR BOARD OF ALDERMEN MEETING
June 14th, 2011
6:00 PM

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

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

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. Mayor Coleman had three changes to the agenda: 1) A request to move Item 9-A after Recognition of Citizens; 2) Addition of Item 10-F to change the date of the August regular meeting; and 3) Addition of Item 10-G to discuss the Town's tobacco policy. Mr. Withers made a motion to set the agenda including the additions and changes, seconded by Mr. Friday, and carried unanimously.

Mr. Beaty made a motion to approve the minutes from the May 10, 2011 regular meeting and the May 16, 2011 and May 19, 2011 budget work sessions, seconded by Mr. Martin, and carried unanimously.

Recognition of Employees:

Item 5-A recognized Sarah Turner for five years of service with the Town of Dallas. Sarah was hired on May 13, 2006 as a Telecommunicator in the Police Department. She continues to serve the Town in this capacity. Mayor Coleman recognized Sarah for her dedication and service to the Town over the past five years and presented her with a certificate of appreciation. (Exhibit A)

Recognition of Citizens:

Mr. Curtis Wilson, 438 S. Gaston St., presented a request to the Board to consider moving the Nativity Scene placed on the Court Square from the Main Street side of the square to the corner of Gaston and Trade Streets. He had requested this last fall, but there was not time to consider all of the wiring and placement of decorations at the time. He wanted to present his request early this year, so that all could be considered before decorations were placed for the holidays.

Old Business:

Item 9-A, was information concerning a proposed tornado warning system. This item was moved up in the agenda to accommodate the gentleman from Sirens for Cities, Inc. Mr. Ed Wise presented information concerning warning sirens and answered the Board's questions. He presented a siren that would be suitable for the Town's use. This siren is a 16 HP AC/DC siren that will continue to operate during a power outage. The siren will cover approximately 3 square miles of outside area. There are multiple options for activating the siren, which can be customized by the Town. This item was for information at this time. A siren has been included in the 2011-2012 budget, so a decision will not be made until the new budget year.

Public Hearing:

Mr. Friday made a motion to enter into a public hearing concerning the 2011/2012 annual budget, seconded by Mr. Withers, and carried unanimously.

The 2011/2012 Annual Budget has been submitted and advertised as required by State Statute. The proposed budget is summarized in the attached Budget Message (Exhibit B), Budget Ordinance (Exhibit C), and All Operational Departments Funds Chart (Exhibit D). Mr. Munn went over the highlights of the proposed budget as follows: 1) Money has been budgeted to address Phase I of the Courthouse renovation, once the Police Department moves to their new building; 2) There is a proposed Facility Charge for upgrades and maintenance to the Town's water and sewer distribution lines. This would be a dedicated charge to be used only for maintenance of this system; 3) Money has been budgeted to begin construction of a second electrical substation. This will be a multi-year project; 4) There is no proposed tax increase, 5) Money has been budgeted for a 2% COLA for Town employees. Mr. Bob Kendrick, 408 S. Groves St., stated that he thought there should be a better way to fund the improvements than the proposed fee. What would it take to increase the tax rate to cover this? Mr. Munn stated that it would take a 12 cent increase on the tax rate to fund the needed improvements over multiple years. Also, by increasing the tax rate, only residents within the town limits would be funding the improvements. The outside water customers would be getting the benefits of the improvements, but would not be contributing to the system improvements, though they are users.

Mr. Friday made a motion to exit the budget public hearing, seconded by Mr. Withers, and carried unanimously. There was no action taken, as the budget will be approved at a special meeting later in June.

Mr. Withers made a motion to enter into a public hearing concerning a zoning text amendment to Section I-II-18, seconded by Mr. Friday, and carried unanimously.

Mr. Kahler presented a text amendment recommendation from the Planning Board. On April 21, 2011, the Planning Board voted to add (v) to Section I-II-18 concerning "Private Waste Water Treatment facilities with less than 25,000 gallons or less per day capacity" to the zoning code. Mr. Robert Ray, Ray's Septic Service, has requested to purchase a piece of property adjacent to the Town's warehouse on E. Holly St. in order to put a facility that will dewater septic waste. The water produced would be routed into the Town's sewer system for treatment with the other waste water collected throughout the Town's system. Regular sewer rates would be charged for this discharge. Mr. Ray was present to explain the process and answer any questions. The Board

asked that Mr. Kahler reword the text amendment to better describe the process, as it is really not a treatment facility.

Mr. Friday made a motion to exit the public hearing, seconded by Mr. Withers, and carried unanimously.

Mr. Huggins made a motion to table the discussion of the text amendment until the July meeting, seconded by Mr. Martin, and carried unanimously.

Mr. Martin made a motion to enter into a public hearing concerning rezoning a lot on E. Holly St., seconded by Mr. Huggins, and carried unanimously.

The Planning Board met on April 21, 2011 and presents a recommendation to approve a rezoning request from R-6, Residential to I-2, General Industrial for a lot on E. Holly St. (Exhibit F) This rezoning request is in conjunction with the text amendment recommendation just discussed. Mr. Friday made a motion to continue the public hearing on the rezoning request until the July meeting when the text amendment will be determined, seconded by Mr. Martin, and carried unanimously.

Mr. Friday made a motion to enter into a public hearing concerning demolition of 410 S. Hoyle St., seconded by Mr. Withers, and carried unanimously.

Mr. Kahler presented information on 410 S. Hoyle St, which is a dilapidated, abandoned residential structure that is also overgrown with weeds and noxious plants. Staff held a hearing on this property in February 2009 and the original order to repair or demolish the structure was issued in April 2009. Since then, no work has been performed nor any repairs made on the structure. The owner has not responded to attempts made to contact her. Mr. Kahler presented an ordinance directing the Planning/Zoning Administrator to remove or demolish the structure. (Exhibit G) Once the structure has been demolished, a lien will be placed on the property for the costs associated with demolition.

Mr. Friday made a motion to exit the public hearing concerning demolition of 410 S. Hoyle St., seconded by Mr. Withers, and carried unanimously.

Mr. Beaty made a motion to approve the ordinance for demolition of 410 S. Hoyle St., seconded by Mr. Martin, and carried unanimously.

New Business:

The first item, Item 10-A, was a request from Venture Church for voluntary annexation. The church recently purchased the old mill at 800 E. Main St. Mr. Withers made a motion to approve the resolution to investigate the sufficiency of the request, seconded by Mr. Beaty, and carried unanimously. (Exhibit H)

The second item, Item 10-B, was a request from Charles Gray for voluntary annexation. This request involves a lot adjacent to Alder Ridge Subdivision and is contiguous with the current

Town of Dallas border. Mr. Friday made a motion to approve the resolution to investigate the sufficiency of the request, seconded by Mr. Martin, and carried unanimously. (Exhibit I)

The third item, Item 10-C, was a request from Mr. Munn to approve the audit contract for fiscal year 2010/2011. Collis and Associates had performed the annual audit for the last three years and have presented a contract for the current year. (Exhibit J) The total fee for the services will be \$25,250, which is an increase of \$1,170 above last year's amount. There was not increase in last year's contract from the previous year. Mr. Beaty made a motion to approve the audit contract with Collis and Associates, seconded by Mr. Martin, and carried unanimously.

The fourth item, Item 10-D, was information concerning an agreement with Duke Energy covering the upcoming merger with Progress Energy. This agreement was negotiated by our consultant Kevin O'Donnell and consultants across the State representing non-power agency cities. It provides hold harmless provisions from any increased costs directly related to the merger for a five year period. There is also an extension of the hold harmless for ten years if there is an "operating company merger". Dallas will also receive a \$5000 lump sum payment for miscellaneous costs. Mr. Beaty made a motion to approve the agreement, seconded by Mr. Martin, and carried unanimously.

The fifth item, Item 10-E, was a recommendation from Mr. Kahler to move Ms. Stacey Duff from an alternate position on the Planning Board, to a full member position. Mr. Stanley Burnham's term expired in May. He has indicated that he does not wish to serve on the Planning Board any longer. This creates a vacancy on the Board. In the past, an alternate member has been "promoted" and another alternate member selected to fill that void. Mr. Beaty made a motion to appoint Ms. Stacey Duff to the vacant position on the Planning Board and to fill the vacant alternate position created by this move, seconded by Mr. Withers, and carried unanimously.

The sixth item, Item 10-F, was the additional item concerning moving the date of the August regular meeting. Several Board members have a conflict with the second Tuesday. Mr. Huggins made a motion to schedule the August regular meeting to Tuesday, August 16, 2011, seconded by Mr. Friday, and carried unanimously.

The seventh item, Item 10-G, was the additional item concerning the Town's tobacco policy. Mr. Martin requested that the Town's tobacco policy be researched and placed on the agenda for the July meeting to be discussed.

Consent Agenda:

Mr. Withers made a motion to approve the consent agenda, which consisted of the list of uncollected debts to be sent to Debt Set-Off, seconded by Mr. Martin, and carried unanimously.

Item 11, was a manager's report from Mr. Ed Munn, Interim Town Manager. During the manager's report, Mr. Friday needed to be excused from the meeting. Mr. Withers made a motion to excuse Mr. Friday, seconded by Mr. Martin, and carried unanimously. (7:54)

Closed Session:

There was no closed session.

Mr. Beaty made a motion to adjourn, seconded by Mr. Withers, and carried unanimously. (8:32)

Rick Coleman, Mayor

Maria Stroupe, Town Clerk

CERTIFICATE OF APPRECIATION

This certificate is awarded to

SARAH CHRISTINE TURNER

in recognition of her 5th anniversary with the Town of Dallas on **May 13, 2011**
and in gratitude for her years of dedication and service

TOWN OF DALLAS



Signature

Date

Signature

Date

The Honorable Mayor and Members of the Board of Aldermen
Dallas, North Carolina.

BUDGET MESSAGE

May 31, 2011

Dear Mayor Coleman and Members of the Board of Aldermen,

This 2011-2012 Annual Budget is submitted to the Mayor and Board of Aldermen for your deliberation and consideration. The Budget is balanced with an equal amount of revenues and expenditures for each fund as required by the State of North Carolina. I would like to thank the many employees of the Town who helped in the preparation of this budget. All the Department Heads and particularly Maria Stroupe, Administrative Services Director provided extensive help in developing this Budget. It is always difficult to weigh the wide variety of needs for the Town with the limited resources available. There is always a balance between the desire to improve the operations and capital facilities of the Town and the commitment to maintain the taxes and rates as low as possible for our citizens.

This budget maintains existing service levels for our citizens. North Carolina requires that all local governments organize and administer their budgets by fund. Each fund is, in a sense, a separate municipal business that must have expenditures and revenues balanced by fund. The operating funds for the Town of Dallas are the General Fund, the Water and Sewer Fund, the Electric Fund and the Stormwater Fund.

The proposed 2011-2012 FY Budget is a balanced budget with a total of \$12,513,604 in revenues and expenditures. The budget document is divided into several sections which include: the budget message, budget ordinance, organization chart, line item budget figures compared with previous years budgeted and spent amounts and other budget information.

The budget ordinance is the legal document that must be completed to comply with the Local Government Budget and Fiscal Control Act (LGBFCA). This document contains the funds and estimated revenues and expenditures. Ten days after the public hearing on the Budget the Board may choose to adopt the attached ordinance or direct the Budget Officer to amend the budget and ordinance to reflect an increase or decrease in spending.

This proposed budget does not address all the needs in Dallas, but it does enable the Town to make progress through a variety of projects that are identified in the following pages. Three major initiatives are included in the budget for next year – Phase 1 Courthouse Renovation, Facility Charge for Water & Sewer Distribution Lines Improvements, and Phase 1 Land Acquisition and Engineering for the Church Street Electric Substation.

Key Items in the Proposed 2010-11 Budget at a Glance:

Employees:

A 2% across-the-board cost of living adjustment is included in the proposed budget. The net cost to implement these raises after adjusting all employees to actual salaries is only \$25,303.42 above last year's total. The total increase including new benefits, from the 2010/11 Budget to the proposed 2011/12 budget is only \$39,933.78. The staffing level for the Town will remain the same as last year except for \$15,800 more for part-time firefighters to be scheduled Monday through Friday during the day. The part time position reporting to the Manager used to facilitate the police building construction is not included in the proposed budget.

State Retirement Contributions:

The State has mandated that all local governments pay additional retirement contributions to the NC Local Government Retirement system beginning with the 2010/11 Fiscal Year. The change implemented in this current year increased contributions from 4.86% to 6.41% for public safety and 4.8% to 6.35% for all other employees. An additional increase is again mandated for the 2011/12 Fiscal Year as follows: 6.41% to 7.04% for public safety and 6.35% to 6.88%. Employees are also mandated to contribute 6% of their gross earnings to the retirement system.

GENERAL FUND:

REVENUES: The revenues assigned to the General Fund are listed on page BD-2 of this budget document. Looking at the past four years and new fiscal year beginning July 1, 2011, it is clear that revenues are not growing in the General Fund. The 2011/12 Fiscal Year General Fund budget is only \$11,295 higher than the General fund budget in 2007/08 budget year, and only \$575 above the current fiscal year's budget.

Sales Tax - Last year Gaston County informed Dallas and the other municipalities in the county that they were phasing out the hold-harmless payments as a result of changes they made with the State regarding Sales Tax distributions. Negotiations with the County resulted in an agreement to reduce the amount of Sales Tax from \$280,902 to zero over a twelve year period of time. The amount received from the County for 2011/12 will be \$237,626. Sales tax received directly from the State is projected to increase.

Property Tax – Property taxes are recommended to remain at .38 cents per hundred dollars of value. Currently only McAdenville at .30 and Ranlo .37 have lower tax rates. However, Ranlo

has a separate Fire District tax rate of .079. The tax rates for other surrounding towns are currently: Gastonia .53, Bessemer City .43, Lowell .40 + (Fire Tax District tax rate .05), Cherryville .46, High Shoals .40, Lincolnton .56, Kings Mountain .40, Stanley .54, Cramerton .475, Mt Holly .53 and Belmont .475. The Dallas property tax rate has not changed since 2006.

Other Revenues – The automobile tag fee remains at \$5.00 per vehicle. These funds are used for street maintenance and related transportation expenses. There are no increases proposed for monthly garbage fees or other General Fund services. According to Gaston County, no increase in landfill tipping fees are planned for coming year.

EXPENDITURES: Total expenditures in the General Fund are \$3,006,489, up only \$575 from last year's budgeted total of \$3,005,914. Since General Fund Revenues are flat and even reducing in some categories, the Town will continually need to be creative and be prepared to reduce certain General Fund expenditures in the future in order to maintain other important General Fund services.

Major General Fund Initiatives for 2011/12 include the following:

Phase 1 Courthouse Renovation – The cost to begin the renovation of the Historic Dallas Courthouse is included in the General Fund, Building and Grounds budget – \$12,000 professional services and \$80,000 for maintenance and repair. The focus of the work will be on the first floor to address the moisture issue and clean up of the first floor for community use including returning the building to a voting location.

Street Repaving - The Street Department will resurface streets utilizing an additional \$65,000 in the proposed budget.

Tornado Warning Siren – In recent months, high winds and tornados have caused deaths, injuries and devastation to properties, including communities in our own State. The Board of Aldermen are currently considering proposals for a warning siren that would cover the Town. A total of \$22,000 is budgeted - \$11,000 in the Fire Department budget and \$11,000 in the Electric Department budget.

New Equipment includes a new **side-arm mower** (Street Department share is \$30,000). The total cost of the side arm mower is \$90,000. The Water & Sewer Department and the Electric Department fund the remaining portion - \$30,000 each. A new \$25,000 **gasoline pump and card reader system** is included in the proposed budget and charged to several different accounts - \$9,000 Police, \$4,000 Street, \$4,000 Sanitation, \$4,000 Water & Sewer, and \$4,000 Electric. In the Recreation Department \$10,000 is budgeted to purchase **bleachers** next spring. In the Sanitation Department the following items are budgeted: \$7,000 **trash cans**, \$9,000 **leaf machine** and \$30,000 **set aside to capital reserve** for the future purchase of a new sanitation truck. Funding for an all terrain vehicle and street sweeper is not included in the new budget.

WATER AND SEWER FUND:

REVENUES: For three years (2006-2009) the Water and Sewer Fund spent more money than it received in revenues. Consequently, the Water and Sewer fund balance declined each year. In fiscal year ending July 2010 the Water and Sewer Fund balance actually grew by \$74,107, reversing the prior trend. Our last audited fund balance for the current fiscal year was \$1,149,302. The Water and Sewer Fund Balance is important because it would be the source of funds that the Town would use to address any large infrastructure problems at our water plant, wastewater plant, overhead tanks, or distribution systems. Additionally, the fund balance serves as a funding source for capital expansion opportunities to our water and sewer systems as they may occur.

The 2010/11 Budget provided for a water rate increase of \$2.21 a month and a sewer rate increase of \$2.21 a month (both based on an average Dallas residential customer using 3,621 gallons). The purpose of this increase was to stop the erosion of the fund balance and to provide some money each year for water and sewer maintenance and development. The 2010/11 Budget also included \$90,842 designated for capital reserve for future projects. The 2011/12 Budget proposes a Facility Charge to initiate a *proactive water and sewer distribution lines improvement program*. The initial focus of the program will be to replace old water lines in key areas throughout Town that have contributed to dirt in the water. The proposed Facility Charge is estimated to produce approximately \$258,000 a year based upon a \$3.00 a month for water and \$3.00 a month for sewer customers living inside the Town Limits. Commercial and outside residential customers would be charged a \$6.00 fee. Further discussions with the Board of Aldermen during the month of June may adjust the specific makeup up the fee, possibly reducing the fee for outside Town Limits customers and increasing the fee for inside Town Limits customers. While the specific makeup of the fee may change, it is important to develop a revenue sufficient to address the problem of our older utility lines.

EXPENDITURES: The proposed 2011/12 Budget for the Water and Sewer Fund is \$2,319,447 which is \$221,000 more than the 2010/11 Budget. The vast majority of expenditures in the Water and Sewer Fund are budgeted for the basic operation of our water and sewer systems. The 2011/12 Water and Sewer Fund has three separate accounts: Water and Sewer Operations \$1,386,223, Water Plant \$507,687 and Sewer Plant \$425,538. The major initiative in the 2011/12 Budget is the *water & sewer distribution lines improvement program* funded in large part by the proposed Facility Charge. In the Capital Outlay Accounts (8100-7303 and 8100-7305) a total of \$220,000 is reserved for utility line replacements next year. Funds in the Capital Reserve Account (8100-9040) add an additional \$68,820 to the program. Furthermore, the staff and Board of Aldermen have discussed the feasibility of using the Facility Charge as a dedicated revenue stream to borrow funds so that the bulk of the improvements can be accomplished during the next few years rather than improving our utility lines slowly each year. The staff and Board will investigate options this summer to determine the best financing option available.

ELECTRIC FUND:

REVENUES: There is no increase of electric rates in the proposed budget. Hard numbers are not available from Duke Energy regarding what the increase will be next year or what the final “true up” number will be. When the Town receives this information in December 2011, an evaluation will need to be made whether retail electric rates will need to be changed and to what degree. Duke Energy projected that wholesale electric costs would continue to increase, due in part to Duke Energy’s costs to modernize their generation facilities. The 6% electric rate increase in January 2011 to Dallas customers was driven by a 6% wholesale increase from Duke.

EXPENDITURES: The wholesale electric charge from Duke (account Number 8500-4820) is, by far, the largest single account in the budget. In many ways it drives the operations in the Electric Fund and the electric rates we charge all our customers. From Fiscal Year 2007-08 to current fiscal year, this one line item has increased by \$1,261,295. Next year we are conservatively projecting that it will increase again by \$374,430. The peak shaving generators, equipment and manpower are critically important to the Town’s efforts to control our wholesale electric costs.

With no increase in the retail rates the proposed budget still reserves \$230,000 for Capital Reserve (Account 8500-9040). The 2010/11 Budget sets aside an additional \$234,652 for Capital Reserve. These funds will be used to assemble the land and complete the engineering necessary to be ready to construct the Church Street Electric Substation, estimated to cost approximately \$2,000,000. Two major pieces of equipment are included in the 2011/12 Budget - a **60’ Bucket Truck** \$160,000, initially included in the current year’s budget, and a new **Line Truck** \$230,000. The proposed budget includes \$120,000 for the first year of lease payments on these two vehicles. We will pay for the trucks over through a multi-year lease and determine if our best price may be through a piggy-back purchase with Duke or Electric-Cities. The small (38’-43’ working height) Electric Bucket Truck will be purchased in this fiscal year.

Transfers to the General Fund in the 2011/12 Budget are proposed to be \$550,000 which is \$10,750 less than the 2010/11 budgeted amount.

STORMWATER FUND:

REVENUES: Additional stormwater revenues are not included in the proposed budget. By the end of August, Centralina Council of Governments (COG) will complete a study calculating the amount of impervious surfaces for each commercial, industrial and institutional property in Dallas. Most local governments have stormwater fees based upon a program that specifies the amount of impervious service for commercial properties. The specific design of new commercial rates and details such as application to churches and special credits for detention facilities will need to be addressed by the Board before new commercial stormwater fees are applied.

EXPENDITURES: One-half of a public works employee salary is now included in the Stormwater Fund. Following the completion of the COG study, the staff will develop options for

the Board to consider. The creek adjoining Alder Ridge and Briarwood subdivisions is scheduled to be improved by removing the old culverts and returning the creek to its natural course. Gaston County is the lead agency for the project. The developer of Alder Ridge subdivision will do much of the construction. Some funding by the Town for moving our utility lines may be necessary.

CAPITAL RESERVE FUNDS:

The **Courthouse Renovation**, the **Water and Sewer Distribution Lines Improvement Program** and the **Church Street Electrical Substation Project** will each be established as separate funds through a capital project ordinance. Since these projects will be multi-year in duration, using the capital budget ordinance will allow the staff and Board of Aldermen to easily track what revenues and expenditures have been assigned to each project, through the life of the project.

Sincerely,

Edward C. Munn
Town Manager

2011-2012 FY BUDGET ORDINANCE

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF DALLAS, NORTH CAROLINA THAT:

SECTION 1: The schedules of expenditures listed in this ordinance are hereby appropriated for the operation and activities of the general town government for the fiscal year beginning July 1, 2011, and ending June 30, 2012, in accordance with the chart accounts heretofore established for the Town of Dallas.

Administration	\$ 241,763
Community Development	60,186
Building and Grounds	164,120
Police	1,086,373
Fire	334,414
Street	540,553
Recreation	208,646
Sanitation	<u>370,435</u>
	\$ 3,006,489

SECTION 2: The schedules of revenues listed in this ordinance are established as an estimate to be available for the General Fund for the fiscal year beginning July 1, 2011, and ending June 30, 2012.

Current Ad Valorem Taxes	\$ 930,000
Motor Vehicle Licenses	15,000
Privilege Licenses	8,500
Powell Bill Allocation	110,000
Interest Earnings: Powell Bill	200
Interest Earnings: General	6,500
Franchises Taxes	96,000
Telecommunications Sales Tax	72,000
Recreation Revenue	65,000
Gaston County Hold Harmless	237,626
Local Option Sales tax 1c	283,000
Garbage Collection Fee	263,000
Natural Gas Sales Tax	15,000
Zoning Fees	3,500
Fund Balance	300,263
Contribution from Electric Fund	550,000
Contribution from Water and Sewer	0
Contribution from Capital Reserve	0
Other	<u>50,900</u>
	\$ 3,006,489

SECTION 3: The schedules of expenditures listed in this ordinance are hereby appropriated for the operations of the Water and Sewer utilities for the fiscal year beginning July 1, 2011, and ending June 30, 2012, in accordance with the chart accounts heretofore established for the Town of Dallas.

Water and Sewer Operations:	\$ 1,386,223
Water Plant:	507,687
Sewer Plant:	<u>425,538</u>
TOTAL WATER AND SEWER:	\$2,319,447

SECTION 4: The schedule of revenues listed in this ordinance are established as an estimate to be available in the Water and Sewer Fund for the fiscal year beginning July 1, 2011, and ending June 30, 2012. Rate Schedules 1-W, 2-W, 3-W and 4-W effective on July 1, 2011 are hereby adopted.

Water Revenue	\$ 1,444,717
Sewer Revenue	720,430
Other	2,000
Late Charge	70,000
Water Taps	10,000
Sewer Taps	7,500
Antenna Lease	64,800
Fund Balance	<u>0</u>
	\$2,319,447

SECTION 5: The schedule of expenditures listed in this ordinance are hereby appropriated for the operation of the Electric utility for the fiscal year beginning July 1, 2011, and ending June 30, 2012, in accordance with the chart accounts heretofore established for the Town of Dallas.

Electrical	<u>7,117,866</u>
	\$7,117,866

SECTION 6: The schedule of revenues listed in this ordinance are established as an estimate to be available for the Electric Fund for the fiscal year beginning July 1, 2011, and ending June 30, 2012.

Electric Charge	\$ 6,314,000
Sales Tax on Power Bills	190,000
T-2 Light Charges	118,000
Service Charge	55,000
Electric Charge from Other Departments (reimbursement)	140,000
Other	35,320
Prior Year Surplus	<u>265,546</u>
	\$7,117,866

SECTION 7: The schedule of expenditures listed in this ordinance are hereby appropriated for the operation of the Capital Reserve for the fiscal year beginning July 1, 2011, and ending June 30, 2012, in accordance with the chart accounts heretofore established for the Town of Dallas.

Prior Year Balance	\$124,182
Deduction to Police Building Construction Fund	(75,000)
Deduction to Electric Fund (Fiber)	<u>(27,000)</u>
	\$ 22,182

SECTION 8: The schedule of revenues listed in this ordinance are established as an estimate to be available for the Capital Reserve Fund for the fiscal year beginning July 1, 2011, and ending June 30, 2012.

Contribution from General Fund	0
Contribution from Electric Fund	234,652
Contribution from Water & Sewer Fund	<u>90,842</u>
	\$347,676

SECTION 9: The schedule of expenditures listed in this ordinance are hereby appropriated for the operation of the Storm Water Management utility for the fiscal year beginning July 1, 2011, and ending June 30, 2012, in accordance with the chart accounts heretofore established for the Town of Dallas.

Storm Water Operation	<u>\$69,730</u>
	\$69,730

SECTION 10: The schedule of revenues listed in this ordinance are established as an estimate to be available for the Capital Reserve Fund for the fiscal year beginning July 1, 2011, and ending June 30, 2012.

Storm Water Charge	\$ 52,000
Other	<u>17,730</u>
	\$ 69,730

SECTION 11: There is hereby levied a tax at the rate of forty cents (\$0.38) per one hundred dollars (\$100) assessed valuation of property listed for Taxes as of January 1, 2011, for the purpose of raising the revenue listed as "Current Ad Valorem Taxes" and "Vehicle Taxes" in the General Fund. The County of Gaston shall collect these taxes for the Town. In addition, the Motor Vehicle Tag License fee remains at \$5.00 per vehicle.

SECTION 12: That the garbage collection shall be set in accordance with the duly adopted fee schedule for the Town of Dallas

SECTION 13: That the local sales tax shall be used in the General Fund.

SECTION 14: To allow the Finance Officer to make line item adjustments within the funds. Any transfer of money between funds shall be accomplished by the Board's authorization only. The 2011-2012 Fiscal Year Budget hereby establishes funds and departments as shown in Budget Document.

SECTION 15: Copies of this Budget Ordinance, with detail fund and department accounts, shall be furnished to the Town Clerk, to the Board of Aldermen, and to the Finance/Budget Officer of this Town to be kept by them for their direction on disbursement of funds.

SECTION 16: That a public hearing was held on June 14, 2011, at 6:00 p.m. in the Community Room of the Town's Fire Department Building.

Motion by Alderman _____ to adopt the 2011-2012 Fiscal Year Budget Ordinance. Seconded by Alderman _____ and carried by the following vote:

Ayes: Aldermen:

Nays: Aldermen:

Adopted this 28nd day of June, 2011.

Mayor Rick Coleman

Attested:

Maria Stroupe, Town Clerk

ALL DEPARTMENTS
2011-2012

ALL OPERATIONAL DEPARTMENT FUNDS

FUND	ITEM DESCRIPTION	2007-2008		2008-2009		2009-2010		2010-2011			2011-2012	
		BUDGETED	SPENT	BUDGETED	SPENT	BUDGETED	SPENT	BUDGETED	10 MOS.	ESTIMATED	PROPOSED	BUDGETED
10	Administration	388,086	367,491	308,107	206,603	249,572	213,986	244,791	166,126	199,351	241,763	0
10	Community Development	101,488	90,857	93,996	77,972	87,732	79,479	62,236	41,080	49,296	60,186	0
10	Building & Grounds	93,945	85,376	100,470	94,973	84,093	73,387	81,100	62,967	75,960	164,120	0
10	Police	1,089,246	1,009,493	1,138,471	1,025,721	1,197,092	1,038,068	1,161,213	855,948	1,027,138	1,086,373	0
10	Fire	219,073	204,301	170,289	134,560	265,433	226,762	305,686	222,522	267,026	334,414	0
10	Street	507,860	377,136	498,344	411,653	521,791	470,536	579,338	423,171	507,805	540,553	0
10	Recreation	124,819	112,252	172,753	163,370	196,239	178,229	197,893	130,936	157,124	208,646	0
10	Sanitation	449,667	351,579	450,220	404,917	382,079	308,739	373,657	266,098	319,318	370,435	0
	TOTAL GEN FUND EXP	2,974,184	2,598,485	2,932,650	2,519,588	2,984,033	2,589,187	3,005,914	2,168,848	2,602,618	3,006,489	0
	TOTAL GEN FUND REV	2,995,194	2,853,703	2,982,650	2,735,435	2,988,945	2,679,453	3,005,914	1,955,863	2,347,036	3,006,489	0
20	Water & Sewer Operations	1,358,765	1,181,227	1,555,859	1,326,931	1,165,354	1,040,654	1,204,038	763,583	916,300	1,386,223	0
20	Water Plant	344,355	331,316	447,904	444,641	532,416	480,107	478,370	419,867	503,840	507,687	0
20	Sewer Plant	541,022	573,459	379,707	328,255	328,635	323,708	416,039	242,501	291,001	425,538	0
	TOTAL W & S EXP	2,244,142	2,086,002	2,383,470	2,099,828	2,026,405	1,844,469	2,098,447	1,425,951	1,711,141	2,319,447	0
	TOTAL W & S REV	2,244,142	1,918,718	2,383,470	1,867,274	2,026,135	1,918,846	2,098,447	1,772,324	2,126,788	2,319,447	0
30	ELECTRIC FUND EXP	4,931,122	4,906,727	5,800,866	5,416,258	5,994,578	5,676,234	6,312,500	4,300,415	5,559,380	7,117,866	0
	ELECTRIC FUND REV	4,931,122	5,025,169	5,800,866	5,625,059	5,994,578	6,279,597	6,312,500	5,637,279	6,764,735	7,117,866	0
40	STORMWATER FUND EXP	49,791	24,532	78,988	47,821	98,487	83,288	87,407	51,071	61,286	69,730	0
	STORMWATER FUND REV	49,791	53,694	78,988	62,317	98,487	83,288	87,407	44,778	53,734	69,730	0
	ALL DEPTS EXP	10,199,239	9,615,745	11,195,974	10,083,494	11,103,503	10,193,178	11,504,268	7,946,285	9,934,426	12,513,532	0
	ALL DEPTS REV	10,220,249	9,851,284	11,245,974	10,290,085	11,108,145	10,961,184	11,504,268	9,410,244	11,292,293	12,513,532	0

The Planning Board of the Town of Dallas makes the following recommendations to amend Section 1-II-18 of the Zoning Code:

Add "(v) Private Waste Water Treatment facilities with less than 25,000 gallons or less per day capacity. Such facilities shall be properly screened and separated from any adjoining lot with a 6 ft. opaque fence as well as vegetation, and shall be so constructed as to prevent noxious and potentially hazardous odors, solids and liquids from emanating from within it."

Recommended this 19th day of May 2011

Chairman of the Planning Board

Zoning Administrator

Planning Board Recommendation for Action

The application for Rezoning of Parcel ID#132809 has been approved by the Planning Board, and is consistent with all of the objectives and policies for growth and development contained in the Town of Dallas Land Use Plan for the following reason(s):

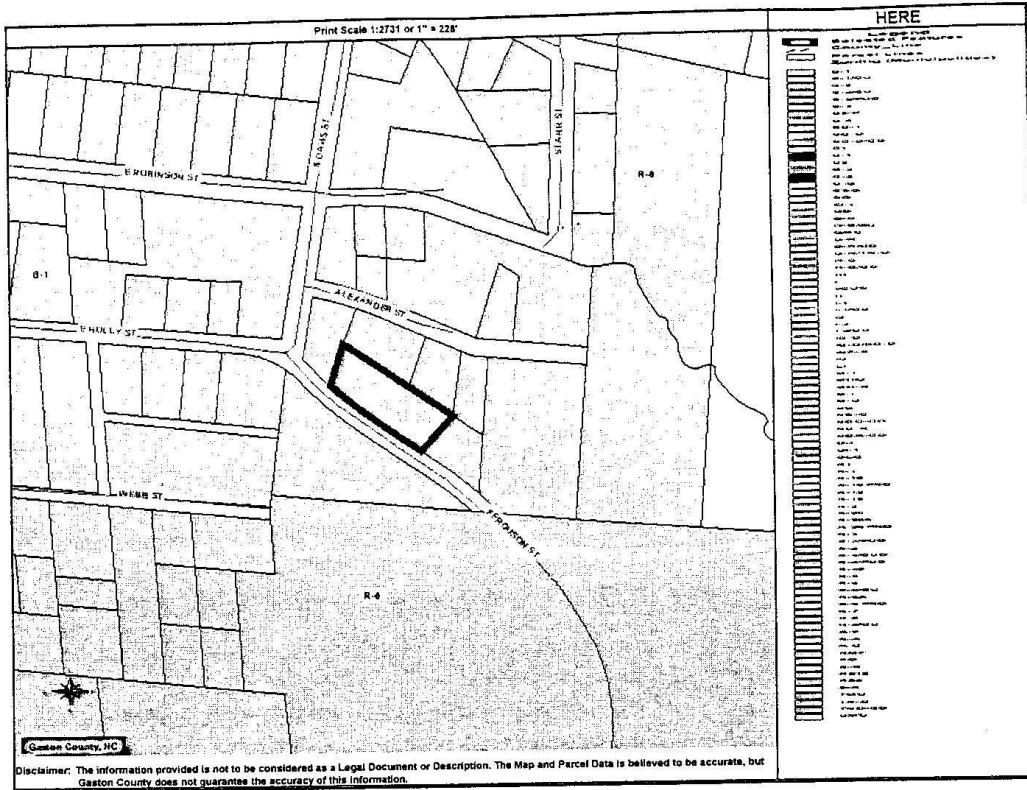
1. While the area for the proposed rezoning is a residential area, the special circumstances regarding the proposed use for the lot, as well as the necessity for the lot to be located as closely as possible to the Town's waste water treatment system makes this rezoning allowable.
2. The proposed rezoning will not adversely affect the properties around the lot.

This report reflects the recommendation of the Planning Board, this 19th day of May 2011

Attest:

Planning Board Chair

Planning Director



ORDINANCE TO REMOVE OR DEMOLISH

DOCKET NO

AN ORDINANCE DIRECTING THE PLANNING/ZONING ADMINISTRATOR TO REMOVE OR DEMOLISH THE STRUCTURE HEREIN DESCRIBED AS HAZARDOUS TO THE PUBLIC HEALTH, SAFETY AND WELFARE AND DIRECTING THAT A NOTICE BE PLACED THEREON THAT THE SAME MAY NOT BE OCCUPIED.

WHEREAS, the Board of Aldermen of the Town of Dallas, North Carolina finds that the structure described herein is hazardous to the health, safety and welfare of the residents of the Town under the Town's Housing Code, and that all of the procedures of the Housing Code have been complied with; and

WHEREAS, this structure should be removed or demolished, as directed by the Housing Inspector, and should be placard by placing thereon a notice prohibiting use for human habitation; and

WHEREAS, the owner of this structure has been given a reasonable opportunity to bring the structure up to the standards of the Housing Code in accordance with G.S. 160A-443 (5) pursuant to an order issued by the Planning/Zoning Administrator on April 22, 2009, and the owner has failed to comply with the order;

NOW, THEREFORE, BE IT ORDAINED by the Board of Aldermen of the Town of Dallas, North Carolina that:

SECTION 1. THE PLANNING/ZONING ADMINISTRATOR is hereby authorized and directed to place a placard containing the legend:

“This building is unfit for human habitation: the use or occupation of this building for human habitation is prohibited and unlawful.”

upon the structure located at the following address: 410 S Hoyle St.

SECTION 2. THE PLANNING/ZONING ADMINISTRATOR is hereby authorized and directed to proceed to remove or demolish the above described structure in accordance with

MH-8

this order to the owner thereof dated the 24th day of June 2009, and in accordance with the Housing Code and G.S. 160A-443.

SECTION 3. THE COST OF REMOVAL OR DEMOLITION.

(a). The cost of removal or demolition shall constitute a lien against the real property upon which the cost was incurred, The lien shall be filed in the office of the Town Tax Collector, and shall have the same and be collected in the same manner as the lien for special assessment in Article 10 of G.S. Chapter 160A.

(b). Upon completion of the required removal or demolition the Housing Inspector shall sell the material of the structure and credit the proceeds against the cost of removal or demolition. The Housing Inspector shall certify the remaining balance to the Tax Collector. If a surplus remains after sale of the materials and satisfaction of the cost of removal or demolition the Housing Inspector shall deposit the surplus in the Superior Court where it shall be secured and disbursed in the manner provided be G.S. 160A-446(6).

SECTION 4. IT SHALL BE UNLAWFUL for any person to remove or cause to be removed the placard from any building to which it is affixed. It shall likewise be unlawful for any person to occupy or to permit the occupancy of any building therein declared to be hazardous to the public health, safety and welfare.

SECTION 5. THIS ORDINANCE shall become effective upon it adoption.

Adopted this 14th day of June 2011.

MAYOR

ATTEST:

TOWN CLERK

MH-8

**RESOLUTION DIRECTING THE CLERK TO INVESTIGATE
A PETITION RECEIVED UNDER G.S.160A-31**

WHEREAS, a petition requesting annexation of an areas described in said petition was received on June 14, 2011 by the Board of Aldermen; and

WHEREAS, G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the Town Clerk before further annexation proceedings may take place; and

WHEREAS, the Board of Aldermen of the Town of Dallas deems it advisable to proceed in response to this request for annexation;

NOW THEREFORE BE IT RESOLVED by the Board of Aldermen of the Town of Dallas that:

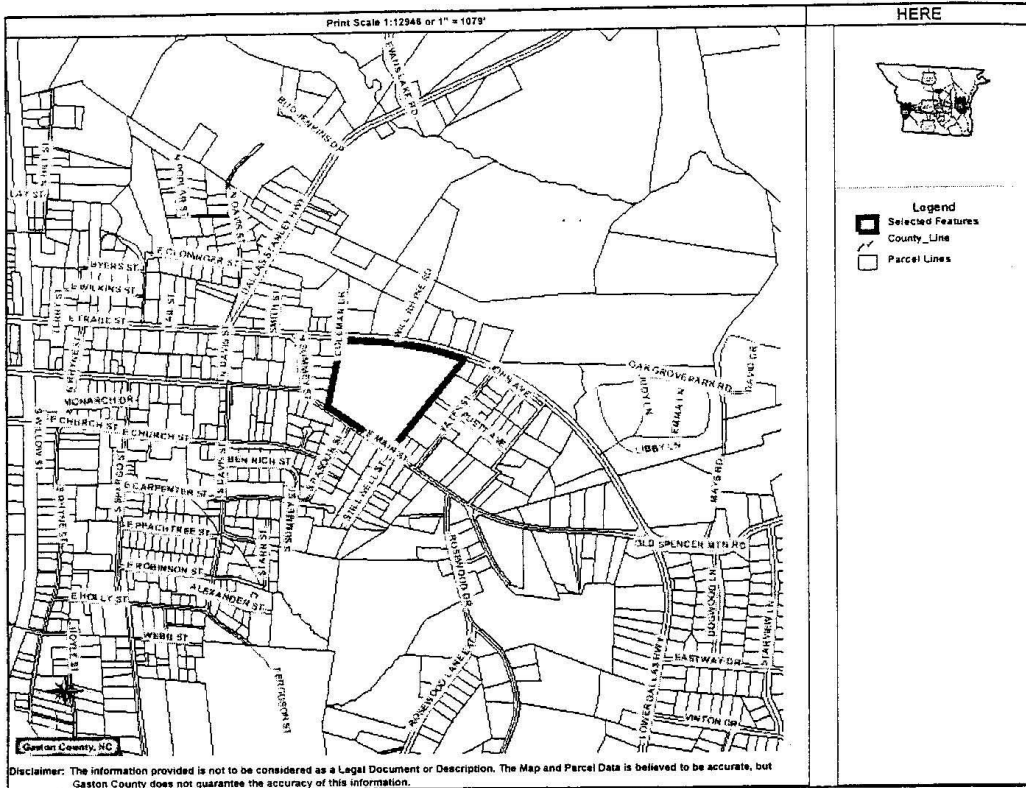
The Town Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the Board of Aldermen the results of her investigation.

Mayor

ATTEST:

Town Clerk

Re: Venture Church



Request for Annexation

RESOLUTION DIRECTING THE CLERK TO INVESTIGATE
A PETITION RECEIVED UNDER G.S.160A-31

WHEREAS, a petition requesting annexation of an areas described in said petition was received on June 14, 2011 by the Board of Aldermen; and

WHEREAS, G.S. 160A-31 provides that the sufficiency of the petition shall be investigated by the Town Clerk before further annexation proceedings may take place; and

WHEREAS, the Board of Aldermen of the Town of Dallas deems it advisable to proceed in response to this request for annexation;

NOW THEREFORE BE IT RESOLVED by the Board of Aldermen of the Town of Dallas that:

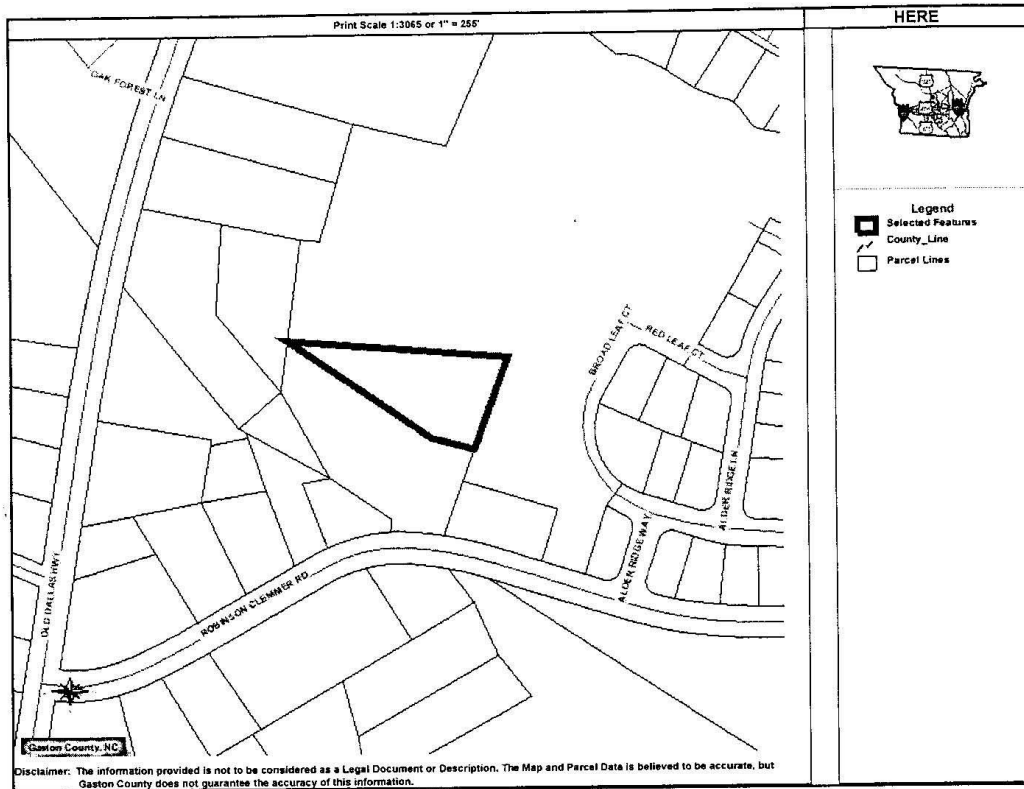
The Town Clerk is hereby directed to investigate the sufficiency of the above described petition and to certify as soon as possible to the Board of Aldermen the results of her investigation.

Mayor

ATTEST:

Town Clerk

Re: Alders Ridge III



LGC-205 (Rev. 2010)
File in Triplicate.

CONTRACT TO AUDIT ACCOUNTS

of Town of Dallas
Governmental UnitOn this 2nd day of May, 2011, Collis and Associates, CPAs, P.C.

Auditor

103 E. Third Avenue, Gastonia, NC 28052

Mailing Address

, hereinafter referred to as

the Auditor, and Board of Aldermen of Town of Dallas
Governing Board Governmental Unit

to as the Governmental Unit, agree as follows:

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit for the period beginning July 1, 2010, and ending June, 2011. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion will be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate discretely presented component units, each major governmental and enterprise fund, and the aggregate remaining fund information (nonmajor government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with generally accepted auditing standards. The Auditor shall perform the audit in accordance with Government Auditing Standards if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB Circular A-133 and the State Single Audit Implementation Act, the auditor shall perform a Single Audit. This audit and all associated workpapers may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the LGC. If the audit and/or workpapers are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners.
3. *This contract contemplates an unqualified opinion being rendered.* If financial statements are not prepared in accordance with generally accepted accounting principles (GAAP), or the statements fail to include all disclosures required by GAAP, explain that departure from GAAP in the space below: N/A
4. *This contract contemplates an unqualified opinion being rendered.* The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. *Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.* The audit will have no scope limitations except: N/A
5. If this audit engagement is subject to the standards for audit as defined in Government Auditing Standards, July 2007 revisions, issued by the Comptroller General of the United States, then the Auditor warrants by accepting this engagement that he has met the requirements for a peer review and continuing education as specified in Government Auditing Standards. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the Local Government Commission prior to the execution of the audit contract. (See Item 21.)
6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the LGC by October 31, 2011. If it becomes necessary to amend the due date of the audit a written explanation of the delay must accompany the amended contract.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's system of internal control and accounting as same relates to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor will make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report must include all matters defined as "significant deficiencies and material weaknesses" in AU 325 of the AICPA Professional Standards. The Auditor shall file a copy of that report with the Secretary of the Local Government Commission.
8. All local government and public authority contracts for annual or special audits, bookkeeping or other assistance necessary to prepare the Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina require the approval of the Secretary of the Local Government Commission. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the Local Government Commission. This also includes any progress billings. (G.S. 159-34 and 159C-447) All invoices should be submitted in triplicate to the Secretary of the Local Government Commission. The original and one copy will be

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Contract to Audit Accounts (cont.) Town of Dallas
(name of unit)

returned to the Auditor. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this agreement, the Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the Local Government Commission, the following fee which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts:

Year-end bookkeeping assistance - [*For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards*]

Audit \$18,150 (additional fee if single audit required of \$2,400)

Preparation of the annual financial statements \$7,100

10. The auditor working with local governmental unit that has outstanding revenue bonds will include in the notes to the audited financial statements, whether or not required by the revenue bond documents, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the LGC simultaneously with the local government's audited financial statements unless otherwise specified in the bond documents.
11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, at least, Management's Discussion and Analysis, the financial statements of the governmental unit and all of its component units and notes thereto prepared in accordance with generally accepted accounting principles, combining and supplementary information requested by the client or required for full disclosure under the law, and the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the accounting period.
12. The Auditor shall file with the Local Government Commission two BOUND copies of the report of audit. If reports are received unbound they will not be reviewed by the LGC and will be returned to the auditor for binding. In addition, if the North Carolina Office of the State Auditor designates certain programs to be audited as major programs, a turnaround document and a representation letter addressed to the State Auditor shall be submitted to the Local Government Commission. Two bound copies of the report of audit should be submitted if the audit is performed only under the provisions of the State Single Audit Implementation Act or a financial audit is required to be performed in accordance with Government Auditing Standards. Three bound copies of the audit are to be submitted for Councils of Governments. Two bound copies of the audit should be submitted for tax levying Municipalities. Otherwise, one bound copy shall be submitted. Units that operate a 911 fund need to provide an additional copy to the number stated above. Bound copies of the report shall be filed with the Local Government Commission when (or prior to) submitting the invoice for the services rendered. The report of audit, as filed with the Secretary of the Local Government Commission, becomes a matter of public record for inspection and review in the offices of the Secretary by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the Local Government Commission. These audited financial statements are used in the preparation of Official Statements for debt offerings (the auditors' opinion is not included), by municipal bond rating services, to fulfill secondary market disclosure requirements of the Securities and Exchange Commission, and other lawful purposes of the government, without subsequent consent of the auditor. If it is determined by the LGC that corrections need to be made to the unit's financial statements they should be provided within three days of notification unless, another time frame is agreed to by the LGC.
13. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the Local Government Commission, this agreement may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor.
14. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, signed and dated by all parties and pre-audited if the change includes a change in audit fee. This document and a written explanation of the change must be submitted in triplicate to the Secretary of the Local Government Commission for approval. No change shall be effective unless approved by the Secretary of the Local Government Commission, the Governing Board, and the Auditor.
15. Whenever the Auditor uses an engagement letter with the client, Item 16 is to be completed by referencing the engagement letter and attaching a copy of the engagement letter to the contract to incorporate the engagement letter into the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control. Engagement letter terms are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 22 of this contract. Engagement letters containing indemnification clauses will not be approved by the Local Government Commission.

(name of unit)

- 16. There are no special provisions except: **None**
- 17. A separate contract should not be made for each division to be audited or report to be submitted. A separate contract must be executed for each component unit which is a local government and for which a separate audit report is issued.
- 18. The contract must be executed, pre-audited, signed by all parties and submitted in triplicate to the Secretary of the Local Government Commission. The mailing address is 325 North Salisbury Street, Raleigh, North Carolina 27603-1385. The physical address is 4505 Fair Meadow Lane, Suite 102, Raleigh, North Carolina 27607-6449.
- 19. The contract is a tri-party agreement and is not valid until it is approved by the Local Government Commission. Upon approval, the original contract will be returned to the Governmental Unit, a copy will be forwarded to the Auditor, and a copy retained by the Secretary of the Local Government Commission. The audit should not be started before the contract is approved.
- 20. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the Local Government Commission.
- 21. If this audit engagement is not subject to Government Auditing Standards, then Item 5 shall be listed as a deleted provision in Item 22. An explanation must be given for deleting this provision.
- 22. All of the above paragraphs are understood and shall apply to this agreement, except the following numbered paragraphs shall be deleted: (See Item 15.)

Firm Collis and Associates, CPAs, P.C.
 By Robert H. Collis
 (Please type or print name)
[Signature]
 (Signature of authorized audit firm representative)
 Email Address: rob@collisandassociates.com
 Date May 2, 2011

By Rick Coleman, Mayor
 (Please type or print name and title)

 (Signature of Mayor/Chairperson of governing board)
 Date _____
 Email Address _____
 By N/A
 (Chair of Audit Committee- please type or print name)

 (Signature of Audit Committee Chairperson)
 Date _____
 (If unit has no audit committee, this section should be marked "N/A.")
 Email address _____

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.
Edward C. Munn, Interim Town Manager
 Governmental Unit Finance Officer (Please type or print name)

 (Signature)
 Date _____
 (Preaudit Certificate must be dated.)
 Email address _____

Approved by the Secretary of the Local Government Commission as provided in Article 3, Chapter 159 of the General Statutes or Article 31, Part 3, Chapter 115C of the General Statutes.

 For the Secretary, Local Government Commission

 (Signature)
 Date _____

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