

## **MINUTES FOR BOARD OF ALDERMENT MEETING**

**May 8, 2012**

**6:00 PM**

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

The following staff were present: Jim Palenick, Interim Town Manager; Pennie Thrower, Town Attorney; Gary Buckner, Chief of Police; Steve Lambert, Fire Chief; David Kahler, Community Development Administrator; Doug Huffman, Electric Director; and Bill Trudnak, Public Works Director. Maria Stroupe, Administrative Services Director and Anne Martin, Recreation Director were 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. There were no changes to the agenda. Mr. Withers made the motion to set the agenda, seconded by Mr. Beaty and carried unanimously.

Mr. Martin made a motion to approve the minutes from the April 17, 2012 regular meeting. The motion was seconded by Mr. Beaty and carried unanimously.

### **Consent Agenda:**

The consent agenda consisted of three items; First was a Resolution to declare the week of May 6 as "Respect for Law Week". The second was to approve the 4<sup>th</sup> of July fireworks display with the Cloninger Family sponsoring it and in-kind services provided by the Town of Dallas. The third item was to approve the uncollectable accounts for May 2012. Mr. Beaty made a motion to approve the consent agenda, seconded by Mr. Withers and carried unanimously.

### **Recognition of Citizens**

Robert Kendrick of 408 S Groves St addressed the Board. Mr. Kendrick spoke about the paving of the parking lot at the field across from the Rescue Squad. He stated that he thought the paving was supposed to be brought up for bids, but that it seemed to be getting done rather quick for that. He also advised that he was concerned about stormwater runoff from so much impervious surface. He did not think that the walking track should be paved. Mr. Kendrick also advised that he would like to see a "No Thru Traffic" sign placed on S Groves St. He advised that he knew it was unenforceable, but that any law abiding citizen would respect the sign and not drive down the street. The mayor advised that the paving was put out for bids, that 3 bids were received and approved at the last meeting. Mr. Beaty advised that most walking tracks are now paved, and cited the track at Martha Rivers Park as an example.

### **Employee Recognition**

There were no specific employees to recognize this month. The mayor stated that the Board appreciated all of the employees and the work that they do for the Town.

### **Public Hearings**

There were 2 public hearings held.

The first was for the second reading of an Ordinance to Prohibit Truck Traffic on N Davis St between E Main St and E Trade St. and to add the definition of "Trucks" to the Code of Ordinances. Mr. Beaty made the motion to go into the Public Hearing, seconded by Mr. Martin and carried unanimously. Mr. Palenick explained that a public hearing was necessary because a 4/5 vote for the ordinance was not attained at the April meeting. The question about whether a public hearing was necessary was asked, to which Mrs. Throver advised that it was not necessary, but it was a good thing to have. Absent any further comments or questions, Mr. Beaty made the motion to go out of the public hearing, seconded by Mr. Withers, and carried unanimously. Mayor Coleman advised that he would entertain a motion to approve the ordinance as presented. Mr. Huggins made the motion, seconded by Mr. Beaty and passed 5-0.

The second public hearing was to consider amending Sections 1-V-3, 1-V-6(e) and 1-V-8(d) of the Zoning Code to provide for allowing electronic signage. Mr. Beaty made the motion to go into this public hearing, seconded by Mr. Withers, and carried unanimously. Mr. Kahler presented the information to the Board. Mr. Kahler advised that the Planning Board had recommended allowing scrolling signage, with alpha-numeric characters only, with a 6 second pause in between messages. Mr. Palenick advised that he felt that the proposed amendment was unworkable, and that it was too restrictive and did not allow for the proper use of such signage. Businesses routinely pay \$20,000 to \$40,000 for these signs, and to restrict their use in such a way was not good practice. Mr. Kahler advised that the reduction in the setbacks (from 50 ft to 25 ft.) was to allow Wal-Greens to be able to utilize their electronic sign. Currently, Wal-Green's sign (which does not scroll) is in compliance with the ordinance, but if it was allowed to scroll, it would become non-compliant. After some discussion, Mr. Beaty made the motion to come out of the public hearing, seconded by Mrs. Morrow and carried unanimously. The Board then voted to table the matter until the next meeting, to allow staff to develop another ordinance.

### **Old Business**

Item 9A concerned the establishment of a new water and sewer utility fee schedule to further the water distribution system improvement plan. Mr. Palenick talked about revenues and the readiness to serve charge, including the block rate. These encourage water conservation, which DENR likes. Mr. Palenick advised that 49% of Town water customers would see a decrease in their rates, while 51% would see a modest increase. The only rate that is higher is the rate for those customers who use over 10,000 gallons. Most customers would be less than that. The increase in fees would add \$39,000.00 in revenues, and would be enough to support the system improvement plan and the debt service for that plan. It would also produce a surplus and should be enough to prevent any future rate increases. This new fee schedule is more workable for the future. Mr. Beaty asked if the water rate could be adjusted at any time during the year, rather than just at budget time. Mr. Palenick advised that yes it could. Mr. Beaty then asked if after 6 months, the rate could be adjusted. The 6 months would allow the citizens to look at their bill and get adjusted to it, to see what the impact of it would be. Mr. Palenick advised that yes it could. Mr. Martin advised that 60% of the rate structures in the state are stable, and that a \$1.50 availability fee would produce \$40,000 in revenue. Not many municipalities have increased rates. Mr. Palenick advised that during the drought a few years ago, the state wanted to mandate an increasing block rate, but it did not pass the legislature. But the state did hint that grant monies would go to communities that had the block rate. The increasing block rate requires that consumers pay for their usage, which the Town's current rate schedule does not allow. An increased rate based upon usage is more consistent, and more fair. Mr. Palenick also advised that it was getting close to budget time, so a decision needed to be made. Mr. Beaty made a motion to approve and establish new rates as presented, seconded by Mr. Huggins. The motion was put to vote, and carried 3-2, with Mr. Beaty, Mr. Withers and Mr. Huggins voting for, and Mr. Martin and Mrs. Morrow voting against.

Item 9B was a request to clarify and amend the March 13, 2012 action to approve engineering for water distribution, to maintain consistency with the CDBG Infrastructure Grant submittal. Mr. Palenick advised

that he was optimistic on the CDBG, that the Town stood a very good chance of receiving the \$750,000 toward the water line project. He further advised that we had to be very careful in following HUD guidelines pertaining to this grant, and when the initial engineering was approved, it was unclear as to the action requested of the engineer. The approval of the engineering report must be for the parts of the project NOT covered by the CDBG submittal. The Town's submittal has not yet been approved, and will not be until the grant is received. We must first acquire the grant and then approve the engineering for the project. Mr. Palenick also advised that if the CDBG was received, and the water lines improved on public Right-of-Ways and to customers' meters, it would necessarily improve the water quality of the customers due to the old lines running from the meter to the dwellings. This would not solve the problem. Mr. Palenick suggested that a portion of the grant monies received could be set aside to assist the homeowners in replacing the old lines. This would ensure good water quality. The monies set aside would be on a first come first served basis, and would incentivize the residents to replace their old lateral lines. Mr. Palenick advised that what he was asking this evening was to approve the clarification of the engineering approval issue. He also advised that the administration of the CDBG would require a lot of work, and that typically 10% of the grant monies would be set aside for administration costs, in order to procure an administrator for the grant. Mr. Martin made the motion clarifying the Diamond Engineering report, that none of that report involved any portion of the submitted CDBG plan, in order to meet CDBG requirements. Mr. Withers seconded the motion, and the motion carried unanimously.

### **New Business**

Item 10A concerned a request to approve a settlement agreement regarding the Duke Energy/Progress Energy merger. Mr. Palenick explained that Duke Energy was requesting that its wholesale customers sign an agreement to not oppose the merger. In the agreement, Duke Energy agrees that the costs of the prospective merger will not negatively impact any of the communities, and that the communities would be held harmless for a 5 year period following the date of the merger. It would also pay Dallas \$5000 for miscellaneous costs pertaining to this agreement. Mr. Palenick advised that there was little the Town could do except to ensure that we were held harmless for any costs involving the merger. Mr. Beaty made a motion to approve the agreement, seconded by Mr. Withers and passed unanimously.

Item 10B was a request to amend the water tower lease agreement with Cingular Wireless. Mr. Palenick advised that our present lease agreement with Cingular (formerly AT&T) does not expire until 2015. However, Cingular had approached the Town to extend the lease. They first attempted to get the Town to accept less money, but after further negotiations we got them to agree to an industry standard agreement, where they signed a series of 5 5 year leases, each lease being payable at a sum of \$23,000 per year (rather than paying monthly). As part of this lease agreement, the terms of the agreement would increase 15% per 5 year period (at 3% per year). Mr. Beaty made a motion to accept the lease agreement, seconded by Mr. Huggins and carried unanimously.

Item 10C was a request from Mr. Kahler to set a date for a public hearing regarding amending Section I-I-1 of the Town of Dallas Code of Ordinances to expand the property maintenance code, and to add a repeat offender provision to it. Mr. Kahler explained that the current code is too subjective, and that this amendment clarifies the code. Mr. Martin made the motion to set the public hearing for the June 12, 2012 Board Meeting, seconded by Mr. Beaty and carried unanimously.

Item 10D was a request from Mr. Kahler to set the sign fee for electronic message signs at \$300. Currently, the sign fee is \$35, but an increased fee for electronic signs is needed in order to cover the enforcement aspect of permitting such signs. Mr. Beaty advised that he thought the fee should be \$400. Mr. Huggins advised that he thought \$300 was good. Mr. Beaty made a motion to set the fee for electronic message signs at \$350, seconded by Mr. Withers and carried unanimously.

Item 10E was a request to establish a new stormwater utility fee rate schedule, incorporating “Equivalent Residential Unit” rate calculations for commercial and industrial accounts. Mr. Palenick advised that currently, all utility customers pay a \$2.08 per month stormwater utility fee. This rate applies to everyone, regardless of size or amount of impervious surface on the lot. This new fee schedule creates a flat rate of \$1.85 per residential customer, but sets a graduated fee for commercial and industrial customers based upon the amount of impervious surface. Thus, the larger lots which have a great deal of impervious surface will pay more, since they contribute the most to stormwater runoff. The Centralina Council of Government did a detailed impervious surface study for the Town a year ago, and presented 196 commercial and industrial lots within the Town. The fee will be based upon the ERU (Equivalent Residential Unit) of each commercial and industrial lot. Mr. Palenick advised that an ERU will measure 2500 square feet, and that for each ERU \$1.85 will be charged to the owner of the lot. The examples listed in the agenda are the top 15 businesses or industries. If the business or industry has a stormwater BMP in place, the BMP will be inspected to ensure that it is in good condition and is working properly. If found so, the owner will receive a 50% discount on the stormwater utility fee. This new fee schedule is consistent with that of surrounding municipalities, and it places the cost of the utility squarely with those businesses or industries which contribute to and create the problems with the Town’s system. The new fee schedule will begin with the August 1, 2012 bill. Mr. Kahler will prepare information to send to the owner of each of the identified 196 businesses and industries to advise them of the change. Mr. Beaty made a motion to adopt the new fee schedule, seconded by Mr. Martin and carried 5-0.

### **Manager’s Report**

Mr. Palenick presented several items to the Board in his manager’s report. The first item was to remind the Board that the Legislature will begin its Summer session on June 16.

The second item was to report that he had received the taxpayer ID for the 501(c)(3) set up for raising funds to renovate the old courthouse. He is currently preparing documentation, and needs to know the names of the Board members as soon as possible. Harris Architects is currently working on the design.

The third item was to report on paving projects going on within the Town. Currently, the lot across from the Civic Building is being paved, and the work on the lot at Jagger’s Park will begin Friday. The park will need to be closed this weekend to keep people from driving on it.

The fourth item was to report that the fire department generator had been delivered, and was in place.

The fifth item was to set May 22 and 29 as the dates for the budget work session. A meal will be served at 5:30pm with the session to begin at 6pm. He hopes to have the budget ready by the May 22 date.

There is 1 opening for the board for the Historic Dallas Courthouse committee. Nicholas Vlaservich has said he would not be able to serve. The Board needs to think about filling the available slots. Six members are needed.

There being no further business to come before the Board, Mr. Martin made a motion to adjourn, seconded by Mr. Withers. The Board adjourned at 7:18pm.

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Rick Coleman, Mayor

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David Kahler, Com. Dev. Dir.