

Jim Palenick

From: Jim Palenick [jpalenick@dallasnc.net]
Sent: Friday, July 05, 2013 12:04 PM
To: 'rcdc18@charter.net'; 'ronniemorrow@att.net'; 'Martin, Scott'; 'huggybarber@att.net'; 'hoyle withers'; 'JOHN BEATY'
Cc: 'Maria Stroupe'; 'Bill Trudnak'; 'Steve Lambert'; 'Gary Buckner'; 'Doug Huffman'; 'David Kahler'; 'A Martin'; 'J. Thomas Hunn'
Subject: Town Manager's Weekly Report (#37)

Mayor & Board of Aldermen:

Please accept the following as the **Town Manager's Report for the Week-ended Friday, July 5, 2013.**

- Duke Energy has now provided us what they profess to be the "final True-up" calculations for this year's total payments under the terms of our wholesale purchase power agreement, and the end result is that we will receive a Check from Duke in the amount of **\$236,103.00**. Now, as you may recall, the preliminary estimates provided by Duke suggested this number would be closer to \$300,000, and that is what I had reported to you at the time. Unfortunately, as reported to us by Duke representatives, the final True-up numbers revealed Duke's costs for fuel as well as operations and maintenance were higher than had been earlier thought when doing the preliminary estimates. We will have the consultant who works jointly for the wholesale power purchasers group closely analyze and audit the True-up calculations, but it is highly unlikely they will change from this final calculation. As such, I feel comfortable in now relying on the \$236,000 number.
- With the aforementioned True-up rebate check set to come to us in the next few weeks, we should now finalize plans for final disposition of these funds. You know that I have been advocating that these funds be transferred to the Historic Courthouse Revitalization Account where they can have substantive impact. I still feel this to be appropriate and would suggest that the Board formally approve such commitment and transfer. If that happens, our Funds for Courthouse renovation would then be approaching \$475,000. We still need to make a strong and concerted effort to seek a significant, one-time contribution from County Hotel Occupancy Tax Revenues (freed up from pay-out of Whitewater Center Obligation) as well as from the Gaston Community Foundation if we are to finalize the needed funds for this project.
- With regard to the plans and specifications for the Courthouse renovation, all such work is now complete and being delivered to my Office today from our Architect, Ellen Harris. In fact, Ms. Harris will be in town next Wednesday (July 10th) at 2:00 p.m. in Town Hall to go over the design plans and documents for anyone who would like to attend. Thereafter, we will be in position to bid the work out as soon as we feel we have identified and set aside sufficient funds to complete the work.
- Included on your Agenda for the July 9th Board Meeting are two (2) items of "Discussion" under "Old Business". "9A & 9B", without any supporting documentation or narrative within the packet materials. These were specific requests of individual Board members. Alderman Huggins requested that a Discussion take place on possibly changing a portion of North Davis to One-Way; while the Discussion request on possibly pursuing competitive bidding on Town Vehicle and Equipment repair and maintenance was submitted by Alderman Beaty. Should these discussions result in a request for additional research or information, we as a Staff will be more than happy to provide same upon further direction.
- The new Fire Department Pumper authorized within the approved FY2013-14 Budget has been ordered and financing has been locked-in. Because interest rates have begun a clear upward movement over the last several months, however, our finance rates will be slightly higher than had been used in Budget presentations. Specifically, the rates have increased some 30 basis points, but we were able to get our financing company to actually limit our net increase to around 22 basis points, which translates into the Town's cost for the pumper repayment increasing by \$990.00 per year for each of the 15 years of repayment. To that end, we are moving rapidly to now purchase the Trash truck authorized within the Budget as well in order to limit the possible further negative impacts of the rising financing rates.

Thank You,

Jim Palenick
Interim Town Manager