

Jim Palenick

From: Jim Palenick [jpalenick@dallasnc.net]
Sent: Friday, November 08, 2013 11:28 AM
To: 'Rick Coleman'; 'ronniemorrow@att.net'; 'huggybarber@att.net'; 'hoylewithers@yahoo.com'; 'JOHN BEATY'; 'scott.martin@duke-energy.com'
Cc: 'Maria Stroupe'; 'Doug Huffman'; 'David Kahler'; 'Gary Buckner'; 'Steve Lambert'; 'Bill Trudnak'; 'amartin@dallasnc.net'; 'J. Thomas Hunn'
Subject: Town Manager's Weekly Report (#52)

Mayor & Board of Aldermen:

Please accept the following as the **Town Manager's Report for the Week-ended Friday, November 8, 2013.**

- In keeping with the approved FY2013-2014 Budget, we will be implementing the 3 ½% across-the-board rate increase to all rate classes of water and sewer rates beginning January 1st, 2014. These new rates will first show up on the bills dated February 1st, 2014 (which cover the approximate 1-month time period beginning January 1st). I will remind you that these should be the first of a required several years of modest rate increases to cover the \$3.6 Million in Debt service financing associated with the comprehensive replacement of Town Water lines.
- We are still awaiting information from Duke Energy as to what this year's Wholesale Purchase Power Rate Increase will be (beginning January 1st, 2014) and have been given some indication that we should hear something by approximately November 15th. Unfortunately, that gives us little time to review and discuss our response as to potentially increasing retail rates to customers to fully cover, or at least partially offset these additional costs. In effect, we have to take this issue up and make a decision at our December Board Meeting if we are to implement any Rate increases to be effective January 1st. You may recall that in our Budget for FY2013-2014 we imagined a 3% across-the-board increase to retail rates, beginning January 1st, as a response to a projected 5 ½% Wholesale purchase power rate increase from Duke Energy. Also, we are currently having our electric consultants develop a "Rate Study" of our existing retail rates to determine if there is some restructuring that might be appropriate across classes. That is not to necessarily produce more revenues, but to more equitably distribute the burden of such rates among the various rate classes. Then, any increases would be as a percentage across all such restructured classes. As soon as any information is received, I will be passing on same.
- Also at the December Board Meeting, I will be bringing forth a contract proposal from Site Solutions, the Charlotte-based landscape architecture firm that developed our landscape plan for the Town square, to produce the plans and bid specs for the Jagers Park, PARTF Grant Improvement project. Their proposal calls for total costs of \$17,500.00, which appears appropriate and reasonable for the work to be completed. Site Solutions has a great deal of experience with successfully working through PARTF Grant projects consistent with NC State requirements. The PARTF Grant will be providing the Town with \$63,858.00 in state Funds and the town will, at minimum spend at least an equal amount on eligible project activities/improvements.
- For the November 12th Board Meeting, I forgot to put on the Agenda that we need to Amend the TOP TIER Economic Incentive Grant program, as approved at the October Meeting where I was absent, to have the calculation for funding be consistent with the action taken by the Board. That is, since the Board chose to fund the program at one-half (1/2) the amount indicated in the policy, and the policy called for funding at "twenty-five-percent" of the amount of Electric Fund Balance exceeding 40% of the yearly Budget; we can remedy by simply amending the policy to be "twelve-and-one-half percent" of the Balance exceeding 40%. I have prepared that Amendment and will ask that it be approved during the Manager's Report.
- The Dallas High Noon monthly luncheon presentation being put on by the Dallas chapter of the Gaston regional chamber of commerce will feature the town of Dallas on Tuesday at the Citizens Resource Center. Mayor Coleman, Chief Buckner and myself will be the presenters and I have been asked to speak on the new TOP TIER Economic Incentive Grant program. Please contact the chamber to RSVP for attendance.
- I am currently in the process of preparing a letter and packet of documentation materials to send to the Covington Foundation to get the \$12,500 matching grant released to the Dallas Historic Courthouse Foundation.

You may recall that the Covington Foundation awarded a Grant to the DHCF equal to \$12,500 at such point that the DHCF could show additional, "matching" contributions of at least \$12,500 occurring after May 3, 2013. We are in position to show that so I am preparing the formal request to have the monies released.

- Town Attorney Hunn and Mayor Coleman attended the Committee Meeting of the Gaston County School Board, Wednesday evening, at which time the issue of the Town's desire to gain greater control over the Carr school athletic fields was discussed. As a result of said discussion, it appears as though there is support to perhaps at least provide the Town an agreement for use and control of at least 5 years, rather than the current version, which allows either party to cancel with 6-months notice. This matter is included for discussion on our November 12th Board Agenda under Old Business (9B).
- On Wednesday of this week we formally closed on the financing for the purchase of the new automated trash truck. Funds (\$235,000) are being provided by BB&T Bank, with an amortization period of 10 years at a 2.73% interest rate.
- Please remember that Monday, November 11th is recognized by the Town as an official Holiday in honor of Veterans day, and all Town facilities will be closed to the public.

Thank You,

James M. (Jim) Palenick
Interim Dallas Town Manager
210 N. Holland St.
Dallas, NC 28034
704-922-3176 office
704-214-1031 cell
jpalenick@dallasnc.net