

Jim Palenick

From: Jim Palenick [jpalenick@dallasnc.net]
Sent: Friday, November 15, 2013 11:22 AM
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Cc: 'btrudnak@dallasnc.net'; 'mstroupe@dallasnc.net'; 'Gary Buckner'; 'Steve Lambert'; 'amartin@dallasnc.net'; 'dallasplanning@dallasnc.net'; 'Doug Huffman'; 'J. Thomas Hunn'
Subject: Town Manager's Weekly Report (#53)

Mayor & Board of Aldermen:

First of all, Welcome to our Two new Aldermen, Cearley and Duff.

Please accept the following as the **Town Manager's Report for the Week-ended Friday, November 15, 2013.**

- Our approved FY 2013-2014 Town Budget contemplated The Board approving a 3% across-the-board, retail increase in Electric rates at its December meeting, to take effect January 1, 2014; in response to a projected 5 ½% wholesale increase from Duke Energy in the price of our purchased power (also effective January 1, 2014 by contract). However, we have still not gotten the word from Duke as to this year's Wholesale increase and we know we will not be completed with our Rate structure analysis until late Spring, so making this decision at this time may not be the most prudent course of action. In addition, the State General Assembly, as part of this session's attempt at "Tax reform" instituted a new statute which will impose a 7% sales tax on electricity beginning July 1, 2014 (a 4% increase over the current 3% sales tax), so all of our retail customers, like everyone throughout the state will see a 4% increase in their electric bills beginning July 1st as a result of the State-imposed tax increase and independent of anything we do on rates. Since July 1st is the beginning of our next fiscal year and we will have developed our FY2014-15 Budget in preparation for such commencement using our then-completed rate structure analysis, we may want to hold off on making any rate adjustments until that time. This would mean that we would see 6 months of unbudgeted Wholesale increases to purchased power expenses without any corresponding increased electric revenues to offset them, but given our healthy Fund Balance, such could be withstood without significant financial risk (current estimates would suggest a shortfall in revenues of approximately \$140,000). We will discuss all these matters in greater detail at the December Meeting, prior to which we expect to know of the actual Duke wholesale increase.
- Earlier this week, the 17-year old John Deere, "gator" utility vehicle assigned to the Parks and Recreation department was stolen from its stored location near the concession stand at the Carr school athletic fields. The police are conducting an ongoing investigation into the incident. Because of the age of the vehicle and its limited value measured against our deductible and possible affect on future insurance rates, we will not likely file it as a claim against the town's liability insurance. As part of this year's budget, we are in the process of finalizing the bidding out of a new, secure storage facility for parks equipment in that location. Construction is expected to commence within 30 days.
- Following the Board's November 12th authorization to move forward with the accepted terms on the design engineering for the Wastewater interconnect line with Gastonia/Two Rivers Utility, I have negotiated an agreement with Gastonia consistent with those terms and they will be taking it to their City Council for approval on December 3rd. Assuming such approval, we will then execute the agreement immediately thereafter and authorize the engineering firm (Robinson Sawyer) to commence their design work. The Towns obligation for expenses will be 75% of the agreed upon total of \$ 35,435.00, being \$26,576.25.
- The Town contracted for real estate appraisals of the properties adjoining the parking lot behind Town Hall in possible anticipation of negotiating the purchase of such properties; demolishing the dilapidated residential structures thereon; and then constructing the planned Downtown parking lot thereon. Specifically, there are two owners, each with multiple small lots making up the collective parcels necessary for acquisition. The first of such appraisals is now in hand representing the two lots containing a combined .28 acres, and one vacant residential structure, and the determination of fair market value for these properties is \$31,800. We expect to

receive the second appraisal at any time and because it represents a slightly larger acreage and residential structure, we expect it to have greater value. In any event, however, the combined properties should not exceed \$100,000 in fair market value. I will report on final results once they are received and we may be discussing this item at the December Board Meeting, or perhaps with our planned January Strategic Planning retreat meeting.

- Speaking of the "January Strategic Planning Retreat Meeting", it is tradition that the Board hold a special, ½ day Work Session Meeting in early January, prior to the real commencement of Town Budget preparations, to develop goals and objectives for the upcoming year and to provide direction on important policy and strategic matters affecting the upcoming Budget and its preparation. We will be asking you to set the date, time and place for this meeting at your December Board meeting are suggesting the morning of Saturday, January 11th.
- Following Action at the last Board meeting to finalize funding for the Courthouse renovation, we have contacted architect Ellen Harris of Harris Architects, and she has begun the process to solicit and advertise bids, and to apply for and receive a certificate of authorization from the Historic Commission to move the construction project forward. Tentatively, we have established December 20th as the date for a public Bid opening. Should the Board then award a contract at its January 14th Board meeting, the work would commence beginning near the end of January or early February. It is also expected that our Electronic Message Reader Board sign, to be installed along Trade street in the Town Square Plaza, will be going in during early-to-mid January.
- For those new Board Members, and as a reminder to existing Board members as well, remember that as Town Manager I am here to serve you and am available at your convenience to provide information or assistance in whatever you might need. These weekly reports appear each Friday by e-mail and attempt to highlight that weeks efforts and/or happenings.

Thank You,

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