

## AGENDA

[www.townofvaldese.com](http://www.townofvaldese.com)

If you have questions about an item on this agenda or need more information about an item on this Agenda in addition to the information contained in the agenda package, please contact the Town Manager at 828-879-2116. For more information about the Town of Valdese go to: [www.townofvaldese.com](http://www.townofvaldese.com).

The Town Council Meeting will be livestreamed on YouTube [@townofvaldese](https://www.youtube.com/@townofvaldese).

The Town of Valdese holds all public meetings in accessible rooms. Special requests for accommodation should be submitted by individuals with disabilities at least 48 hours before the scheduled meeting time. Contact Town Hall at 828-879-2120 or TDD Phone Line (hearing impaired) 1-800-735-2962.

Town of Valdese Town Council  
102 Massel Avenue SW, Valdese, NC

Monday, January 8, 2024  
6:00 p.m., Valdese Town Hall

**1. Call Meeting to Order**

**2. Invocation**

**3. Pledge of Allegiance**

**4. Informational Items**

A. Communication Notes

B. Reading Material

**5. Open Forum/Public Comment**

A. Recognition of Valdese Tiger Football Champions

**6. Consent Agenda**

All items below are considered to be routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item 7.

A. Approval of Regular Meeting Minutes of December 4, 2023

B. Approval of Closed Session Minutes of December 4, 2023

C. Approval of Special Called Meeting Minutes of December 18, 2023

D. Approval of REVISED Agreement Between the Western Piedmont Council of Government and The Town of Valdese for the Provision of Strategic Planning Assistance, January 1, 2024 – April 30, 2024.

E. Approval of the Resolutions Establishing New Town of Valdese Ad Hoc Committees

## **7. New Business**

- A.** Introduction of New Employee (New Police Officer – Roger Rutherford, Jr.)
- B.** Presentation of Financial Update for Fiscal Year Ending June 30, 2023 (Presentation by Lowdermilk & Church)
- C.** Presentation of 2024 Strategic Planning Program Scope of Work by WPCOG (Presentation by Alison Adams)
- D.** Status Report of Old Rock School Renovation (Presentation by Mark Sealy, Architect, SGA Design)
- E.** Status Report on Engineering Services Contract for Water Plant Upgrades (Presentation by RJ Mozeley, McGill Associates)
- F.** Consideration of Amendment of Town Ordinance Section 2-1021, and Rule 32(a) of the Valdese Town Council – Rules of Procedure.
- G.** Consideration of Amendment of Rule 4 of the Valdese Town Council – Rules of Procedure.
- H.** Budget Amendments
  - i. To transfer \$46,985.00 from the Utility Fund to cover expense to replace sewer line on Pineburr (Presentation by Allen Hudson & Bo Weichel)
  - ii. To transfer \$4,930.00 from General Fund Balance to cover an increase fees charged by the Board of Elections (Presentation by Bo Weichel)
  - iii. To transfer \$90,700.00 from the General Fund Balance to cover the salary and taxes for the Interim Manager (Presentation by Bo Weichel)
  - iv. To transfer \$3,907.00 from the General Fund Balance to cover labor and materials to install cameras in Council Chambers (Presentation by Bo Weichel)

## **8. Interim Manager's Report**

- A.** Town Offices Closed Monday, January 15, 2024 in Observance of Martin Luther King Day
- B.** Bluegrass at the Rock presents: Lonesome River Band, Saturday, January 20, 2024 at 7:30 p.m.
- C.** OCP Production: Disney's The Little Mermaid Jr, Show Dates January 26-27 & February 1-3, 2024, 7:30 p.m., and January 28 & February 4, 2024, 3:00 p.m.; visit [www.oldcolonyplayers.com](http://www.oldcolonyplayers.com) for more information and to purchase tickets.
- D.** Public Forum/Review Council meeting scheduled Monday, January 29, 2024, 6:00 p.m.
- E.** Next Regular Council meeting scheduled for Monday, February 5, 2024, 6:00 p.m.

## **9. Mayor and Council Comments**

**10. Closed Session under NC General Statute 143-318.11(a)(3)** to consult with an attorney retained by the Town in order to preserve the attorney-client privilege between the Town attorney and the Town Council, which privilege is hereby acknowledged, regarding the following:

- A. Discussion of Potential Litigation
- B. Discussion of Pending Litigation – Aqueous Film-Forming Foams (AFFF) Products Liability Litigation MDL No. 2873 pending in the United States District Court, District of South Carolina.

**11. Adjournment**

## COMMUNICATION NOTES

**To:** Mayor Watts  
Town Council

**From:** Town Clerk

**Date:** January 5, 2024

**Subject:** Monday, January 8, 2024 Council Meeting

6. Consent Agenda:

- A. **Approval of Regular Meeting Minutes of December 4, 2023**
- B. **Approval of Closed Session Minutes of December 4, 2023**
- C. **Approval of Special Called Meeting Minutes of December 18, 2023**
- D. **Approval of REVISED Agreement Between the Western Piedmont Council of Government and The Town of Valdese for the Provision of Strategic Planning Assistance, January 1, 2024 – April 30, 2024.**

Council approved a version of this agreement at the December 18, 2023, Special meeting, but WPCOG and the Town Attorney have since revised the language due to the Council choosing the cost with mailing option.

- E. **Approval of the Resolutions Establishing New Town of Valdese Ad Hoc Committees**

Enclosed in the agenda packet is an outline of the three proposed new Town of Valdese Ad Hoc Committees presented at the December 18, 2023, Special Meeting. The Town Attorney has created a Resolution for Council's consideration for each committee.

7. New Business:

- A. **Introduction of New Employee**

Interim Police Chief Jamie Buchanan will introduce new Police Officer Roger Rutherford Jr.

**No Action Required**

- B. **Presentation of Fiscal Year Ending June 30, 2023 Financial Update**

Enclosed in the agenda packet is a financial highlight sheet for the fiscal year ending June 30, 2023. Lowdermilk Church & Co. will be at the meeting to update the Town's finances and audit report. Also included is a letter to the NC Department of State Treasurer – Local Government Division that will need to be signed by Council members in response to the Auditor's Findings, Recommendations, and Fiscal Matters. The auditors will discuss this at the meeting.

**No Formal Action Required**

**C. 2024 Strategic Planning Program Scope of Work by WPCOG**

Alison Adams, Director of Community & Regional Planning with WPCOG, will be at the meeting to share the 2024 Strategic Planning Program’s Scope of Work.

**No Action Required**

**D. Old Rock School Renovation Status Report by SGA Design**

Enclosed in the agenda packet is a presentation of the Old Rock School renovation from Mark Sealy, the contract approved at the December 5, 2022 Council meeting, and a financial report. Mr. Sealy will be at the meeting to share an overview and status report of the project.

**No Action Required**

**E. Engineering Services Contract for Water Plant Upgrades with McGill Associates Status Report**

RJ Mozeley, Senior Project Manager with McGill Associates, PA, will be at the meeting to share a report on the Engineering Services Contract for Water Plant Upgrades.

**No Action Required**

**F. Consideration of Amendment of Town Ordinance Section 2-1021, and Rule 32(a) of the Valdese Town Council – Rules of Procedure**

Enclosed in the agenda packet is a Resolution amending the Valdese Town Council Rule 32(a) of the Rules of Procedure and amendment to Section 2-1021 of the Town of Valdese Code of Ordinance. Rule 32(a) is unclear, potentially inconsistent, and/or conflicting with Section 2-1021 of the Ordinance.

**Requested Action:** The requested action is to approve the Resolution to amend the Town Ordinance Section 2-1021 and Rule 32(a) of the Valdese Town Council – Rules of Procedure, as presented.

**G. Consideration of Amendment of Rule 4 of the Valdese Town Council – Rules of Procedure**

Enclosed in the agenda packet is a Resolution amending the Valdese Town Council Rule 4(a) of the Rules of Procedures by striking the words, “~~electronic~~” and “~~on their iPads~~” and inserting the sentence in bold underlined, “Further, each preliminary proposed agenda, without attachments, for each meeting shall be provided to each council member and published on the Town’s website and Facebook page by 4:00 PM, the Monday before each regularly scheduled council meeting.”

**Requested Action:** The requested action is to approve the Resolution to amend Rule 4(a) of the Valdese Town Council – Rules of Procedures, as presented.

**H. Budget Amendments**

Enclosed in the agenda packet are four budget amendments prepared by Assistant Town Manager/CFO Bo Weichel. These amendments will move funds to the appropriate accounts. Mr. Weichel will be at the meeting to present.

**Requested Action:** Staff recommends that Council approve the Budget Amendments as presented.

10(b). **Closed Session under NC General Statute 143-318.11(a)(3):**

Enclosed in the agenda packet is a PFAS Resolution and an Attorney-Client Communication Retainer Agreement if needed.

**Requested Action:** TBD

# READING MATERIAL

**VALDESE FIRE DEPARTMENT - MONTHLY ACTIVITY REPORT**  
**NOVEMBER 1st-30th, 2023**

THE BELOW REPORT OUTLINES THE ACTIVITIES PERFORMED BY THE FIRE DEPARTMENT DURING THE MONTH OF NOVEMBER, 2023. THE REPORT SHOWS THE AMOUNT OF TIME SPENT ON EACH ACTIVITY AND THE TYPE AND NUMBER OF EMERGENCY FIRE DEPARTMENT RESPONSES.

<u>ACTIVITY / FUNCTION</u>	<u>MONTHLY TOTAL</u>		
STATION DUTY	165 HOURS		
VEHICLE DUTY	99 HOURS		
EQUIPMENT DUTY	89 HOURS		
EMERGENCY RESPONSES (ON DUTY)	102 HOURS		
TRAINING (ON DUTY)	114 HOURS		
FIRE ADMINISTRATION	56 HOURS		
TRAINING ADMINISTRATION	11 HOURS		
MEETINGS	19 HOURS		
FIRE PREVENTION ADMINISTRATION	97 HOURS		
FIRE PREVENTION INSPECTIONS	18 HOURS		
	<u>TYPE</u>	<u>NUMBER OF INSPECTIONS</u>	<u>VIOLATIONS</u>
	ASSEMBLY	0	0
	BUSINESS	1	13
	DAYCARE	0	0
	EDUCATIONAL	0	0
	FACTORY	2	28
	HAZARDOUS	0	0
	INSTITUTIONAL	0	0
	MERCANTILE	0	0
	RESIDENTIAL	0	0
	STORAGE	0	0
	FOSTER HOME	0	0
	REINSPECTIONS	1	18
	<b>TOTAL:</b>	<b>4</b>	<b>59</b>
PUBLIC RELATIONS	9 HOURS		
HYDRANT MAINTENANCE	2 HOURS		
SAFETY ADMINISTRATION	30 HOURS		
SAFE KIDS ADMIN/CRS INSPECTIONS	9 HOURS		
EXTRA DUTY FIRES	43 HOURS		
NON-DEPARTMENTAL DUTIES	0 HOURS		
EXTRA DUTY TRAINING	16 HOURS		
EXTRA DUTY FIRE/MED STANDBY	3 HOURS		
PHYSICAL TRAINING	18 HOURS		
EXTRA DUTY MEDICAL RESPONSES	33 HOURS		
VOLUNTEER FIREFIGHTER TRAINING	67 HOURS		
<b>TOTAL TRAINING MANHOURS:</b>	<b>197 HOURS</b>		



**FIRE DEPARTMENT EMERGENCY RESPONSES:**

<b><u>FIRE:</u></b>	<b><u>MONTHLY TOTAL</u></b>
FIRE ALARM	3
CARBON MONOXIDE ALARM	2
MUTUAL AID TO STATION 63	2
MUTUAL AID TO STATION 67	4
GAS LEAK	1
SMOKE INVESTIGATION	2
ELECTRICAL HAZARD	0
FIRE/MEDICAL STANDBY	2
OUTSIDE FIRE	3
SERVICE CALL	0
STRUCTURE FIRE	3
ILLEGAL BURN	<u>2</u>
	<b>24</b>
<b><u>MEDICAL:</u></b>	
ABDOMINAL PAIN	1
ALLERGIC REACTION	1
ANIMAL BITE	0
ASSAULT	0
ASSIST EMS	1
BACK PAIN	0
CANCELLED ENROUT	0
CARDIAC	0
CHEST PAIN	5
CHOKING	0
CODE BLUE	0
DIABETIC	1
DOA	1
FAINTING	1
FALL	10
GUNSHOT	0
HEADACHE	0
HEMORRHAGE	1
MOTOR VEHICLE ACCIDENT	0
MEDICAL STANDBY	0
OTHER	1
OVERDOSE/INTOXICATED	1
PREGNACY	0
PSYCHIATRIC	3
RESPIRATORY	7
SEIZURE	0
SICK	5
STROKE	1
TRAUMATIC	0
UNCONSCIOUS	5
UNKNOWN	<u>0</u>
	<b>45</b>
<b><u>TOTAL RESPONSES:</u></b>	<b><u>69</u></b>

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TRUMAN WALTON, CHIEF  
VALDESE FIRE DEPARTMENT

## Town of Valdese Personnel Report

	<u>Employee Name</u>	<u>Position</u>	<u>Previous Position</u>	<u>Department</u>	<u>Date of Event</u>
<b><i>Promotions</i></b>					
<b><i>New Hires</i></b>	Roger Rutherford, Jr.	Police Officer		Police Department	12/11/2023
<b><i>Transfers</i></b>					

## Community Affairs & Tourism Monthly Stats

### December 2023

#### Tourism Statistics

*visitvaldese.com views (Nov 27- Dec 17)* 5,865

*townofvaldese.com views (Nov 27-Dec 17)* 8,904

*Top 5 Pages Viewed (townofvaldese):Utilities, Recreation, Rec Schedules & Fees,Career Opportunities,Meetings & Agendas*

#### Facebook

*# of followers* 17,811

*Post Engagement (last 28 days)* 27,369

*Post Reach (last 28 days)* 123,313

#### Facebook Reactions/Feedback (last 28 days)

Reactions: 5,980 Comments: 650 Shares: 451 Photo Views: 5,523 Link Clicks: 2,440

TOP FIVE AUDIENCE LOCATIONS: Morganton, Valdese, Hickory, Lenoir, Drexel

*Approximate # of Visitors to the Tourism/CA Office* 532

#### Community Affairs Stats

##### Old Rock School Rental Breakdown

AUDITORIUM	6
TEACHER'S COTTAGE	12
WALDENSIAN ROOM	16
CLASSROOMS	1
MAJOR EVENT (ENTIRE SCHOOL)	1
Major Events Held at the Old Rock School	Average Number of Attendees
Gideons Birthday Party for Jesus	200
Monthly Old Rock School Rentals	36
Old Rock School Total Attendance	6,560

##### CA Summary for December 2023

December saw the last of 2023 events and was an extremely successful month. The month kicked off with the annual Christmas Parade, followed by the December Bluegrass at the Rock performance with Appalachian Roadshow. The show sold over 250 tickets. The next event was the Hatley Memorial Tree Lighting, which had an excellent turn out with hundreds of attendees. The following Saturday hosted the Mingle with Kringle breakfast, sponsored by the Valdese Fire Department. This event sold out with over 300 tickets purchased. Both the tree lighting and breakfast events received a great deal of positive feedback. Facility rentals were booked at an all time high for the year. Other day to day operations for the department included employee appreciation bags, booking entertainment for Summer events, and brainstorming/preparation for 2024 events. Tickets are currently on sale for the next Bluegrass at the Rock show with Lonesome River Band. The winner of the 1 in 100 Photo Contest was announced after nearly year long social media contest- Old Colony Players won with 428 votes.

# VALDESE POLICE DEPARTMENT

James D Buchanan  
Assistant Chief of Police  
Post Office Box 339  
121 Faet Street  
Valdese, North Carolina 28690

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Telephone 828-879-2107  
Fax 828-879-2106

December 31, 2023

To: Mayor & Council  
From: Asst. Chief Buchanan  
Re: Boots on the Ground

Progress Reports: Boots on the Ground

**Location:**

McGalliard Falls  
Old Rock Schools  
Children's Park  
Community Center  
Lakeside Park  
Main St. Extra Patrol  
Business/Residential Contact

**Officers Visits:**

78 Visual Checks/Walk around  
22 Visual Checks/Walk around  
64 Visual Checks/Walk around  
54 Visual checks/Walk around  
39 Visual checks/Walk around  
Nightly Door Checks  
25 Community Policing

Our officers have logged 458 residential/business security checks, 641 extra patrols and 25 community policing in the month December for 1124 events related to the safety, security and public interest. As of this date, our department has logged 24,475 events into CAD ranging from vehicle stops, security checks and any incident report from citizens of Valdese.

December 4, 2023, MB#32

**TOWN OF VALDESE  
TOWN COUNCIL REGULAR MEETING  
DECEMBER 4, 2023**

The Town of Valdese Town Council met on Monday, December 4, 2023, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The Council meeting was live-streamed on YouTube @townofvaldese6907. The following were present: Mayor Charles Watts, Councilwoman Rexanna Lowman, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Clerk Jessica Lail, and various Department Heads.

Absent: Mayor Pro Tem Frances Hildebran, Councilman Tim Skidmore, Councilman Tim Barus

A quorum was present after the Council Elect took their Oaths of Office.

Mayor Watts called the meeting to order at 6:00 p.m. He offered the invocation and led in the Pledge of Allegiance to the Flag.

**OPEN FORUM/PUBLIC COMMENT:** Mayor Watts read the Rules & Procedures for Public Comment.

Rule 5. Public Comment - Any individual or group who wishes to address the council shall inform the town clerk, Jessica Lail, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Persons must be present if they wish to address the Council. Comments should be limited to five minutes per speaker. If the speaker's comments need to be addressed, upon the direction of the Council, someone from the management team will be in touch with you later. Please silence your cell phones.

**QUESTIONS – RICK MCCLURD, 408 GARROU AVE SW, VALDESE:** Mr. McClurd shared that he had a few questions from last month that were not answered. Mr. McClurd asked for the tax collector's salary, the line item in the budget for the new trash truck, and if we were going to get into the trash business again.

**WELCOME – SANDI WALKER, 124 MAIN ST W, VALDESE:** Ms. Walker shared that for 25 years, she has prayed for this Town and asked the Lord to bring us Godly people. Ms. Walker gave the new Council members a devotion book and reminded everyone that this Town was started with Godly people. Ms. Walker shared that Valdese is unique because of the Waldensian Heritage.

**WATER RATES – JEAN-MARIE COLE, 705 BERTIS ST, VALDESE:** Ms. Cole read about the Burke County water rates in the News Herald. Ms. Cole feels that Valdese should tell the County that we should not be double taxed for water because we already pay our fair share to the Municipalities.

**OATHS OF OFFICE:** Burke County Clerk of Superior Court Crystal Carpenter administered Oaths of Office to Councilman Glenn Harvey - Ward 1, Councilman Gary Ogle - Ward 4, and Councilwoman Heather Ward - Ward 5.

**CONSENT AGENDA:** (enacted by one motion)

**APPROVED REGULAR MEETING MINUTES OF NOVEMBER 6, 2023**

**APPROVED SPECIAL MEETING MINUTES OF NOVEMBER 14, 2023**

Councilman Mears made a motion to approve items A & B on the Consent Agenda, seconded by Councilwoman Ward. The vote was unanimous.

***End Consent Agenda***

**ITEMS REMOVED FROM CONSENT AGENDA:** Councilman Harvey asked that *Item C: Approval of Special Meeting and Closed Session Minutes of November 20, 2023*, be removed from the Consent Agenda. Councilman Harvey made a motion to divide *Item C* into two separate items, seconded by Councilwoman Ward. The vote was unanimous.

**APPROVED SPECIAL MEETING MINUTES OF NOVEMBER 20, 2023**

**December 4, 2023, MB#32**

Councilman Mears made a motion to approve the Special Meeting Minutes for November 20, 2023, seconded by Councilwoman Lowman.

**DISCUSSION:** Councilman Harvey said those minutes addressed two action items, both of which had a budgetary impact, and there has been speculation regarding the amounts. Councilman Harvey asked if the two amounts could be reported to the Council. Assistant Town Manager/CFO Bo Weichel said that the budget amendment was for the Town Manager's accrued vacation in the amount of \$12,000(actual amount was \$12,500), and the severance pay was \$55,000(actual amount was \$55,188.76).

**VOTE:** The vote was unanimous.

**APPROVED CLOSED SESSION MINUTES OF NOVEMBER 20, 2023**

Councilman Mears made a motion to approve the Closed Session Minutes for November 20, 2023, seconded by Councilwoman Lowman.

**DISCUSSION:** Councilman Harvey said he was not at the meeting and did not feel he should approve meeting minutes he was not present for. Town Attorney Tim Swanson explained the duty to vote regardless if members were not present.

**VOTE:** Councilwoman Lowman – Yes, Councilman Ogle – Yes, Councilman Mears – Yes, Councilman Harvey - No, Councilwoman Ward – No. The vote was approved.

**COUNCIL ORGANIZATIONAL MEETING:** Mayor Watts stated that Council needs to nominate a Mayor Pro Tem. Councilwoman Lowman made a motion to nominate Paul Mears for Mayor Pro Tem. There was no second, and the motion did not carry.

Councilwoman Ward made a motion to nominate Councilman Ogle as Mayor Pro Tem, seconded by Councilman Harvey. The vote was unanimous.

**PUBLIC SAFETY PROJECT REVIEW:** Marty Beal, Architect with CBSA Architects, presented Council with a status report of the work CBSA has completed for the proposed Public Safety Building.

November 30, 2023

## Valdese Public Safety Status Report

Notice to Pause Work	11/13/2023
Report to Town Council	12/4/23
Status of work	Holding at 90%

### Drawing Completion for Agency Review

Based upon restart - resume work mid-December.

Drawing progression during December will be slow due to holidays & required end of year vacations.

Drawings prepared for review end of January.

USDA

NCDOI

NCDEQ

Town of Valdese Zoning

Burke County Building Inspection

Modify drawings based upon drawing review comments.

Receive Bids in April/May

### Why Delay

Consultant groups experience heavy workloads.

Labor shortage

Replace production staff.

Lengthy Replacement Search - Delay

Replaced with Inexperience Staff - Delay

Training Curve - Delay

### Construction Cost Update

\$9,200,000

### Renderings

Base Bid

Alternate Bids

Stone Base

Bi-parting (Stacking) Equipment Bay Doors

Trench Drain in Equipment Bays / Sallyport

Mayor Watts noted that he had been told some citizens thought we already had bid documents, which was untrue. Mr. Beal stated that construction documents had not been completed and the delay was due to the design team but not by intention. Councilman Harvey would have thought the construction documents would have been completed from previous experience in building commercial buildings. Councilwoman Lowman and Councilman Mears shared their disappointment in the timeline of the work that has been done and the lack of communication. Councilman Harvey asked if the 9.2 million construction estimate was for the building or total project cost. Mr. Beal stated it would be for hard costs, not soft costs, which do not include design, engineering, or geotechnical fees. With soft costs included, Mr. Beal feels the project's total cost may reach 10 million. Councilman Mears feels that the Town needs to proceed with finishing the construction documents so that the citizens know what it would cost to build a state-of-the-art building regardless of what the Council decides to do. Councilman Mears said that we have over 1.4 million in ARPA monies set aside and saved 1 million in a project fund, setting aside \$424,000 per year for this project and ABC store profit. Councilman Mears feels the construction documents would be beneficial to have.

Mr. Beal shared renderings of the proposed Public Safety Building:

December 4, 2023, MB#32



BASE BID – VIEW 1



BASE BID – VIEW 2



BASE BID – VIEW 3





ALTERNATE BID - VIEW 1



ALTERNATE BID - VIEW 2



ALTERNATE BID - VIEW 3

**December 4, 2023, MB#32**

Assistant Town Manager/CFO Bo Weichel went through the financial report on the architect's contract. Mr. Weichel broke it out in three different ways. Mr. Weichel shared that we have paid half of the architect's contract in the amount of \$225,850.

Financial Update - CBSA Contract PUBLIC SAFETY FACILITY				
<b>BASIC SERVICES</b>	Contract	Contract Amount	Billed	Amount Paid
Schematic Design	15%	\$ 50,850	100%	\$ 50,850
Design Development	20%	\$ 67,800	100%	\$ 67,890
Construction Documents	40%	\$ 135,600	35%	\$ 47,460
Procurement	5%	\$ 16,950	0%	\$ -
Construction	19%	\$ 64,410	0%	\$ -
Closeout	1%	\$ 3,390	0%	\$ -
<b>BASIC service totals</b>	<b>100%</b>	<b>\$ 339,000</b>		<b>\$ 166,200</b>
<b>SUPPLEMENTAL SERVICES</b>				
Contract Lump Sum \$92,200				
Programming				\$ 16,200
Survey				\$ 6,500
USDA Reports/Requirements				\$ 27,000
Owner Meetings				\$ 2,700
<b>SUPPLEMENTAL service totals</b>				<b>\$ 52,400</b>
<b>REIMBURSABLE EXPENSES</b>				
Contract Lump Sum \$13,400				
None to Date				\$ -
<b>AMENDMENTS</b>				
8/2/21 Add'l Survey work				\$ 7,250
<b>Total of green subtotals above</b>				<b>\$ 225,850</b>

Mr. Weichel discussed the cash that we have on hand for the project.

Cash on Hand - Saved for the Project CAPITAL PROJECT FUND 35		
TOWN OF VALDESE	(for use at Council discretion)	\$ 1,090,562
STATE APPROPRIATION	(for existing/new building <u>ONLY</u> ) (must return to State if unused)	\$ 386,510
<b>Total Cash on Hand</b>		<b>\$ 1,477,072</b>

**AGREEMENT WITH WPCOG FOR HR SERVICES FOR TOWN MANAGER SEARCH:** Mayor Watts shared the process of utilizing WPCOG for the Town Manager search. Mayor Watts stated that this was on the agenda tonight to inform the public. Mayor Watts shared that the Council has interviewed three former Town managers to serve as interim manager, possibly serving six months to get us through the budget process.

**December 4, 2023, MB#32**

Councilman Harvey thanked the current Council members for welcoming them to the Council and including them in the interviews. Councilman Harvey feels that any one of the three applicants would be great. Councilman Harvey feels that in the event a disaster occurs, and we need someone in charge until we get one of the applicants in place. Councilman Harvey identified a citizen with managerial experience to serve as an interim, interim manager, Mr. Edward "Eddie" B Perrou, and handed out Mr. Perrou's resume.

Councilman Harvey made a motion to modify the agenda to add Consideration of Interim Manager, seconded by Councilman Ogle.

**DISCUSSION:** Councilwoman Lowman stated that this was not something she expected tonight and thought we were looking seriously at interim managers who could be here by December 18, 2023. Councilman Mears shared that we have an Assistant Town Manager, Bo Weichel, who could fill this void until an interim is hired.

**VOTE:** The vote was unanimous.

Councilman Harvey made a motion that we engage Edward "Eddie" B Perrou as interim manager effective immediately, serving until an experienced interim manager can be in place; the negotiated contract cost is \$1.00 serving up until the next Council meeting, seconded by Councilman Ogle.

Councilman Mears made a motion to table this issue until we have the opportunity to interview this candidate until the next regular meeting, seconded by Councilwoman Lowman.

**VOTE:** Councilwoman Lowman - Yes, Councilman Mears – Yes, Councilman Harvey – No, Councilman Ogle – No, Councilwoman Ward – No. The motion did not carry.

Councilmembers discussed more concerns.

Councilman Harvey made a motion that we engage Edward "Eddie" B Perrou as interim manager effective immediately, serving until an experienced interim manager can be in place, negotiated contract cost is \$1.00 up until the next regular Council meeting, seconded by Councilman Ogle.

**VOTE:** Councilman Harvey – Yes, Councilman Ogle – Yes, Councilwoman Ward – Yes, Councilwoman Lowman – No, Councilman Mears – No. The motion was approved.

**BUDGET AMENDMENTS:** Assistant Town Manager/CFO Bo Weichel presented the budget amendment for the contract with WPCOG for Town Manager Search:

Budget Amendment #

5-10

Subject:

Contract with WPCOG for Town Manager Search

Description:

This amendment covers the unexpected expense of a Town Manager search contracted through the Council of Governments

**Proposed Action:**

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2024:

**Section I:**

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
10.3990.000	General Fund Balance Appr.		3,500
Total		\$0	\$3,500

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.4200.040	Professional Services	3,500	
Total		\$3,500	\$0

**Section II:**

Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

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Councilwoman Lowman made a motion to approve the budget amendment as presented.

Town Clerk Jessica Lail noted that *Item C: Agreement with the WPCOG* did not go to a vote. Town Attorney Tim Swanson feels that discussing the contract first makes sense before voting on a budget amendment.

Councilman Mears made a motion to table the budget amendment until the contract is considered. No second, the motion did not carried out.

**BACK TO ORIGINAL MOTION:** Councilwoman Lowman made a motion to approve the budget amendment as presented, seconded by Councilman Mears.

**DISCUSSION:** Councilman Harvey does not understand why we are amending the budget to something that does not exist.

**VOTE:** Councilman Mears – Yes, Councilwoman Lowman – Yes, Councilman Harvey – No, Councilman Ogle – No, Councilwoman Ward – No. The motion did not carry.

**December 4, 2023, MB#32**

Assistant Town Manager/CFO Bo Weichel presented the budget amendment for the Unified Development Ordinance:

Valdese Town Council Meeting

Monday, December 4, 2023

Budget Amendment # 4-10

Subject: Unified Development Ordinance

Description: Funds (\$45,967) for this contract with Green Heron Planning, LLC was budgeted in the prior fiscal year. Upon closing the books at fiscal year end (June 30, 2023) the project and contract had not yet been completed. The unused funds rolled into fund balance. This amendment pulls the unpaid funds back into the current budget for appropriation.

**Proposed Action:**

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2024:

**Section I:**

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
10.3990.000	General Fund Balance Appr.		33,717
Total		\$0	\$33,717

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.4900.740	Capital Outlay-Planning	33,717	
Total		\$33,717	\$0

**Section II:**

Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

Councilman Ogle asked what the Unified Development Ordinance is and asked Planning Director Larry Johnson to explain it. Mr. Johnson explained that the Zoning Ordinance and Subdivision Regulations would be updated and combined into one unified document.

Councilwoman Lowman made a motion to approve the aforementioned Budget Amendment for the UDO, seconded by Councilman Harvey. The vote was unanimous.

**CALLED SPECIAL MEETING ON DECEMBER 18, 2023 AT 6:00 PM** Mayor Watts shared that this was an announcement for a called Special Town Council meeting that will be held on Monday, December 18, 2023, at 6:00 pm in the Council Chambers. Mayor Watts said that the new Council members requested most of the items. Councilman Harvey asked to add one item to the list: a preliminary audit report. Councilwoman Ward shared that she wants to be more transparent with the citizens.

- a. Adoption of 2024 Town Council Meeting Schedule
- b. Committee and Board appointments; new Committees (Members of any new committees to be appointed in January)
- c. Town Manager Position
- d. Public Safety Building
- e. Amendment of Town Council Rules and Procedures
- f. Budget Amendment (if applicable)
- g. Closed Session Pursuant to NC General Statute 143-318.11(a)(6)
- h. Preliminary Audit Report

Councilman Harvey made a motion to schedule for a called Special meeting on December 18, 2023, at 6:00 pm, seconded by Councilwoman Ward. The vote was unanimous.

December 4, 2023, MB#32

**MAYOR’S REPORT:** Mayor Watts made the following announcements:

Christmas in Valdese, Hatley Memorial Tree-Lighting and Christmas Carols by Valdese Elementary School at the Old Rock School, Hot Chocolate & Santa Visits, Thursday, December 7, 2023 at 6:00 p.m. Rain date December 8, 2023.

OCP Production: It’s A Wonderful Life, Show Dates December 8 - 9 and 14-16, 2023, 7:30 p.m., and December 10 & 17, 2023, 3:00 p.m.; visit [www.oldcolonyplayers.com](http://www.oldcolonyplayers.com) for more information and to purchase tickets.

Mingle with Kris Kringle Breakfast, Saturday, December 9, 2023 at the Old Rock School, hosted by the Valdese Fire Department & Community Affairs.

Special Called Council Meeting, Monday, December 18, 2023, at 6:00 p.m.

Town Offices Will Be Closed December 25, 26 & 27, 2023, in Observance of Christmas and January 1, 2024, for New Year’s Day

**MAYOR AND COUNCIL COMMENTS:** Councilman Mears shared that he is excited to work with the new Council members and gain a new perspective on some serious issues that have been debated for a while.

Councilman Harvey thanked the Council for including them and for the citizens that elected them.

Mayor Watts updated citizens on the Police Chief search. Mayor Watts shared that the applications are now open until filled and that we have received several applications. Mayor Watts shared that we will wait until an Interim Manager is hired to proceed with the interview process. Mayor Watts noted that we had two recreation football teams that won the championship in their age group and hopes to have them attend the Council meeting in January.

**CLOSED SESSION:** Mayor Watts called for a motion to recess into Closed Session under NC General Statute 143-318.11(a)(3) to consult with an attorney retained by the Town in order to preserve the attorney-client privilege between the Town attorney and the Town Council, which privilege is hereby acknowledged. At approximately 7:35 p.m., Councilman Harvey made a motion to recess into Closed Session pursuant to NC General Statute 143-318.11(a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. Seconded by Councilwoman Ward. The vote was unanimous.

At 8:23 p.m., Councilman Ogle made a motion to return to Open Session, seconded by Councilwoman Lowman. The vote was unanimous.

Councilwoman Lowman made a motion to add to the agenda the Consideration of the CBSA Contract tonight, seconded by Councilman Mears. The vote was unanimous.

**CONSIDERATION OF CBSA CONTACT:** Councilwoman Lowman made a motion to terminate the contract with the CBSA architect, seconded by Councilwoman Ward. The vote was unanimous.

**ADJOURNMENT:** At 8:24 p.m., there being no further business to come before Council, Councilwoman Lowman made a motion to adjourn, seconded by Councilwoman Ward. The vote was unanimous.

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Mayor

jl

December 18, 2023, MB#32

**TOWN OF VALDESE  
TOWN COUNCIL SPECIAL MEETING  
DECEMBER 18, 2023**

The Town of Valdese Town Council met on Monday, December 18, 2023, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The Council meeting was live-streamed on YouTube @townofvaldese6907. The following were present: Mayor Charles Watts, Mayor Pro Tem Gary Ogle, Councilwoman Rexanna Lowman, Councilwoman Heather Ward, Councilman Glenn Harvey, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Clerk Jessica Lail, and various Department Heads.

Absent:

A quorum was present.

Mayor Watts called the meeting to order at 6:00 p.m. He offered the invocation and led in the Pledge of Allegiance to the Flag.

**APPROVED AGREEMENT BETWEEN THE WESTERN PIEDMONT COUNCIL OF GOVERNMENT AND THE TOWN OF VALDESE FOR THE PROVISION OF STRATEGIC PLANNING ASSISTANCE, JANUARY 1, 2024 – APRIL 30, 2024.** Mayor Watts asked if there was a motion for the Agreement between the Western Piedmont Council of Government and The Town of Valdese For The Provision Of Strategic Planning Assistance, January 1, 2024 – April 30, 2024.

Councilman Ogle made a motion, seconded by Councilwoman Ward. Councilman Mears noted two cost options for this contract and asked which option we would take. Councilman Harvey amended the motion to use the second option, which includes the WPCOG to do the mailings in the amount of \$8,030.00. Anthony Starr from WPCOG explained to the Council that a survey would be conducted either way, but the additional cost for the mailings would be for the WPCOG to stuff the envelopes and mail them out. Mr. Starr went through the process of strategic planning. Councilwoman Ward seconded the motion. The vote was unanimous.

**TABLED CONSIDERATION OF AGREEMENT BETWEEN THE WESTERN PIEDMONT COUNCIL OF GOVERNMENT AND THE TOWN OF VALDESE FOR HR SERVICES FOR TOWN MANAGER SEARCH DECEMBER 4, 2023 TO MAY 31, 2024.** Anthony Starr with WPCOG reviewed the timeline and the process for the Town Manager search. Councilman Harvey asked Mr. Starr how many searches he does at one time. Mr. Starr said they did eight this past year but no more than three at one time. Mr. Starr shared that they have one going on now, and the work is distributed among the search team. Councilman Harvey asked if Mr. Starr would recruit a manager from another town if he felt they would be a good fit. Mr. Starr said yes, he would encourage the manager to apply. Councilman Harvey does not feel we should do anything tonight that would fit better in January with up-to-date documentation. Councilman Harvey feels we should get an Interim Manager in place so that they can help with the search process. Councilman Mears feels we should go ahead and enter into the contract with the WPCOG to get the process started.

Councilman Harvey made a motion to table this item, seconded by Councilman Ogle. Councilwoman Lowman asked if we would pick this back up in January. Town Attorney Tim Swanson said that as the motion was stated, it would be tabled indefinitely. Councilman Mears and Councilwoman Lowman feel we should start the search. Councilman Harvey noted that there are other search firms that we could look into.

VOTE: Councilman Harvey – Yes, Councilman Ogle – Yes, Councilwoman Ward – Yes, Councilwoman Lowman – No, Councilman Mears – No. The motion was approved.

**CONSIDERATION OF THE UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) APPLICATION FOR FEDERAL ASSISTANCE AND USDA RURAL DEVELOPMENT LOAN.** Assistant Town Manager/CFO Bo Weichel shared that since we terminated the contract with the Public Safety Building architect, USDA contacted us asking the Council to sign a letter to de-obligate the funds. Mr. Weichel said no vote was needed to execute this.

Dear Mr. Lattanzi and USDA staff:

**December 18, 2023, MB#32**

The Town of Valdese has decided to proceed in a different direction and will not be utilizing the Community Facilities Program Loan for the Public Safety Building project.

Please note that the Town is officially withdrawing its application. We also request that the obligated funds be de-obligated.

On behalf of the staff and Town Council of Valdese, we sincerely thank you for the opportunity to work with USDA in securing this loan. The USDA staff have been excellent at helping guide the process.

Sincerely,  
Town of Valdese Council

\_\_\_\_\_  
Edward Perrou, Interim Manager

\_\_\_\_\_  
Councilwoman Heather Ward

\_\_\_\_\_  
Councilman Paul Mears

\_\_\_\_\_  
Councilman Gary Ogle

\_\_\_\_\_  
Councilman Glenn Harvey

\_\_\_\_\_  
Councilwoman Rexanna Lowman

\_\_\_\_\_  
Mayor Charles Watts

**APPROVED RESOLUTION ADOPTING 2024 TOWN COUNCIL MEETINGS CALENDAR.** Mayor Watts asked if there was a motion to approve the 2024 Town Calendar Meetings Calendar.

**TOWN OF VALDESE  
RESOLUTION ADOPTING 2024 TOWN COUNCIL MEETING SCHEDULE**

WHEREAS, pursuant to Section 2-1011 of the Town of Valdese Code of Ordinances, there shall be a regular meeting of the council at the town hall, on the first Monday in each month, at 6:00 p.m., unless another place, date or time shall be designated.

NOW, THEREFORE, BE IT RESOLVED that the Town of Valdese Town Council adopts the following Meeting Schedule for 2024:



December 18, 2023, MB#32

<i>Council Chambers, Unless Noted</i>		<i>Town Hall Community Room, Unless Noted</i>	
<b>2024 REGULAR MONTHLY MEETINGS</b>		<b>PUBLIC FORUMS AND REVIEW MEETINGS</b>	
January 8		<b>(Informal review of agendas/town news)</b>	
		January 29	Review Feb Agenda
February 5			
		February 26	Review Mar Agenda
March 4			
		March 18	Citizen Budget Priorities <i>(TBD)</i>
April 1			
April 22	Council Budget Review		
		April 29	Review May Agenda
May 6			
		May 29	Review June Agenda
June 3			
June 24	2024-25 Budget Hearing	<b>(June 24 for July Mtg. is a Public Meeting)</b>	
August 5			
		Sept 4	Review Sept Agenda
September 9			
		Oct 2	Review Oct Agenda
October 7			
		Oct 28	Review Nov Agenda
November 4			
		Nov 5	Review Dec Agenda
December 2			

This 18<sup>th</sup> day of December, 2023.

/s/ Charles Watts, Mayor

Councilwoman Ward made a motion to approve the Town Council meeting schedule for 2024, seconded by Councilman Harvey. The vote was unanimous.

**APPROVED APPOINTMENTS AND/OR REAPPOINTMENTS TO BOARDS, COMMISSIONS, AND/OR COMMITTEES.** Mayor Watts asked if there was a motion to approve the 2024 Boards and Commissions Appointments and Reappointment.

### **2024 Board and Commission Appointments/Reappointments**

#### **Parks and Recreation Commission (3-year terms)**

1. Reappointment of Donnie Edwards
2. Appointment of Shannon Radabaugh (Replacing expired term of Beth Heile)

**New Appointee Bio:** My name is Shannon Radabaugh. I live in the beautiful town of Valdese North Carolina. My family and I decided to move to this beautiful town because of its hospitality, beautiful landscape, and sense of community that thrives throughout the school district, small businesses, and kindness of its residence.

I am a United States Navy veteran. I served this great country from 1999 through 2004 when I was medically retired. My husband continued to serve and retired after 20 years of service in 2019.

**December 18, 2023, MB#32**

I have three amazing children. Sterling 17 years old, Madelyn 13 years old, and Preston 11 years old. Our children have embraced this beautiful town as they grow and continuously engage in local sports and social activities throughout our community. We knew when we moved to Valdese that we wanted to get involved in the community.

Since moving here, we have opened a small business for boat rentals. Rad's Rentals opened last year and did very well servicing Lake Rhodhiss. We continue to run our children's store, Twice Upon A Time, that is currently located in California. My husband works at Draughn High school as a football coach. I serve at my children's schools as well as the Valdese Rec as a Booster member.

It would be a great honor to serve on this committee and be a part of serving our wonderful community of Valdese.

Respectfully,  
Shannon Radabaugh, CEO  
Veteran Owned and Operated us

3. Appointment of Justin Carswell (Replacing expired term of Lin Ward)

**New Appointee Bio:** Justin Carswell is a Valdese native and graduate of East Burke High School. He has lived in Valdese for 20 years. He is a driver with United Parcel Service and has been with UPS for 22 years. He also operated a small business for 20 years.

He has two children who are active participants in Valdese Parks and Recreation youth programming. He and his wife, Kristen, have both volunteered their time coaching for the department, and the family can frequently be found out and about in our parks and at our facilities.

2024 Council Board and Commission Council Appointments

NEW APPOINTMENTS:

Ward 1 Councilman Glenn Harvey:  
Street Paving Committee  
WPCOG Metropolitan Planning Organization

Ward 4 Councilman Gary Ogle:  
Parks & Recreation Commission

Ward 5 Councilwoman Heather Ward:  
Main Street Committee

Councilwoman Lowman made a motion to approve the Appointments/Reappointments to the Boards, Commissions, and Committees, seconded by Councilman Mears. The vote was unanimous.

**DISCUSSION OF NEW BOARDS, COMMISSIONS, AND/OR COMMITTEES.** Councilwoman Ward shared the proposed new Town of Valdese Ad HOC Committees.

**PROPOSED NEW TOWN OF VALDESE AD HOC COMMITTEES  
For Consideration by the Town Council on December 18, 2023**

**If established, the members of each committee will be appointed at the January meeting.**

**Efficiency Task Force**

Scope: To assist the Interim Town Manager in an in-depth analysis of each town operation, as the manager develops the 2023-24 Annual Budget.

Period of Service: through the development and adoption of the 2023-24 budget which must be adopted by June 30, 2023.

Members: Five (5) individuals with in-depth experience in enterprises or complex operations, as senior managers, financial officers, or project leaders. It is anticipated that members will be recruited through visits with local manufacturing company CEOs or plant managers. Citizens are welcome to submit nominations.

December 18, 2023, MB#32

**Drug and Homeless Advisory Task Force**

Scope: to address homelessness and the physical and mental issues underlying our drug and crime issues; coordinating efforts of churches, local agencies, and an evolving Burke County initiative to advise the Town Council these matters.

Period of Service: One year, subject to the Task Force's conclusion about whether to have a standing board or committee in this area.

Members: A minimum of five (5) members with special interests or experience in related areas who, in turn, may expand the task force membership for additional help or expertise. Citizens are welcome to submit nominations.

**Facilities Review Board**

Scope: A standing board that will advise the manager and council in the management, maintenance, improvements, or construction of the Town's properties. Since this board will oversee real property, much as the planning board oversees land use, the manager and initial members will develop a charter structured similar to the Planning Board.

Members: Five (5) members with extensive experience in construction or management of the professions and trades involved with both renovation and new construction. Citizens are welcome to submit nominations.

No vote was needed.

Mayor Watts asked the Town Attorney Tim Swanson to address the Town Ordinance Section 2-1021, which gives the Mayor the authority to appoint committees only. Mr. Swanson confirmed that the Council can create the committees, but the Ordinance does state that the Mayor would make the appointments.

**APPROVED APPOINTMENT OF INTERIM TOWN MANAGER PURSUANT TO N.C. GENERAL STATUTE § 160A-147 AND SECTION 2-2001 OF TOWN ORDINANCE.** Councilman Harvey made a motion that the Town hire Kenneth Bryan Steen as Interim Manager under the written agreement for employment as Interim Town Manager, a copy of which will be published with the minutes of this meeting, or such other substantially similar agreement approved and executed by the Mayor on behalf of the Town of Valdese, seconded by Councilwoman Ward.

**BURKE COUNTY  
NORTH CAROLINA**

**AGREEMENT FOR EMPLOYMENT AS INTERIM TOWN MANAGER**

**THIS AGREEMENT** for Employment as Interim Town Manager (hereinafter "Agreement") is made and entered into effective as of this the \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_ by and between the Town of Valdese North Carolina (hereinafter "Town"), by and through the Town Council of Valdese (hereinafter "Council") and Kenneth Bryan Steen, (hereinafter "Manager"), to establish and set forth the terms and conditions of the employment as the Interim Town Manager of the Town.

**WITNESSETH:**

**WHEREAS**, the Council and Manager believe it is important to thoughtfully consider guidelines that will be consistent with both the letter and the spirit of State law, and to the extent applicable, the Town's charter and personnel policies, and appropriately funded within the Town's budget;

**WHEREAS**, the Town desires to employ the services of the Manager as the Interim Manager of the Town, pursuant to the terms, conditions and provisions of this Agreement; and

**WHEREAS**, the Manager has agreed to accept employment as the Interim Manager of the Town, subject to and on the terms, conditions, and provisions agreed to and set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the Manager accepting employment with the Town, and other good and valuable consideration, including the mutual covenants herein contained, the receipt and

**December 18, 2023, MB#32**

legal sufficiency of which are hereby acknowledged, the Town and the Manager hereby contract, covenant, and agree as follows:

### **Section 1. Duties and Authority**

- A. The Manager shall be the chief administrator of the Town. The Manager shall be responsible to Council for administering all Town affairs placed in the Manager's charge by the Council, and shall have the following powers and duties:
- (1) He shall appoint and suspend or remove all Town officers and employees not elected by the people, and whose appointment or removal is not otherwise provided for by law, except the Town Attorney, in accordance with such general personnel rules, regulations, policies, or ordinances as the Council may adopt.
  - (2) He shall direct and supervise the administration of all departments, offices, and agencies of the Town, subject to the general direction and control of the Council, except as otherwise provided by law.
  - (3) He shall attend all meetings of the Council and recommend any measures that he deems expedient.
  - (4) He shall see that all laws of the State, the Town charter, and the ordinances, resolutions, and regulations of the Council are faithfully executed within the Town.
  - (5) He shall prepare and submit the annual budget and capital program to the Council.
  - (6) He shall annually submit to the Council and make available to the public a complete report on the finances and administrative activities of the Town as of the end of the fiscal year.
  - (7) He shall make any other reports that the Council may require concerning the operations of Town departments, offices, and agencies subject to his direction and control.
  - (8) He shall perform any other duties that may be required or authorized by the Council.

### **Section 2. Term**

Subject to earlier termination as provided for in Section 7, Subsection D hereof, the Manager shall render services to the Town as required under this Agreement commencing December 18, 2023 and continuing thereafter until the Town has secured the services of a fulltime Town manager.

### **Section 3. Salary and Benefits**

- A. In consideration of Manager's services and subject to the other provisions of this Agreement, the Town shall pay the Manager compensation during the term of this Agreement at the rate of \$100.00 per hour, payable in regular even increments, subject to all legal withholdings and deductions, and otherwise in accordance with the Town's normal payroll practices. The Manager will not be entitled to receive paid holiday, vacation or sick days. As a condition to the hourly rate agreed upon, the Manager has agreed to use his cellular phone in furtherance of the Manager's business without reimbursement or monthly stipend from the Town for said use.
- B. The Manager shall be reimbursed his documented out-of-pocket expenses reasonably incurred for conferences and meetings attended by the Manager in the course and scope of his duties, subject always to proper documentation, as well as the Town's policies and guidelines for expense reimbursement.
- C. The Manager will have no other employee benefits or emoluments of office other than those expressly provided in this Agreement. For avoidance of any doubt, the Manager shall not be

**December 18, 2023, MB#32**

a contributing member of Local Government Employees' Retirement System during employment.

#### **Section 4. Automobile and Mileage**

Mileage for employment-related travel outside the Town of Valdese while using the Manager's personal vehicle shall be reimbursed at the prevailing IRS allowable rate and consistent with the North Carolina Department of State Treasurer guidelines. Notwithstanding, the Manager is encouraged to use the Town provided vehicle as opposed to his personal vehicle for Town-related travel.

#### **Section 5. Indemnification**

To the fullest extent permitted by law and except as specifically limited by Town Ordinances, the Town shall defend, save harmless and indemnify the Manager against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of the Manager's duties, and shall obtain and keep in full force and effect liability insurance, or risk pool coverage, including Public Officials coverage on a "wrongful act" basis, in sufficient amounts to assure accomplishment of such hold harmless and indemnification; provided that this section shall not be construed as creating any right, cause of action, or claim of waiver or estoppels for or on behalf of any third party, nor shall it be construed as a waiver or modification of the availability of the defense of governmental immunity or any other legal defense available to either the Town or the Manager as to any third party; and provided further that the Town shall not indemnify or hold harmless the Manager from and with respect to any claim or liability for which the conduct of the Manager is found by the courts to have been outside the course and scope of employment or his official capacity as Interim Town Manager, grossly negligent or intentionally wrongful. The Town may compromise and settle any such claim or suit and will pay the amount of any settlement reached or judgment rendered on such claim or suit, for which the Town has a duty to defend, save harmless and indemnify the Manager hereunder as hereinbefore more specifically provided. This indemnification shall extend beyond and survive the termination of employment and the expiration of this Agreement.

#### **Section 6. Hours of Work and Time Off**

- A. It is recognized that the Manager will generally work a cumulative total of no more than thirty-two (32) hours per week. However, additional hours may be needed to resolve unforeseen complexities, new council projects, or respond to natural or manmade disasters that may occur during the term of this Agreement, not to conflict with the requirements or limits established by the North Carolina Retirement System. In such event, any additional time must be approved in advance and in writing by the Mayor.
- B. The Manager agrees to be available by telephone for consultation and advice at times that he is not physically working in the Town. The Manager also agrees to respond to the Town for emergency situations.

#### **Section 7. General Provisions**

- A. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.
- B. Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of North Carolina. Venue shall lie exclusively in Burke County, North Carolina.
- C. Entire Agreement. This Agreement incorporates all the agreements, covenants and understandings between the Town and the Manager concerning the subject matter hereof, and all such covenants, agreements and understandings have been merged into this written Agreement. No other prior agreements or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.
- D. Amendment. This Agreement shall not be modified or amended except by a vote of the Council, and,



December 18, 2023, MB#32

I. Ethical Commitments. Manager will at all times uphold the tenets of the ICMA Code of Ethics, which is incorporated herein by reference. Specifically, Manager shall not endorse candidates, make financial contributions, sign or circulate petitions, or participate in fund- raising activities for individuals seeking or holding elected office, nor seek or accept any personal enrichment or profit derived from confidential information or misuse of public time.

The Town and Council will support the Manager in keeping these commitments by refraining from any order, direction or request that would require the Manager to violate the ICMA Code of Ethics. Specifically, neither the governing body nor any individual member thereof shall request Manager to endorse any candidate, make any financial contribution, sign or circulate any petition, or participate in any fund-raising activity for individuals seeking or holding elected office, nor to handle any matter of personnel on a basis other than fairness, impartiality and merit.

If the Manager is found to have violated the ICMA Code of Ethics, the Town, through Council, may terminate the Manager for cause.

J. Return of Materials. Upon the request of the Town and, in any event, upon the Manager's resignation and/or termination, the Manager shall immediately deliver to the Town all documents and property created or compiled by the Manager, furnished to the Manager, or acquired by the Manager by virtue of or during the course of the Manager's employment under this Agreement.

K. Effective Date. The "Effective Date" of this Agreement shall be the date of the last party to sign.

**PRE-AUDIT CERTIFICATE**

This Agreement has been pre-audited pursuant to North Carolina General Statute§ 159-28 in the manner required by the Local Governmental Budget and Fiscal Control Act.

\_\_\_\_\_  
BO WEICHEL, Chief Financial Officer

Approved as to form on behalf of the Town this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
TIMOTHY D. SWANSON, Attorney

**IN WITNESS WHEREOF,** the Town and the Manager have executed this Agreement effective as of the date first written above.

(SEAL)

ATTEST:

\_\_\_\_\_  
Jessica Lail, Town Clerk

THE TOWN OF VALDESE,  
a North Carolina Municipal Corporation

By: \_\_\_\_\_  
CHARLES WATTS, Mayor

\_\_\_\_\_  
KENNETH B. STEEN, Interim Town Manager  
Town of Valdese

Councilman Harvey made the following comments:

December 18, 2023, MB#32

MR MAYOR, I ADDRESS MY COMMENTS IN SUPPORT OF THIS MOTION TO YOU

- PER ROBERT'S RULES OF ORDER, BUT WILL SPEAK INTO THE MICROPHONES
- I WILL PROVIDE A COPY OF MY COMMENTS TO THE TOWN CLERK AND REPORTERS

AS YOU, OTHER MEMBERS OF COUNCIL, AND THE UNC-SCHOOL OF GOVERNMENT FACULTY KNOW – THE MOST IMPORTANT DECISION A TOWN COUNCIL MAKES IS – HIRING THE TOWN MANAGER.

VALDESE WAS FOUNDED ON RELIGIOUS PREMISES AND HAS BEEN BLESSED IN MANY WAYS. THIS MONTH, AS WE ARE REMINDED OF THE REASON FOR THE SEASON, VALDESE HAS BEEN TWICE BLESSED. THIS MOTION ENABLES THE SECOND BLESSING.

THE FIRST BLESSING FOR CITIZENS AND EMPLOYEES WAS THE GENEROUS CONTRIBUTION OF 4 WEEKS OF DEDICATED SERVICE, BY AN EXECUTIVE WHOSE MANAGERIAL EXPERIENCE MAY BE THE MOST EXTENSIVE OF ANY OTHER RESIDENT. AMONG FULFILLING OTHER MANAGER RESPONSIBILITIES...

- MR EDDIE PERROU HAS INSTILLED A SENSE OF CALM IN EMPLOYEES WHO HAD BEEN UNDER A TOXIC WORKPLACE CLOUD OF BELIEVING THEIR JOBS WERE AT STAKE WITH THE ELECTION.

WITH BRYAN STEEN ON THE JOB, WHILE THE COUNCIL SEARCHES FOR A PERMANENT MANAGER, VALDESE WILL BE SERVED BY A LEVEL OF GOVERNMENTAL MANAGEMENT EXPERIENCE THAT NEITHER VALDESE NOR ANY OTHER COMPARABLE NC TOWN, HAS EVER KNOWN. BRYAN STEEN...

- RECENTLY RETIRED AFTER 11 YEARS AS BURKE COUNTY MANAGER, WHERE HIS SPAN OF RESPONSIBILITY WAS TEN TIMES WHAT IT WILL BE IN VALDESE, WITH:...
  - 800 EMPLOYEES AND A \$100 MILLION BUDGET
- HIS BROAD PRIOR EXPERIENCE INCLUDED 3 YEARS - AS "SUPERINTENDENT OF STREET MAINTENANCE" FOR THE CITY OF SANFORD NC –WITH 130 MILES OF STREETS TO MAINTAIN.
- BRYAN STEEN WAS IN LAW ENFORCEMENT FOR 18 YEARS. INCLUDING THE NC DEPARTMENT OF JUSTICE AND 9 YEARS ON THE NC STATE HIGHWAY PATROL, AS A "MASTER TROOPER."

THE MANDATE FROM VALDESE CITIZENS DEMANDS THAT THE POLICE CHIEF VACANCY BE ADDRESSED IMMEDIATELY. MR STEEN'S DEEP LAW ENFORCEMENT EXPERIENCE IS A NATURAL FIT WITH THAT NEED!

IN SPEAKING WITH HUNDREDS OF CITIZENS OVER THE PAST 4 MONTHS, THREE CURRENT COUNCIL MEMBERS HEARD THIS SCENARIO IN EXPRESSED IN DIFFERENT WAYS. "WE SEE DRUG DEALS HAPPENING EVEN ON MAIN STREET, WITH NO POLICE INTERVENTION, YET CITIZENS ARE BEING FINED AND THREATENED WITH THE "ARREST" OF THEIR PETS, SIMPLY ON ONE OFFICER'S INTERPRETATION OF THE LEASH ORDINANCE. VALDESE NEEDS A MANAGER, A FULLY-STAFFED POLICE DEPARTMENT, AND A POLICE CHIEF IN PLACE NOW.

MR MAYOR, YOU AND ALL OF THE COUNCIL MEMBERS HAVE INTERVIEWED MR STEEN AND TWO OTHER CANDIDATES. WE STUDIED THEIR RESUMES AND THE BUDGETS AND WEBSITES THEY MANAGED. WE LIKED WHAT WE SAW. HOWEVER, MR STEEN'S EXPERIENCE IS SO EXCEPTIONAL THAT HIS AVAILABILITY WILL TRULY BE A BLESSING TO OUR TOWN AT THIS TIME.

MAY WE PLEASE RESPECTFULLY COMPLETE OUR DISCUSSION AND VOTE ON THIS MOTION.

**VOTE:** The vote was unanimous.

**NOT APPROVED CONSIDERATION OF AMENDMENT OF TOWN COUNCIL RULES OF PROCEDURES PURSUANT TO RULE 33 OF THE VALDESE TOWN COUNCIL – RULES OF PROCEDURE.** Mayor Watts shared that this amendment would require a 2/3 vote.

Councilman Harvey made a motion to approve the amendment to the Rules of Procedures pursuant to Rule 33 of the Valdese Town Council – Rules of Procedures as presented, seconded by Councilwoman Ward.

**PROPOSED AMENDMENTS TO  
VALDESE TOWN COUNCIL - RULES OF PROCEDURES  
June 5, 2023, Ordinance Book No. 9**



**Rule 4. Agenda**

1) **MOTION to amend “Rule 4, Agenda section (a)” of the Valdese Town Council – Rules of Procedures by striking the words, “electronic” and “on their iPads” by Friday afternoon” as illustrated below and inserting the words in bold underlined, as shown in context below, to issue the agenda packages ten days before the meeting for ten of the twelve regular council meetings.**

**(a) Proposed Agenda.** The town clerk shall prepare a proposed agenda for each meeting. A request to have an item of business placed on the agenda must be received at least ten days before the meeting. Any council member may, by a timely request, have an item placed on the proposed agenda. A copy of all proposed ordinances shall be attached to the proposed agenda. An agenda package shall be prepared that includes, for each item of business placed on the proposed agenda, as much background information on the subject as is available and feasible to reproduce. Each council member shall receive the ~~electronic, proposed agenda and agenda package on their iPads~~ by Friday afternoon prior to the Monday meeting **for the January meeting and the June meeting with the new budget and ten (10) days prior to all other regularly scheduled council meetings**, and proposed agenda shall be available for public inspection and distribution or copying when it is distributed to the council members.

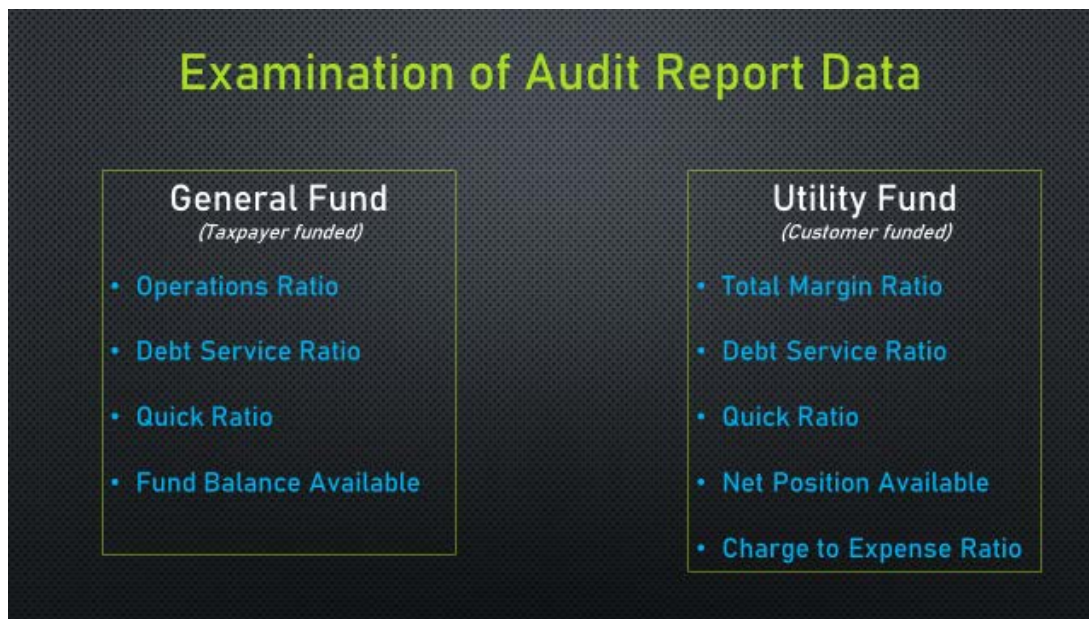
2) **MOTION to amend “Rule 4. Agenda” of the Valdese Town Council – Rules of Procedures by striking section “Rule 4. (b) Consent Agenda” and to amend “Rule 6. Order of Business” Accordingly.**

~~(b) **Consent Agenda.** The council may designate a part of the agenda as the “consent agenda.” Items shall be placed on the consent agenda by those preparing the proposed agenda if they are judged to be noncontroversial and routine. Any member may remove an item from the consent agenda and place under “Item(s) Removed From Consent Agenda.” All items on the consent agenda shall be voted on and adopted by a single motion, with the minutes reflecting the action on each item.~~

Council members discussed the pros and cons of the amended recommendations.

**VOTE:** Councilman Harvey – Yes, Councilman Ogle – Yes, Councilwoman Ward – Yes, Councilwoman Lowman – No, Councilman Mears – No. The motion did not carry.

**PRELIMINARY AUDIT HIGHLIGHTS** Assistant Town Manager/CFO Bo Weichel shared that our audit has been completed, and the auditors will give a report at the next meeting. Mr. Weichel shared some highlights from the audit report.



## General Fund : Operations Ratio

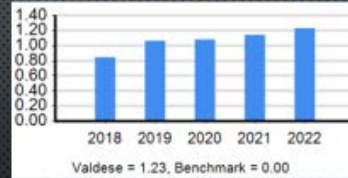
$(\text{total revenues} / \text{total expenditures} \& \text{ transfers out})$

Measures whether the Town's annual revenues are sufficient to pay for annual operations.

### p.18 Statement of Rev & Exp.

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
All valdese taxes	\$ 2,480,941	\$ 2,380,300	\$ 2,478,847	\$ 98,547
Other taxes and licenses	1,463,839	1,463,838	1,837,714	373,875
Donor-based intergovernmental revenues	589,808	786,721	603,216	(183,511)
Restricted intergovernmental revenues	146,308	146,308	681,698	535,390
Fees and services	558,454	685,194	348,232	(209,962)
Investment earnings	-	-	418,278	418,278
Other revenues	77,833	(26,158)	(52,235)	(128,393)
<b>Total revenues</b>	<b>5,257,007</b>	<b>5,351,814</b>	<b>6,336,847</b>	<b>1,010,791</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	1,081,794	1,088,981	895,158	173,823
Public safety	2,148,136	2,211,048	2,167,118	(44,930)
Transportation	532,598	564,129	409,668	(154,461)
Environmental protection	363,472	379,513	342,643	(26,870)
Cultural and recreational	1,201,096	1,320,121	1,278,819	(41,302)
Debt service	-	-	-	-
Principal	162,319	162,319	162,319	-
Interest and other charges	97,024	97,024	97,024	-
<b>Total expenditures</b>	<b>5,245,266</b>	<b>5,350,096</b>	<b>5,350,096</b>	<b>440,830</b>
Revenues over (under) expenditures	(247,013)	(98,282)	1,010,751	1,343,686
<b>Other Financing Sources (Uses)</b>				
Appropriated fund balance	158,055	443,380	-	(443,380)
Operating transfers - in (out)	97,860	97,860	(97,860)	(153,270)
Total other financing sources (uses)	255,915	541,240	(97,860)	(282,185)
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,046,927</b>	<b>\$ 1,046,927</b>

### Prior Five Years:



2023: 1.19

The ratio of 1.19 means Valdese is able to maintain current services based on revenues being collected.

## General Fund: Debt Service Ratio

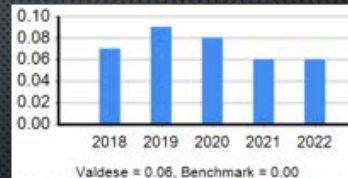
$(\text{debt service} / \text{total expenditures} \& \text{ transfers to debt service fund})$

Measures the amount of expenditures committed to annual debt service payments.

### p.18 Statement of Rev & Exp.

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Total other financing sources (uses)	255,915	541,240	(97,860)	(282,185)
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,046,927</b>	<b>\$ 1,046,927</b>

### Prior Five Years:



2023: 0.05

The ratio of 0.05 means Valdese is slightly reliant on issuing debt. Approximately 5% of our expenses are used on debt principal & interest. It has been several years since Valdese issued debt, thus the small decrease as debt is paid off.

## General Fund: Quick Ratio

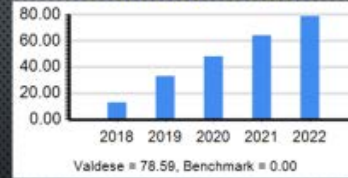
$(\text{cash} \& \text{ investments} / \text{current liabilities})$

Also known as liquidity, this ratio assesses the ability to meet short-term obligations.

### p.14 Balance Sheet

	May 2023
<b>Assets</b>	
Cash and investments	\$ 7,258,921
Restricted cash and investments	221,062
Taxes receivable, net	99,861
Accounts receivable, net	60,584
Due from other funds	52,770
Due from other governmental agencies	486,813
Prepaid expenses	28,023
Inventories	163,872
<b>Total assets</b>	<b>\$ 8,171,905</b>
<b>Liabilities and Fund Balance</b>	
<b>Liabilities:</b>	
Accounts payable and other current liabilities	\$ 335,545
Due to other funds	-
<b>Total liabilities</b>	<b>335,545</b>

### Prior Five Years:



2023: 53.55

Valdese decreased in 2023 after several years of increases, nothing to be alarmed about. Staying above 30.00 is a strong indicator that shows the Town is in a healthy financial condition to handle an economic slowdown or even a brief recession without a reduction to services or staffing.

## General Fund: Fund Balance "Available"

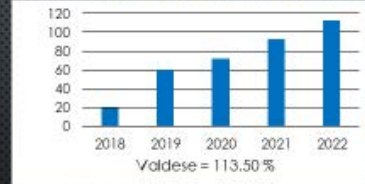
(unassigned funds / total expenditures & transfers out)

# \$6,587,565

Measured as a percentage of the amount of funds available compared to total expenditures. Commonly referred to as "savings".

Total expenditures	\$355,041	
Revenues over (under) expenditures	1,805,306	
<b>p. 18 Statement of Rev &amp; Exp.</b>		
Other Financing Sources (Uses):		
Operating transfers - in	925,321	28,023
Operating transfers - out	(881,700)	163,872
Restricted:		
Stabilization by State Statute		748,932
Encumbrances		148,766
Town revitalization		-
Streets		68,154
Committed:		
USDA reserve		152,998
Assigned:		
Capital projects		-
Subsequent year's expenditures		238,279
Unassigned		<b>\$6,587,565</b>

### Prior Five Years:



**2023: 105.62%**

Our fund balance is healthy. This allows the Town to 1) take advantage of time sensitive opportunities 2) invest in large projects without borrowing 3) increase interest earned on investments 4) covers unforeseen events and emergencies.

8% = 1 month of expenses → 105% = 13 months of expenses

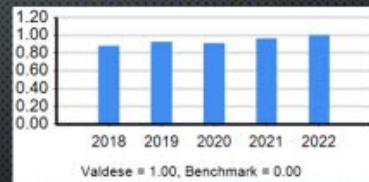
## Water/Sewer Fund: Total Margin Ratio

(total resources available / total resources outflow)

Measures the equity of a governmental business to determine if the operation is living within its financial means.

<b>p.20</b>		Statement of Revenues, Expenses and Changes in Fund Net Position
		Proprietary Fund
		For the Year Ended June 30, 2023
		Category Fund
		Level
Operating Revenues:		Fund
Charges for services	\$ 1,881,818	
Other operating revenues	1,000,000	
Total operating revenues	<b>2,881,818</b>	
Operating Expenses:		
Administration	1,132,534	
Water supply and treatment	1,288,964	
Wastewater treatment	1,071,099	
Water and sewer maintenance	911,624	
Depreciation	1,371,571	
Total operating expenses	<b>5,875,792</b>	
Operating income (loss)	(2,993,974)	
Nonoperating Revenues (Expenses):		
Gain	908	
Investment earnings	31,284	
Interest expense	(48,149)	
Other	242,434	
Nonoperating revenues (expenses), net	<b>226,477</b>	
Income (loss) before operating transfers and capital contributions	\$6,784	
Capital contributions	37,841	
Specialized Fund Revenue/Other Funds		
General Fund	1,000,000	
Capital project funds	1,000,000	

### Prior Five Years:



**2023: 1.08**

Operating above 1.0 means Valdese's business of providing water and sewer is operating within our means. Staying closer to 1.0 indicates we are not over charging for these services but also not building reserves for future expansion or repairs.

## Water/Sewer Fund: Debt Service Ratio

(debt service / total expenditures & other financing sources and use + principal)

Measures the amount of expenditures committed to annual debt service payments.

<b>p.20</b>		Statement of Revenues, Expenses and Changes in Fund Net Position
		Proprietary Fund
		For the Year Ended June 30, 2023
		Category Fund
		Level
Operating Revenues:		Fund
Charges for services	\$ 1,881,818	
Other operating revenues	1,000,000	
Total operating revenues	<b>2,881,818</b>	
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Income (loss) before operating transfers and capital contributions	\$6,784	
Capital contributions	37,841	
Specialized Fund Revenue/Other Funds		
General Fund	1,000,000	
Capital project funds	1,000,000	

### Prior Five Years:



**2023: 0.06**

<b>p.91</b>		Utility Fund
		Statement of Expenditures - Budget and Actual (Non-GAAP)
		For the Year Ended June 30, 2023
		Budget
		Actual
Expenditures (Continued):		
Payment on debt principal	318,448	<b>\$310,448</b>
Interest and fees	50,290	<b>\$48,300</b>

The ratio of 0.06 means Valdese is slightly reliant on issuing debt. Approximately 6% of our expenses are used on debt principal & Interest. Some of this debt is very low interest rates through the Division Water Infrastructure.

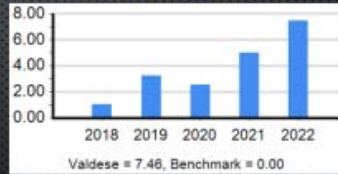
## Water/Sewer Fund: Quick Ratio

Also known as liquidity, this ratio assesses the ability to meet short-term obligations.

TOWN OF VALDESE, NORTH CAROLINA  
Exhibit 8  
Statement of Fund Net Position  
Proprietary Fund  
June 30, 2023

	Balance Fund	Ratio
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 10,000,000	
Accounts receivable, net	187,183	
Inventory	104,440	
Prepaid expenses	5,116	
Material and work-in-progress	30,000	
Total current assets	10,326,739	
Noncurrent assets:		
Capital assets:		
Land and improvements	3,000,000	
Buildings and improvements	28,268,276	
Infrastructure systems	28,096,412	
Furniture and maintenance equipment	81,000	
Vehicle	702,000	
Construction in progress	47,000	
Long-term investments	25,000,000	
Capital assets, net	56,886,688	
Total noncurrent assets	56,886,688	
Total assets	67,213,427	
Deferred Outflow of Resources	451,212	
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and other current liabilities	46,200	
Current deposits	20,000	
Current obligations - bonds payable - current	12,000	
Long-term liabilities - current	120,000	
Total current liabilities	188,200	

Prior Five Years:



2023: 10.84

A Quick Ratio less than 1.0 would indicate owing more for our current bills than what we have on hand. This would indicate that the fund may have difficulty paying its current bills. Scoring a 10.84 is a strong indication the water/sewer system continues to be sustainable.

## Water/Sewer Fund: Net Position Ratio

Compares the unrestricted net position to the total liabilities, including long-term obligations, to determine how solvent the business activities are.

TOWN OF VALDESE, NORTH CAROLINA  
Exhibit 8  
Statement of Fund Net Position  
Proprietary Fund  
June 30, 2023

Total liabilities	6,975,000
Deferred Inflow of Resources	70,324
<b>Net Position</b>	<b>18,815,319</b>
Total net position	18,815,319

Prior Five Years:



2023: 69.24%

Our Water/Sewer fund has fluctuated up and down over the past few years. The current net position is better than recent years but could be volatile based on continued rising costs of production.

8% = 1 month of expenses

69% = 8.6 months of expenses

## Water/Sewer Fund: Charge to Expense Ratio

Measures self-sufficiency of the fund by comparing the extent to which charges for services covered total expenses.

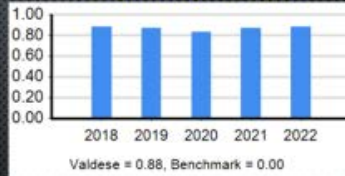
Revenues: p.88 Statement of Rev

	2022	2021
Operating revenues:		
Charges for services:		
Water charges	\$ 2,712,000	\$ 2,986,812
Wastewater charges	1,199,950	1,117,156
Contract sales	730,780	929,596
Total charges for services	4,642,730	5,033,564

Operating Expenses: p.20 Statement of Rev & Exp.

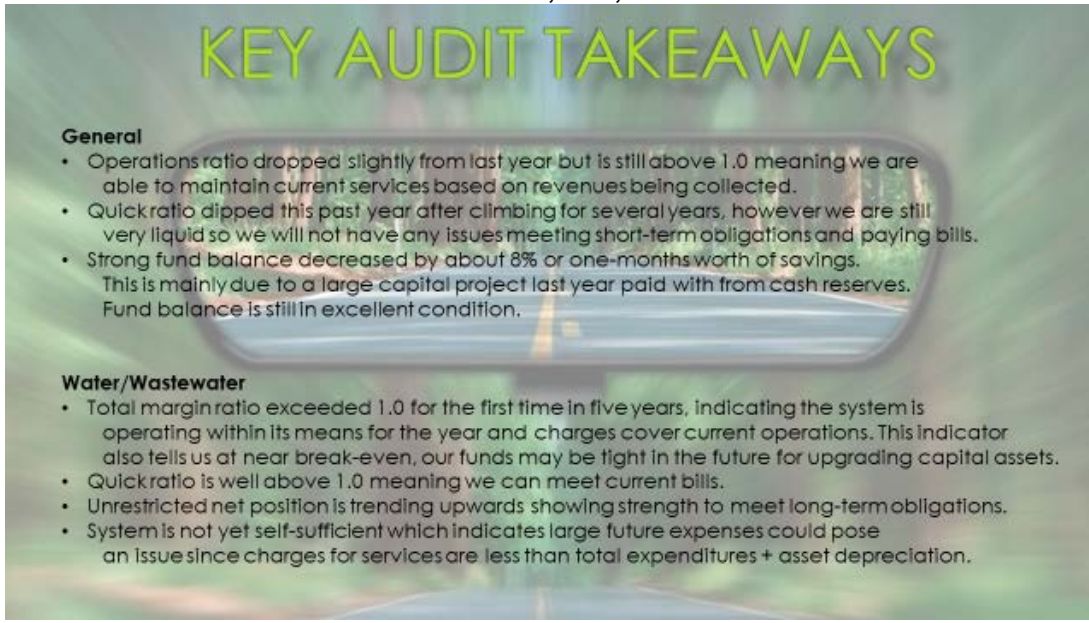
Administrative	1,122,824
Water supply and treatment	1,380,964
Wastewater treatment	1,871,959
Water and sewer maintenance	91,167
Depreciation	1,371,331
Total operating expenses	6,848,235
Operating income (loss)	(1,205,505)
Nonoperating Revenue (Expense):	
Fine	608
Investment earnings	31,284
Interest expense	(48,140)
Other	252,476
Nonoperating revenues (expense), net	236,128

Prior Five Years:



2023: 0.89

Fully self-sufficient would be a 1.0 meaning we are charging the correct rates to maintain the water/sewer system. Expense includes depreciation because it factors in the age of the assets in the calculation. At the current rate, operating expense, and age of the system we are not quite self-sufficient.



## KEY AUDIT TAKEAWAYS

**General**

- Operations ratio dropped slightly from last year but is still above 1.0 meaning we are able to maintain current services based on revenues being collected.
- Quick ratio dipped this past year after climbing for several years, however we are still very liquid so we will not have any issues meeting short-term obligations and paying bills.
- Strong fund balance decreased by about 8% or one-months worth of savings. This is mainly due to a large capital project last year paid with from cash reserves. Fund balance is still in excellent condition.

**Water/Wastewater**

- Total margin ratio exceeded 1.0 for the first time in five years, indicating the system is operating within its means for the year and charges cover current operations. This indicator also tells us at near break-even, our funds may be tight in the future for upgrading capital assets.
- Quick ratio is well above 1.0 meaning we can meet current bills.
- Unrestricted net position is trending upwards showing strength to meet long-term obligations.
- System is not yet self-sufficient which indicates large future expenses could pose an issue since charges for services are less than total expenditures + asset depreciation.

Councilman Harvey thanked Mr. Weichel and said he had exceeded his expectations.

**APPROVED BUDGET AMENDMENT TO APPROPRIATE FUNDS FROM GENERAL FUND FOR AGREEMENT WITH WPGOG** Assistant Town Manager/CFO Bo Weichel presented the following Budget Amendment for the Contract with WPCOG for Strategic Planning:

Valdese Town Council Meeting

Monday, December 18, 2023

Budget Amendment #

7-10

Subject:

Contract with WPCOG for Strategic Planning

Description:

This amendment covers the expense for technical assistance from WPCOG for strategic planning including public survey, and multiple public input sessions per contract.

**Proposed Action:**

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2024:

**Section I:**

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
10.3990.000	General Fund Balance Appr.		8,030
Total		\$0	\$8,030

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.4200.040	Professional Services	8,030	
Total		\$8,030	\$0

**Section II:**

Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

Councilwoman Lowman made a motion to appropriate funds from the general fund for the agreement with the WPCOG for Strategic Planning, seconded by Councilman Mears. The vote was unanimous.

**TABLED BUDGET AMENDMENT TO APPROPRIATE FUNDS FROM THE GENERAL FUND FOR ENGAGEMENT OF TOWN MANAGER OR INTERIM MANAGER** Mayor Watts noted that the Interim Manager's salary would need a budget amendment but must be moved to January's meeting.

Councilwoman Ward made a motion to table the Interim Manager's salary Budget Amendment until January, seconded by Councilman Harvey. The vote was unanimous.

Mayor Watts noted that *Item 7* was a Closed Session, but he did not see a need to do that tonight.

**ADJOURNMENT:** At 7:19 p.m., there being no further business to come before Council, Councilman Mears made a motion to adjourn, seconded by Councilwoman Lowman. The vote was unanimous.

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Mayor

jl

AGREEMENT BETWEEN THE  
WESTERN PIEDMONT COUNCIL OF GOVERNMENTS AND  
THE TOWN OF VALDESE  
FOR THE PROVISION OF  
STRATEGIC PLANNING ASSISTANCE:  
**JANUARY 1, 2024 – APRIL 30, 2024**

This AGREEMENT, entered on this the first day of January 1, 2024, by and between the Western Piedmont Council of Governments (hereinafter referred to as the "Planning Agency") and the Town of Valdese, North Carolina (hereinafter referred to as the "Local Government"); WITNESSETH THAT:

WHEREAS, the Planning Agency is empowered to provide technical assistance by the North Carolina General Statutes and by resolution passed by the Planning Agency on April 17, 1972. Technical assistance shall consist of the provision of services as described in Attachment A, which is herein made a part of this Contract;

WHEREAS, the Local Government has requested the Planning Agency to provide such technical assistance to the Local Government and;

WHEREAS, the Planning Agency desires to cooperate with the Local Government in every way possible to the end that the proposed activities are carried out in an efficient and professional manner.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Personnel.** That during the period of this Contract, the Planning Agency will furnish the necessary trained personnel to the Local Government.
2. **Travel/Printing.** Normal travel and training for Planning Agency staff is included in this Proposal and no additional travel is expected unless requested by the Local government. If requested and approved in advance by Town Council, the Local Government will pay for expenses related to conferences, conventions, seminars, or other unexpected expenses related to the Local Government's planning program, or if it is beneficial to both parties, the costs will be shared on an agreed-upon ratio.
3. **Compensation.** That for the purpose of providing the funds for carrying out this Contract, the Local Government will pay the Planning Agency as indicated in Attachment A: Work Plan/Budget.

4. **Termination/Modifications.** The Local Government may terminate the Contract with or without cause by giving the Planning Agency a thirty-day written notice. Furthermore, if there is a need to amend the proposal outlined in Attachment A, either party may do so with the written consent of the other.
5. **Time of Performance.** The Planning Agency shall ensure that all services required herein shall be completed and all required reports, maps, and documents submitted during the period beginning January 1, 2024, and ending April 30, 2024.
6. **Interest of Members, Officers, or Employees of the Planning Agency, Members of the Local Government, or Other Public Officials.** No member, officer, or employee of the Planning Agency or its agents; no member of the governing body of the locality in which the program is situated; and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The Planning Agency shall incorporate, or cause to be incorporated, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.
7. **Nondiscrimination Clause.** No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination with any program or activity funded in whole or in part with funds available under the Housing and Community Development Act of 1974, Section 109.
8. **Age Discrimination Act of 1975, as amended.** No qualified person shall on the basis of age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.
9. **Section 504, Rehabilitation Act of 1973, as amended.** No qualified handicapped person shall, on the basis of handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.



IN WITNESS WHEREOF, the Planning Agency and the Local Government have executed this Agreement as of the date first above written.

LOCAL GOVERNMENT:  
TOWN OF VALDESE

PLANNING AGENCY:  
WESTERN PIEDMONT COUNCIL  
OF GOV'TS.

By: \_\_\_\_\_  
Mayor

By: \_\_\_\_\_  
Executive Director

PLANNING AGENCY:

By: \_\_\_\_\_  
Interim Town Manager

By: \_\_\_\_\_  
Chair

Pre-audit statement:

This instrument has been preaudited in the manner prescribed by the Local Government Budget and Fiscal Control Act.

By: \_\_\_\_\_  
Local Government Finance Officer

ATTACHMENT A  
TOWN OF VALDESE  
STRATEGIC PLANNING ASSISTANCE:  
**JANUARY 1, 2024 – APRIL 30, 2024**  
WORK PROGRAM/BUDGET

The following work program and budget are presented as descriptive of the work and dollar amounts called for in the agreement concerning planning activities by the Western Piedmont Council of Governments for the Town of Valdese. The product(s) of the planning activities shall be:

WORK PROGRAM

The Town of Valdese Council requested the following proposal from Western Piedmont Council of Governments (WPCOG) for the creation of a strategic plan. The Council finds the need to address public ideas and concerns as they move forward with a future action plan, fiscal year budget, and capital improvement plan. The Council requested the WPCOG to assist with the creation of a strategic plan including facilitate public forums/meetings, conduct surveys, and collect data to obtain public input. The means of collecting public input will consist of mailings, internet outreach, and group meetings to analyze the public's opinion of Valdese's strengths, weaknesses, opportunities, and threats (SWOT analysis).

WPCOG will provide the Council with the results from the public meetings by using visualization materials, data and quotes produced from the survey, and prioritized results from a public SWOT analysis. The WPCOG will lead the Council through a similar SWOT Analysis during a work session to produce a draft strategic plan. The Council shall control final editing and approval of the strategic plan content.

WPCOG staff will analyze the Council's responses to the SWOT Analysis and compare similarities and differences with the public's responses to the SWOT Analysis. WPCOG will share best practices with public education and dissemination of public information. The Council will determine the fiscal year 2025 budget and any needed updates to the capital improvement plan/budget based on public input and the priorities established during the Council work session. WPCOG will provide personnel to facilitate the following meetings/forums, initiatives, and schedules to accommodate the planning process:

- The beginning date for the project will be the 1<sup>st</sup> day of the month following Council's approval of the Agreement for the Provision of Strategic Planning Assistance
- WPCOG will construct and release/circulate a public survey to the citizens of Valdese to obtain public feedback concerning public ideas and concerns regarding the Town's future action plan, fiscal year budget, and/or capital improvement plan, with a closing date for the survey to be set prior to the Council work session for WPCOG data analysis.
- WPCOG will attend and participate in two to three public input sessions (SWOT Analysis) for Town businesses and residents to be held in January 2024 at the Old Rock School. WPCOG will work with the Town to schedule ideal dates and times for these events.
- WPCOG will attend and participate in two Town Council meetings as follows:
  - One work session to be held at the end of February 2024 to review the public input feedback and conduct the Council SWOT assessment/Council identification of priorities.
  - Presentation of the final document and findings to the Town Council in early March

2024.

- The time of performance under the Agreement for the Provision of Strategic Planning Assistance will be January 1, 2024 - April 30, 2024, and will allow for any transfer of information, needed clarification, and/or reasonable delays not otherwise foreseeable by the parties
- Travel, supplies, and all other associated costs to facilitate this project will be included in the contract price as set forth below, except the printing and mailings, for which the Town of Valdese will pay for the paper, ink, and staff time to mail letters/postcards.
- As part of the process outlined herein, WPCOG will provide a brief demographic analysis within the final document and findings presented to Town Council to provide context to its analysis.
- The Town will communicate and provide guidance to WPCOG staff regarding significant issues that arise during the planning process.
- The Town will assist in promoting the survey and public input sessions.
- WPCOG will coordinate with Town staff and officials in drafting the plan.

### BUDGET

Please indicate below with a check mark which option the Town of Valdese chooses:

       Total proposal cost without WPCOG providing mailings.

The contract budget, including all salaries, fringe benefits, travel expenses, and indirect costs, totals \$3,770.00 (Three thousand seven hundred seventy dollars) during the period beginning January 1, 2024, and ending April 30, 2024. This fee will be billed lump sum in April 2024.

  X   Total proposal cost with WPCOG providing mailings.

The contract budget, including all salaries, fringe benefits, travel expenses, and indirect costs, totals \$8,030.00 (Eight thousand thirty dollars) during the period beginning January 1, 2024, and ending April 30, 2024. This fee will be billed lump sum in April 2024.

**PROPOSED NEW TOWN OF VALDESE AD HOC COMMITTEES**  
**For Consideration by the Town Council on January 8, 2024**

**If established, the members of each committee will be appointed at the first possible opportunity.**

**Efficiency Task Force**

Scope: To assist the Interim Town Manager in an in-depth analysis of each town operation, as the manager develops the 2024-25 Annual Budget.

Period of Service: through the development and adoption of the 2024-25 budget which must be adopted by June 30, 2024.

Members: Five (5) individuals with in-depth experience in enterprises or complex operations, as senior managers, financial officers, or project leaders. It is anticipated that members will be recruited through visits with local manufacturing company CEOs or plant managers. Citizens are welcome to submit nominations. Additional nominees for task force appointment may be submitted to the proposing council members Ward, Ogle, and Harvey.

**Drug and Homeless Advisory Task Force**

Scope: to address homelessness and the physical and mental issues underlying our drug and crime issues; coordinating efforts of churches, local agencies, and an evolving Burke County initiative to advise the Town Council these matters.

Period of Service: One year, subject to the Task Force's conclusion about whether to have a standing board or committee in this area.

Members: A minimum of five (5) members with special interests or experience in related areas who, in turn, may expand the task force membership for additional help or expertise. Citizens are welcome to submit nominations to the proposing council members Ward, Ogle, and Harvey.

**Facilities Review Board**

Scope: A standing board that will advise the manager and council in the management, maintenance, improvements, or construction of the Town's properties. Since this board will oversee real property, much as the planning board oversees land use, the manager and initial members will develop a charter structured similar to the Planning Board.

Members: Five (5) members with extensive experience in construction or management of the professions and trades involved with both renovation and new construction. Citizens are welcome to submit nominations to the proposing council members Ward, Ogle, and Harvey.

**A RESOLUTION BY THE TOWN OF VALDESE TOWN COUNCIL TO ESTABLISH AN AD HOC EFFICIENCY TASK FORCE COMMITTEE**

WHEREAS, the Town Council is responsible for adopting an annual budget and desires to form an Ad Hoc Efficiency Task Force Committee to assist the Town Manager in conducting an in-depth analysis of each Town operation as the Town Manager develops the 2024-25 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED that there is hereby established the Ad Hoc Efficiency Task Force Committee, the membership of which shall be appointed by Town Council and shall include five (5) members who shall have in-depth experience in enterprises or complex business operations.

BE IT FURTHER RESOLVED that the Ad Hoc Efficiency Task Force Committee shall have authority to elect its own chairman, promulgate its own rules of order, and develop its own schedule of meetings, which meetings shall be conducted in accordance with North Carolina Open Meeting Laws, N.C. Gen. Stat. Ch. 143, Art. 33C, §§ 143-318.9 through -318.18. Each member on the Ad Hoc Efficiency Task Force Committee shall serve until approval of the 2024-25 Annual Budget by Town Council unless otherwise removed by Town Council, which may be done at any time, with or without cause.

BE IT FURTHER RESOLVED that the Ad Hoc Efficiency Task Force Committee shall evaluate, consider, review, and make recommendations to Town Council and the Town Manager regarding the Town’s operations. The Ad Hoc Efficiency Task Force Committee may solicit input from the public that may assist with its duties. The Ad Hoc Efficiency Task Force Committee shall issue a final written report of its findings and recommendations to Town Council no later than the last day of April each year, or as otherwise requested by council.

THIS RESOLUTION IS ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

THE TOWN OF VALDESE,  
a North Carolina Municipal Corporation

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Charles Watts, Mayor

\_\_\_\_\_  
Jessica Lail, Town Clerk

**A RESOLUTION BY THE TOWN OF VALDESE TOWN COUNCIL TO ESTABLISH AN AD HOC DRUG AND HOMELESS ADVISORY TASK FORCE COMMITTEE**

WHEREAS, the Town Council is committed to making the Town of Valdese a desirable and inviting community for all citizens and desires to establish an Ad Hoc Drug and Homeless Advisory Task Force Committee to explore ways to address substance abuse and homelessness in the Town of Valdese.

NOW, THEREFORE, BE IT RESOLVED that there is hereby established the Ad Hoc Drug and Homeless Advisory Task Force Committee, the membership of which shall be appointed by Town Council and shall include five (5) members who shall have special interest, experience and/or expertise in addressing homelessness and/or the issues surrounding drug use and related criminal activity.

BE IT FURTHER RESOLVED that the Ad Hoc Drug and Homeless Advisory Task Force Committee shall have authority to elect its own chairman, promulgate its own rules of order and develop its own schedule of meetings, which meetings shall be conducted in accordance with North Carolina Open Meeting Laws, N.C. Gen. Stat. Ch. 143, Art. 33C, §§ 143-318.9 through -318.18. Each member of the Ad Hoc Drug and Homeless Advisory Task Force Committee shall serve for a period of one (1) years unless otherwise removed by Town Council, which may be done at any time, with or without cause.

BE IT FURTHER RESOLVED that the Ad Hoc Drug and Homeless Advisory Task Force Committee shall evaluate, consider, review, and make recommendations to Town Council regarding ways to address substance abuse and homelessness in the Town of Valdese and develop and/or improve programs to assist in this mission. The Ad Hoc Homeless and Advisory Task Force Committee may solicit input from the public that may assist with its duties. The Ad Hoc Homeless and Advisory Task Force Committee shall issue a written report of its findings and recommendations to Town Council annually on or before December 31 of each year, or as otherwise requested by council.

THIS RESOLUTION IS ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

THE TOWN OF VALDESE,  
a North Carolina Municipal Corporation

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Charles Watts, Mayor

\_\_\_\_\_  
Jessica Lail, Town Clerk

**A RESOLUTION BY THE TOWN OF VALDESE TOWN COUNCIL TO ESTABLISH AN AD HOC FACILITIES REVIEW COMMITTEE**

WHEREAS, the Town Council is responsible for the care and maintenance of properties owned and managed by the Town of Valdese and desires to establish an Ad Hoc Facilities Review Committee to advise and make recommendations to Town Council regarding the management, maintenance, improvement, and/or construction of Town owned properties and facilities.

NOW, THEREFORE, BE IT RESOLVED that there is hereby established the Ad Hoc Facilities Review Committee, the membership of which shall be appointed by Town Council and shall include five (5) members who shall have in-depth experience in construction and/or construction management.

BE IT FURTHER RESOLVED that the Ad Hoc Facilities Review Committee shall have authority to elect its own chairman, promulgate its own rules of order and develop its own schedule of meetings, which meetings shall be conducted in accordance with North Carolina Open Meeting Laws, N.C. Gen. Stat. Ch. 143, Art. 33C, §§ 143-318.9 through -318.18. Each member of the Ad Hoc Facilities Review Committee shall serve a staggered three year term unless otherwise removed by Town Council, which may be done at any time, with or without cause. Members will be divided into three classes with the appointment of one class of members taking place every December at the regular meeting of Town Council. The initial committee shall have one member appointed for a one year term, two members appointed for a two year term, and two members for a three year term. No member shall serve consecutive terms. A member shall be eligible for re-appointment after an absence from the Ad Hoc Facilities Review Committee after one year.

BE IT FURTHER RESOLVED that the Ad Hoc Facilities Review Committee shall evaluate, consider, review, and make recommendations to Town Council regarding ways to care for, maintain and/or improve Town owned and managed properties and facilities. The Ad Hoc Facilities Review Committee may solicit input from the public that may assist with its duties. The Ad Hoc Facilities Review Committee shall issue a written report of its findings and recommendations to Town Council annually on or before December 31 of each year, or as otherwise requested by council.

THIS RESOLUTION IS ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

THE TOWN OF VALDESE,  
a North Carolina Municipal Corporation

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Charles Watts, Mayor

\_\_\_\_\_  
Jessica Lail, Town Clerk

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**TOWN OF VALDESE**
**Financial Highlights**  
**Years Ended June 30, 2023 and 2022**


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<b><u>General Fund (Includes Powell Bill Funds)</u></b>	<b>2023 Summarized Budget</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Cash, cash equivalents and investments		\$ 7,258,921	\$ 6,143,028
Total assets		\$ 8,371,905	\$ 7,282,651
Fund balance		\$ 8,136,499	\$ 7,089,573
Fund balance - Reserved for Streets - Powell Bill (included in total fund balance)		\$ 68,154	\$ 67,700
Total revenue	\$ 5,255,556	\$ 6,358,347	\$ 5,567,307
Total expenditures	\$ 5,795,936	\$ 5,355,041	\$ 4,757,145
Revenues over (under) expenditures before other financing sources (uses)		\$ 1,003,306	\$ 810,162
Other income (expense)	\$ 540,380	\$ 43,621	\$ 992,933
Increase (decrease) in fund balance		\$ 1,046,927	\$ 1,803,095
Ad valorem taxes collected		\$ 2,430,847	\$ 2,387,436
Percent of taxes collected - current year levy		97.80%	97.97%
Investment income		\$ 418,578	\$ 12,137
<b>Fund Balance Available</b>			
Unassigned Fund Balance		<u>6,587,565</u>	<u>5,569,974</u>
Expenditures and other financing sources and uses		6,236,741	4,907,145
Unassigned Fund Balance Percentage		105.62%	113.50%



	<u>2023</u>	<u>2022</u>
<b><u>Water and Sewer Fund</u></b>		
Cash, cash equivalents and investments	\$ 3,879,495	\$ 2,432,618
Total assets	\$29,578,325	\$28,989,827
Net position	\$23,104,329	\$22,596,413
Operating revenue	\$ 5,739,522	\$ 5,398,063
Operating expenses	\$ 5,867,425	\$ 5,387,234
Operating income (loss)	\$ (127,903)	\$ 10,829
Nonoperating revenue (expenses)	\$ 226,189	\$ (49,918)
Transfers (to) from	\$ 372,548	\$ 39,088
Capital Contributions	\$ 37,082	\$ 117,881
Change in net position, includes \$1,371,371 of depreciation expense 2023	\$ 507,916	\$ 117,793
Accounts receivable - customers	\$ 691,385	\$ 649,200
Investment income	\$ 31,284	\$ 1,336
Days sales in accounts receivable	43.96	43.89
<b>Fund Balance Available</b>		
Unrestricted Fund Balance	<u>\$ 4,249,010</u>	<u>\$ 2,845,266</u>
Expenditures and other financing sources and uses	6,136,571	5,656,834
Unrestricted Fund Balance Percentage	69.24%	50.29%



# TOWN OF VALDESE

NORTH CAROLINA'S FRIENDLY TOWN



P.O. BOX 339

VALDESE, NORTH CAROLINA 28690-0339

PHONE (828) 879-2120 | FAX (888) 798-1022 | TOWNOFVALDESE.COM

January 8, 2024

NC Department of State Treasurer – Local Government Division  
3200 Atlantic Avenue  
Raleigh, NC 27604

Re: Response to the Auditor's Findings, Recommendations, and Fiscal Matters for the Fiscal Year Ended June 30, 2023

Per 20 NCAC 20 03 .0508 which requires the governing body to develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters" signed by a majority of the members of the governing body and submitted to the Local Government Commission (LGC) within 60 days of the auditor's presentation, Valdese is responding to the ratio of 0.48 on Capital Assets Condition in the Water/Sewer Fund per the "Performance Indicators of Concern" worksheet.

The Capital Assets Condition Ratio calculates the remaining useful life of all depreciable assets in the fund. A remaining useful asset value of less than 0.50 may signal the need to replace the assets in the near future.

The Town recently completed a sewer inventory assessment and is in the process of a water system inventory assessment. McGill Associates has been contracted to evaluate the full system and its needs and works with Town staff in developing a 10-year CIP. The data is reviewed annually by management along with options for funding identified. This process develops a path for the future to be approved by the Board to best address assets needing replacement and prioritize those needs. Valdese will use the data to also evaluate the potential rates charged for both Water and Sewer customers for the coming fiscal years to allow for funding our long-term capital plan.

Sincerely,  
Town of Valdese Council

Bryan Steen (Interim Manager)	Gary Ogle (Councilman)
Bo Weichel (Assistant Manager/CFO)	Rexanna Lowman (Councilwoman)
Heather Ward (Councilwoman)	Glenn Harvey (Councilman)
Paul Mears (Councilman)	Charles Watts (Mayor)



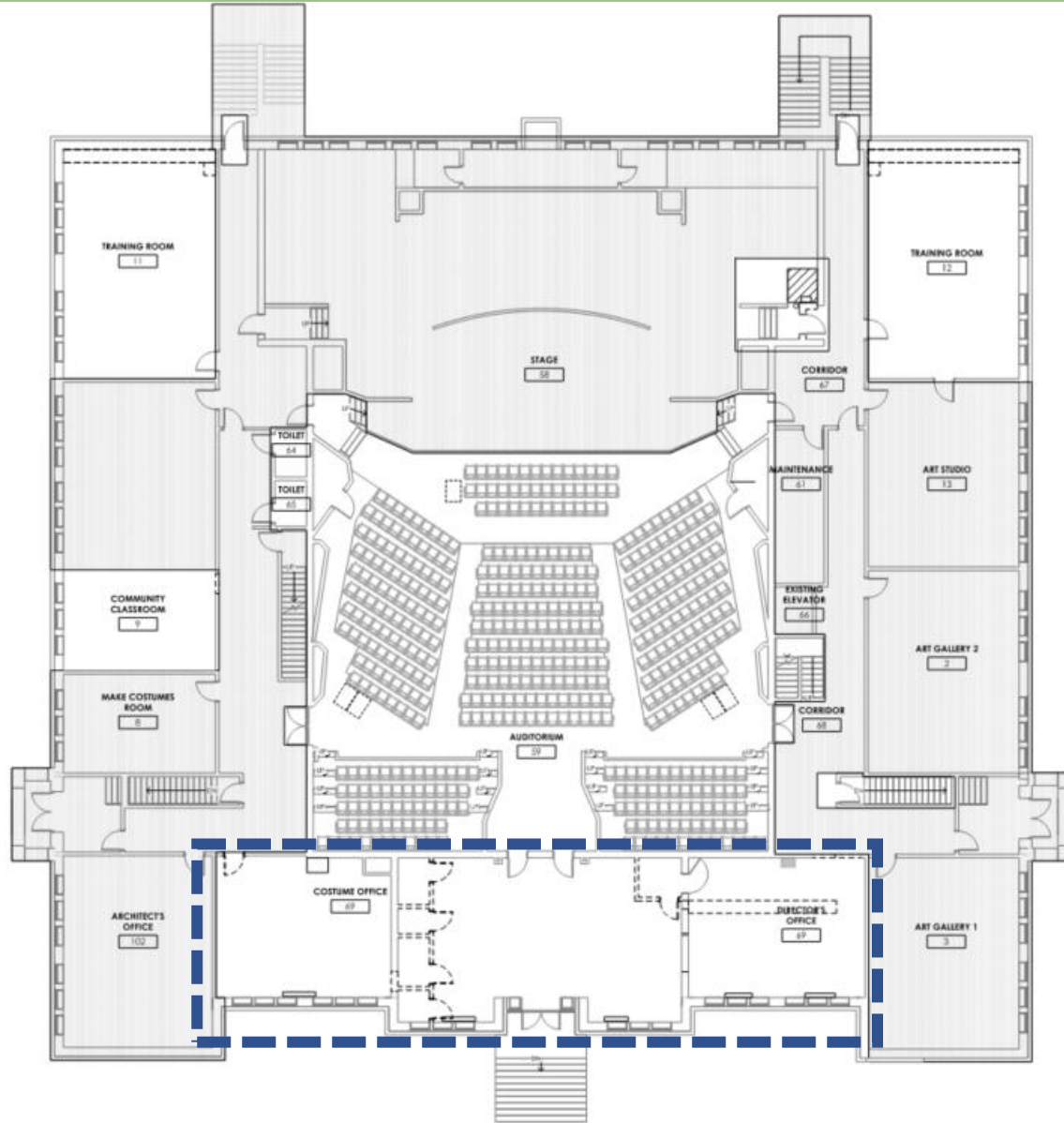
# Old Rock School Renovations

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January 08, 2024



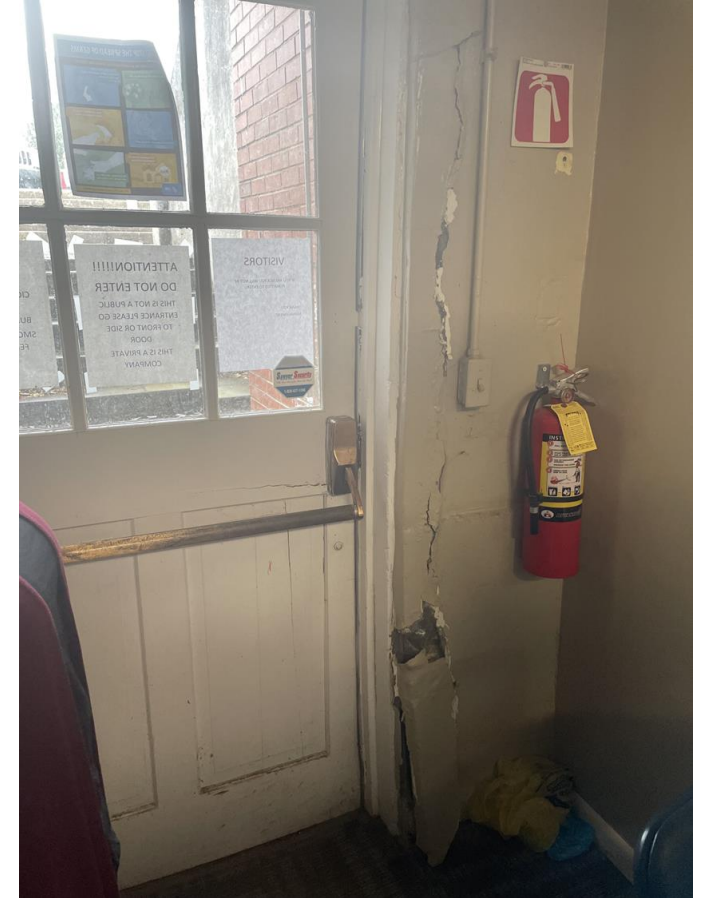
# Scope of Work: *first floor*



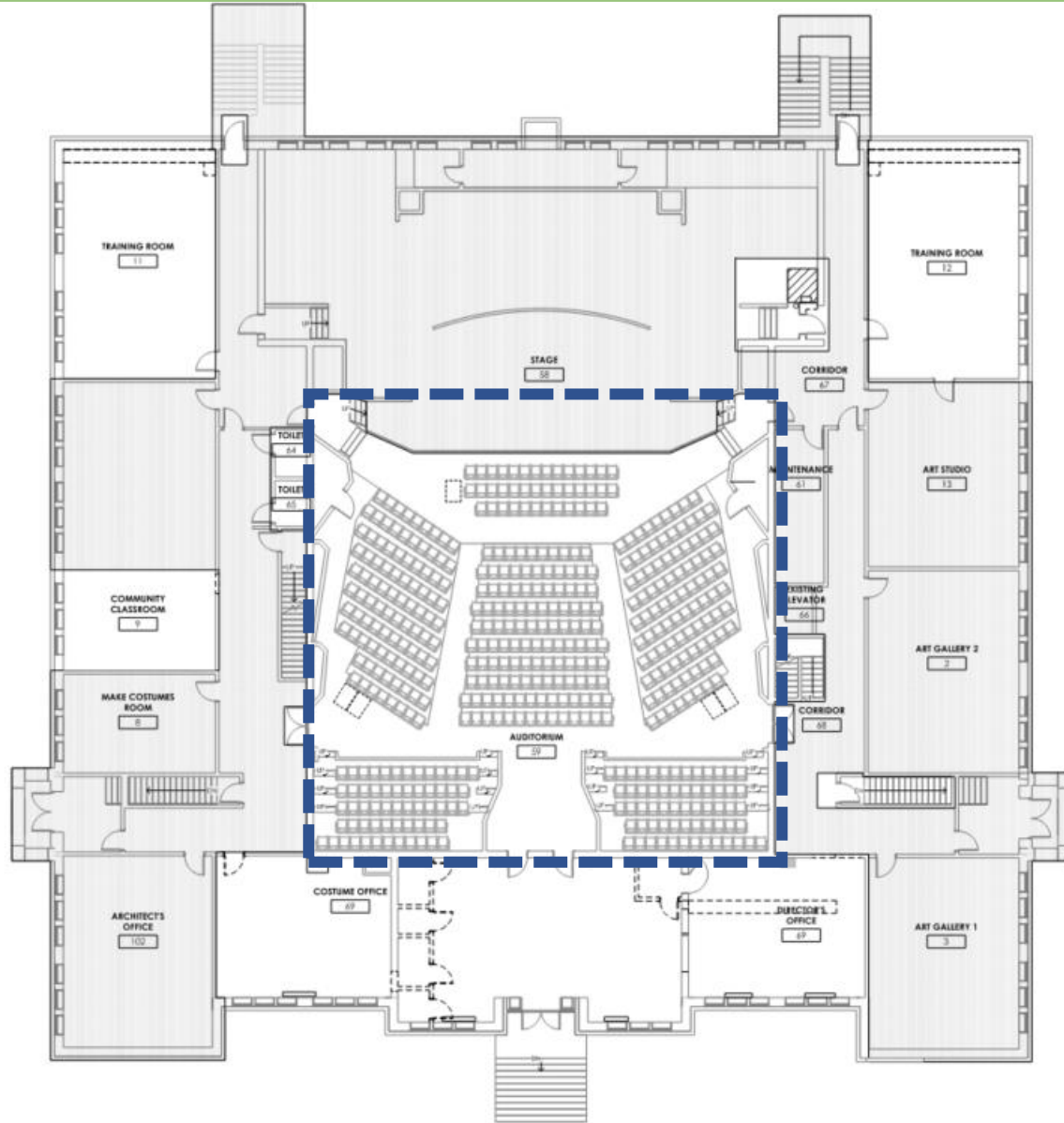
**LOBBY / RESTROOMS / ACCESSIBILITY ACCESS**



# existing accessible path to lobby / exit door deficiency



# Scope of Work: *first floor*



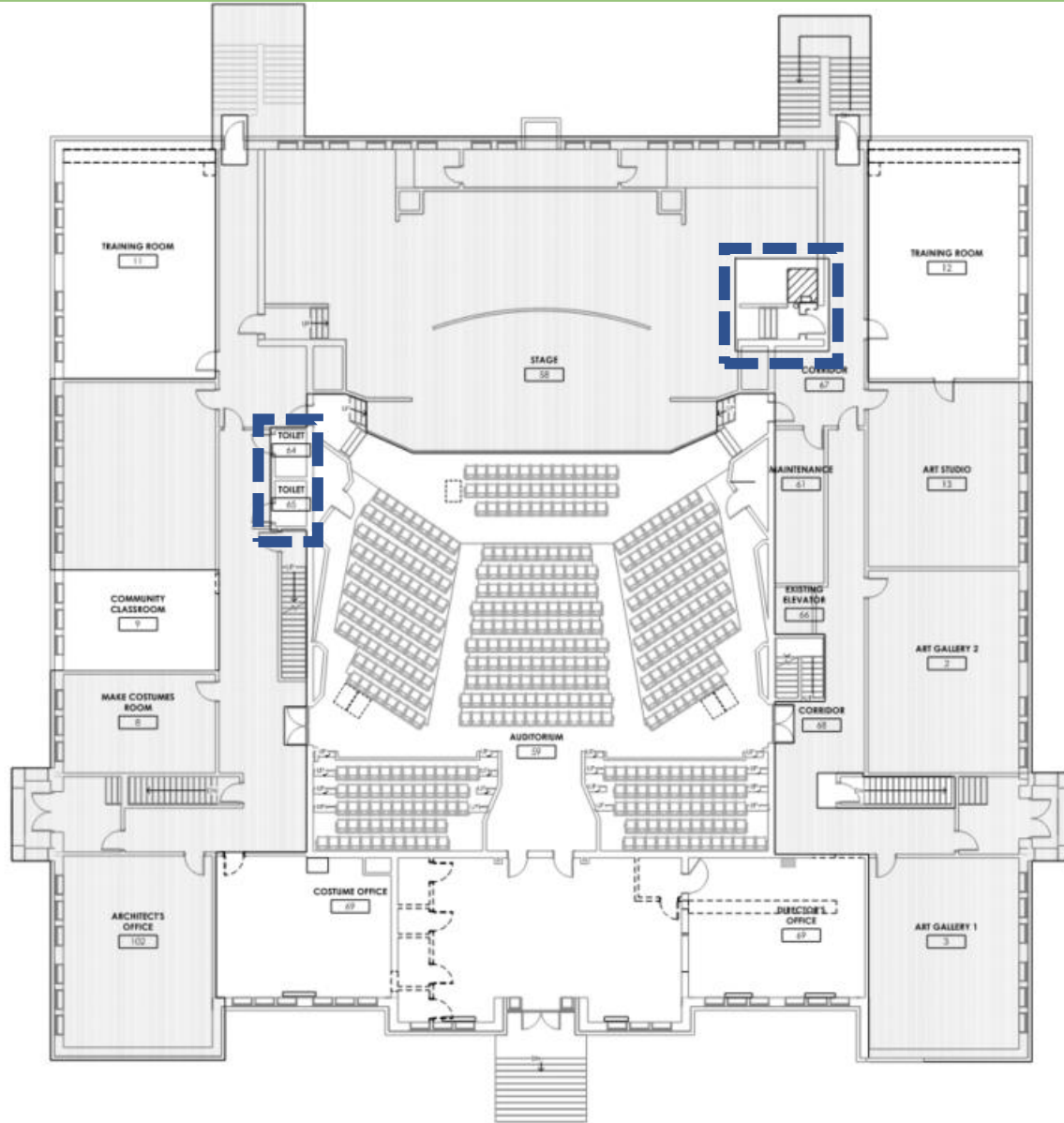
**AUDITORIUM FINISHES, LIGHTING, SEATING**

*existing auditorium*





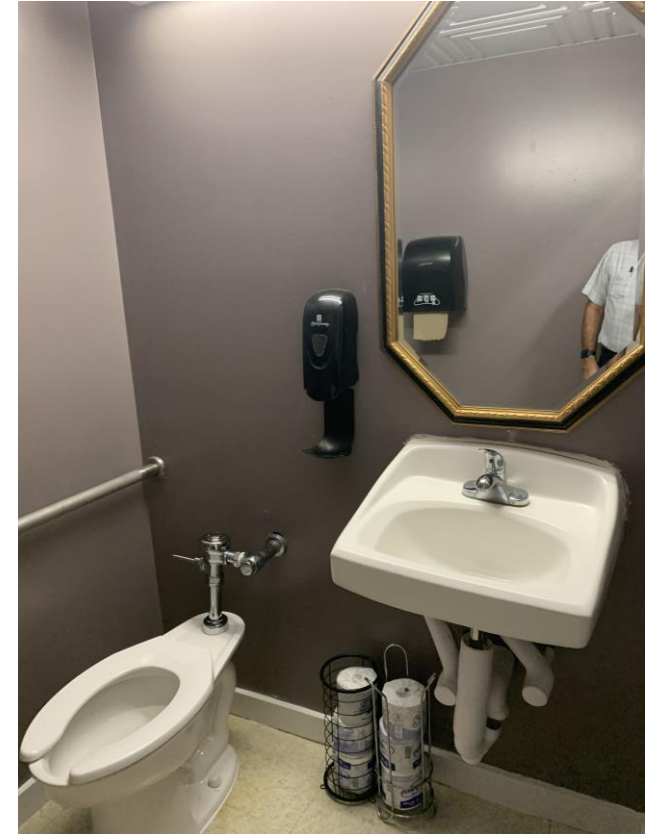
# Scope of Work: *first floor*



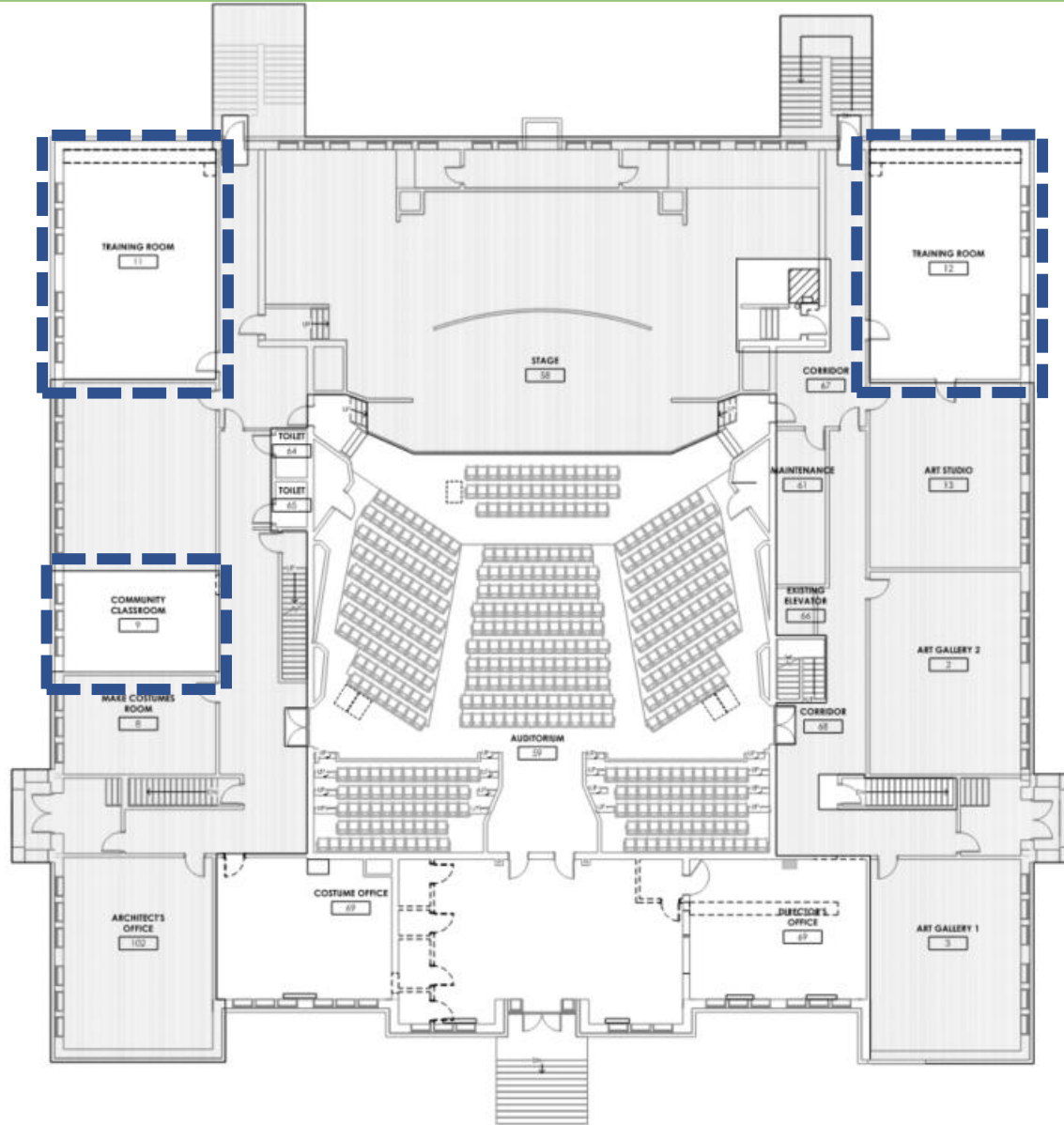
**ACCESSIBLE ACCESS TO STAGE**

**RESTROOM FINISHES**

# *existing stage access and toilet*



# Scope of Work: *first floor*

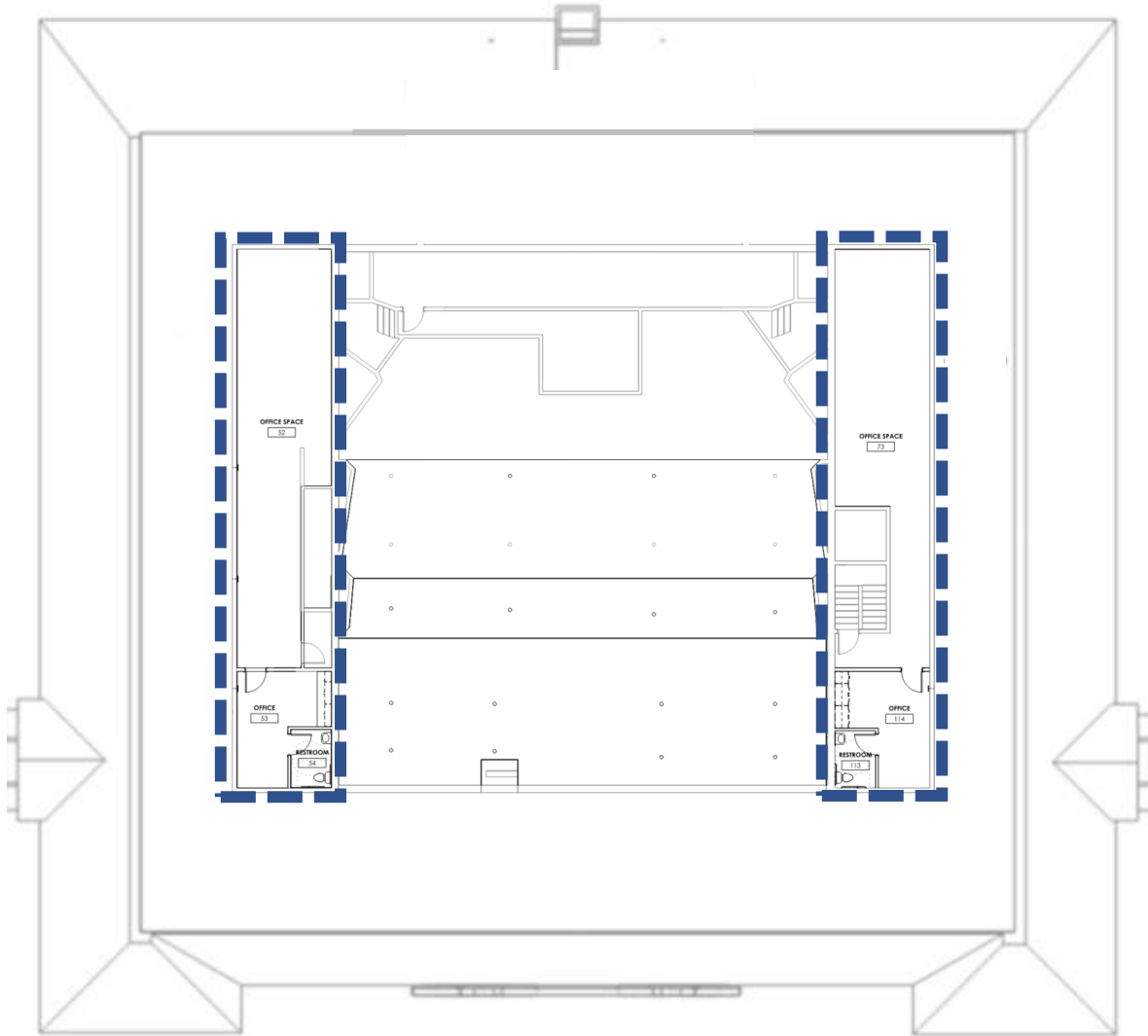


**NEW COMMUNITY ROOM /  
TRAINING ROOM IMPROVEMENTS**

# existing training room areas

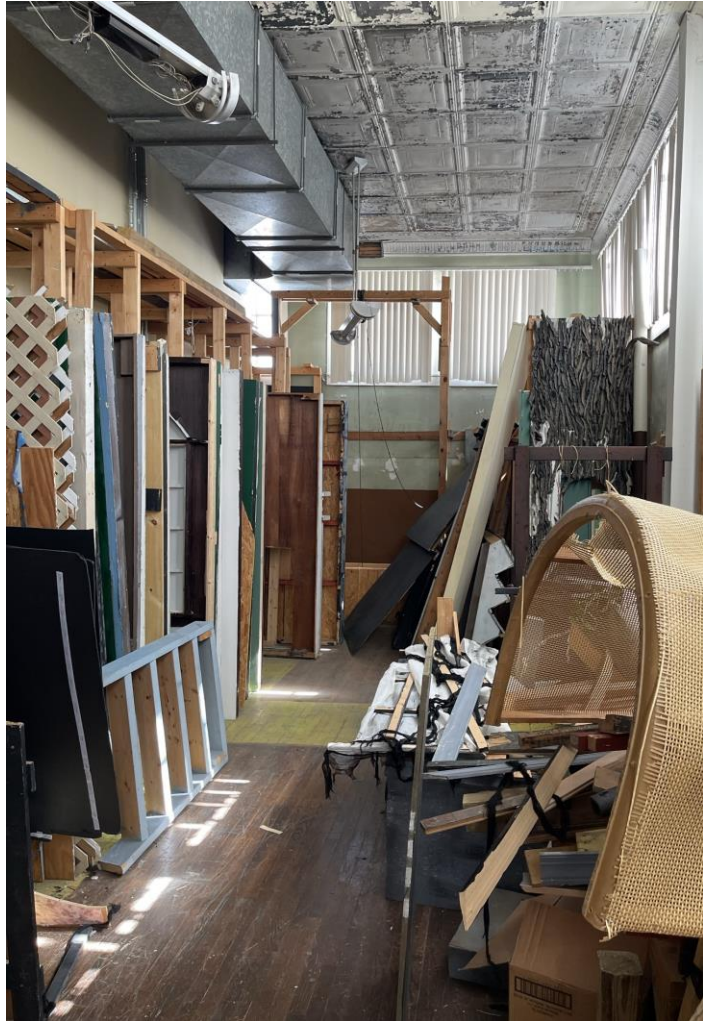


# Scope of Work: *second floor*

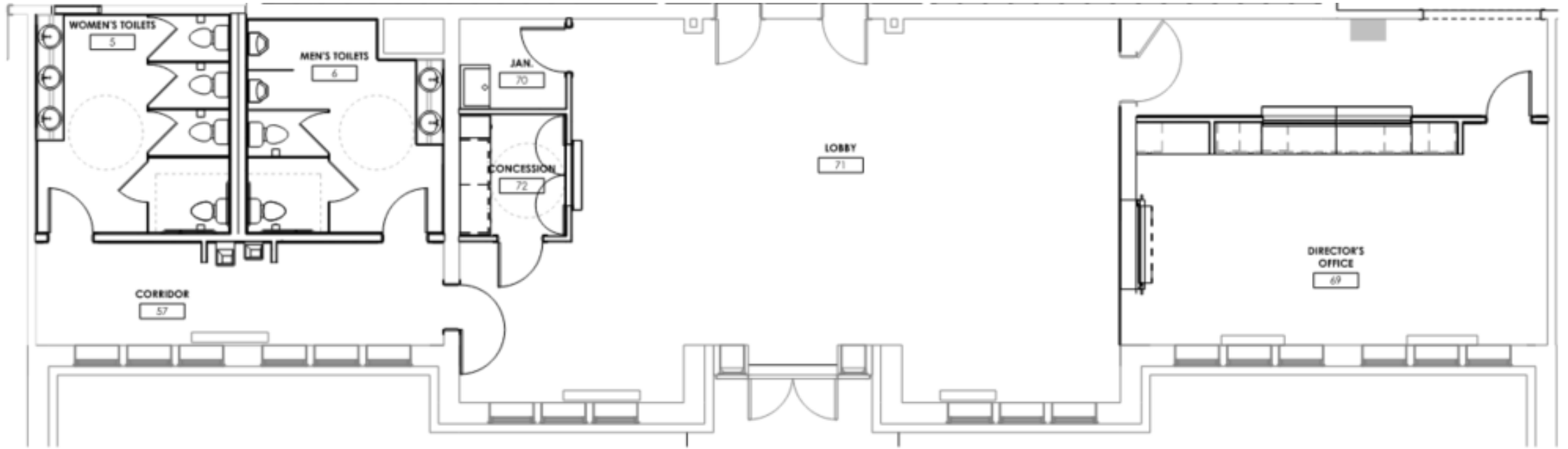


**NEW OFFICE SPACE – LIGHTING & HVAC  
/ RESTROOMS**

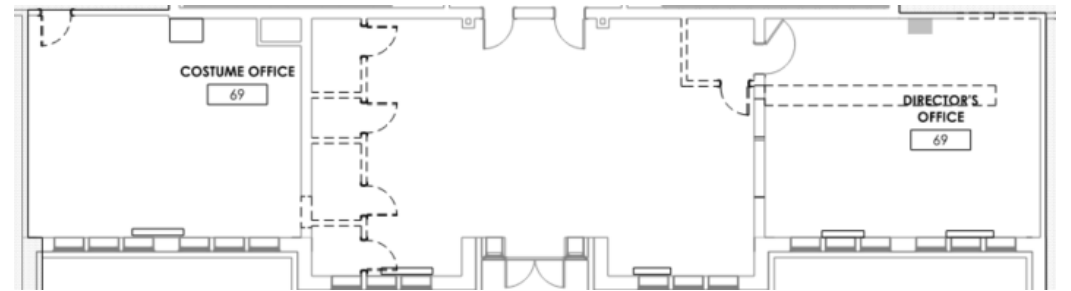
# existing upper floor areas



# Scope of Work: *lobby area*



Proposed



Existing / demo

## Currently Out for Bids

Bid Opening	<b>January 23, 2024</b>
Bid Review/Recommendation to Owner	January 25, 2024
City Council Meeting	February 5, 2024
Notice to Proceed	March 1, 2024
Construction Completion	July 29, 2024



Total Construction Costs Estimate: \$1,233,251.00

## Base Bid-

Lobby, Janitors Closet, Concession, Directors Office, New Gang Restrooms  
Doors-1 & 9, Upper Floor Office Areas inc. HVAC

## Alternate 1-

Auditorium, Stage, Toilets, Training & Community Rooms, Doors 2,3,4

## Alternate 1A-

Auditorium Seating

## Alternate 2 -

Upper Floor Restrooms



# Old Rock School Renovations

---

January 08, 2024



Financial Update - SGA Contract  
OLD ROCK SCHOOL RENOVATIONS

<i>BASIC SERVICES</i>	Contract	Contract Amount	Billed	Amount Paid
Schematic Design	15%	\$ 15,045	100%	\$ 15,045
Design Development	20%	\$ 20,060	100%	\$ 20,060
Construction Documents	30%	\$ 30,090	35%	\$ 30,090
Procurement	5%	\$ 5,015	20%	\$ 1,003
Construction Administration	30%	\$ 30,090	0%	\$ -
<b>BASIC service totals</b>	<b>100%</b>	<b>\$ 100,300</b>		<b>\$ 66,198</b>

<i>REIMBURSABLE EXPENSES</i>	
Not to exceed \$4,000 per section 11.8.2 of contract	<b>\$ 1,005</b>

**Total of green subtotals above** **\$ 67,203**

**Community Affairs**

# Memo

**To:** Mayor, Town Council  
**From:** Morrissa Angi  
**cc:** Seth Eckard  
**Date:** 12/2/2022  
**Re:** Contract Agreement with SGA | NW

---

Upon receipt of grant funding from the Rural Transformation Fund with NCDOC, staff began the RFQ process to select an architecture firm to oversee the Old Rock School renovations. A total of eight applications were received and three firms were interviewed.

Upon completion of the interview process, the interview panel consisting of Mayor Watts, Councilwoman Lowman and staff concluded that SGA was the best candidate for the project. Their vast knowledge of historic renovations and comprehensive visits to the Old Rock School set them apart from the other applicants. It is staff's recommendation to enter into the contract with SGA | NW for the Old Rock School renovation project.

The contract has been reviewed by Town Attorney, Tim Swanson and members of management. Additional grant funding for the project is currently pending.



# AIA<sup>®</sup> Document B101<sup>™</sup> – 2017

## *Standard Form of Agreement Between Owner and Architect*

**AGREEMENT** made as of the 30 day of November in the year 2022  
*(In words, indicate day, month and year.)*

**BETWEEN** the Architect's client identified as the Owner:  
*(Name, legal status, address and other information)*

Town of Valdese – Office of Community Affairs  
 400 Main St W  
 Valdese NC 28690

and the Architect:  
*(Name, legal status, address and other information)*

SGA|NW Design, a GF Design Company  
 2459 Wilkinson Blvd – Suite 120  
 Charlotte NC 29208

for the following Project:  
*(Name, location and detailed description)*

Old Rock School Renovations  
 400 Main St W  
 Valdese NC 28690

The Owner and Architect agree as follows.

### **ADDITIONS AND DELETIONS:**

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Init.

To be determined – architect to submit a preliminary schedule for review post scope meeting for owner review in compliance with any grant requirements.

.2 Construction commencement date:

To be determined – architect to submit a preliminary schedule for review by owner in compliance with any grant requirements

.3 Substantial Completion date or dates:

To be determined – architect to submit a preliminary date for review by owner in compliance with any grant requirements

.4 Other milestone dates:

n/a

§ 1.1.5 The Owner intends the following procurement and delivery method for the Project:  
*(Identify method such as competitive bid or negotiated contract, as well as any requirements for accelerated or fast-track design and construction, multiple bid packages, or phased construction.)*

Design – Bid - Build

§ 1.1.6 The Owner’s anticipated Sustainable Objective for the Project:  
*(Identify and describe the Owner’s Sustainable Objective for the Project, if any.)*

n/a

§ 1.1.6.1 If the Owner identifies a Sustainable Objective, the Owner and Architect shall complete and incorporate AIA Document E204™–2017, Sustainable Projects Exhibit, into this Agreement to define the terms, conditions and services related to the Owner’s Sustainable Objective. If E204–2017 is incorporated into this agreement, the Owner and Architect shall incorporate the completed E204–2017 into the agreements with the consultants and contractors performing services or Work in any way associated with the Sustainable Objective.

§ 1.1.7 The Owner identifies the following representative in accordance with Section 5.3:  
*(List name, address, and other contact information.)*

Morrissa Angi – Director of Community Affairs & Tourism  
 828-879-2129  
 mangi@valdesenc.gov

§ 1.1.8 The persons or entities, in addition to the Owner’s representative, who are required to review the Architect’s submittals to the Owner are as follows:  
*(List name, address, and other contact information.)*

To be confirmed by Town of Valdese

§ 1.1.9 The Owner shall retain the following consultants and contractors:  
*(List name, legal status, address, and other contact information.)*

.1 Geotechnical Engineer:

Init.

provide prompt written notice to the Owner if the Architect becomes aware of any error, omission, or inconsistency in such services or information.

§ 3.1.3 As soon as practicable after the date of this Agreement, the Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services. The schedule initially shall include anticipated dates for the commencement of construction and for Substantial Completion of the Work as set forth in the Initial Information. The schedule shall include allowances for periods of time required for the Owner's review, for the performance of the Owner's consultants, and for approval of submissions by authorities having jurisdiction over the Project. Once approved by the Owner, time limits established by the schedule shall not, except for reasonable cause, be exceeded by the Architect or Owner. With the Owner's approval, the Architect shall adjust the schedule, if necessary, as the Project proceeds until the commencement of construction.

§ 3.1.4 The Architect shall not be responsible for an Owner's directive or substitution, or for the Owner's acceptance of non-conforming Work, made or given without the Architect's written approval.

§ 3.1.5 The Architect shall contact governmental authorities required to approve the Construction Documents and entities providing utility services to the Project. The Architect shall respond to applicable design requirements imposed by those authorities and entities.

§ 3.1.6 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

### § 3.2 Schematic Design Phase Services

§ 3.2.1 The Architect shall review the program and other information furnished by the Owner, and shall review laws, codes, and regulations applicable to the Architect's services.

§ 3.2.2 The Architect shall prepare a preliminary evaluation of the Owner's program, schedule, budget for the Cost of the Work, Project site, the proposed procurement and delivery method, and other Initial Information, each in terms of the other, to ascertain the requirements of the Project. The Architect shall notify the Owner of (1) any inconsistencies discovered in the information, and (2) other information or consulting services that may be reasonably needed for the Project.

§ 3.2.3 The Architect shall present its preliminary evaluation to the Owner and shall discuss with the Owner alternative approaches to design and construction of the Project. The Architect shall reach an understanding with the Owner regarding the requirements of the Project.

§ 3.2.4 Based on the Project requirements agreed upon with the Owner, the Architect shall prepare and present, for the Owner's approval, a preliminary design illustrating the scale and relationship of the Project components.

§ 3.2.5 Based on the Owner's approval of the preliminary design, the Architect shall prepare Schematic Design Documents for the Owner's approval. The Schematic Design Documents shall consist of drawings and other documents including a site plan, if appropriate, and preliminary building plans, sections and elevations; and may include some combination of study models, perspective sketches, or digital representations. Preliminary selections of major building systems and construction materials shall be noted on the drawings or described in writing.

§ 3.2.5.1 The Architect shall consider sustainable design alternatives, such as material choices and building orientation, together with other considerations based on program and aesthetics, in developing a design that is consistent with the Owner's program, schedule and budget for the Cost of the Work. The Owner may obtain more advanced sustainable design services as a Supplemental Service under Section 4.1.1.

§ 3.2.5.2 The Architect shall consider the value of alternative materials, building systems and equipment, together with other considerations based on program and aesthetics, in developing a design for the Project that is consistent with the Owner's program, schedule, and budget for the Cost of the Work.

§ 3.2.6 The Architect shall submit to the Owner an estimate of the Cost of the Work prepared in accordance with Section 6.3.

§ 3.2.7 The Architect shall submit the Schematic Design Documents to the Owner, and request the Owner's approval.

### § 3.3 Design Development Phase Services

§ 3.3.1 Based on the Owner's approval of the Schematic Design Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Design Development Documents for the Owner's approval. The Design Development Documents shall illustrate and describe the development of the approved Schematic Design Documents and shall consist of drawings and other documents including plans, sections, elevations, typical construction details, and diagrammatic layouts of building systems to fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, and other appropriate elements. The Design Development Documents shall also include outline specifications that identify major materials and systems and establish, in general, their quality levels.

§ 3.3.2 The Architect shall update the estimate of the Cost of the Work prepared in accordance with Section 6.3.

§ 3.3.3 The Architect shall submit the Design Development Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, and request the Owner's approval.

### § 3.4 Construction Documents Phase Services

§ 3.4.1 Based on the Owner's approval of the Design Development Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Construction Documents for the Owner's approval. The Construction Documents shall illustrate and describe the further development of the approved Design Development Documents and shall consist of Drawings and Specifications setting forth in detail the quality levels and performance criteria of materials and systems and other requirements for the construction of the Work. The Owner and Architect acknowledge that, in order to perform the Work, the Contractor will provide additional information, including Shop Drawings, Product Data, Samples and other similar submittals, which the Architect shall review in accordance with Section 3.6.4.

§ 3.4.2 The Architect shall incorporate the design requirements of governmental authorities having jurisdiction over the Project into the Construction Documents.

§ 3.4.3 During the development of the Construction Documents, the Architect shall assist the Owner in the development and preparation of (1) procurement information that describes the time, place, and conditions of bidding, including bidding or proposal forms; (2) the form of agreement between the Owner and Contractor; and (3) the Conditions of the Contract for Construction (General, Supplementary and other Conditions). The Architect shall also compile a project manual that includes the Conditions of the Contract for Construction and Specifications, and may include bidding requirements and sample forms.

§ 3.4.4 The Architect shall update the estimate for the Cost of the Work prepared in accordance with Section 6.3.

§ 3.4.5 The Architect shall submit the Construction Documents to the Owner, advise the Owner of any adjustments to the estimate of the Cost of the Work, take any action required under Section 6.5, and request the Owner's approval.

### § 3.5 Procurement Phase Services

#### § 3.5.1 General

The Architect shall assist the Owner in establishing a list of prospective contractors. Following the Owner's approval of the Construction Documents, the Architect shall assist the Owner in (1) obtaining either competitive bids or negotiated proposals; (2) confirming responsiveness of bids or proposals; (3) determining the successful bid or proposal, if any; and, (4) awarding and preparing contracts for construction.

#### § 3.5.2 Competitive Bidding

§ 3.5.2.1 Bidding Documents shall consist of bidding requirements and proposed Contract Documents.

§ 3.5.2.2 The Architect shall assist the Owner in bidding the Project by:

- .1 facilitating the distribution of Bidding Documents to prospective bidders;
- .2 organizing and conducting a pre-bid conference for prospective bidders;
- .3 preparing responses to questions from prospective bidders and providing clarifications and interpretations of the Bidding Documents to the prospective bidders in the form of addenda; and,

Init.



for the Project, provided those employees, consultants and contractors are subject to the restrictions on the disclosure and use of such information as set forth in this Section 10.8.

§ 10.9 The invalidity of any provision of the Agreement shall not invalidate the Agreement or its remaining provisions. If it is determined that any provision of the Agreement violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Agreement shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Agreement.

**ARTICLE 11 COMPENSATION**

§ 11.1 For the Architect's Basic Services described under Article 3, the Owner shall compensate the Architect as follows:

- .1 Stipulated Sum  
*(Insert amount)*  
  
n/a
- .2 Percentage Basis - % value reflective of updated confirmed \$850,000 budget per 11/30/22 phone meeting  
*()*  
  
Eleven & eight tenths (11.8 %) of the Owner's budget for the Cost of the Work, as calculated in accordance with Section 11.6.  
Total Fee for Architecture & Engineering: \$100,300
- .3 Other  
*(Describe the method of compensation)*  
  
n/a

§ 11.2 For the Architect's Supplemental Services designated in Section 4.1.1 and for any Sustainability Services required pursuant to Section 4.1.3, the Owner shall compensate the Architect as follows:  
*(Insert amount of, or basis for, compensation. If necessary, list specific services to which particular methods of compensation apply.)*

n/a

§ 11.3 For Additional Services that may arise during the course of the Project, including those under Section 4.2, the Owner shall compensate the Architect as follows:  
*(Insert amount of, or basis for, compensation.)*

Hourly fee per rate schedule or stipulated sum amount to be agreed upon by Owner and Architect

§ 11.4 Compensation for Supplemental and Additional Services of the Architect's consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus twelve and one half percent ( 12.5 %), or as follows:  
*(Insert amount of, or basis for computing, Architect's consultants' compensation for Supplemental or Additional Services.)*

n/a

§ 11.5 When compensation for Basic Services is based on a stipulated sum or a percentage basis, the proportion of compensation for each phase of services shall be as follows:

Schematic Design Phase	Fifteen	percent (	15	%)
Design Development Phase	Twenty	percent (	20	%)

Construction Documents Phase	Thirty percent (	30	%)
Procurement Phase	Five percent (	05	%)
Construction Phase	Thirty percent (	30	%)
<hr/>			
Total Basic Compensation	one hundred percent (	100	%)

§ 11.6 When compensation identified in Section 11.1 is on a percentage basis, progress payments for each phase of Basic Services shall be calculated by multiplying the percentages identified in this Article by the Owner’s most recent budget for the Cost of the Work. Compensation paid in previous progress payments shall not be adjusted based on subsequent updates to the Owner’s budget for the Cost of the Work.

§ 11.6.1 When compensation is on a percentage basis and any portions of the Project are deleted or otherwise not constructed, compensation for those portions of the Project shall be payable to the extent services are performed on those portions. The Architect shall be entitled to compensation in accordance with this Agreement for all services performed whether or not the Construction Phase is commenced.

§ 11.7 The hourly billing rates for services of the Architect and the Architect’s consultants are set forth below. The rates shall be adjusted in accordance with the Architect’s and Architect’s consultants’ normal review practices. *(If applicable, attach an exhibit of hourly billing rates or insert them below.)*

Employee or Category	Rate (\$0.00)
Senior Principal	\$250/hr
Principal	\$200/hr
Project Manager	\$175/hr
Project Architect	\$160/hr
Architectural Designer	\$110/hr
Administrative	\$85/hr

**§ 11.8 Compensation for Reimbursable Expenses**

§ 11.8.1 Reimbursable Expenses are in addition to compensation for Basic, Supplemental, and Additional Services and include expenses incurred by the Architect and the Architect’s consultants directly related to the Project, as follows:

- .1 Transportation and authorized out-of-town travel and subsistence;
- .2 Long distance services, dedicated data and communication services, teleconferences, Project web sites, and extranets;
- .3 Permitting and other fees required by authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, and standard form documents;
- .5 Postage, handling, and delivery;
- .6 Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;
- .7 Renderings, physical models, mock-ups, professional photography, and presentation materials requested by the Owner or required for the Project;
- .8 If required by the Owner, and with the Owner’s prior written approval, the Architect’s consultants’ expenses of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits in excess of that normally maintained by the Architect’s consultants;
- .9 All taxes levied on professional services and on reimbursable expenses;
- .10 Site office expenses;
- .11 Registration fees and any other fees charged by the Certifying Authority or by other entities as necessary to achieve the Sustainable Objective; and,
- .12 Other similar Project-related expenditures.

§ 11.8.2 For Reimbursable Expenses the compensation shall be the expenses incurred by the Architect and the Architect’s consultants plus zero percent ( 0 %) of the expenses incurred. Reimbursable expenses identified in 11.8.1 shall be billed towards an allowance in the base fee Not To Exceed Amount of \$4,000 (Four thousand dollars)

TOWN OF VALDESE  
 OLD ROCK SCHOOL RENOVATIONS  
 CAPITAL PROJECT ORDINANCE

Be it ordained by the Town Council of the Town of Valdese that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following project ordinance is hereby adopted.

Section 1. The project authorized is the Old Rock School Renovations. Project proposes repairs and upgrades to select areas. The project is to be financed by grant funds.

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the program ordinance and the budget contained herein.

Section 3. The following revenues are anticipated to be available to contribute to this project:

<u>Source</u>	<u>Amount</u>	<u>Assigned Account Number</u>
Rural Transformation Grant	\$ 850,000	38.3970.000
	-----	
	\$ 850,000	
	=====	

Section 4. The following amounts are appropriated for the project:

<u>Source</u>	<u>Amount</u>	<u>Assigned Account Number</u>
Renovations	\$ 707,200	38.6250.150
Professional Services	100,300	38.6250.040
Contingency	42,500	38.6200.900
	-----	
	\$ 850,000	
	=====	

Section 5. The finance officer is hereby directed to maintain within the Project Fund sufficient specific detailed accounting records to provide the accounting to town council required by the program procedures, loan agreement(s), grant agreement(s) and state regulations.

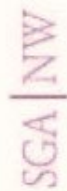
Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due.

Section 7. The finance officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total revenues received or claimed.

Section 8. The budget officer is directed to include a detailed analysis of the past and future cost and revenues on this project in every budget submission made to this board.

## SGA DESIGN – SCOPE OF OLD ROCK SCHOOL RENOVATION

As Presented and approved at December 5, 2022 Town Council Meeting



1000 American Lane, Suite 1000  
Portland, OR 97201  
503.281.1111

### PROJECT UNDERSTANDING

- ADA access onto the stage from the auditorium
- Elevator option to access 3rd floor as offices
- Replace seats in auditorium
- Pedestrian path/sidewalk to connect Main Street to walking trail
- Create an "order of magnitude" for all items based on code compliance, cost, enhancement to facility operations and revenue generation.
- Convert existing catering space to commercial kitchen
- Advanced Planning Space Utilization/Community Engagement
- Repurpose under-utilized space
- Is a regional/state draw for pageants, conferences, events
- ADA access levels B, 1, 2, and the 3rd floor if space to be converted to office space.
- Remove parking along the historic low wall
- Front Entrance Drive
- Floor finishes-multiple areas.
- Consider the Delivery Method: Design-Bid-Build, Design-Build, CM@Risk



**A RESOLUTION OF THE TOWN OF VALDESE TOWN COUNCIL AMENDING THE VALDESE TOWN COUNCIL RULE 32(a) OF THE RULES OF PROCEDURE AND AMENDING SECTION 2-1021 OF THE TOWN OF VALDESE CODE OF ORDINANCES**

WHEREAS, the Town Council for the Town of Valdese operates pursuant to a Code of Ordinances (the “Ordinance”) and Rules of Procedure (the “Rules of Procedure”); and

WHEREAS, Rule 33 of the Rules of Procedure provides that the Rules of Procedure may be amended at any regular meeting or at any properly called special meeting that includes amendment of the rules as one of the stated purposes of the meeting, so long as the amendment is consistent with the city charter, general law, and generally accepted principles of parliamentary procedure. Adoption of an amendment shall require an affirmative vote equal to or greater than two-thirds of all the actual membership of the council, excluding vacant seats, and not including the mayor; and

WHEREAS, pursuant to North Carolina General Statute 160A-75, no ordinance nor any action having the effect of any ordinance, except an ordinance on which a public hearing must be held pursuant to G.S. 160D-601 before the ordinance may be adopted, may be finally adopted on the date on which it is introduced except by an affirmative vote equal to or greater than two thirds of all the actual membership of the council, excluding vacant seats and not including the mayor unless the mayor has the right to vote on all questions before the council; and

WHEREAS, Town Council has determined that Rule 32(a) is unclear and is also potentially inconsistent and/or in conflict with Section 2-1021 of the Ordinance; and

WHEREAS, Town Council desires to amend Rule 32(a) of the Rules of Procedure and further desires to adopt/amend Section 2-1021 of the Ordinance.

NOW, THEREFORE, BE IT HEREBY RESOLVED, by at least two-thirds of all the actual membership of Town Council, that:

1. Rule 32(a) of the Rules of Procedure is hereby amended to read as follows:

**Rule 32. Committee, Board and Other Appointments.**

**(a) Establishment and Appointment.** The council may establish and appoint members for such temporary and standing town committees, boards or other bodies as are needed to help carry on the work of town government. Any specific provisions of law relating to a particular committee, board or other body shall be followed.

2. Section 2-1021 of the Ordinance is hereby amended to read as follows:

**Section 2-1021 Committees generally.**

All reports of committees shall be in writing and committee members shall receive such compensation for extra and special service as the board may designate.

- 3. If any portion of this Section is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed severable, and such holding shall not affect the validity of the remaining portions hereof.
- 4. All Rules of Procedure and provisions of the Ordinance which are not in conformance with the provisions of this Resolution occurring herein are repealed as of the effective date of this Resolution.
- 5. The provisions of this Resolution shall become effective immediately upon adoption.

THIS RESOLUTION IS ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

THE TOWN OF VALDESE,  
a North Carolina Municipal Corporation

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Charles Watts, Mayor

\_\_\_\_\_  
Jessica Lail, Town Clerk

**PROPOSED AMENDMENT TO  
VALDESE TOWN COUNCIL - RULES OF PROCEDURES**

June 5, 2023, Ordinance Book No. 9

**Proposed motion:** Move to Amend the following Valdese Town Council Rules and Procedures:

- **Ordinance Section 2-1021, by striking the first sentence, the commas and phrase, “, if required by the Mayor,” striking, , if required by the Mayor, , striking “committeemen”, and inserting “committee members”, as illustrated below.**
- **Rule 32, to remove the apparent conflict with Rule 31 and the NC General Statute on which it is based, by striking two commas and the words “,if the mayor is delegated that power by the council,” as illustrated below.**

**Section 2-1021 Committees generally.**

~~All committees shall, unless otherwise ordered, be appointed by the mayor. All reports of committees shall be in writing, if required by the Mayor, and committeemen~~  
**committee members** shall receive such compensation for extra and special service as the board may designate.

**Rule 31. Appointments [Note: okay as is, taken from NC General Statute]**

The council may consider and make appointments to other bodies, including its own committees, if any, only in open session. The council may not consider or fill a vacancy among its own membership except in open session.

Town staff liaisons to boards and commissions shall make recommendations to council for appointments/reappointments.

**Rule 32. Committees and Boards**

Amend to resolve conflicts with spirit and letter of Rule 31, by striking the commas and words,  ~~,if the mayor is delegated that power by the council,~~ as illustrated below.

**(a) Establishment and Appointment.** The council or the mayor, ~~if the mayor is delegated that power by the council,~~ may establish and appoint members for such temporary and standing city committees and boards as are needed to help carry on the work of city government. Any specific provisions of law relating to particular committees and boards shall be followed.

**A RESOLUTION OF THE TOWN OF VALDESE TOWN COUNCIL AMENDING THE VALDESE TOWN COUNCIL RULE 4(a) OF THE RULES OF PROCEDURE**

WHEREAS, the Town Council for the Town of Valdese operates pursuant to a Code of Ordinances (the “Ordinance”) and Rules of Procedure (the “Rules of Procedure”); and

WHEREAS, Rule 33 of the Rules of Procedure provides that the Rules of Procedure may be amended at any regular meeting or at any properly called special meeting that includes amendment of the rules as one of the stated purposes of the meeting, so long as the amendment is consistent with the city charter, general law, and generally accepted principles of parliamentary procedure. Adoption of an amendment shall require an affirmative vote equal to or greater than two-thirds of all the actual membership of the council, excluding vacant seats, and not including the mayor; and

WHEREAS, Town Council desires to amend Rule 4(a) of the Rules of Procedure.

NOW, THEREFORE, BE IT HEREBY RESOLVED, by at least two-thirds of all the actual membership of Town Council, that:

1. Rule 4(a) of the Rules of Procedure is hereby amended to read as follows:

**Rule 4. Agenda.**

(a) **Proposed Agenda.** The town clerk shall prepare a proposed agenda for each meeting. A request to have an item of business placed on the agenda must be received at least ten days before the meeting. Any council member may, by a timely request, have an item placed on the proposed agenda. A copy of all proposed ordinances shall be attached to the proposed agenda. An agenda package shall be prepared that includes, for each item of business placed on the proposed agenda, as much background information on the subject as is available and feasible to reproduce. Each council member shall receive the proposed agenda and agenda package by Friday afternoon prior to the Monday meeting and proposed agenda shall be available for public inspection and distribution or copying when it is distributed to the council members. Further, each preliminary proposed agenda, alone, without attachments, shall be provided to each council member and published on the Town’s website and Facebook page by 4:00 PM, the Monday before each regularly scheduled council meeting.

2. If any portion of this Section is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed severable, and such holding shall not affect the validity of the remaining portions hereof.
3. All Rules of Procedure which are not in conformance with the provisions of this Resolution occurring herein are repealed as of the effective date of this Resolution.
4. The provisions of this Resolution shall become effective immediately upon adoption.

THIS RESOLUTION IS ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2024.



THE TOWN OF VALDESE,  
a North Carolina Municipal Corporation

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Charles Watts, Mayor

\_\_\_\_\_  
Jessica Lail, Town Clerk

**PROPOSED AMENDMENTS TO  
VALDESE TOWN COUNCIL - RULES OF PROCEDURES**

June 5, 2023, Ordinance Book No. 9

Proposed for adoption by the Valdese Town Council at its January 8, 2024 regularly scheduled meeting.

**Rule 4. Agenda**

**1) MOTION** to amend “Rule 4, Agenda section (a)” of the Valdese Town Council – Rules of Procedures by striking the words, “~~electronic~~” and “~~on their iPads~~” as illustrated below and inserting the sentence in **bold underlined**, “**Further, each preliminary proposed agenda, without attachments, for each meeting shall be provided to each council member and published on the Town’s website and Facebook page by 4:00 PM, the Monday before each regularly scheduled council meeting,**” as shown in context below.

**(a) Proposed Agenda.** The town clerk shall prepare a proposed agenda for each meeting. A request to have an item of business placed on the agenda must be received at least ten days before the meeting. Any council member may, by a timely request, have an item placed on the proposed agenda. A copy of all proposed ordinances shall be attached to the proposed agenda. An agenda package shall be prepared that includes, for each item of business placed on the proposed agenda, as much background information on the subject as is available and feasible to reproduce. Each council member shall receive the ~~electronic,~~ proposed agenda and agenda package ~~on their iPads~~ by Friday afternoon prior to the Monday meeting and proposed agenda shall be available for public inspection and distribution or copying when it is distributed to the council members. **Further, each preliminary proposed agenda, alone, without attachments, shall be provided to each council member and published on the Town’s website and Facebook page by 4:00 PM, the Monday before each regularly scheduled council meeting.**

**COUNCIL AGENDA MEMO**

**To: Mayor and Town Council**  
**From: Allen Hudson, Public Works Director**  
**Agenda: January 8, 2024**

**REQUEST**

Approval of a budget amendment to move \$46,985.00 from the Utility Fund to cover expenses to replace the sewer line on Pineburr Ave SW.

The Pineburr sewer line was placed in the 60s; the line has had several blockages over the years. Staff completed a camera study, which showed gravel in the pipe, cracks, and swags, which create improper flow and blockages, which will result in sewer spillage in the stream.

Replacing the sewer line will prevent an environmental spillage and possible North Carolina State fines.

**RECOMMENDATION**

Staff contacted four contractors, and two responded. Please see (2) attached estimates. Both contractors are highly recommended, and staff recommends the low bidder, Iron Mountain Construction Co, Inc., for the project.

Iron Mountain Construction Co. Inc. \$46,985.00  
Max Prestwood Water and Sewer, Inc. \$50,200.00

**BUDGET ANALYSIS:**

<b><i>Budgetary Action</i></b>	Yes	No
Is a Budget Amendment required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

# PINEBURR SEWER REPLACEMENT



240 FEET BETWEEN MANHOLE TO BE REPLACED DUE TO FAILING LINE

# Iron Mountain Construction Co, Inc.



To: Allen Hudson, Public Works Director

Town of Valdese

From: Sam Icehour, President

Quote: Sewer Repair at Praely Street & Pineburr Avenue

QUANTITY	Unit	DESCRIPTION	UNIT PRICE	AMOUNT
1	LS	Mobilization	\$6,250.00	\$6,250.00
230	LF	Asphalt removal	\$7.50	\$1,725.00
60	LF	8" Ductile Iron Pipe Sewer	\$110.00	\$6,600.00
170	LF	8" SDR35 Sewer	\$78.00	\$13,260.00
1	EA	Connect to existing manhole	\$2,000.00	\$2,000.00
1	EA	Connect to existing 8" pipe	\$2,000.00	\$2,000.00
2	EA	Reconnect Sewer Services	\$1,570.00	\$3,140.00
40	TN	ABC Stone	\$44.00	\$1,760.00
40	TN	Washed stone bedding	\$50.00	\$2,000.00
30	TN	Asphalt Repair 4' Thick	\$275.00	\$8,250.00
<b>Total:</b>				<b>\$46,985.00</b>

Thank you for your consideration.

# Prestwood Water and Sewer, Inc.

## Max Prestwood Water and Sewer, Inc.

P.O. Box 583

Lenoir, NC 28645

Phone (828) 754-9315

Fax (828) 754-3768


12-11-23

Town of Valdese


Attn: Allen Hudson

Re: Sewer line replacement

Cut and remove 240' of asphalt @\$10.00/LF	\$2,400.00
180' of 8" SDR 35 PVC with stone bedding @\$125.00/LF	\$22,500.00
60' of 8" DIP @\$135.00/LF	\$8,100.00
Reconnect 2-4" sewer taps @\$3,000.00/EA	\$6,000.00
2-8" max couplings @\$200.00/EA	\$400.00
	<b>Total: \$39,400.00</b>
Estimated 75 TN of ABC stone for roadway @\$40.00/TN	\$3,000.00
Estimated 30 TN of Pavement patch @\$260.00/TN	\$7,800.00
	<b>Total: \$50,200.00</b>



Recommendation: Award Iron Mountain Construction Co, Inc., bid in the amount of **\$46,985.00**.



Budget Amendment # 8-10

Subject: Pineburr Sewer Replacement

Description: This amendment covers the expense for replacement to the existing 240 feet of sewer line that is failing under Pineburr Ave SW Proposed contract price by Iron Mountain Construction Co.

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2024:

Section I:

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
30.3990.000	Utility Fund Balance Appr.		46,985
Total		\$0	\$46,985

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
30.8120.740	Capital Outlay	46,985	
Total		\$46,985	\$0

Section II:

Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.



Budget Amendment # 6-10

Subject: Board of Elections fees

Description: This amendment covers the unexpected fees charged by the County Board of Elections. In years past the average cost for an election year was \$1,500-2,000. This is what is included in the budget. Due to a change in election cycles, Valdese now bears more of costs from the Board of Elections which was unknown to Valdese until billed.

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2024:

Section I:

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
10.3990.000	General Fund Balance Appr.		4,930
Total		\$0	\$4,930

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.4200.570	Miscellaneous Services	4,930	
Total		\$4,930	\$0

Section II:

Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

Budget Amendment # 9-10

Subject: Contract with Interim Manager

Description: This amendment covers the salary and taxes for the Interim Manager

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2024:

Section I:

The following revenues available to the Town will be increased:

Account		Description	Decrease/ Debit	Increase/ Credit
10.3990.000		General Fund Balance Appr.		90,700
Total			\$0	\$90,700

Amounts appropriated for expenditure are hereby amended as follows:

Account		Description	Increase/ Debit	Decrease/ Credit
10.4200.020		Salaries	83,200	
10.4200.050		Taxes	6,500	
10.4200.140		Travel	1,000	
Total			\$90,700	\$0

Section II:

Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

Budget Amendment # 10-10

Subject: Cameras with streaming equipment

Description: This amendment covers the materials and labor to install cameras in the Council Chambers for streaming meetings in real- time to YouTube

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2024:

Section I:

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
10.3990.000	General Fund Balance Appr.		3,907
Total		\$0	\$3,907

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.4200.740	Capital Outlay	3,907	
Total		\$3,907	\$0

Section II:

Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

**RESOLUTION OF THE TOWN OF VALDESE TOWN COUNCIL TO RETAIN  
CRANFILL SUMNER LLP; MILBERG COLEMAN BRYSON PHILLIPS GROSSMAN,  
LLC ; AND NAPOLI SHKOLNK, PLLC AS SPECIAL COUNSEL**

WHEREAS, the Town desires to appoint and employ the attorneys at the law firms of Cranfill Sumner LLP; Milberg Coleman Bryson Phillips Grossman, LLC; and Napoli Shkolnk, PLLC as special counsel for the Town for the purpose of investigating and litigating the Town’s potential claims for injuries and/or property damages arising out of emerging hazardous contaminants including, but not limited to, per- and polyfluoroalkyl and related substances (PFAS/PFOA), 1,4 Dioxane, and micro-plastics (the “Claims”), including representation in connection with the Aqueous Film-Forming Foams (AFFF) Products Liability Litigation MDL No. 2873 pending in the United States District Court, District of South Carolina.

NOW, THEREFORE, BE IT RESOLVED that the Town Council hereby appoint and employ the law firms of Cranfill Sumner LLP; Milberg Coleman Bryson Phillips Grossman, LLC And Napoli Shkolnk, PLLC as special counsel to investigate and litigate the Claims on the terms and conditions of the Retainer Agreement attached hereto as “Exhibit A,” and that the Town Manager is fully authorized to execute the Retainer Agreement on behalf of the Town

THIS RESOLUTION IS ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

THE TOWN OF VALDESE,  
a North Carolina Municipal Corporation

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Charles Watts, Mayor

\_\_\_\_\_  
Jessica Lail, Town Clerk

January 8, 2024

**VIA ELECTRONIC DELIVERY**

Town of Valdese, North Carolina  
P.O. Box 339  
Valdese, NC 28601

**ATTORNEY-CLIENT COMMUNICATION  
RETAINER AGREEMENT ("AGREEMENT")**

The Town of Valdese (“Client” or “You”) hereby agrees to separately retain Cranfill Sumner LLP (“CS”) with an address of 5420 Wade Park Boulevard, #300, Raleigh, North Carolina 27607, Milberg Coleman Bryson Phillips Grossman, LLC (“Milberg”) with an address of 900 W. Morgan Street, Raleigh, North Carolina 27603, and Napoli Shkolnik, PLLC (“NS”) with an address of 360 Lexington Avenue, 11th Floor, New York, New York, 10017, to provide legal services to Client on the terms and conditions set forth below. CS, Milberg, and NS are collectively referred to as “Co-Counsel” or “We”. This Agreement shall be made effective upon the date of execution.

1. Condition

This Agreement will not take effect, and We will have no obligation to provide legal services, until You return a signed copy of this Agreement to Co-Counsel.

2. Key Deliverables

Co-Counsel will provide legal representation in identifying and pursuing Your potential claims for injuries and/or property damages arising out of the contamination of water supplies, wastewater treatment facilities, and/or solid waste facilities by emerging hazardous contaminants including, but not limited to, per- and polyfluoroalkyl and related substances (PFAS/PFOA), 1,4 Dioxane, and micro-plastics, including representation in connection with any claim made in the Aqueous Film-Forming Foams (AFFF) Products Liability Litigation MDL No. 2873 pending in the United States District Court, District of South Carolina (“Cases”).

We have identified the key deliverables that we will provide to you in connection with the Cases:

- a) Represent Your interests in pursuing a claim in the Cases and recovering the maximum amount of compensation You may be entitled to under the controlling law.
- b) Represent Your interests in the litigation and pursuit of claim recovery, with Co-Counsel’s respective responsibilities defined in the following subsections.

In consideration for these services, Client agrees to pay the contingency fee set forth in Section 5.A.

3. Additional Services

Your matter is complicated and it is difficult to predict how your claim eligibility and potential recovery may unfold. The Key Deliverables above do not include assisting You, by way of example, in any administrative or regulatory agency proceedings outside of the defined Cases. We are not agreeing to represent You in any other matter other than as set out in this agreement; any additional representation must be agreed to in writing.

4. Client Duties

You agree to be completely truthful and candid with us, to cooperate, to keep us informed of all developments, and to keep us advised of your address and telephone number. You agree to be available upon reasonable notice to discuss matters, to attend meetings, testify, assist with depositions, and participate in court conferences and hearings. You agree to help review documents and to provide factual or technical expertise. You will maintain and not delete, discard or destroy any documents (including text messages, instant messages, messages sent by way of messaging apps, and emails) relating to the Cases, and will put procedures in place to make sure all such documents remain preserved. You authorize Co-Counsel to advertise their respective roles in the Cases subject to all applicable professional rules of conduct.

5. Co-Counsel Fees

A. Contingency Fee

Co-Counsel shall be entitled to a contingency fee of 33% (thirty three percent) of the claim recovery (“Contingency Fee”). In the event of a claim recovery, We shall further be entitled to our costs and expenses advanced in the representation (as set forth in paragraph 6 below), in addition to the 33% (thirty three percent) Contingency Fee. You shall not be obligated to pay these costs unless there is a claim recovery.

Co-Counsel shall divide any Contingency Fee in the following manner. For a Contingency Fee below \$10,000,000.00 (ten million dollars), CS shall receive 40% (forty percent), Milberg shall receive 40% (forty percent), and NS shall receive 20% (twenty percent). In the event of a Contingency Fee exceeding \$10,000,000.00 (ten million dollars), CS shall receive 50% (fifty percent), Milberg shall receive 30% (thirty percent), and NS shall receive 20% (twenty percent). In either scenario, and in addition to the Contingency Fee, CS, Milberg, and NS and Milberg shall be entitled to recover any costs and expenses advanced by Co-Counsel from any award or payment made to You arising from the representation as permitted by law.

Any amendment to this Contingency Fee arrangement shall be required to be made in writing with consent of the undersigned parties. CS, Milberg, and NS are assuming joint responsibility for Your representation.

It is anticipated, contemplated and understood by the Client and Co-counsel that the division of responsibility and labor between Co-Counsel shall be as follows:

1. Milberg/NS Responsibilities. Milberg shall be responsible as lead litigation counsel, including entering any and all appearances in, and leading the prosecution of, any court proceedings as may be required to recover any claim for the Client. Milberg shall be responsible for communicating to CS all pertinent procedural, litigation and settlement updates concerning the Client's claim so that CS may be appropriately informed and globally advise the Client in its settlement considerations. The parties agree that all tactical decisions regarding litigation shall be determined by Milberg who will be lead counsel on all filings. NS shall assist Milberg in all aspects of the litigation.
2. CS Responsibilities. CS shall be responsible for advising the Client on legal strategy concerning its claim(s) in the Cases, claim valuation, and settlement valuation. This includes communicating with the Client's attorney and council / board about the Cases. CS shall further be responsible for liaising with Milberg and NS regarding litigation in order to give the foregoing advice to Client and advising the Client on all litigation developments pertinent to prosecuting or settling the Client's claim for the maximum recoverable value permitted under controlling law.

**You acknowledge the 33% Contingency Fee plus costs arrangement accounts for the amount of time and expertise required in this representation, the risk, costs and expenses incurred by Co-Counsel in the event there is no claim recovery, as well as the likely duration of time before any claim recovery will occur, if ever. You acknowledge Co-Counsel is accepting a very high degree of risk that no claim recovery will be made, but Co-Counsel will nonetheless invest significant time and costs in the matter. You further acknowledge the fee share arrangement between CS, Milberg, and NS, and that CS, Milberg, and NS are entitled to recover their costs and expenses advanced in the representation as permitted by law.**

6. Costs

In addition to fees for legal services, there are certain costs and expenses that you may be obligated to pay in connection with the Key Deliverables. These include, but may not be limited to, costs for court filing fees, sheriff fees, court reporter fees, deposition costs, expert fees for expert depositions and court appearances, trial and deposition exhibits, photocopying, postage and express mail charges, travel, airfare, mileage charges, any other reasonable fees or costs which CS or Milberg may be required to advance in the course of providing the Key Deliverables. Expenses incurred in connection with the Key Deliverables shall not be required to be repaid if there is no recovery. Expenses and costs related to Additional Services shall be paid as incurred, but no expenses or costs shall be incurred without prior client approval. Co-Counsel agree that they shall confer with each other in writing before proceeding to incur any costs exceeding \$1,000.00 (one thousand dollars).

7. Statute of Limitations

You understand that any lawsuit must be commenced within a certain limited time period, (that may vary, depending upon the defendant) starting from the "discovery of the injury" or of "the date when through the exercise of reasonable diligence such injury should have been discovered... whichever is earlier". You further understand that the Statute of Limitations period for any case must be investigated, and that this Agreement is made subject to that investigation as well as an investigation of the entire case.

8. Discharge and Withdrawal

You can terminate Co-Counsel's representation of You at any time, either individually or collectively. For the avoidance of doubt, in the event You terminate Co-Counsel's representation of You and do not pursue the Cases with other counsel or on your own, terminated Co-Counsel shall be entitled to recover its costs.

Co-Counsel may respectively withdraw at any time with your consent or for good cause. Good cause includes your breach of this Agreement, your failure to cooperate with or follow Co-Counsel's advice on a material matter, any fact or circumstance that would render Co-Counsel's continuing representation unlawful or unethical, or any developments which render the pursuit of this case economically unfeasible. Co-Counsel individually reserves the right, and You consent, to each firm's respective withdrawal at any time if the anticipated evidence does not materialize, or if the allegations in the complaint turn out to be incorrect or not supported by the evidence. After Co-Counsel's services conclude, We will deliver your file to You, along with any funds or property of yours in Co-Counsel's respective possession.

9. Disclaimer of Guarantee and Negotiability

Nothing in this Agreement and nothing in Co-Counsel's past, present or future respective statements to You are a promise or guarantee about the outcome of your matter. We make no such promises or guarantees and no statement of Co-Counsel can be construed as offering the same. Our comments about the outcome of your matter are expressions of opinion only. You acknowledge that You have been advised that the attorneys' fee provided in this Agreement is negotiable between Co-Counsel and You.

10. Effective Date, Severability and Subsequent Written Modifications

This Agreement contains the entire agreement of the parties. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties. If any provision of this Agreement is held wholly or partly unenforceable for any reason, the remainder of that provision and the entire agreement will be severable and remain in effect. This Agreement may be modified by subsequent agreement of the parties only by an instrument in writing signed by each of them. The person signing below for You has full authority and consent to do so and can fully bind You to the terms of this Agreement without further approval by any other person, board, or entity.



11. Document Retention Policy; Privacy of Information

Our document filing system is primarily digital and so Co-Counsel may not keep copies of paper documents that have been scanned. After the conclusion of the Matter all documents retained by Co-Counsel will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, We reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us within a reasonable time after the termination of the engagement. At the conclusion of the Matter, you must notify us within 30 days if you want copies of any documents. Respective Co-Counsel legal files relating to the Cases and any documents not returned to the client will be retained in accordance with the applicable rules of professional conduct or other regulation or requirements. At the end of the retention period, files will be destroyed in a manner protecting client confidentiality, barring further written instruction from You.

Attorneys, like other professionals who advise clients on personal financial and tax matters, are now required by federal law to inform their clients of their policies regarding privacy of client information. In addition to these federal laws, attorneys have been and continue to be bound by professional standards of confidentiality under state law and our ethics standards. In the course of providing our clients with advice and representation in diverse areas of practice, we receive significant personal information from our clients and their other advisors. Information we receive about You is held in confidence, and is not released to people outside the firm, except as agreed to by You, or as appropriate under applicable laws, rules, and regulations.

12. Governing Law

The laws of the State of North Carolina shall govern this Agreement, without regard to North Carolina's choice of conflict of law provisions.

13. Co-Counsel Status

You acknowledge that Co-Counsel are neither partners nor joint venturers nor otherwise affiliated with one another, and that neither Co-Counsel firm guarantees any obligation of the other the firm and that Co-Counsel does not assume joint or several liability for the actions or omissions of the other firm.

\* \* \* \*

**[SIGNATURE PAGE FOLLOWS]**

**YOU HAVE READ AND AGREE TO THE FOREGOING FIVE PAGES, FULLY UNDERSTAND ITS TERMS AND CONDITIONS, AND AGREE TO BE BOUND BY THESE TERMS AND CONDITIONS.**

Date: \_\_\_\_\_, 2023

**THE TOWN OF VALDESE,**  
a North Carolina Municipal Corporation

By: \_\_\_\_\_  
Charles Watts, Mayor

ATTEST: (SEAL)

\_\_\_\_\_  
Jessica Lail, Town Clerk

Date: \_\_\_\_\_, 2023

**CRANFILL SUMNER LLP**

\_\_\_\_\_  
By: F. Marshall Wall  
Its: Managing Partner

Date: \_\_\_\_\_, 2023

**MILBERG COLEMAN BRYSON  
PHILLIPS GROSSMAN, LLC**

\_\_\_\_\_  
By: Marc D. Grossman \_\_\_\_\_  
Its: Senior Partner

Date: \_\_\_\_\_, 2023

**NAPOLI SHKOLNIK, PLLC**

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_