

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
January 8, 2024**

The Town of Valdese Town Council met on Monday, January 8, 2024, 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 @townofvaldese. 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: Interim Town Manager Bryan Steen, 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.

OPEN FORUM/PUBLIC COMMENT:

RECOGNITION OF THE VALDESE TIGER FOOTBALL TEAM CHAMPIONS: Parks & Recreation Director David Andersen introduced the five – seven-year-old Valdese Tiger football team champions and coaches. Coach Trey Kincaid gave a brief rundown of the season. Mr. Andersen introduced the nine – ten-year-old Valdese Tiger football team champions and coaches. Coach Craig Treadway gave a short rundown of the season. Mayor Watts thanked the coaches and the parents for their time they put into the children.

Mayor Watts read the Rules & Procedures for Public Comment:

Rule 5. Public Comment - The council shall provide at least one period for public comment per month during a regular meeting, unless no regular meeting is held that month. Any individual or group who wishes to address the council shall inform the town clerk, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Person(s) must be present if they wish to address the Council. Comments should be limited to five minutes per speaker. Please use the microphone and silence your cell phones.

THOUGHTS – EDDIE PERROU, 1312 LAUREL ST NE, VALDESE: Mr. Perrou thanked the Council members who voted for him to serve as Interim Town Manager, Councilman Harvey, Councilman Ogle, and Councilwoman Ward. Mr. Perrou appreciated the cooperation from Councilman Mears and Councilwoman Lowman. Mr. Perrou shared his experience with the time he spent as Interim Manager working with the department heads and thanked them for spending time with him. Mr. Perrou shared that reducing taxes this year and maintaining the services is possible. Mr. Perrou assured the Town staff that he was not there to cut jobs or services. Mr. Perrou shared a few changes that he made, such as increasing security at the Water Plant, purchasing equipment to live-stream the meetings, approving \$7500 to put warm air back into the pool bubble, signing off on a pay increase for Officer Buchanan to serve as the interim Police Chief. Mr. Buchanan is the longest-serving employee currently with the Town. Mr. Perrou thanked the Council for terminating the CBSA contract and shared his thoughts on some amenities in the proposed new public safety building. Mayor Watts said that Mr. Perrou's time was up.

Councilman Mears made a motion to extend Mr. Perrou's time, seconded by Councilwoman Lowman. The vote was unanimous.

Mr. Perrou said in closing that he suggests that the Council take immediate action to search out and engage an architectural engineer to take action on the current public safety building. Mr. Perrou said that the employees deserve a better facility to work in. Mr. Perrou said to be decisive and take action.

POOL, REC. BUBBLE – NANCY TUCKER, 210 FOREST DR NE, VALDESE: Ms. Tucker shared the

following remarks and provided a copy to the Town Clerk:

Thank you for allowing me to speak to you this evening. I am here to talk about the Valdese recreation department and specifically the swimming pool and the bubble and the need for improvement. In full disclosure, I am an appointed member of the Valdese Recreation Commission, but tonight I am speaking for myself.

I have been a life long swimmer. My family and I moved to Valdese in 1992. The Valdese recreation center has been a part of our lives here. My children participated in Football, basketball, baseball recreation leagues. My daughter swam for the East Burke swim team using the Valdese pool and my son was a lifeguard here during his high school years. When Jeff Morse, our town manager at the time, and Sonny Dyer started the sprint triathlon program here in Valdese, it boosted the adult participation at the center, introduced me to many new friends and it helped me return swimming as a focus.

Currently, I am a member of the Valdese Torpedo Master's Swim Team. I have competed in the Unifour Senior Games that have previously been held in Lenior and is scheduled to be held at the Valdese pool this year. I have competed in Cary, NC in the North Carolina State Senior games and have qualified and competed twice in the National Senior Games Olympics in swimming. The members of the Valdese Town Council in 2017 recognized the importance of these state and national events to our town with a proclamation extending congratulations to me that "helped bring this recognition and honor to the Town of Valdese". The chance to swim year round made all this possible.

The availability of year round swimming is a unique draw for Valdese and there is not something of this quality, size and affordability that is offered in nearby communities. Our year round swimming program is not just a nice offering, it is a life changing opportunity for many. It is just one of the things that shows we actually care about the health and wellbeing of our citizens, our students and area residents. The pool is not just for fun – although it is fun, It offers the possibility for social gatherings with parties, swim meets, water aerobics, jobs as well as saving lives by teaching many children and adults how to swim.

But now the bubble has had it's time. It has lasted many years longer than we thought it would. I am asking you to consider a more permanent structure. One

that doesn't require closing the facility for days, losing availability to swim and the income it provides and costing many man hours to take down in the spring, put up in the fall and move to storage. Please, make a long term commitment by building a permanent structure for year round swimming not just another bubble. This is not an idea that is just popping up in current conversations. It has been in discussions for several ^{years 2010} years. Here is a booklet I received that shows an example of a swimming environment for all seasons. I have given Jessica of a couple of the pictures so you can have some idea of the options. Look at all the possibilities a building like this can provide for the deserving people of Valdese.

VALDESE REC CENTER – J. EDWARD MCFADDEN, 2500 HENRY RIVER TRL, MORGANTON: Mr. McFadden shared the following remarks and provided a copy to the Town Clerk:

My name is Ed McFadden and I am an athlete. Although I no longer live within the town limits, I did live within the limits for more than 25 years, exercising daily in the town facilities and on its sidewalks and roadways. My son and his family currently do live within the town limits, & I continue to frequently use the town's recreational facilities and the roadways for exercise. I wish to address you this evening about a GEM that this town has in its pool and especially because it is a year-round pool. I joined the pool and fitness center in early 2001 to rehabilitate a serious shoulder injury from a bicycle crash in town, and I have maintained my membership since then. ^{for rehab fun & fitness} For almost 25 years Valdese has offered year-round swimming to residents of the town and nearby environs. Because it is a year-round pool, it supports, 5 different swimming teams, 1 youth league team, the Torpedoes, 1 independent youth team, Xcell, 1 Adult team, Torpedoes Masters, and 2 high school teams. Each of those teams represents Valdese in state and regional competitions throughout the year. In addition there are adult fitness classes, swimming lessons year round, fitness swimming year round, and parties galore for many children. For a town of its size, Valdese has a wonderful resource for fun, for health, for fitness; by far the best pool in Burke County. In a time of fiscal retrenchment, one might ask if it is worth the cost to continue year-round use of the pool. I say a resounding YES. This pool offers health and well-being to the citizens of Valdese, to friends of the recreation center like I am, and to many others in the greater Valdese community. You as Council members have a serious responsibility in deciding how the community's money is distributed. Cutting the town budget is not the only part of that responsibility. The responsibility includes offering services to the community that makes for healthy residents of the community. The Recreation Department, the pool, are part of that second responsibility. Please maintain the public resources for the Recreation Department to continue to offer year-round pool use.

Here is one way that I believe can make that to happen. When the Bubble was installed, its life expectancy was estimated at 10 years. With prudent care, and with 1 internal refurbishment, Valdese has been able to extend the Bubble's life for more than 20 years. No facility will last forever, and the Bubble and its equipment is showing its age. The town could purchase another Bubble, or it could purchase a permanently installed building which would last longer and potentially cost less to operate. Please hear my words: continue to maintain a year round pool; direct the Recreation Dept. to develop a plan to a build a permanent structure for the pool.

Thank you for your time.

TRANSPARENCY – MIKE FARRIS, 7721 WOODLAND HILLS RD, HICKORY: Mr. Farris shared that even though he does not live in Valdese, he does live in Burke County and has a vested interest in this Town. Mr. Farris shared his Waldensian family history and how they were involved in Valdese. Mr. Farris wants to be transparent, and what had been marked as transparency by the incoming members of the Valdese Town Council does not seem like transparency to many people. Mr. Farris shared examples, naming Eddie Perrou as Interim Town Manager, which was added to the agenda and not discussed with all parties that had a vote. The Citizens for a Better Valdese Facebook page is nowhere to be found, which had accusations and promises during the campaign that can no longer be audited, and lastly, using personal Google emails to send emails to Council regarding the de-annexation of the UNC Blue Ridge Hospital Valdese. Mr. Farris feels using personal emails is a slippery slope to backroom deals. Mr. Farris stated when you say transparent, you mean it; otherwise, you are no better than the crooks in Washington.

VALDESE POOL – KAREN LINKOUS, 301 ST GERMAIN AVE, VALDESE: Ms. Linkous shared that she was appointed to a pool committee in 2018 to begin the process of reconfiguring the current pool and possibly adding a structure to allow for year-round swimming and a fitness center. Ms. Linkous shared that they had big dreams. Ms. Linkous remembers when the Jimmy C Draughn Aquatics and Fitness Center was created and walking into the pool bubble for the first time that has since then held many events. Ms. Linkous's children participated in swimming; the recreation center has been a huge part of her family's life. Ms. Linkous shared that the pool bubble was supposed to last eight to ten years, and we are now in year 24. Ms. Linkous asked that the Council give the pool some attention and keep it as a public service that promotes good health and recreation for all visitors.

AD HOC COMMITTEES – BRADY LINKOUS, 301 ST GERMAIN AVE, VALDESE: Mr. Linkous has been a Valdese resident for over 40 years and wanted the Council to know that homelessness and addiction to drugs are not new to Valdese. Mr. Linkous shared that homelessness and addiction exist in every town and city at every socioeconomic level. Mr. Linkous shared stories of several encounters he has had with homeless and mentally ill individuals in the Town of Valdese, one of which was a lady sleeping in his newly bought home garage in 1992. Mr. Linkous shared that governments, by nature, are bureaucratic, slow, and cumbersome and always get in the way. Mr. Linkous feels that committees are seldom effective and unnecessary. Mr. Linkous said that homelessness and addiction is a people problem and should be addressed by caring people, and no government or committee has ever been needed to do that. Mr. Linkous noted that the election is over and to please stop the campaigning. Mr. Linkous suggested taking meaningful action and having a positive and independent voice.

VALDESE POOL – DENISE KAPUSCINSKI, 1039 TRANQUIL COVE CT, CONNELLY SPRINGS: Ms. Kapuscinski shared that there is no place in Connelly Springs for fitness or exercise and came to Valdese

to workout in the Recreation Center. Ms. Kapuscinski discovered the pool, loves to swim, and feels that if it is taken away, she will have problems. Ms. Kapuscinski uses the pool for rehab from her knee replacement and torn rotator cuff. Ms. Kapuscinski would like to see the pool open year-round.

GENERAL – BRENDA SHUPING, 600 CAROLINA ST, VALDESE: Ms. Shuping shared that she had hoped after the campaign ended that, Valdese could move forward and the Town Council could work together for the betterment of Valdese, but she was wrong. Ms. Shuping shared that one of the Council members leaked a confidential email that was published in The Paper on Saturday. Ms. Shuping said some of the wording in the email had been changed and used in a way that was not intended. Ms. Shuping said the article made it appear that one item in the email, exploring the de-annexing of a property within the limits of Valdese, would occur in the near future. However, the actual information would have read, a future Council and legal question is, can and should Valdese de-annex the block on which the hospital and College Pines sit? Ms. Shuping said there were other facts in the email that were not published and made it appear as if this was going to happen in the near future. Ms. Shuping feels the only reason this email was leaked was to continue the ugliness and rumors and was evidence of poor decision-making that we do not want on our Valdese Town Council. Ms. Shuping is also concerned that the article also stated that a person terminated from the Town of Valdese continues to serve the Town of Valdese on a board and gets a free gym membership. Ms. Shuping does not feel that anyone terminated should continue to serve the Town and obtain a free membership. Ms. Shuping thinks the person who leaked this email should resign from the Town Council.

POOL – MARGARET SUNDELL, 3018 BEAR PAW AVE NW, VALDESE: Ms. Sundell shared her experience of taking swim lessons as a child, which led her to competitive swimming in high school. Ms. Sundell said that at age 58, she continued to swim in Valdese with the Master Swimmers, and that was why she decided to move to Valdese, NC. Ms. Sundell hopes we can all work together to find a long-term solution to keep the pool open.

GENERAL – TIM SKIDMORE, 312 BECKER AVE NW, VALDESE: Mr. Skidmore shared that he was distressed when he read The Paper and feels that Valdese Hospital will always be a part of Valdese and should never be separated. Mr. Skidmore cannot think of anyone who is a Valdese native who would think of doing this. Mr. Skidmore does not feel a dollar value can be put on the relationship the Valdese Hospital has with the Town of Valdese and the safety of this Town. Secondly, Mr. Skidmore believes that the ladder truck can be used in many buildings other than the Hospital that require an apparatus of that type.

POOL – JENNY HUDSON, 412 FAET ST NW, VALDESE: Ms. Hudson shared that she has two college kids who live in the Valdese pool and are lifeguards for the Town of Valdese. Ms. Hudson shared that she is an original member of the Valdese ABC board and is a member of the Master Swim Team. Ms. Hudson considers herself a vested member of the Town. Ms. Hudson asked the Council members who used the pool regularly. Ms. Hudson feels that we have the best pool in this County and feels it is time to do something different after 20 years. Ms. Hudson shared that the town is fortunate to have David Andersen, who has extensive experience leading the department. Ms. Hudson asked the Council to consider a permanent structure used year-round in Valdese.

TRASH PICK UP – JEAN-MARIE COLE, 705 BERTIS ST, VALDESE: Ms. Cole said she received the new trash /recycle pickup schedule and was concerned about the rough trash pickup being scheduled on Sunday. Community Affairs Director Morrissa Angi shared that it indicates the entire week that the rough trash will be picked up. Ms. Cole understood.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF DECEMBER 4, 2023

APPROVED CLOSED SESSION MINUTES OF DECEMBER 4, 2023

APPROVED SPECIAL MEETING MINUTES OF DECEMBER 18, 2023

APPROVED 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.

**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: _____
Manager

By: _____ Interim Town
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

January 8, 2024, MB#32

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 1st 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.

APPROVED RESOLUTIONS ESTABLISHING NEW TOWN OF VALDESE AD HOC COMMITTEES

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)

/s/ Charles Watts, Mayor

ATTEST:
/s/ 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)

/s/ Charles Watts, Mayor

ATTEST:
/s/ 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)

/s/ Charles Watts, Mayor

ATTEST:
/s/ Town Clerk

Councilwoman Ward made a motion to approve the Consent Agenda, seconded by Councilman Ogle. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

INTRODUCTION OF NEW EMPLOYEES: Interim Police Chief Jamie Buchanan introduced new Police Officer Roger Rutherford, Jr.

PRESENTATION OF FINANCIAL UPDATE FOR FISCAL YEAR ENDING JUNE 30, 2023: Phil Church with Lowdermilk Church & Co. shared that the audit went very well and that they appreciate the staff. Mr. Church shared that they gave a clean, unmodified opinion on our compliance and A133 audit. Mr. Church said that the Local Government Commission has reviewed and approved the report. Mr. Church introduced Rick Hammer with Lowdermilk Church & Co., who reviewed the following highlight sheet:

TOWN OF VALDESE

Financial Highlights
Years Ended June 30, 2023 and 2022

General Fund (Includes Powell Bill Funds)	2023	2023	2022
	Summarized Budget		
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
Fund Balance Available			
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%

Mr. Church noted that the State average for a Town the size of Valdese of unassigned fund balance is around 85%.

	2023	2022
Water and Sewer Fund		
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
Fund Balance Available		
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%

Mr. Hammer shared that every year, they complete a worksheet for the LGC with financial indicators, and if something they do not like pops up, the Council has to respond to them. Mr. Hammer said this year

was the water system life expectance, which for the TOV falls under .05. Mr. Hammer noted that this is new this year and has been common with other clients. (The Council members signed the letter, but it did not require a vote.)



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.

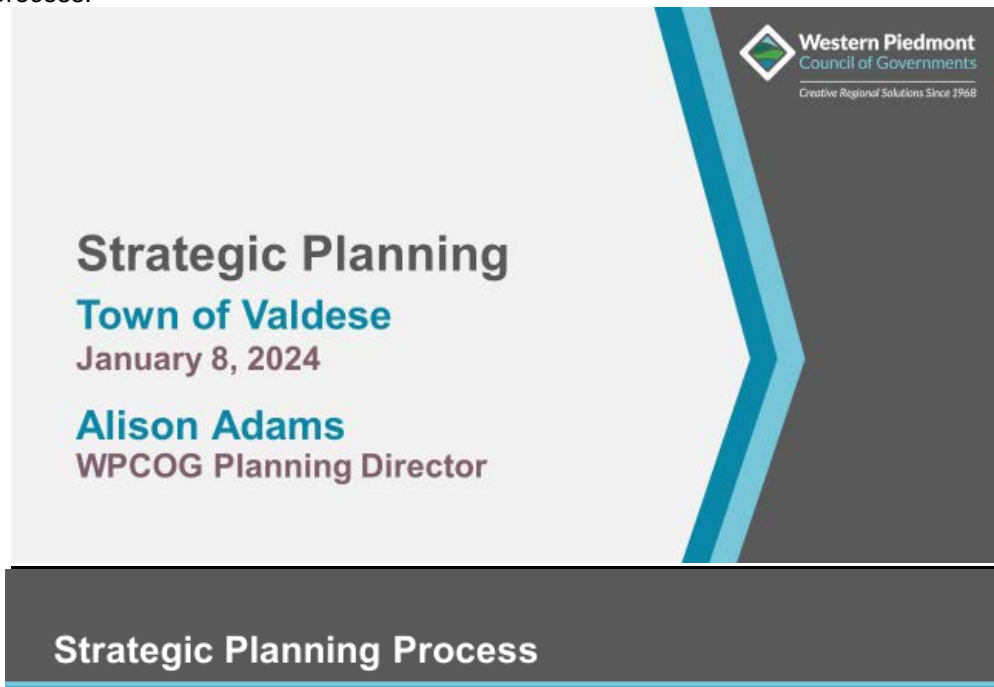
Sincerely,
Town of Valdese Council

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)

Mr. Church shared that nothing came up with the audit that caused disagreements between the auditor and staff. Councilman Harvey asked if we needed to reassign the new Public Safety Building funds. Mr. Hammer answered that at the end of June, there was \$1,079,000 in that fund, and if the Council is not going to use it, they would just need to reallocate it. Councilman Harvey asked if we could reallocate it to the existing Public Safety Building. Mr. Hammer and Mr. Church said that the fund's title is Public Safety Building, so you should be able to use it. Councilman Harvey asked if the funds could be used for the Old Rock School renovations or a bubble for the pool, and Mr. Church said he would think it would have to go through an Ordinance change. Councilman Harvey thought it was interesting that all the vehicles we have sitting in Town are almost 3 million, and the facilities that the Town owns are around 7 million. Councilman Harvey said that we have three vehicles in the inventory that are being used for personal commuting by Town staff and said the latest practice is we charge the employee \$1.50 each trip and wonders if that is ok. Mr. Church shared that they looked at it a few years ago, and we follow the IRS regulations of charging \$3.00 daily.

PRESENTATION OF 2024 STRATEGIC PLANNING PROGRAM SCOPE OF WORK BY WPCOG:

Anthony Starr, Executive Director of WPCOG gave the Council an update of the upcoming Strategic Planning process:



Purpose:

To obtain public input as Council creates a strategic plan to facilitate the upcoming budget and update the capital improvement plan.

Public Input:

- Two interactive public meetings - January 17th and 24th at the Old Rock School from 6:00pm to 7:30pm. Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis will be conducted.
- Surveys will be sent through the mail to all in-town utility customers. The same survey will be available online. Survey will remain open until the end of January.

Promotion:

- Will occur through the Town's Face Book Page and website

Survey Questions

Overall Quality of Life

Share your opinion of the current quality of life in Valdese. If you don't have an opinion, please select the "Don't know or Not applicable" option.

1. How would you rate Valdese on the following?

	Excellent	Good	Neutral	Fair	Poor	Don't Know
As a place to live						
As a place to raise a family						
As a place to work						
As a place to retire						
As a place to own a business						
As a place to enjoy leisure activities						

Survey Questions

2. How would you rate Valdese on the following quality of life characteristics?

	Excellent	Good	Neutral	Fair	Poor	Don't Know
Feeling of safety						
Cost of living						
Housing affordability						
Employment opportunities						
Diversity of business and services						
Arts & culture activities and festivals						
Parks and open space						
Education (Early childhood – Adult)						
Health and wellness						

Survey Questions

3. From the list below, what are the top three quality of life characteristics that you would like to see improved upon and why?

- Feeling of safety
- Cost of living
- Housing affordability
- Employment opportunities
- Diversity of business and services
- Arts & culture activities and festivals
- Parks and open space
- Education (Early childhood – Adult)
- Health and wellness
- Other (Mandatory Response)

Briefly explain why you selected your three responses above in the space below.

Survey Questions

Town Governance and Services

Share your level of satisfaction with how well the Town of Valdese meets your needs and expectations. If you don't have an opinion or have not used a service, please select the "Don't know or Not applicable" option.

4. How would you rate your satisfaction on the following governance and engagement indicators?

	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	Don't Know
Overall value of services for taxes you pay						
Overall quality of town services						
Overall customer service						
Effectiveness of town communication with public						
Opportunities for public input						
Confidence that the government is acting in the best interest of Valdese						

Survey Questions

5. How would you rate your satisfaction with the following services or amenities provided?

	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	Don't Know
Police						
Fire						
Street maintenance and cleaning						
Sidewalk maintenance						
Stormwater drainage						
Zoning and permitting						
Economic development						
Main Street program and downtown development						
Small business assistance						
Housing service (Section 8 & Public Housing)						
Parks, open space and recreation						
Special events						
Electronic distribution service						
Water distribution and sewer collection						
Residential trash and recycling collection						
Town website and online services						

Survey Questions

6. From the list below, what are the top three services that the Town should improve upon and why?

- Police
- Fire
- Street maintenance and cleaning
- Sidewalk maintenance
- Stormwater drainage
- Zoning and permitting
- Economic development
- Main Street program and downtown development
- Small business assistance
- Housing service (Section 8 & Public Housing)
- Parks, open space and recreation
- Special events
- Electronic distribution service
- Water distribution and sewer collection
- Residential trash and recycling collection
- Town website and online services
- Remediation of public safety building structural issues

Briefly explain why you selected your three responses above in the space below.

Survey Questions

Opportunities for Valdese

Share your opinion about the town's progress and opportunities for continued improvement.

7. Of the Town's focus areas listed below, select the four (4) areas where you've seen the most positive change since 2020.

Downtown Vitality - examples: Brewery, Social District, Residences/Apartments, Signage & Lighting

Housing Options - examples: New Neighborhoods, Town Homes, Downtown Living, In-Fill Development

Arts and Culture - examples: Theater, Fridays at Five, Festivals, Christmas Events

Recreation - examples: New features such as splash pad, trails, and programs

Economic Development - examples: New businesses and industry and Downtown revitalization

Safety and Security - examples: new equipment, additional safety personnel, code enforcement

Infrastructure - examples: road improvements, water and sewer system improvements

Communications - examples: online forms, educational social media content, social media marketing, tourism development

Survey Questions

8. Partnerships are essential for continuing to move Valdese forward. Of the groups listed below, which is the most important for the Town to partner with in the future? (*Select one.*)

Schools (K-12)

State Government

Colleges & Universities

Federal Government

Non-profits

Private Business

County Government

Faith-based Groups

Survey Questions

9. Please use the space below to share any feedback on anything related to town services, quality of life and the future of Valdese that we did not ask you in this survey.

Demographic Questions

The following demographic questions give context to the collected survey data and aids in analysis. If you prefer not to answer the questions, please select "Prefer not to say."

10. Which of the following best describes you? Check all that apply.

Resident of Valdese

Business owner in Valdese

Employee of a business located in Valdese

Student in Valdese

Work from home/Remote

Other/Prefer not to say

Strategic Planning Process

Council Involvement:

- Council will participate in a SWOT Analysis at the February 2024 Council work session
- WPCOG staff will analyze the Council's responses and public input to address areas of alignment and non-alignment in the final document and findings presented in early March 2024.
- 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 set forth during the Council work session.

Mr. Starr said that Merchants and Business Owners would be able to participate in the survey and input sessions.

STATUS REPORT OF OLD ROCK SCHOOL RENOVATION Community Affairs Director Morrissa Angi introduced Mark Sealy, SGA Architect, and Ben Willis from WPCOG, who helped with the grant portion. Mr. Sealy gave the Council an overview of the project, the scope of the project, and where we currently are on the project.

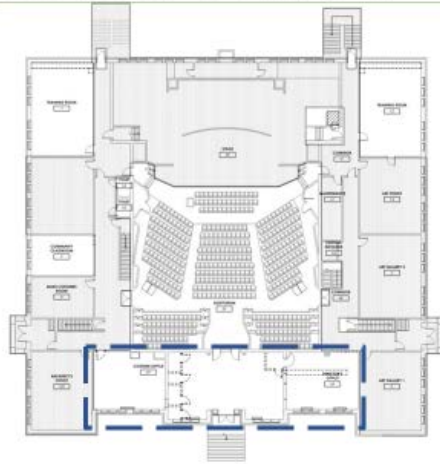


Old Rock School Renovations

January 08, 2024



Scope of Work: *first floor*



LOBBY / RESTROOMS / ACCESSIBILITY ACCESS

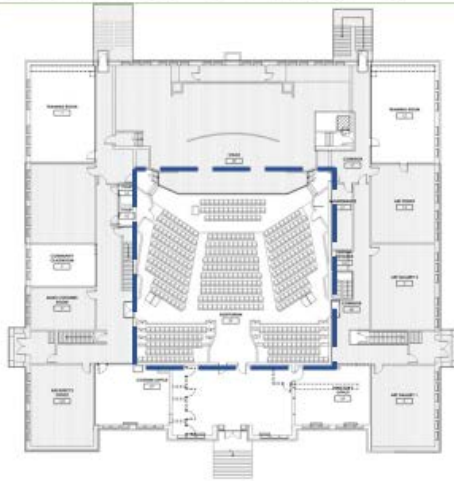
existing lobby



existing accessible path to lobby / exit door deficiency



Scope of Work: *first floor*

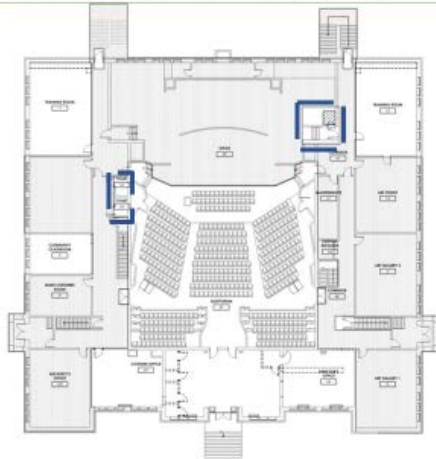


AUDITORIUM FINISHES, LIGHTING, SEATING

existing auditorium



Scope of Work: *first floor*



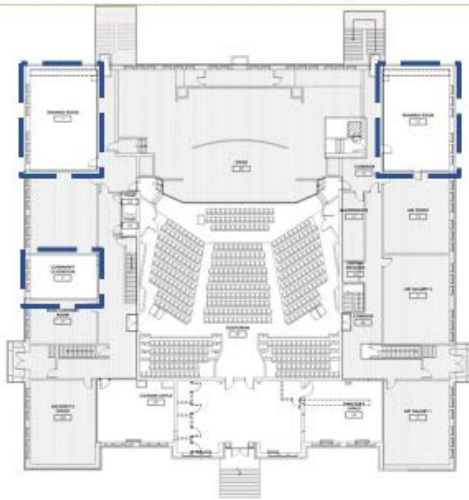
ACCESSIBLE ACCESS TO STAGE

RESTROOM FINISHES

existing stage access and toilet



Scope of Work: *first floor*

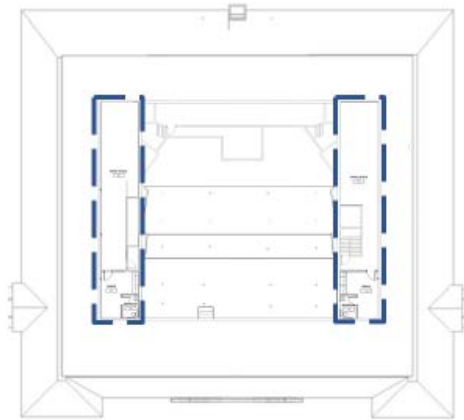


**NEW COMMUNITY ROOM /
TRAINING ROOM IMPROVEMENTS**

existing training room areas



Scope of Work: *second floor*

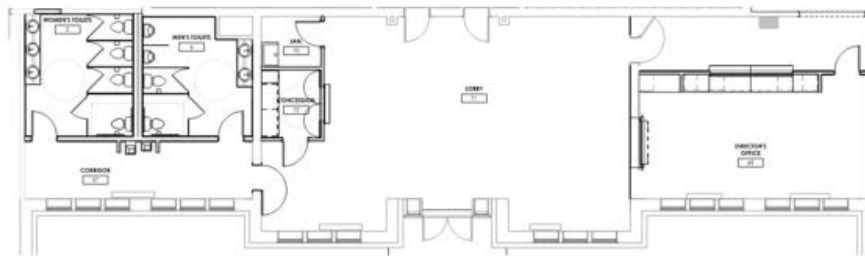


NEW OFFICE SPACE – LIGHTING & HVAC
/ RESTROOMS

existing upper floor areas



Scope of Work: *lobby area*



Proposed



Existing / demo

Schedule



Currently Out for Bids

Bid Opening	January 23, 2024
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

Cost



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

Financial Update - SGA Contract OLD ROCK SCHOOL RENOVATIONS

BASIC SERVICES	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%	\$ -
BASIC service totals	100%	\$ 100,300		\$ 66,198

REIMBURSABLE EXPENSES	
Not to exceed \$4,000 per section 11.8.2 of contract	\$ 1,005

Total of green subtotals above \$ 67,203

Councilman Harvey expressed his concerns with the original approval of this program on December 5, 2022, which was scoped at \$707,200 for the construction, and the RFQ that SGA responded to stated it was \$850,000 total; wondered how has it now gone up to 1 million, which is a \$500,000, overrun. Mr. Sealy said the budget and the scope were not perfectly in line because estimates for the scope had not been completed yet. Mr. Sealy shared that he is providing alternates to the project since the total was higher than the original budget.

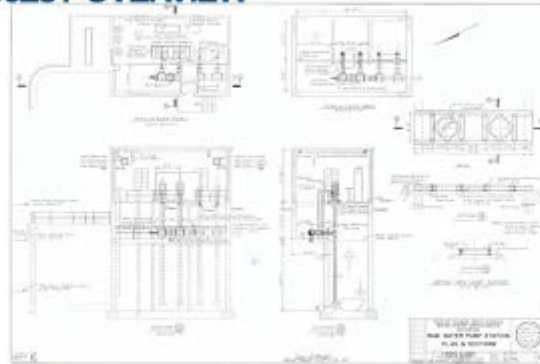
Councilman Mears asked if Mr. Sealy had an opinion on what can be accomplished at \$850,000. Mr. Sealy shared that he broke out alternate options beyond the base bid. Community Affairs Director Morrissa Angi said there were opportunities for fundraisers, but we have to see what the bids come in before we can see how much we would need to fundraise. Ms. Angi shared that the Town found out after the fact that the grant funds cannot be used for auditorium seating, so that is \$200,000 of the project that we have to figure out if we do it or not. Ms. Angi shared that to be awarded the grant funding, the top priorities for the project would be to renovate unutilized spaces to turn into revenue and improve ADA accessibility for the building. Councilman Harvey asked how handicapped people would get to the top floor, and Ms. Angi said they do not; that was for office space, not public use. The user for the office spaces will not have foot traffic to them and Ms. Angi has a list of interested users. Councilman Harvey would like to pause this project, have it looked at again, and bring it back within our available funds. Councilwoman Lowman asked if we had time limits on the grant. Ms. Angi said we have three years and explained the problem with delaying it. Councilman Mears feels it would be irresponsible for the Council to cancel or table this project.

STATUS REPORT ON ENGINEERING SERVICES CONTRACT FOR WATER PLANT UPGRADES

Water Resources Director Greg Padgett introduced RJ Mozeley, Senior Project Manager with McGill Associate, PA. Mr. Mozeley presented an overview and status report on the Water Treatment Plan Upgrade project.



 PROJECT OVERVIEW



RAW WATER INTAKE
PUMP STATION

 PROJECT OVERVIEW

RAW WATER INTAKE
PUMPS

200 HP - 600 HP
2.0 MGD - 12.0 MGD



 PROJECT OVERVIEW

FLOW
DIRECTION



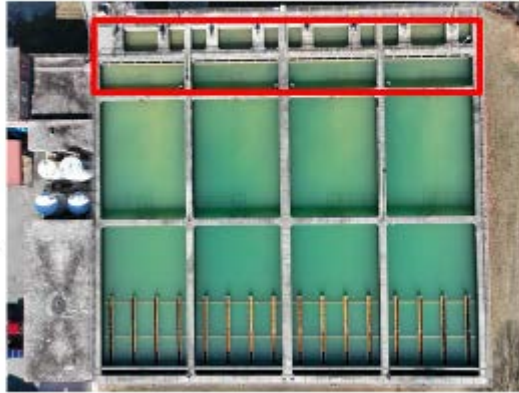
FLASH MIXING
BASINS & EQUIPMENT



 PROJECT OVERVIEW

FLOCCULATION
BASINS & EQUIPMENT

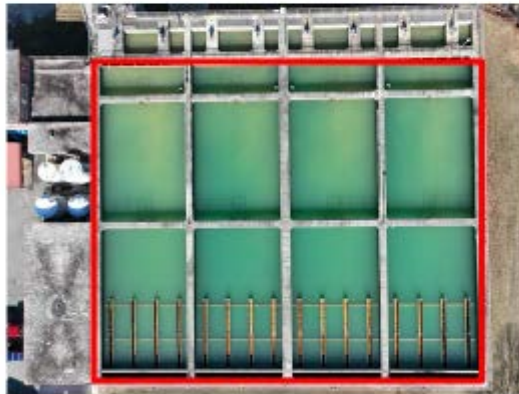
FLOW
DIRECTIO
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 PROJECT OVERVIEW

SEDIMENTATION
BASINS

OVERFLO
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FILTERS ↓



 PROJECT OVERVIEW

DUAL-MEDIA
FILTER BASIN



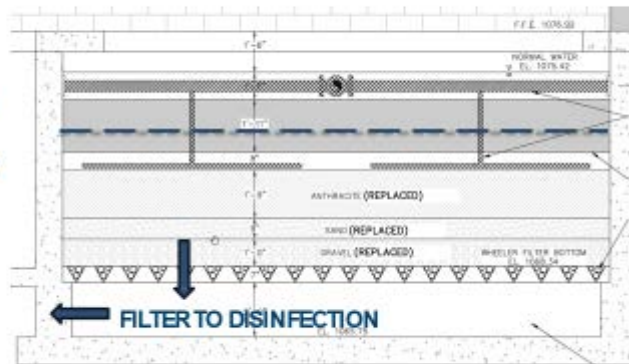
 PROJECT OVERVIEW

DUAL-MEDIA FILTER CONTROL CONSOLE



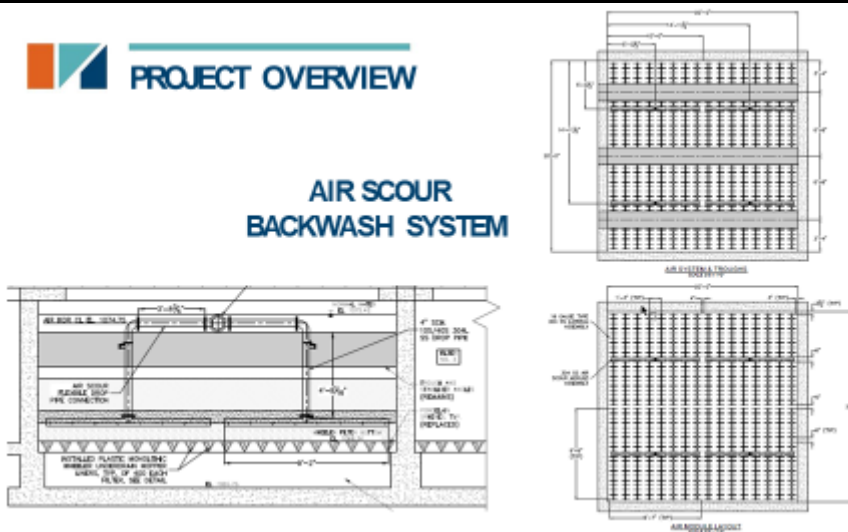
 PROJECT OVERVIEW

DUAL-MEDIA FILTER SECTION VIEW (EXAMPLE)



 PROJECT OVERVIEW

AIR SCOUR BACKWASH SYSTEM



 PROJECT OVERVIEW

AIR SCOUR
BACKWASH SYSTEM

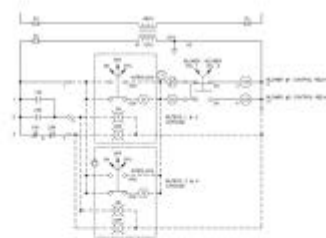


 PROJECT OVERVIEW

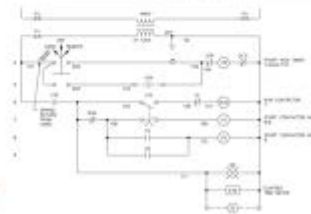
CHEMICAL FEED ROOM



 PROJECT OVERVIEW



AIR BLOWER CONTROL DIAGRAMS - MODIFICATIONS



MODIFIED ELECTRICAL
CONTROLS



PROCESS & PROJECT SCHEDULE

- Funds will Pass Through NCDEQ – DWI
- “Funding Request” Documentation Submitted to DWI on 11/17
- DWI will Concur with Project Scope as “Eligible”
- DWI will Issue Letter Of Intent to Fund (Anticipated in Q12024)



PROCESS & PROJECT SCHEDULE

- ✓ • Funding Request / Project Scoping
- ✓ • SITE VISIT / Records Review (Historic Plans & Calculations)
- **Await LOIF from DWI / Prepare Base Drawings**
- Follow-up Site Visits & Staff Interviews
- Equipment Selections & Budgets Requested from Manufacturers
- Technical Specifications / Design Drawings / Design Calculations
- Permitting / Bidding / Award
- Construction / Commissioning / Project Closeout

Councilman Harvey asked Mr. Mozeley how many billable hours has he put in the project. Mr. Mozeley said on this contract, nothing, and it would start once we receive the LOIF approval from DWI then McGill would start full steam.

NOT APPROVED CONSIDERATION OF AMENDMENT OF TOWN ORDINANCE SECTION 2-1021, AND RULE 32(A) OF THE VALDESE TOWN COUNCIL – RULES OF PROCEDURE. Mayor Watts shared that the Resolution was in the agenda packet.

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)

/s/ Charles Watts, Mayor

ATTEST:

/s/ Town Clerk

Mayor Watts asked for a motion to approve the Resolution of the Town of Valdese 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. Councilman Harvey made a motion, seconded by Councilwoman Ward.

Councilman Mears asked if the Council could give a background on what has changed. Town Attorney Tim Swanson noted that the Resolution is removing the Mayor from the appointments and placing it in the Council's hands as a body.

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

APPROVED CONSIDERATION OF AMENDMENT OF RULE 4 OF THE VALDESE TOWN COUNCIL – RULES OF PROCEDURE.

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:

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

Rule 4. Agenda.

(b) 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.

7. 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.

8. 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.

9. 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)

/s/ Charles Watts, Mayor

ATTEST:

/s/ Town Clerk

Mayor Watts asked for a motion to approve the Resolution of the Town of Valdese amending the Valdese Town Council Rule 4 of the Rules of Procedure. Councilman Harvey made a motion, seconded by Councilwoman Ward.

Councilman Mears asked if the rule change intends to allow the public to get a view of the agenda at least seven days prior. Councilman Harvey shared that this rule says the preliminary proposed agenda would be available one week before the Council meeting, but not the whole package. Councilwoman Lowman asked if the Council could change the agenda with this rule. Mr. Swanson said there would be a chance for the Council to modify the agenda as we discuss it. Interim Town Manager Bryan Steen wants to ensure we have some flexibility in case of an emergency. Councilman Harvey shared that the objection is transparency in Government.

VOTE: Councilman Mears – Yes, Councilwoman Ward – Yes, Councilman Ogle – Yes, Councilman Harvey – Yes, Councilwoman Lowman – Yes The motion was approved unanimously.

APPROVED BUDGET AMENDMENTS: Public Works Director Allen Hudson presented the following presentation for a sewer replacement on Pineburr. Mr. Hudson explained there are approximately 240 feet to be replaced. Mr. Hudson sent out four companies to quote the repair, and two responded. Mr. Hudson recommends going with the lowest bidder, Iron Mountain Construction, in the amount of \$46,985.00.



Iron Mountain Construction Co, Inc.



To: Allen Hudson, Public Works Director
 Town of Valders
 From: Sam Isenhour, President
 Quote: Sewer Repair at Prasley Street & Pineburr Avenue

QUANTITY	UOM	DESCRIPTION	UNIT PRICE	AMOUNT
1	LS	Mobilization	\$6,350.00	\$6,350.00
250	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
39	TN	Asphalt Repair 4" Thick	\$275.00	\$8,225.00
Total:				\$46,985.00

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 Valders
 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 @\$150.00/LF	\$9,000.00
Reconnect 2-4" sewer taps @\$3,000.00/TA	\$6,000.00
2-8" man couplings @\$200.00/TA	\$400.00
Total:	\$39,400.00
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
Total:	\$50,200.00

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

Councilman Harvey asked how old the sewer line was and if this replacement was in the Capital Improvement Plan. Mr. Hudson said 1960, and no, it was not in the Capital Improvement Plan; this was

not something we could plan for. Mr. Hudson shared that it started to have stoppages, so they completed a camera study and discovered the line had cracks, pieces of clay pipe missing, etc.

Valdese Town Council Meeting

Monday, January 8, 2024

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.

Mayor Watts asked for a motion to approve the budget amendment to transfer \$46,985.00 from the Utility Fund to cover the expense to replace the sewer line on Pineburr Ave. Councilman Harvey made a motion, seconded by Councilwoman Lowman. The vote was unanimous.

Assistant Town Manager/CFO Bo Weichel presented the following Budget Amendment:

Valdese Town Council Meeting

Monday, December 18, 2023

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.

Mayor Watts asked for a motion to approve the budget amendment to transfer \$4,930.00 from the General Fund balance to cover an increase fees charged by the Board of Elections. Councilwoman Lowman made a motion, seconded by Councilman Mears. The vote was unanimous.

Assistant Town Manager/CFO Bo Weichel presented the following Budget Amendment:

Valdese Town Council Meeting	Monday, January 8, 2024
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.

Mayor Watts asked for a motion to approve the budget amendment to transfer \$90,700.00 from the General Fund Balance to cover the salary and taxes for the Interim Town Manager. Councilman Mears made a motion, seconded by Councilwoman Ward. The vote was unanimous.

Assistant Town Manager/CFO Bo Weichel presented the following Budget Amendment:

Valdese Town Council Meeting		Monday, January 8, 2024
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.

Mayor Watts asked for a motion to approve the budget amendment to transfer \$3,907.00 from the General Fund Balance to cover labor and materials to install cameras in the Council Chambers. Councilwoman Lowman made a motion, seconded by Councilman Mears. The vote was unanimous.

Mayor Watts introduced Interim Town Manager Bryan Steen.

MANAGER’S REPORT: Interim Town Manager Bryan Steen made the following announcements:

Town Offices Closed Monday, January 15, 2024 in Observance of Martin Luther King Day

Bluegrass at the Rock presents: Lonesome River Band, Saturday, January 20, 2024 at 7:30 p.m.

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 for more information and to purchase tickets.

Public Forum/Review Council meeting scheduled Monday, January 29, 2024, 6:00 p.m.

MAYOR AND COUNCIL COMMENTS: Councilman Harvey addressed the swimmers left in the audience. Councilman Harvey stated that Heather Ward, Gary Ogle, and Glenn Harvey never said to close the pool, or bubble, or anything about cutting a service. Councilman Harvey agrees that the Town needs a permanent indoor swimming pool, and if a permanent structure costs 1-2 million instead of half a million, he would want to figure out a way to make it permanent. Councilman Harvey said this should have been in the Capital Improvement Plan years ago. Councilman Harvey shared the following handout:

VALDESE PATH TO TRANSPARENCY IN GOVERNANCE – LET THE CITIZENS DECIDE

JANUARY – JUNE 2024: CITIZENS TO HELP SET PRIORITIES FOR FISCAL YEAR 2024-25 BUDGET

The Strategic Plan: The Valdese Town Council entered into a contract with the Western Piedmont Council of Governments to ask citizens to decide the services, needs, and concerns they care most about. Citizens will have several opportunities to weigh in – surveys in the mail, online surveys, and public meetings. Every resident can be heard from and the more citizens who participate, the more influence you will have on how our town allocates its limited resources.

JULY 2024 AND FORWARD – THINGS TO THINK ABOUT NOW – FOR FUTURE CONSIDERATION

Amendment of the Town Charter: As all citizens know, Valdese elects its mayor and council members for four-year terms.

- Has it always been that way in Valdese? No – for eighty years following the formal establishment of Valdese, the mayor was elected to two-year terms. For reasons that may not be clear, in the year 2000, the NC legislature amended the Valdese Town Charter to make the mayor’s term 4 years.
- Do all other NC towns have four-year terms? No – for example, the town of Rolesville has all terms-mayor and council as two-year terms.

Considerations: Let’s think about the pros and cons of making the mayor’s term or all council terms two-year terms. Why raise this question in 2024?

In 2023 Valdese experienced a historically divisive election. Campaigning on one side were six council members, the former mayor, former council members, and influential town employees. On the prevailing side were three citizens elected by citizens who wanted transparency in governance and other changes. The unfair outcome was six members of the 2023 council campaigned vigorously on the record of all six; however, three lost and three still are on the council.

Would it be fairer and more democratic if the mayor and five council members all ran on their record at the end of every two-year term and let the citizens decide whether to stay with that record? That is the way we elect US Representatives and NC State representatives and senators.

Potential Zoning Considerations: The Valdese ward map looks like a gerrymander of sorts but with some stray bits and pieces. The two most obvious exceptions to a more logical map are:

(1) Several millions of dollars of homes that appear to be in Valdese, but are islands in the county that do not pay Valdese property taxes, even though those homeowners pay the same water and sewer rates as residents and, of course, use our streets and sidewalks. Can they be annexed into Valdese? Only if they request it. Can they be charged special rates for water and sewer? Or charged street usage fees? Many things to consider, so let’s just think about it until another round of surveys of citizens’ opinions.

(2) There is a block, like an island, of xxx acres, right in the middle of Rutherford College that is within Valdese town limits. There are four owners on the property, three of whom pay no property taxes, yet Valdese services those properties with police and fire protection and other services as if that acreage were right amid downtown Valdese. The present owners on that block:

- 2.81 acres: Mr. and Mrs. Berner. Assessed value \$317,000; Valdese taxes \$1600.
- 5.1 acres: Valdese Nursing Home, Inc., Dallas TX. Value \$5.9 million; property taxes \$0.
- 0.2 acres: Burke County EMS. \$76,000 value; property taxes \$0
- 38 acres: Valdese General Hospital. Value \$53.5 million; property taxes \$0.

Councilwoman Ward shared she has always been told to ask questions and refuses to be silenced. Councilwoman Ward shared that we are not on some personal vendetta to ruin Valdese. Councilwoman Ward loves this Town and feeds the homeless and drug addicts, providing clothes and food. Councilwoman Ward said that when they question things in an email, it is just to learn. Councilwoman Ward wants to put the past behind them and move forward.

Councilman Mears would like the Council to look at the economic benefit the Town receives from the Valdese General Hospital, which he thinks is profound. Councilman Mears would like a study completed to compare the economic benefit to the little bit of tax revenue we receive. Councilman Harvey said nobody suggested we de-annex the hospital but to put it off for the citizens to talk about next fall. Councilman Harvey said the hospital was wonderful. Councilwoman Ward shared that she would like emails that are labeled confidential not to be sent out and that it was not wise to leak emails.

Mayor Watts thanked the Charters of Freedom for a great event and the educational benefits they provide. Mayor Watts thanked Councilwoman Ward for her presentation at the event. Mayor Watts thanked the staff for all their work during the Christmas holiday.

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, 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. At 9:28 p.m., Councilman Ogle made a motion, seconded by Councilwoman Ward. The vote was unanimous.

At 9:40 p.m., Councilman Mears made a motion to return to Open Session, seconded by Councilman Ogle. The vote was unanimous.

Mayor Watts asked for a motion to add for Consideration of Council the Resolution and retainer agreement between the Town of Valdese and Cranfill Summer LLP et al as Special Counsel to the agenda. Councilman Harvey made a motion, seconded by Councilman Mears. The vote was unanimous.

CONSIDERATION OF RESOLUTION AND RETAINER AGREEMENT BETWEEN THE TOWN OF VALDESE AND CRANFILL SUMMER LLP, ET AL AS SPECIAL COUNSEL.

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 Shkolk, 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 Shkolk, 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,

January 8, 2024, MB#32

a North Carolina Municipal Corporation

(SEAL)

/s/ Charles Watts, Mayor

ATTEST:

/s/ Town Clerk

January 8, 2024

VIA ELECTRONIC DELIVERY

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

ATTORNEY-CLIENT
RETAINER AGREEMENT ("Agreement")

COMMUNICATION

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.

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.

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.

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.

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.

Co-Counsel Fees

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.

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).

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.

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.

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.

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.

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.

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.

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: _____

Mayor Watts asked for a motion to approve the Resolution and Retainer Agreement between the Town of Valdese and Cranfill Summer LLP et al as Special Counsel. Councilman Mears made a motion, seconded by Councilman Ogle. The vote was unanimous.

ADJOURNMENT: At 9:43 p.m., there being no further business to come before Council, Councilwoman Lowman made a motion to adjourn, seconded by Councilman Harvey. The vote was unanimous.

The next regular Council meeting is scheduled for Monday, February 5, 2024 at Valdese Town Hall.

Town Clerk

Mayor

jl