

**TOWN OF VALDESE
TOWN COUNCIL SPECIAL CALLED MEETING
FEBRUARY 9, 2026**

The Town of Valdese Town Council met on Monday, February 9, 2026, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The following were present: Mayor Keith Huffman, Mayor Pro Tem Rexanna Lowman, Councilman Gary Ogle, Councilwoman Heather Ward, and Councilwoman Melinda Zimmerman. Also present were: Town Manager Todd Herms, Assistant Town Manager/CFO Bo Weichel, Town Attorney Tim Swanson, Town Clerk Jessica Lail, and Various Department Heads.

Absent: Councilwoman Shannon Radabaugh.

A quorum was present.

Mayor Huffman called the meeting to order at 6:00 p.m.,

Reverend Randall Frantz, from Enon Baptist Church, offered the invocation and Mayor Huffman led in the Pledge of Allegiance to the Flag.

OPEN FORUM/PUBLIC COMMENT

**PROCLAMATION OF APPRECIATION – RECOGNIZING AND COMMENDING THE VALDESE TIGERS
PEEWEE FOOTBALL CHAMPIONS AND CHEERLEADERS**

Mayor Huffman read the proclamation as follows:

**Proclamation of Appreciation for Valdese Tigers
Peeewe Football Champions & Cheerleaders**

WHEREAS, the 2025 Valdese 5–7 Age Division Football Team demonstrated outstanding teamwork, sportsmanship, and dedication throughout the season; and

WHEREAS, under the leadership of Head Coach Khe-nai Banks, and Assistant Coaches Chris Benfield, Larry Clark, and Denver Treadway, the team achieved both Regular Season Champion and Burke County Playoff Champion honors; and

WHEREAS, the Valdese 5–7 age team secured the Burke County Championship by defeating Oak Hill with an impressive 18–0 victory; and

WHEREAS, the players are Kingston Adams, Kayden Alvarado, Barrett Anderson, Bentley Benfield, Westin Clark, Bentley Cox, Jack Garland, Jordan Goossens, Graham Gravel, Mason Moose, Charlie Morton, Kayden Peters, Kaeden Reed, Corbin Sidden, Deane Stallings, Thomas Stallings, and Micah Suttles; and

WHEREAS, the Valdese Tigers Cheerleading Team, led by Coaches Hillary Rhoney and Erin Rhoney, played an important role throughout the season by demonstrating spirit, teamwork, and dedication in support of the team; and

WHEREAS, the cheerleaders Sawyer Bustle, Mila DiPace, Brennan Gills, Hayden Greene, Blair Hambrick, Emilia Hatton, Cassidy Helms, Bryson Lott, Kendra Lowdermilk, Averie Micol, Hazel Moose, Willa Nanney, Olivia Pritchard, Meredith Rash, Nora Williams, and Selah Yarbrough displayed dedication and enthusiasm in support of the Valdese Tigers throughout the season; and

NOW, THEREFORE, I, Mayor Keith Huffman and Town of Valdese Town Council do hereby proudly recognize and congratulate the 2025 Valdese 5–7 Age Division Burke County Regular Season and Playoff Champions for their hard work, and exemplary representation of the Valdese community.

BE IT FURTHER RESOLVED that a copy of this proclamation be presented to the team and entered into the official records of the Town of Valdese as a lasting expression of appreciation and community pride.

Adopted this the 9th day of February, 2026.

/s/ Keith Huffman, Mayor

The Players and Coaches from the Valdese Tigers Peewee Football and Cheerleading Teams then posed for photos and were congratulated by the Mayor, Council Members, and members of the public.

PROCLAMATION OF APPRECIATION – RECOGNIZING AND COMMENDING THE VALDESE TIGERS MIGHTY MIGHT FOOTBALL CHAMPIONS AND CHEERLEADERS

Mayor Huffman read the proclamation as follows:

**Proclamation of Appreciation for Valdese Tigers
Mighty Might Football Champions & Cheerleaders**

WHEREAS, the 2025 Valdese Tigers 8–9 Age Division Football Team demonstrated exceptional teamwork, discipline, and sportsmanship throughout the season; and

WHEREAS, the Valdese Tigers earned both the Burke County Regular Season Championship and Burke County Playoff Championship, defeating the Salem Tigers by a decisive 20–6 victory in the championship game; and

WHEREAS, under the leadership of Head Coach Clay Sisk and Assistant Coaches Rodney Sisk, Trey Kincaid, and Ken Stringfield, the team held opponents scoreless in seven of nine regular-season games, reflecting outstanding preparation and execution; and

WHEREAS, the players are Cannon Ackerman, Abram Briggs, Chase Brooks, Karsyn Calhoun, Wyatt Caudill, Triston Cook, Parker Craven, Atticus Curtis, Daxton Davenport, Joey DiPace, Brayden Goossens, Logan Henize, Aayla Jones, Kaige Logan, Thomas Mahorney, Quinn Mason, Ezra Palacios, Aiden Pearson, Carson Perry, Cathan Preston, Quinn Russ, Anderson Sigmon, George Stallings, Noah Stokes, Isaiah Tester, Jedidiah Ward, and Keenan White; and

WHEREAS, the Valdese Tigers Cheerleading Team, led by Coaches Courtney Hull and Autumn Mize, played an important role throughout the season by demonstrating spirit, teamwork, and dedication in support of the team; and

WHEREAS, the cheerleaders Mia Arnold, Leila Bowman, Jada Dillon, Kinzley Drennen, Lillie Harris, Ellie Henize, Cathryn Henry, Blakely Hull, Nova Lail, Cora Mahorney, Ansleigh Mize, Elaina Palacios, Lauryn Turner, Kiana White, and Grace Wycoff displayed dedication and enthusiasm in support of the Valdese Tigers throughout the season; and

NOW, THEREFORE, I Mayor Keith Huffman and Town of Valdese Town Council do hereby proudly recognize and congratulate the 2025 Valdese Tigers 8–9 Age Division Burke County Regular Season and Playoff Champions for their remarkable accomplishments and for proudly representing the Town of Valdese.

BE IT FURTHER RESOLVED that a copy of this proclamation be presented to the team and entered into the official records of the Town of Valdese as a lasting expression of appreciation and community pride.

Adopted this the 9th day of February, 2026.

/s/ Keith Huffman, Mayor

The Players and Coaches from the Valdese Tigers Mighty Might Football and Cheerleading Teams then posed for photos and were congratulated by the Mayor, Council Members, and members of the public.

Town Clerk Lail shared that no one had signed up for public comment.

CONSENT AGENDA: (enacted by one motion)

Mayor Huffman asked if there were any items that the Council wished to remove from the Consent Agenda. Town Attorney Swanson requested the removal of Items D & E.

APPROVED SPECIAL MEETING MINUTES OF DECEMBER 8, 2025

APPROVED REGULAR MEETING MINUTES OF JANUARY 5, 2026

APPROVED CLOSED SESSION MINUTES OF JANUARY 5, 2026

MOVED TO NEW BUSINESS RESOLUTION OF INTENT TO PERMANENTLY CLOSE UNOPENED RIGHT-OF-WAY ON FAET STREET SW

MOVED TO NEW BUSINESS CALL FOR PUBLIC HEARING – APPROVAL OF RIGHT-OF-WAY CLOSURE (FAET STREET SW)

APPROVED SETTLEMENT AGREEMENT – HOOK PROPERTIES LLC

SETTLEMENT AGREEMENT

This Settlement Agreement (the “**Agreement**”) is made and entered into by and between Town of Valdese, a North Carolina municipal corporation, having a mailing address of P.O. Box 339, Valdese, NC 28690 (“**Valdese**”) and Hook Properties, LLC, a North Carolina limited liability company, having a mailing address of P.O. Box 789, Morganton, NC 28655 (“**Hook Properties**”). This Agreement is effective as of the last date herein below signed (“**Effective Date**”). The identified parties are at times referred to herein collectively as “**Parties**” and individually as a “**Party**.”

RECITALS

WHEREAS, Valdese is a municipal body politic and corporate authorized to exercise all powers, duties, rights, privileges, and immunities conferred upon it by its charter, the North Carolina Constitution, and general or local law. See Division 1, Article I, Section 1.2 of the Code of Ordinances. N.C. Gen. Stat. § 160D-702 authorizes cities and towns to regulate and restrict the height, number of stories, and size of buildings and other structures, as well as the location and use of buildings, structures and land. N.C. Gen. Stat. § 160D-703 further authorizes cities and towns to divide their territorial jurisdictions into zoning districts to regulate and restrict the erection, construction, reconstruction, alternation, repair, or use of buildings, structures, or land; and

WHEREAS, acting on the authority granted by Chapter 160D of the North Carolina General Statutes, Valdese has adopted zoning regulations for the Town of Valdese in Division II, Part 9, Chapter 3 of the Code of Ordinances and has divided its territorial jurisdiction into the following zoning districts: R-8 Residential District, R-12 Residential District, R-12A Residential District, O-I Office-Institutional District, B-1 Central Business District, B-2 General Business District, M-1 General Manufacturing District, and FP Floodplain Overlay District. The R-8 Residential District is intended to provide for scaled residential development. Properties located within the R-8 Residential District are regulated and restricted by Division II, Part 9, Chapter 3, Article E of the Code of Ordinances; and

WHEREAS, single-family dwellings are permitted by right in the R-8 Residential District. See Section 9-3051.1(a)(11) of the Code of Ordinances. Accessory dwellings are permitted in the R-8 Residential District only upon satisfaction of special requirements, including but not limited to the following: (a) a detached accessory dwelling must be housed in a building not exceeding six hundred fifty (650) square feet of first-floor area (maximum footprint); (b) the accessory dwelling living area must not exceed six hundred fifty (650) square feet of floor area; (c) detached accessory dwelling must be located in the established rear yard and meet the setback standards applicable for accessory buildings; and (d) the maximum height for an accessory dwelling must be no more than twenty (20) feet. See Sections 9-3051.1(b)(1), 9-3060, and 9-3060.01 of the Code of Ordinances; and

WHEREAS, the setback standards applicable to accessory dwellings require that all parts of an accessory building, including the footings and roof overhang, must be a minimum of ten (10) feet from any lot line and, in the case of corner lots, must be a minimum of twenty (20) feet from any side line right-of-way line. See Section 9-3039 of the Code of Ordinances.

WHEREAS, the Code of Ordinances defines “accessory dwelling” as a dwelling which is located on the same lot as a detached or attached single-family house, has a first-floor area no greater than six hundred fifty (650) square feet, and is owned by the owner of the principal dwelling unit but occupied by another. See Section 9-3012 of the Code of Ordinances; and

WHEREAS, on June 19, 2023, Hook Properties purchased the property commonly known as 1017 Faet Street SW, Valdese, North Carolina, PIN: 2733825079 (the “Property”), being more particularly described in Book 2690, Page 576, Burke County Registry. The Property is located within the corporate limits of the Town of Valdese, is zoned R-8 Residential District, and is subject to the regulations and restrictions contained in Division II, Part 9, Chapter 3 of the Town of Valdese Code of Ordinances; and

WHEREAS, as of June 19, 2023, the Property contained one single-family dwelling and one accessory dwelling; and

WHEREAS, on or about October 24, 2024, Hook Properties applied for a zoning permit to renovate the accessory dwelling located on the Property. On October 24, 2024, the Planning Director for Valdese approved the zoning permit application and issued Zoning Permit Number: Z2024-00067 (the “**Zoning Permit**”). The Zoning Permit expressly required that all renovations comply with the requirements of the R-8 Residential District and Section 9- 3060.1, Accessory Dwelling Conditions, of the Code of Ordinances; and

WHEREAS, Valdese contends that following issuance of the Zoning Permit, Hook Properties renovated the accessory dwelling on the Property in a manner that did not comply with Sections 9-3060.1(5), (6), and (7) the Code of Ordinances. Specifically, the renovation resulted in: (a) the first-floor area exceeding 650 square feet; (b) failure to meet applicable setback standards; (c) structure exceeding the maximum permitted height of twenty (20) feet; and (d) enlargement of a nonconforming structure; and

WHEREAS, on June 9, 2025, after determining work had been undertaken in violation of the development regulations adopted pursuant to Chapter 160D of the North Carolina General Statutes, Valdese, by and through its Planning Department, issued and delivered a written Notice of Violation (“**NOV**”) to Hook Properties citing Hook Properties for violation of Sections 9-3060.1(5)-(7) and 9-3032.2(a) of the Code of Ordinances. In the NOV, and pursuant to Section 9-3120 of the Code of Ordinances and N.C. Gen. Stat. §§ 160D-404 and 160A-175, Valdese imposed a civil penalty of fifty dollars (\$50.00) per day for the violations until the violations are abated (the “**Daily Civil Penalty**”). Hook Properties did not appeal the NOV to the Board of Adjustment and has not abated the violations; and

WHEREAS, as of January 7, 2026, the total balance of the Daily Civil Penalty amounted to Ten Thousand Five Hundred Fifty and No/100 Dollars (\$10,550.00) (the “**Accumulated Civil Penalty**”); and

WHEREAS, the Parties, now desiring to resolve all outstanding matters between them, have reached a mutual understanding and settlement of all matters in controversy between them including, but not limited to, those claims which relate to the zoning violations and civil penalties.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth in this Agreement and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties to this Agreement hereby agree as follows:

1. **SETTLEMENT PAYMENT.** Within five (5) days from the Effective Date of this Agreement, Hook Properties shall deposit the Accumulated Civil Penalty in the amount of \$10,550.00 into the “Young, Morphis, Bach & Taylor, LLP Trust Account.” Young, Morphis, Bach & Taylor, LLP (“**YMBT**”) shall hold the Accumulated Civil Penalty in its trust account subject to the terms of this Agreement. If the ROW (defined below) is closed, and if Hook Properties purchases Valdese’s one-half interest in the ROW, YMBT shall distribute the Accumulated Civil Penalty to Valdese in full and final satisfaction of the civil penalty owed. If

the ROW is not closed or if Hook Properties does not purchase Valdese's one-half interest in the ROW, YMBT shall return the Accumulated Civil Penalty to Hook Properties.

2. ROAD CLOSURE. After the Accumulated Civil Penalty is deposited in the YMBT Trust Account, Valdese shall call a public hearing pursuant to N.C. Gen. Stat. § 160A299 to consider closure of approximately 160 feet of an unopened right of way located along Faet Street SW (the "**ROW**"). The Parties acknowledge that Hook Properties owns the Property situated to the north of the ROW (PIN: 2733825079) and Valdese owns the properties situated to the south of the ROW (PIN: 2733814633 and 2733814911). Valdese will use its best efforts to consider the road closure on its March 2, 2026 agenda. If the Council for Valdese does not vote to close the ROW, this Agreement shall become null and void.

3. OFFER TO PURCHASE TOWN-OWNED PORTION OF UNOPENED ROW. If the Council for Valdese votes to close the ROW, the Parties acknowledge and agree that in accordance with N.C. Gen. Stat. § 160A-299, all right, title, and interest in the ROW shall be conclusively presumed to be vested in those persons owning lots or parcels of land adjacent thereto, namely, Hook Properties and Valdese, and that the title of such adjoining owners, for the width of the abutting land owned by them, shall extend to the centerline of the ROW.

If the Council for Valdese votes to close the ROW, Hook Properties shall have the option to make an offer to purchase Valdese's one-half interest in the ROW and, if Council for Valdese proposes to accept the offer, Hook Properties shall deposit five percent (5%) of its bid with the Valdese town clerk and the town clerk shall publish notice of the offer pursuant to N.C. Gen. Stat. § 160A-269. Within ten (10) days any person may raise the bid by not less than ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder. When a bid is raised, the bidder shall deposit with the town clerk five percent (5%) of the increased bid, and the clerk shall readvertise the offer at the increased bid. This procedure shall be repeated until no further qualifying upset bids are received, at which time the Council may accept the offer and sell Valdese's one-half interest in the ROW to the highest bidder. The Council for Valdese may at any time reject any and all offers.

The Council for Valdese will authorize the upset bid process upon receipt of an offer from Hook Properties to purchase Valdese's one-half interest in the ROW for \$500.00. If Hook Properties is the highest bidder and the Council for Valdese accepts the offer, the Parties shall promptly close on the transaction. If Hook Properties withdraws its offer or is not the highest bidder, or if the Council rejects Hook Properties' offer, this Agreement shall become null and void.

4. REMEDICATION OF ZONING VIOLATIONS. In the event the Parties fulfill the terms outlined in Section 1-3 of this Agreement, Hook Properties will have the ability to and shall abate all existing zoning violations by combining the entire ROW with the Property and then subsequently subdividing the Property to create two conforming parcels under the Valdese zoning ordinance. Hook Properties shall obtain a change-of-use permit from Valdese changing the designated use of the Property from residential to mixed use and shall obtain a zoning permit from Valdese allowing the accessory dwelling to be treated as a duplex/office space. The Valdese Planning Department will use best efforts to review any required permit applications, surveys, or other documents required for issuance of the change-of-use permit and zoning permit within five (5) days of Hook Properties submitting required application and supporting documentation.

Absent any unforeseen circumstances, upon payment of all required fees, the Valdese Utilities Department will use its best efforts to install the water taps and meters at the Property within ten (10) days of Hook Properties' compliance with all permitting requirements.

5. EFFECT OF INVALIDATION OF AGREEMENT. If this Agreement is declared null and void under Sections 2 or 3 above, the Parties agree that they will be returned to the positions they were in prior to entering into this Agreement and shall be entitled to pursue and/or defend enforcement of the NOV as permitted by law. The Parties agree that the Daily Civil Penalty shall be tolled beginning January 7, 2026 until invalidation of this Agreement under Sections 2 or 3 if invalidation occurs, at which time the Daily Civil Penalty shall resume and shall be added to the Accumulated Civil Penalty until the violations are abated. This provision shall survive termination or invalidation of this Agreement.

6. COST, FEES, AND EXPENSES. The Parties agree to bear their own attorneys' fees and costs arising from or related to the matters settled herein.

7. BINDING EFFECT. This Agreement shall be binding upon the Parties and their respective heirs, representatives, successors, and assigns.

8. NO ADMISSION. This Agreement shall not be construed as an admission of liability on the part of any Party hereto.

9. REPRESENTATION. Each Party has consulted with, or had the opportunity to consult with, an attorney of their choice regarding this Agreement prior to its execution. Each attorney or Party has been afforded a full opportunity to read, review, and consider this Agreement. Each attorney or Party has had the opportunity to and has negotiated the Agreement terms.

10. PARTIAL INVALIDITY. If any Agreement term is to any extent illegal, otherwise invalid, or incapable of being enforced, such part shall be excluded to the extent of such invalidity or unenforceability, the remaining Agreement terms shall remain in full force and effect, and, to the extent permitted and possible, any invalid or unenforceable term shall be replaced or modified by the court in a manner that is valid and enforceable and that comes closest to expressing the Parties' intention as expressed in the Agreement.

11. ENTIRE AGREEMENT; CONSTRUCTION. This Agreement constitutes the entire agreement between the Parties relating to the Litigation. The Agreement may not be altered, amended, modified, or otherwise changed in any respect whatsoever except by a writing signed by the Parties hereto. The Agreement shall be construed without regard to the identity of the drafter and therefore shall not be construed against the drafting Party. The paragraph headings in the Agreement shall not bear independent meaning and shall be disregarded in the construction of any provision, term, or condition of the Agreement.

12. COUNTERPART EXECUTION; FACSIMILE SIGNATURES. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall, when collated together, constitute one and the same Agreement. Each person signing the Agreement represents hereby that they have the authority to execute the Agreement for the Party for whom they sign. Either Party may provide a facsimile or electronic signature of its execution of this Agreement and the other Party shall accept the same as an original.

13. GOVERNING LAW; ENFORCEMENT. This Agreement shall be deemed to have been made and performed in North Carolina. All rights arising under this Agreement, and all disputes and controversies arising from or in connection with this Agreement, including but not limited to, enforcement of any term of condition of this Agreement, shall be governed by and determined in accordance with the laws of North Carolina only, and without regard for any choice of laws rules. If any action or claim for breach, alleged breach, or which in any way relates to this Agreement is brought, the Parties agree that the prevailing Party is entitled to an award of costs and reasonable attorneys' fees.

14. NON-ASSIGNMENT/AUTHORITY. Each person who signs this Agreement represents and warrants that he/she has the authority to sign the Agreement on behalf of the Party on whose behalf he/she is signing the Agreement, he/she is acting within the course and scope of such authority in executing this Agreement, and that this Agreement shall be binding on said Party. The Parties have entered this Agreement voluntarily and neither this Agreement nor the settlement that it memorializes results from duress, coercion, misrepresentation, or undue influence by or on behalf of any Party. Each Party states that Party has the sole right and exclusive authority to execute this Agreement and to receive the Settlement Payment and no part of any claim released herein has been assigned to any third party.

[SIGNATURE APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties, having read the foregoing Agreement and fully understanding it, voluntarily execute this Agreement as of the Effective Date.

Town of Valdese

Hook Properties, LLC

By:
Title:

By:
Title:

Attest:
Title:

Attest:
Title:

Approved as to Form:

By:
Title:
Date:

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: Item D, Approval of Resolution of Intent to Permanently Close Unopened Right-of-Way on Faet Street SW, and Item E, Call for Public Hearing – Approval of Right-of-Way Closure (Faet Street SW), were both moved to be discussed in New Business.

Mayor Huffman asked for a motion to approve the remaining items on the Consent Agenda. A motion was made by Mayor Pro Tem Lowman to approve the remaining items on the Consent Agenda. Seconded by Councilwoman Zimmerman. The vote was unanimous and the motion carried.

NEW BUSINESS:

APPROVED RESOLUTION OF INTENT TO PERMANENTLY CLOSE UNOPENED RIGHT-OF-WAY ON FAET ST SW

Town Attorney Swanson stated that the resolution for Items D and E identified that the Public Hearing would occur on March 2, 2026. Town Attorney Swanson provided that he had pulled the items off the Consent Agenda to accurately reflect that the Resolution had been changed, as the Public Hearing would actually occur on March 30, 2026. Town Attorney Swanson disclosed that these items would otherwise remain unchanged, outside of the aforementioned modification to the Public Hearing Date from March 2, 2026 to March 30, 2026, and that they could be voted on in one motion.

RESOLUTION OF INTENT TO PERMANENTLY CLOSE UNOPENED RIGHT-OF-WAY OF FAET STREET SW

WHEREAS, the Town of Valdese has received a request from an adjoining property owner to permanently close an unopened portion of a right-of-way identified as Faet Street SW (the "Unopened ROW"), said Unopened ROW being located to the south of Burke County PIN: 2733825079 and to the north of Burke County PIN: 2733814633; and

WHEREAS, the Unopened ROW extends beyond the existing improved street through an undeveloped property and serves no current or future public transportation purpose; and

WHEREAS, the Town Council of the Town of Valdese finds that the Unopened ROW is not needed for public use and that its closure would promote orderly land development, clarify property boundaries, and eliminate an unnecessary right-of-way from the Town's inventory; and

WHEREAS, N.C.G.S. 160A-299 authorizes municipalities to permanently close any street or portion thereof that is not needed for public purposes, following proper notice and public hearing; and

WHEREAS, adoption of this Resolution of Intent is the first step in the statutory process and establishes the date, time, and place of a public hearing to consider the proposed closure.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Valdese that:

FEBRUARY 9, 2026, MB#33

1. Intent to Close: The Town Council hereby declares its intent to permanently close the Unopened ROW, more particularly described as follows:

The southeastern portion of Faet Street SW being located to the south of Burke County PIN: 2733825079 and to the north of Burke County PIN: 2733814633, having an approximate length of 160 feet. The road segment lies within the corporate limits of the Town of Valdese.

2. Public Hearing: A public hearing on the proposed permanent closure of the Unopened ROW shall be held by the Town Council at 6:00 p.m. on March 2, 2026, at the Town of Valdese Town Hall located at 102 Massel Avenue, Valdese, North Carolina, at which time all interested persons shall be heard on the question of whether the proposed closure is contrary to the public interest or would deprive any property owner of reasonable means of ingress and egress.
3. Notice of Hearing: The Town Clerk is directed to:
 - a. Publish this Resolution of Intent once each week for four (4) consecutive weeks in a newspaper of general circulation prior to the public hearing;
 - b. Post a copy of this Resolution of Intent at two or more prominent locations along the unopened portion of Faet Street SW proposed for closure for a minimum of twenty (20) days prior to the hearing; and
 - c. Mail a copy of this Resolution of Intent by certified mail to all property owners adjoining the portion of Faet Street SW proposed for closure.
4. Purpose: The purpose of this Resolution of Intent and the subsequent public hearing is to allow all interested persons an opportunity to be heard on the question of whether closing the Unopened ROW would be contrary to the public interest or would deprive any individual owning property in the vicinity of reasonable access to their property.
5. Further Action: Following the public hearing, the Town Council may adopt an Order to Permanently Close the Unopened ROW of Faet Street SW if it determines that the closing it not contrary to the public interest and that no property owner will be deprived of reasonable access as a result of the closure.

ADOPTED and APPROVED this the ____ day of _____, 2026.

/s/ Keith Huffman, Mayor

ATTEST:

/s/ Town Clerk

APPROVED CALL FOR PUBLIC HEARING – APPROVAL OF RIGHT-OF-WAY CLOSURE (FAET ST SW)

Mayor Huffman asked for a motion on items 6-D and 6-E, as it regarded to the date change of the Public Hearing to March 30, 2026. A motion was made by Councilwoman Zimmerman. Seconded by Mayor Pro Tem Lowman.

Mayor Pro Tem Lowman noted that these were both process items and that the process was being moved forward on for both items.

The vote was unanimous and the motion carried.

STATE OF THE DEPARTMENT – FINANCE

Mr. Weichel stated that Town Hall housed the Town's Administration Department, which included Planning and Zoning, Finance, Accounting and Budget, Human Resources, and the Town Clerk. Mr.

Weichel noted that for purposes of the presentation he would focus specifically on the Finance, Accounting, and Budget Department.

Mr. Weichel explained that the Finance, Accounting, and Budget Department consisted of four (4) positions including the Assistant Town Manager/CFO, an Accounting Technician II, an Accounting Technician I, and a Customer Service position which was currently filled by part-time employees. Mr. Weichel shared that the department was responsible for a variety of functions which included budgetary and reporting responsibilities, capital projects, procurement, grants, and compliance. Mr. Weichel stated that his primary duties fell into the aforementioned categories. Mr. Weichel continued that his duties included development of the Town's 10-year Capital Improvement Plan (CIP), filing the TR-2 and LGC-203 forms annually, managing the Powell Bill Program, scheduling change orders, monitoring budgets, managing grants and internal controls to meet Local Government Commission (LGC) specifications, and coordinating the annual audit.

Mr. Weichel continued that additional daily functions of the department included accounts payable, payroll, customer service, accounts receivable, and utility billing. Mr. Weichel noted that much of this work occurred at the front counter and was part of the day-to-day customer service operations.

Mr. Weichel then discussed the LGC explaining that it served as the governing authority for finance-related operations in North Carolina state and local governments. Mr. Weichel stated that the LGC provided oversight to more than 1,100 units of local government and primarily focused on Chapter 159 of the North Carolina General Statutes, which governed budgeting, annual audits, internal controls, debt management, and investments. Mr. Weichel shared that the LGC was created in 1933 after 62 counties, 152 cities and towns, and 200 special districts were in default on outstanding obligations and noted that North Carolina's structure was unique compared to other states. Mr. Weichel explained that the existence of the LGC contributed to North Carolina maintaining strong bond ratings and overall financial stability.

Mr. Weichel stated that one of the primary missions of the LGC was to require local governments to seek approval prior to borrowing money. Mr. Weichel explained that the LGC reviewed each proposed borrowing to determine whether the amount requested was adequate and reasonable for the project and whether the local government had the ability to repay the debt. Mr. Weichel noted that the LGC also oversaw the annual independent audit process and monitored the financial health of local governments while providing assistance and guidance as needed. Mr. Weichel stated that the LGC was comprised of nine (9) members including the State Treasurer, Secretary of State, State Auditor, Secretary of Revenue, and five (5) additional members which were appointed to serve.

Mr. Weichel then discussed the Town's partnership with First Tryon Advisors, stating that the firm provided support in capital planning, financing, strategic consulting, and navigating the LGC approval process. Mr. Weichel stated that the partnership with them was important as the Town had a lot of big projects ongoing and on the horizon. Mr. Weichel noted that First Tryon Advisors assisted the Town in creating a financial model, stating that good progress had been made, and that the model was currently being populated with data as the budget was prepared. Mr. Weichel stated that the goal was to have the model ready to present to Town Council during the budget retreat process. Mr. Weichel disclosed that the Town did not deal with the LGC every day for debt borrowings, but that First Tryon Advisors did, that they knew their processes, the people that worked there, and had good relationships with them. Mr. Weichel hoped to tap into those relationships through the contract with First Tryon Advisors.

Mr. Weichel stated that the Finance Department produced the two most important annual documents for the Town, being the adopted budget and the annual audit. Mr. Weichel explained that the budget was required by law to be adopted by June 30 each year and the audit was required to be submitted to the LGC by December 31 of each year. Mr. Weichel compared the budget to looking through the windshield of a vehicle as a planning tool for the future, while comparing the audit to looking in the rearview mirror as a review of the Town's financial performance and whether the Town was remaining on the intended course.

Mr. Weichel then transitioned to discuss the Town's approved audit report for the fiscal year ending June 30, 2025. Mr. Weichel emphasized that the audit was required to be submitted to and approved by the

LGC before it could be presented to Town Council and stated that the audit report had been approved and vetted by the LGC.

Mayor Pro Tem Lowman questioned Mr. Weichel about the ABC Funds that the Town received from the ABC Store, asking how those funds were distributed back to the Town. Mayor Pro Tem Lowman also asked how the Town knew how much money would be received each year, as all debt had been paid off. Mr. Weichel explained that the ABC Store had a certain amount of revenues that were projected each year, and that they passed a budget with their Board just as the Town did. Mr. Weichel continued that the ABC Commission at the State level had a formula that was used, where those revenues were plugged in, and once the formula and revenues were plugged in one could see what would be distributed to the Town. Mr. Weichel noted that the ABC Board had some leniency with what specific ratio was used. Mr. Weichel stated it was ultimately based on the ABC Store's annual revenue sales and that the Town would get a portion of that revenue.

Mr. Weichel noted that Mayor Pro Tem Lowman was correct, that the ABC Board no longer had any debt towards the Town, that this debt had been paid off a couple years ago, which meant the Town would get a cut of everything that was revenue related.

Councilwoman Zimmerman asked for clarification about what the TR2 Report was. Mr. Weichel disclosed that this document was basically a tax reporting form that went over ad valorem taxes and broke them down between industrial, commercial, residential, and motor vehicles.



State of the Department

Administration Overview



Town of Valdese

State of the Department

Finance, Accounting, Budget



Town of Valdese

State of the Department

Finance, Accounting, Budget

Budget, Financial Strategy, & Reporting	Capital Projects	Procurement, Grants, & Compliance
<ul style="list-style-type: none"> Develop and present the Town's annual operating & capital budgets. Maintain a 10-year multi-fund CIP model. Monitor department budgets. Oversee audits, capital financing, investments, cash flow, and debt management. Brief Council & Manager on financial health and policies. Manage the Powell Bill program completing the three required annual submissions (Certified Statement, Expenditure Report, & Street Data Report). Complete the annual TR-2 and semi-annual LGC 203 reports. 	<ul style="list-style-type: none"> Administer/oversee planning, procurement, and delivery of major facilities, water/wastewater plants, linear infrastructure, and street improvements. Manage schedules, budgets, change orders, and vendor performance. Coordinate with engineers, contractors, and regulatory agencies. 	<ul style="list-style-type: none"> Ensure compliance with NC purchasing statutes. Approve/oversee solicitations, contracts, and purchasing policies. Implement best-value procurement. Oversee grant strategy, applications, contracting, expenditure tracking, reimbursement, and closeout. Maintain internal controls and LGC expectations. Annual audit preparation, review of procedures, response and action plan for any Financial Performance Indicators of Concern.

Town of Valdese

State of the Department

Finance, Accounting, Budget

Accounts Payable	Payroll	Customer Service & Accounts Receivable	Utility Billing
<ul style="list-style-type: none"> Weekly payment cycle: <ul style="list-style-type: none"> Invoice intake & logging. Payment batch preparation. Check / ACH processing. Void/stop pays/reissues. Vendor setup and maintenance: <ul style="list-style-type: none"> New vendor onboarding. Vendor file maintenance. 1099 prep and filing. Compliance & internal controls: <ul style="list-style-type: none"> Sales tax review. Policy compliance. Invoice intake & logging. Discrepancy resolution. Reconcile A/P activity. Maintain audit trail. 	<ul style="list-style-type: none"> Collect, review, and validate timesheets/timekeeping data. Audit payroll for accuracy. Calculate and process employee leave entries and balances. Process payroll deductions and withholdings. Submit Federal/State payroll tax files and payments. Manage direct deposit/ACH transmission and handle returned deposits. Administer retirement reporting. Coordinate benefits deductions with HR. Handle year-end processing. Ensure compliance with payroll laws, policies, and internal controls. Prepare payroll reports for audit. 	<ul style="list-style-type: none"> Answer phones; assist customers Direct phone calls and walk-ins to the correct Town staff or location. Take payments; issue receipts Set up utility accounts Explain bills, rates, usage Research account questions Process billing adjustments Maintain customer records Apply deposits Process misc. payments De-escalate customer issues Create/route work orders Scan/file and retain records 	<ul style="list-style-type: none"> Manage delinquencies; send notices Coordinate disconnect/reconnects Process move-ins/outs Calculate usage and charges Research high-bill issues Prepare late notices Track delinquencies/aging Run billing reports; Reconcile billing to GL Generate monthly bills Coordinate field work orders

Town of Valdese

State of the Department

LGC

Local Government Commission

- Ultimate authority & overarching regulatory agency for all things finance related in NC State and local government.
- Staff provides oversight to over 1,100 units of local government.
- Focus is on Chapter 159 of the NCGS providing oversight on a variety of topics including annual budgets, annual audits, internal controls, debt management, and investments.

Town of Valdese

State of the Department

Partnership



Town of Valdese

State of the Department

Two Important Annual Documents

Adopted BUDGET

(June 30th)



Town of Valdese

AUDIT Report

(December 31st)





PRESENTATION OF AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2025

Mayor Huffman announced that Mr. Phil Church would be presenting the Town's Audit for the fiscal year ending June 30, 2025. Mr. Church then stepped forward to present the Town's annual audit. Mr. Church introduced himself and stated that Rick Hammer typically attended the audit presentation as well, but was unable to attend due to another presentation occurring simultaneously. Mr. Church noted that since he lived in Valdese, he attended the Town's meeting while Mr. Hammer was presenting elsewhere.

Mr. Church stated that the audit went well and expressed appreciation for Mr. Weichel. Mr. Church explained that the audit had been approved by the LGC, noting that LGC approval was required before the auditing firm could be paid. Mr. Church stated that the audit had received approval and that the process went smoothly.

Mr. Church stated that the full audit report was 111 pages and explained that he would not review the entire document, but would instead present the audit highlights report, which condensed the audit into key financial figures. Mr. Church stated that the Town received an unmodified clean opinion, noting that this was the desired audit opinion and indicated the Town's financial statements were in good order.

Mr. Church explained that the audit report contained different types of financial statements, including statements prepared on the modified accrual basis, which aligned with the Town's budgeting practices, as well as full accrual statements which were prepared in a way which was similar to business accounting. Mr. Church stated that the highlights being presented were based on the modified accrual method.

Mr. Church then discussed compliance requirements related to state and federal funding. Mr. Church explained that audits could include Yellow Book compliance work and an A-133 audit when certain funding thresholds were met. Mr. Church stated that the Town's audit included an A-133 audit due to the level of state and federal funds received. Mr. Church reported that there were no compliance issues identified with any of the state or federal funds, and noted that Town Staff were doing a good job.

Mr. Church stated that the audit highlights reflected a strong financial year for the Town. Mr. Church presented the General Fund audit highlights, noting cash and cash equivalents of \$8,705,000, total assets of \$9,887,000, and a fund balance of \$9,584,000. Mr. Church reported total revenues of \$7,102,000 and expenditures of \$5,709,000, resulting in revenues over expenditures of \$1,393,000. Mr. Church stated that other income expenses totaled \$532,848 and explained that the Town funded approximately \$700,000 in capital projects, with an additional transfer from the proprietary fund of \$221,000. Mr. Church stated that the resulting increase in fund balance was \$860,407, compared to \$588,030 the prior year. Mr. Church reported that ad valorem taxes collected totaled \$2,534,000, representing 99.41% collection, and that investment income totaled \$742,035.

Councilman Ogle asked for clarification regarding the difference between the cash figure and the total assets figure. Mr. Church explained that the cash and cash equivalents reflected cash holdings, while total assets included cash as well as other receivables and additional assets.

Mr. Church then discussed the Town's unassigned fund balance, stating that it totaled \$8,123,000. Mr. Church explained that the LGC reviewed the ratio of unassigned fund balance to expenditures and other financing sources to determine a local government's financial strength. Mr. Church reported that the Town's unassigned fund balance represented 125.43%, noting that the LGC's minimum expectation was 8%, or approximately one month of expenditures. Mr. Church stated that the Town had more than a year's reserve in fund balance, which reflected strong financial condition for the General Fund.

Mr. Church then presented the Water and Sewer Fund highlights, stating that cash and cash equivalents totaled \$5,557,000 and total assets totaled \$30,302,000. Mr. Church explained that the Water and Sewer Fund was treated like a business and included fixed assets, cash, and debt. Mr. Church reported a net position of \$23,763,000, which he compared to retained equity. Mr. Church stated that total revenues for the year were \$7,301,000 and total expenses were \$6,764,000. Mr. Church reported nonoperating revenues of \$225,850, which included interest and grant funding netted against interest expenses. Mr. Church stated that transfers out to another fund totaled \$221,000 and capital contributions totaled \$104,000. Mr. Church reported a change in net position of \$616,352, noting that this was comparable to net income and shared that the prior year's net position was \$42,548.

Mr. Church stated that accounts receivable totaled \$904,000 and that days of sales in accounts receivable was 45.2 days, compared to 44 days the prior year. Mr. Church reported that the fund balance percentage was 82.4%, compared to 79% the prior year, and stated that the fund remained strong.

Mr. Church asked if there were any questions on the presented highlights. Mayor Pro Tem Lowman asked if Mr. Church had noticed any notable trends or changes in the Town's position over the last several years. Mr. Church provided that the Town had had a good year, and that he believed it had trended in a positive direction over the previous several years. Mr. Church noted at one time the Town's position had not been good, but that this was years ago, and that presently the Town was in a strong position. Mayor Pro Tem Lowman stated it was obvious that the Town was saving money to build something, and that it should be clear to everyone that this was getting ready to happen.

Mr. Church disclosed that if the Council was reviewing the audit report and had questions that they could give him a call.

Mr. Church then noted that there was an additional required audit item which needed to be mentioned regarding the Town's capital asset condition ratio. Mr. Church explained that this ratio was calculated through a complex formula and was expected to be at least 50% or greater. Mr. Church stated that the Town's ratio was approximately 42% and indicated that the result suggested the Town's capital assets were aging. Mr. Church explained that the purpose of the ratio was to encourage local governments to plan for future capital needs, particularly related to water and sewer infrastructure and other major capital assets. Mr. Church stated that the Town would likely receive a notice regarding the capital asset condition ratio and would be required to respond.

Councilwoman Zimmerman mentioned she had a question and believed it related to the ratio Mr. Church had mentioned. Councilwoman Zimmerman asked if this ratio was a part of FPIC that the Town had received in years prior. Mr. Weichel stated that it was, and that it related to the Town's Utility Fund and was essentially outlining that assets, like the water/waste water plants and water/sewer lines, had depreciated. Mr. Weichel noted that the LGC had a bench mark of point five (.50) and that any value below that point five (.50) benchmark would trigger the LGC to deliver the Town an FPIC. Mr. Weichel explained that this was a notice that the Council would have to acknowledge and sign. Mr. Weichel continued that the Town was at a point four-two (.42), and explained that a lot of Town's were receiving these notices as everyone's infrastructure was aging. Mr. Church added that Mr. Weichel was correct, that most of the cities and towns in the State of North Carolina were receiving these notices.

Mayor Huffman asked Mr. Weichel and Mr. Church to provide the Citizens of Valdese clarification of the distinction between the General Fund and the Water and Sewer Fund, noting that they could not be co-mingled and that they could only be used for those certain entities. Mr. Weichel explained that the General Fund was tax driven, and that monies out of the General Fund could be used for general government operation. Mr. Weichel stated that the Utility fund was treated as a business, and that revenues from this Fund consisted of water and sewer sales. Mr. Weichel noted that the Utility Fund was

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what the LGC called an enterprise, or proprietary, fund and that water and sewer sales had to be used solely for the water and sewer operations. Mr. Weichel clarified that the Utility Fund was not tax driven, but sales driven.

Councilman Ogle clarified that the Town had an unassigned fund balance of \$8,123,000, asking how much of those monies could be spent while remaining in good graces with the LGC. Mr. Weichel responded that the Town did not know. Mr. Weichel explained that the reason the Town did not know was due to the yearly fluctuation of the benchmarks used by the LGC in determining which units of local government should be sent unit assistance letters. Mr. Weichel continued that the way the LGC determined who received unit assistance letter, which Mr. Weichel noted the Town did not want to receive, was based on peer groups with similar populations. Mr. Weichel described that the LGC looked at fund balance percentage of each municipality in its peer group and determined the top, middle and bottom ranges across all units, from there it determined who is below the 50% average of groups fund balance percentages and those units received a unit assistance letter. Mr. Weichel concluded that this was the reason for the yearly fluctuation, as everyone's fund balance fluctuated yearly, which in turn effects the LGC's calculations.

Town Manager Herms added that the aforementioned percentages could sometimes be deceiving. Town Manager Herms explained that 125% to the Town of Valdese was \$8,000,000, but if one were to look at a City the size of Charlotte, with \$8,000,000, they would not make payroll. Town Manager Herms continued that while the Town of Valdese had 125%, a much larger city may only have 30%, but they may have more cash on hand than the Town of Valdese.

Town Manager Herms echoed Mayor Pro Tem Lowman's comment that the Town had been saving up for some projects, and that once the Town spent down for some of those projects, the fund balance in turn would decrease as well. Councilman Ogle stated that this was what he really wanted to know, if the Town were to spend on a project, how much could they go down to. Town Manager Herms responded that this was one of the reasons why the Town was waiting on Tryon Financial Advisors, to help guide the Town in making sure it stayed off the unit assistance list. Mr. Weichel added that the comparison of the Town's fund with its peers would be a feature built into the aforementioned model.

TOWN OF VALDESE			
Financial Highlights			
Years Ended June 30, 2025 and 2024			
	2025		
General Fund (Includes Powell Bill Funds)	Summarized	2025	2024
	Budget		
Cash, cash equivalents and investments		\$ 8,705,231	\$ 7,470,706
Total assets		\$ 9,887,986	\$ 8,959,015
Fund balance		\$ 9,584,938	\$ 8,724,530
Fund balance - Reserved for Streets - Powell Bill (included in total fund balance)		\$ 171,957	\$ 111,674
Total revenue	\$ 6,304,697	\$ 7,102,261	\$ 7,202,594
Total expenditures	\$ 6,354,773	\$ 5,709,006	\$ 5,651,273
Revenues over (under) expenditures before other financing sources (uses)		\$ 1,393,256	\$ 1,551,322
Other income (expense)	\$ 50,037	\$ (532,848)	\$ (963,290)
Increase (decrease) in fund balance		\$ 860,407	\$ 588,030
Ad valorem taxes collected		\$ 2,534,783	\$ 2,956,235
Percent of taxes collected - current year levy		99.41%	99.37%
Investment income		\$ 742,035	\$ 671,522
Fund Balance Available			
Unassigned Fund Balance		<u>8,123,452</u>	<u>6,587,565</u>
Expenditures and other financing sources and uses		6,476,314	6,236,741
Unassigned Fund Balance Percentage		125.43%	105.62%

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	<u>2025</u>	<u>2024</u>
<u>Water and Sewer Fund</u>		
Cash, cash equivalents and investments	\$ 5,557,325	\$ 4,773,926
Total assets	\$30,302,496	\$29,479,608
Net position	\$23,763,229	\$23,146,777
Operating revenue	\$ 7,301,423	\$ 6,149,682
Operating expenses	\$ 6,794,068	\$ 6,052,280
Operating income (loss)	\$ 507,355	\$ 97,402
Nonoperating revenue (expenses)	\$ 225,850	\$ 7,764
Transfers (to) from	\$ (221,000)	\$ (221,000)
Capital Contributions	\$ 104,147	\$ 158,382
Change in net position, includes \$1,386,499 of depreciation expense 2025	\$ 616,352	\$ 42,548
Accounts receivable - customers	\$ 904,237	\$ 752,344
Investment income	\$ 41,212	\$ 46,405
Days sales in accounts receivable	45.20	44.65
Fund Balance Available		
Unrestricted Fund Balance	\$ 5,780,168	\$ 4,988,354
Expenditures and other financing sources and uses	7,015,068	6,273,280
Unrestricted Fund Balance Percentage	82.40%	79.51%

APPROVED – AMENDMENTS TO ARTICLE B – EXCAVATION AND REPAIR – CODE OF ORDINANCES

Mr. Rapp presented as follows:

“Council you have before you an Update to Article B, Excavation and Repair, in the Town’s Code of Ordinances, and looks to protect the Town’s streets, sidewalks, and right-of-way.

The existing Excavation and Repair ordinance was written primarily to regulate basic street cuts, driveway construction, and short-term disruptions. It has served the Town well for routine work, but it was not designed for the scale and complexity of today’s utility and telecommunications projects; particularly fiber installations, underground conduit, and long-duration construction within the public right-of-way.

Under the current ordinance, all excavation activity is generally treated the same. There is no distinction between small, short-term work and larger, more permanent installations. There are limited submittal requirements, no standardized traffic control plans or restoration plans required, and no requirement for encroachment agreements, as-built documentation, or long-term maintenance responsibility.

This proposed update before you tonight addresses those gaps.

As part of this update applicants would be required to attend a pre-approval coordination meeting with Town staff, ensuring construction methods, traffic management, and protection of municipal infrastructure are addressed upfront.

The update would require an agreement between the Town and the applicant which would: make it clear that encroachments are revocable licenses, not property rights; require permit holders to maintain, repair, or remove facilities at their own expense when applicable; mandate insurance and bonding; and allow the Town to revoke the agreement if public safety is compromised.

On top of this, work must meet ADA and Town standards, streets and sidewalks must be restored to a condition equal to or better than before construction, restorations are warranted for one year, and as-built drawings must be submitted so the Town has accurate records of what is installed beneath its infrastructure.

This update would move the Town to a clear, enforceable framework that protects public assets, reduces long-term maintenance risks, and ensures that private infrastructure installed in the right-of-way does not become a liability for taxpayers.

I do need to note two minor adjustments that were suggested by Town Attorney Swanson. In the section named "Encroachment Agreement" the permittee was required to post a performance bond of an amount determined by the Town Attorney based on proposed encroachment scope. This has been changed from "Town Attorney" to "Town Manager or his Designee." Secondly, a sentence was added in section 4-1026 "Street Repair" after "Restoration must pass Town inspection and be warranted for one (1) year" to include "A warranty bond may be required in an amount prescribed by the Town to guarantee the completion of work." To further protect the Town if a company were to go defunct.

Staff's recommendation to Council would be to approve the resolution to update Article B, Excavation and Repair, of the Town's Code of Ordinances."

ORDINANCE AMENDING ARTICLE B "EXCAVATION AND REPAIR" OF THE VALDESE CODE OF ORDINANCES

WHEREAS, Article B of Chapter 4 of the Town of Valdese Code of Ordinances regulates excavation, repair, and related activities within public streets, sidewalks, and other public rights-of-way; and

WHEREAS, the existing provisions were adopted prior to the expansion of modern utility and telecommunications infrastructure and do not provide a comprehensive or standardized process for right-of-way encroachments; and

WHEREAS, pursuant to North Carolina General Statutes Chapter 160A, municipalities are authorized to regulate the use, protection, maintenance, and repair of public streets and rights-of-way through the exercise of their general police powers; and

WHEREAS, the Town Council finds it necessary to establish a formal encroachment permitting framework to protect public safety, preserve municipal infrastructure, clarify maintenance and liability responsibilities, and ensure proper restoration and documentation of work within the public right-of-way;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF VALDESE, NORTH CAROLINA, THAT ARTICLE B OF CHAPTER 4 OF THE TOWN OF VALDESE CODE OF ORDINANCES IS HEREBY AMENDED TO READ AS FOLLOWS:

**ARTICLE B
Excavation and Repair**

Section 4-1021 Permit to dig in streets.

No person shall make any excavation or opening or dig any ditch, trench, tunnel or hole in, along, across or under any street, sidewalk or other public place for the purpose of laying or placing therein any pipe, wires or poles or for any other purposes unless a Major Encroachment Permit has been duly issued by the Town of Valdese.

Provided, that a permit shall not be required where such work is performed under a contract with the town but in the event such work requires a sidewalk or street to be wholly or partially obstructed, the person shall notify the clerk, the public works department and the police department at least two (2) hours before obstructing the sidewalk or street, unless prevented by sudden emergency.

Section 4-1022 Application for permit; fees.

All persons desiring a permit to make an opening in any street or sidewalk, as set forth in section 4-1021, shall submit an encroachment permit application providing the following: (1) Detailed plans of facility location, alignment, depth, and method of installation, (2) A traffic control plan in accordance with MUTCD and Town Standards, (3) A proposed work schedule, including proposed hours and duration; (4) A restoration plan meeting Town restoration standards as described in section 5-2019; (5) Proof of insurance and bonding to cover potential utility damages; (6) Certification of Compliance with NC 811 utility location requirements.

Applicants must attend a pre-approval coordination meeting with Town staff to confirm construction methods, review traffic management and pedestrian access plans, and coordinate protection of municipal infrastructure. Failure to attend or comply with meeting outcomes may result in denial, suspension, or revocation of permits.

Section 4-XXXX Defining Encroachments

Major Encroachment; Major Encroachments shall be defined as any excavation or opening or dig any ditch, trench, tunnel or hole in, along, across or under any street, sidewalk or other public place for the purpose of laying or placing therein any pipe, wires or poles or for any other purposes, EXCEPT for excavation, opening, trenching, and digging associated with the (1) construction of a driveway access, (2) repair or improvement of private residential utility infrastructure laterals associated with a single property, given that those repairs and improvements comply with general construction standards.

Minor Encroachments: Minor Encroachments shall be defined as encroachments into streets, sidewalks, alleys, and other public spaces that do not include excavation, opening, trenching, tunneling, digging, or other ground disturbing activities or permanent activities, with the exception of excavation, opening, trenching, and digging associated with the construction of a driveway access. No person shall commence a minor encroachment unless a permit for said Minor Encroachment has been issued by the Town of Valdese Planning Director.

Section 4-XXXX Encroachment Agreement

For Major Encroachments, applicants will be required to execute an encroachment agreement, prior to the issuance of the Major Encroachment Permit. The agreement shall: (1) State that the encroachment is a revocable license with no conveyance of property rights; (2) Require the permittee to maintain, repair, and/or remove the encroaching facility at their own expense; (3) Indemnify and hold harmless the Town from all claims arising from the encroachment; (4) Require the permittee maintain general liability insurance of at least \$1,000,000.00 per occurrence, naming the town as an additional insured; (5) Require the permittee post a performance bond of an amount determined by the Town Manager or his designee based on the proposed encroachment scope; (6) Require the permittee to submit as-built drawings as described in Section 4-1028.

The Town may revoke an encroachment agreement if it; (1) Interferes with public use; (2) Violates Ordinance conditions (3) Endangers public health, safety, or welfare.

Section 4-1023 Municipal liability.

Any person obtaining a permit as provided for in sections 4-1021 and 4-1022 herein agrees as a condition of the issuance of said permit, to indemnify and hold harmless the town against any claims or expenses, including attorney's fees for bodily injury or property damage for accidents or occurrences arising out of the person's operations, excluding only the liability of the town for its sole negligence except in connection with general supervision of work performed by said person.

Section 4-1024 Supervision and control.

All excavations and work in streets, sidewalks, alleys or public places in the town shall be under the supervision and control of the Director of Public Works, whose duty it shall be to inspect the same from to time during the progress thereof. All work shall comply with; (1) Specifications provided by the Director of Public Works; (2) Separation requirements from municipal water, sewer, and stormwater systems, (3) Pavement, sidewalk, and ADA ramp restoration standards; (4) Protection of street trees, landscaping, and streetscape improvements; (5) Applicable NCDOT conditions when working in State rights-of-way. Upon the completion thereof, he shall make a final inspection and see that the street, sidewalk or public place is restored to a condition as good in all respects as before the excavation or work was made or done, and that all debris, materials, tools and equipment are removed therefrom. Any person refusing or failing to comply with any provision of this section shall be guilty of a violation thereof, and where such failure or refusal is continued after notice from the Director, every day's continuance shall constitute a separate and distinct offense.

Section 4-1025 Disposition of fees.

All fees collected under the provisions of this article shall be paid into the general fund.

Section 4-1026 Street repair.

When any part of any street, sidewalk, alley or other public place of the town shall be torn or dug up for any purpose, the person making such excavation or opening shall have the duty of refilling such excavation or opening, and such refilling shall be done in accordance with the standards and specifications issued by the Director of Public Works or his duly authorized representative. The Director of Public Works or his designee may access and inspect any work zone at any time. Permit holders must provide 48 hours' notice before commencing work affecting municipal infrastructure. Permit holders must restore the street, sidewalk, alley or other public place to a condition equal or better than prior to construction. Restoration must pass Town inspection and be warranted for one (1) year. A warranty bond may be required in an amount prescribed by the Town to guarantee the completion of work. Within 30 days of project completion, permit holders must submit as-built drawings in a GIS compatible format, showing final location and depth of installed facilities in relation to municipal infrastructure. Any person, firm or corporation neglecting, refusing, or failing to comply with any provisions of this section shall be guilty of a violation thereof; and where such neglect, refusal or failure is continued, after notice from the Director or his authorized representative, every day's continuance thereafter shall constitute a separate and distinct offense. If the permittee fails to restore the encroachment area within 60 days of encroachment completion, the Town may complete the restoration and recover all associated costs, including from bond proceeds.

Section 4-1027 Excavations; leaving unprotected.

It shall be unlawful for any person, firm or corporation who obtains a permit under the sections of this article to do any excavation of any kind which may create or cause a dangerous condition in or near any street, alley, sidewalk or public place of the town without placing and maintaining proper guard rails three (3) feet from the ground and signal lights or other warnings at, in or around the same, sufficient to warn the public of such excavation or work, and to protect all persons using reasonable care. It shall be unlawful to cut drains or ditches across the sidewalks or streets unless boxing be used and the same covered on a level with the sidewalk.

Section 4-1028 Streets not to be damaged.

It shall be unlawful for any person, firm or corporation to drag, or run or cause to be dragged or run any harrow or other implement, engine, machine or tool upon any asphalt, bitulitic, warrenite, or other type of permanently paved street of the town which shall be liable, in any way to injure or cut the surface thereof. It shall also be unlawful to injure any dirt street in the same manner.

Section 4-1029 Violation; penalty.

Any person who shall violate a provision of this article shall be guilty of a Class 3 misdemeanor and may be fined not more than \$500, or such other maximum amount as shall be authorized by North Carolina General Statutes or specifically established in this code, whichever is less. Any person violating any of the provisions of this article shall become liable to the town for any expense, loss, or damage occasioned the town by reason of such violation. (Ord. of 5/2/22)

Section 4-1030 Sidewalk construction.

No sidewalk of any description shall be built by any individual, firm or corporation of any brick, wood, or other material without a written permit from the town.

Section 4-1031 House moving.

No person shall move any house or building upon or across the public streets or sidewalks without the written consent of the council and the deposit of a good and sufficient bond in the sum of \$500 to cover damage done to such street or sidewalk or to any property of any person.

Section 4-1032 Damage to municipal property.

No person shall injure, tamper with, remove, paint upon or deface any bridge, culvert, ditch and drain, sign, sign post, street light, traffic signal, bulletin board or other municipal property upon the streets and sidewalks or elsewhere except employees of the town in the performance of their duties.

Section 4-1033 Permit to mix building materials.

No person shall mix any building materials on any street, sidewalk or other public place, unless a written permit therefor has been issued by the clerk or some other officer of the town vested with such

authority. All persons desiring a permit to mix building materials shall make written application therefor, which application shall show the location of the proposed mixing and the kind and approximate amounts of materials to be mixed. The application shall be accompanied by a fee which shall be established by the council.

Section 4-1034 Driveways; permit required.

No person shall begin to construct, reconstruct, repair, alter, or grade any driveway on the public streets, unless a written permit therefor has been issued by the manager or some other officer of the town vested with such authority.

Section 4-1035 Same; application.

(a) All persons desiring a driveway permit shall make application therefor, which application shall show:

- (1) The name and address of the owner or agent in charge of the property abutting and proposed work area;
- (2) The name and address of the party doing the work;
- (3) The location of the work area;
- (3) Attached plans showing details of the proposed alteration;
- (4) The estimated cost of the alteration; and
- (5) Such other information as the issuing officer shall find reasonably necessary to the determination of whether a permit should issue hereunder.

(b) The application shall be accompanied by a fee which shall be established by the council.

Section 4-1036 Same; standards.

The officer shall issue a permit hereunder when he finds:

- (1) That the plans for the proposed operation have been approved by the Director of Public Works, to whom they shall be forwarded by the officer within a reasonable time after receipt thereof;
- (2) That the work shall be done according to the standard specifications of the town for public work of like character;
- (3) That the operation will not unreasonably interfere with vehicular and pedestrian traffic, the demand and necessity for parking spaces, and the means of egress to and from the property affected and adjacent properties; and
- (4) That the health, welfare and safety of the public will not be unreasonably impaired.

Section 4-1037 Same; construction.

Driveways shall be constructed of portland cement concrete in one course.

Section 4-XXXX Permit Requirements

Minor Encroachment applications shall; (1) Illustrate the location, nature, and duration of the minor encroachment; (2) If the encroachment is upon Sidewalk, the application must illustrate compliance and plans for maintaining pedestrian travel access of at least 4-feet in width.

Section 4-XXXX Appeals

Any person whose work permit application has been denied or who has been assessed a civil penalty may appeal such decision within ten days after notice of such denial or civil penalty assessment. Any person who has been charged repair and restoration costs pursuant to Section 4-1026 may appeal such

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decision within ten days after the Town invoices such charge. Appeals shall be heard by the Town of Valdese Board of Adjustment. The appellant shall have the right to present evidence at said hearing.

A ruling on appeal is subject to review in the Superior Court of Burke County by proceedings in the nature of certiorari. Any petition for writ of certiorari for review shall be filed with the clerk of superior court within 30 days after notice of the decision has been sent to the appellant.

The amendments to this ordinance shall become effective immediately upon adoption.

ORDAINED BY THE TOWN COUNCIL FOR THE TOWN OF VALDESE NORTH CAROLINA, THIS DAY, THE 9TH DAY OF FEBRUARY, 2026.

/s/ Keith Huffman, Mayor

ATTEST:

/s/ Town Clerk

A motion was made by Councilman Ogle to approve the Ordinance. Seconded by Mayor Pro Tem Lowman. The vote was unanimous and the motion carried.

MANAGER'S REPORT Town Manager Todd Herms reported:

178th Anniversary of Edict of Emancipation – Event hosted by Waldensian Heritage Museum at the Waldensian Presbyterian Church – Sunday, February 15, 2026, 3:00 p.m. – 5:00 p.m.

Town Manager Herms stated he wanted to take a couple of minutes to recognize the Town's Staff in regard to the previous couple of weeks of snow events. Town Manager Herms shared that several staff members had spent the night at Town facilities, multiple nights, and were working through the night, to make sure the streets were as clear as possible and that water and sewer continued normal operations. Town Manager Herms stated that this was greatly appreciated, that Police and Fire chipped in as well, that it was a great group effort, and that he was proud of everyone involved. Town Manager Herms thanked the staff, Council, Staff, and members of the public applauded.

Town Manager Herms then moved to discuss the pool cover, noting that the Town had experienced snow, cold weather, and everything one could think of. Town Manager Herms disclosed that as of the present moment, without any unforeseen circumstances, the estimated completion date was set to be before the second weekend in March. Town Manager Herms noted that this was a three (3) week delay, explaining that due to the conditions over the previous two (2) weeks it had been impossible to pour concrete. Town Manager Herms explained the conditions needed in order to pour concrete and acknowledged that weather had not allowed for those conditions. Town Manager Herms stated that one pour had occurred, that another pour was planned for the coming Thursday, and that after the second pour the dome would arrive and work would continue. Town Manager Herms stated this would take seven (7) to ten (10) days and that building permits, fire inspections, and things of that nature would follow. Town Manager Herms reiterated that the plan was for the dome to go up in the second week of March but noted that if another ice storm or snowstorm were to occur it would delay the project again. Town Manager Herms said that no one in the Town would be happier than him when the dome was completed.

Town Manager Herms mentioned the Public Safety Building, and provided that the Town was moving forward with it. Town Manager Herms disclosed that Staff had been overlooking the preliminary design of the building and stated that it was not finished yet. Town Manager Herm stated that after input had been turned over to the architect and the general contractor, they would begin working on construction documents, which would take some time. Town Manager Herms specified that the Town had money set aside for this, but that at the March 2, 2026, Council Meeting, Council would receive a budget amendment to move money from one fund to another to keep the project moving forward. Town Manager Herms hoped that everything would be ready for Council's review, and Tryon's review, sometime in early May.

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Next Regular Council meeting scheduled for Monday, March 2, 2026, 6:00 p.m., Council Chambers, Valdese Town Hall

MAYOR AND COUNCIL COMMENTS:

Mayor Pro Tem Lowman echoed what Town Manager Herms had said in regard to all of the departments, stating that what they had done during the snow and ice storms was fabulous. Mayor Pro Tem Lowman continued that the Police Departments posts on social media showing the public what the roads looked like were much appreciated, and that she had many people tell her how much they appreciated being able to see those pictures before they got out onto the roads. Mayor Pro Tem Lowman thanked the entire staff of the Town of Valdese for what they had done during the weather-related issues, and stated they were much appreciated.

Councilwoman Ward echoed Mayor Pro Tem Lowman's comments and thanked Town Staff.

Mayor Huffman thanked the Council and the audience for being present. Mayor Huffman stated he enjoyed seeing the sports teams being recognized, that it spoke to how instrumental they were to the Town, and that it meant a lot to the Council to be able to recognize them.

ADJOURNMENT: At 6:55 p.m., there being no further business to come before Council, Mayor Pro Tem Lowman made a motion to adjourn, seconded by Councilwoman Ward. The vote was unanimous.

Town Clerk

Mayor

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