

**TOWN OF VALDESE
TOWN COUNCIL SPECIAL CALLED MEETING
May 18, 2026**

The Town of Valdese Town Council met on Monday, May 18, 2026, at 10:00 a.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, Councilwoman Shannon Radabaugh, and Councilwoman Melinda Zimmerman. Also present were: Town Manager Todd Herms, Assistant Town Manager/CFO Bo Weichel, Town Attorney Terry Taylor, Town Clerk Jessica Lail, and Various Department Heads.

Absent:

A quorum was present.

Mayor Huffman called the meeting to order at 10:00 a.m.

CONSIDERATION OF REVISIONS TO THE BUDGET AS DRAFTED BY STAFF

Councilwoman Radabaugh wished everyone a good morning and thanked them for their attendance. Councilwoman Radabaugh stated that as an elected official, the Council was chosen to represent an entire community. She continued that residents depended on the Council to ask questions, seek answers, and find solutions which created a brighter future for everyone, not just a select few. Councilwoman Radabaugh expressed that one of the Council's most important responsibilities was to review and approve a balanced budget which was transparent, responsible, and in the best interests of the Town's citizens.

Councilwoman Radabaugh recounted that in the previous month, the Town held a budget workshop, stating that while the meeting was open to the public, it was unfortunately not livestreamed like it had been in years past. She stated that this limited access to many residents who could not attend in person. Councilwoman Radabaugh noted that during the budget workshop, handouts were provided, some of which she would like to reference. Councilwoman Radabaugh referenced Exhibit Five (5), which outlined departmental expenses. She noted that the first line item for each department was salary expenses.

Councilwoman Radabaugh stated that the Council was now being asked to approve a pay study adjustment, without having received a full detailed report. She added that the Council was told that it would receive the details after the budget was approved. Councilwoman Radabaugh expressed that she did not know how the Town was supposed to approve a budget if it did not have the full report. Councilwoman Radabaugh reported that she had personally reviewed the proposed payroll increase for each department and calculated the percentage increased. She stated that what concerned her was that a significant amount of taxpayer monies had gone towards the pay study, a process that reportedly took six (6) months to complete, including interviews with individual employees and documented detailed descriptions for each employee's role within the Town. Councilwoman Radabaugh reported that the Council had not been provided with the detailed findings of that study, instead they had received a summary sheet showing minimums, averages, and market figures. She continued that the Council had not seen supporting information regarding job description, years of service, qualifications, experience, and the methodology used to determine the proposed figures for the Town's employees.

Councilwoman Radabaugh noted that some of the numbers which were proposed differed from the original recommendations received. She stated that this raised important questions, such as where the numbers came from, who adjusted them, and on what basis were those adjustments made. Councilwoman Radabaugh expressed that it was her opinion that all of those questions were questions that should be posed by all of Council before they moved forward and passed a budget. Councilwoman Radabaugh stated that transparency mattered, especially when taxpayer dollars were involved.

Councilwoman Radabaugh moved to address the proposed fire district tax, stating many residents had contacted her with concerns as they understood that the Fire Department was already funded through the Town's General Fund. She summarized her takeaways from conversations with community members about this tax, stating that they were upset with the title being given to the proposed tax increase and felt

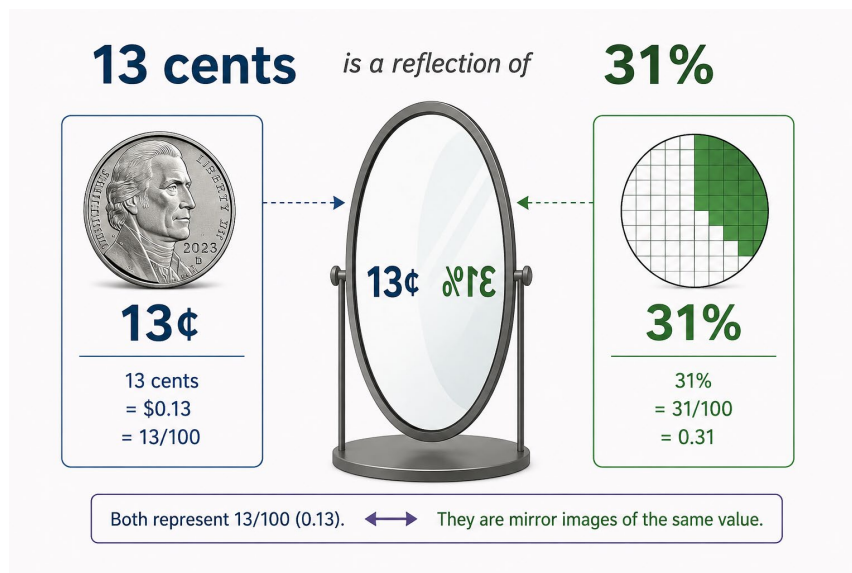
the wording was misleading. Councilwoman Radabaugh disclosed that it was her understanding that in order for it to be a separate fire tax, the Council must first approve it, it must go in front of a board of commissioners and noted it could only be used to fund the Fire Department. She expressed that if it were going to anything other than the Fire Department it could not be called a fire district tax.

Councilwoman Radabaugh thought it important to note that the majority of the thirteen (13) cent tax increase appeared to be allocated toward funding the pay study increase, not solely fire protection services. Councilwoman Radabaugh wanted to make it clear that she supported the public safety building that the Town had needed for so long. She underscored that the Town needed to understand how much it would cost, before it passed a budget, as to understand how that money would be raised from its community.

Councilwoman Radabaugh recounted that at the budget workshop, she was told that the Town could not spend a penny over \$10,000,000 as it could not afford it. She continued that just a week ago she had a conversation with Staff and Mayor Huffman, where she was told the Town was now looking at a figure ranging from \$10,800,000 to \$11,200,000. Councilwoman Radabaugh asserted that the Council was being asked to support a 31% tax increase, a 7% water increase, while at the same time anticipating, and depending on, Burke County's reevaluation raising property taxes an additional 20% in order to fund the public safety building.

Councilwoman Radabaugh asked how the Council could responsibly approve a budget, when there was still no definitive total cost for the project, noting that to her, it felt like signing a blank check. She added that she had never operated that way financially and did not plan to now. Councilwoman Radabaugh asserted that the Town's citizens deserved honesty, accountability, and fiscal responsibility. She continued that before asking residents to shoulder significant increases in taxes and utility costs, she believed the Council owed them the complete information, open discussion, and a clear understanding of exactly what they were being asked to pay.

Councilwoman Radabaugh reported the picture which followed showed that there was a proposed thirteen (13) cent tax increase, noting that this reflected a 31% tax hike for everyone across the board.



Councilwoman Radabaugh asked where the money was actually going, if it was a tax for fire tax, if it was a tax for the pay study, or if it was a cumulative tax.

Town Manager Herms stated he would do his best to answer as much as he could. He continued that in order to fund the police and fire station, the Town required this additional thirteen (13) cents. Town Manager Herms reported that it went back to the tax rate the Town had operated on for a majority of the decade. He continued that when taxes were cut 3 cents, and then an additional 10 cents, the way Staff

had to balance the budget was to take out any future debt service payments. Town Manager Herms stated from what he had seen on paper, at the original time of inquiry, the estimate for the public safety building was \$7,300,000. He asserted that since then, the Town had been quoted anywhere in the range of \$10,250,000 and \$11,250,000, depending on several factors such as flooring materials and ceiling layout, among other things. Town Manager Herms expressed that Staff had been working with the contractor to try to mitigate those costs as much as possible.

Town Manager Herms stated the \$10,800,000 figure was not to be exceeded, as the Town had to have a realistic number to bring to the Local Government Commission (LGC) as to allow them to review the Town's finances. Town Manager Herms provided that the LGC handled buildings across the State on a monthly basis and that they understood costs better than anybody. He continued that the LGC would look at the plans, look at what the Town was saying, and then would come back and speak to whether the proposed borrowing number was realistic or not. Town Manager Herms stated that without the 13-cent tax increase, he did not believe the LGC would approve the loan for the construction of the public safety building.

Town Manager Herms then spoke to where the money from the fire district tax would go. He stated that presently, the fire department was 100% funded out of the General Fund. Town Manager Herms stated the fire district tax would offset those costs and would relieve pressure on the General Fund, whereas things that were currently being paid for out of the General Fund could be reallocated and used for other things, such as the pay study.

Town Manager Herms reported that there was another important aspect to the equation which the Town was banking on, that being a positive reevaluation from the County, which could potentially help offset some additional costs.

Councilwoman Radabaugh asked if the Town was depending on a positive reevaluation. Town Manager Herms responded in the affirmative. Councilwoman Radabaugh asked what would happen if Burke County came back and reported an increase of only 20%, would the Town have to raise taxes again. Town Manager Herms responded that there were some items the Town would have to adjust, such as reducing paving or discontinuing certain services. Town Manager Herms added that the LGC would not approve the loan unless the Town showed it could pay for it.

Councilwoman Radabaugh then referenced Exhibit Five (5) from the Budget Workshop, asking if the Town was moving the \$375,000 it had allocated to street paving and putting it into the public safety building. Town Manager Herms responded in the affirmative, adding that he did not have the numbers in front of him, but he thought the Town received somewhere between \$110,000 and \$150,000 annually in Powell Bill funds. He noted that these funds were required to be used for street maintenance. Town Manager Herms reported that the Town had previously supplemented those Powell Bill funds to the tune of \$375,000. He continued that moving forward those tax dollars paid into the General Fund would be supplemented into the public safety building, rather than being allocated towards paving.

Town Manager Herms reported that the Town was in the process of undertaking a large paving project and was also finishing up smaller pavement projects. He continued that the Town had approximately \$1,150,000 that it was about to release, in phases, to continue to address paving needs, stating this funding would address the majority of the identified, listed, roads. Town Manager Herms stated that moving forward, the remainder of the list may be completed in fifteen (15) to twenty (20) years, rather than in seven (7) to ten (10) years.

Councilwoman Ward stated that her concern at the moment was the upcoming reevaluation, stating that properties values could possibly go up an additional 27% and that taxes would reflect this. She continued that there were already individuals reaching out to her about a 13-cent tax rate increase and thought that the Town needed to go ahead and look at cuts presently, rather than later down the road. Councilwoman Ward stated the fact that street paving was the first thing that came up for the Town to cut showed that the Town's priorities were off. She acknowledged that the Town had departments that only funded themselves 42.5%. Councilwoman Ward clarified that she was not discussing things like utilities, she was referring to wants for the Town that needed to be cut as if one did not have the streets to get to things, they did not care. She emphasized that individuals cared about the quality of the roads.

Councilwoman Ward expressed that she loved the bells and whistles of Valdese, that parks and recreation was huge for her kids and her family, but asked if there were cuts the Town needed to make. She stated it would not be easy for the Town, that she had been wrestling with this fact, and asked what needed to be cut.

Councilwoman Ward brought up the Town's median age of 53.5 years old, acknowledging that Valdese was known to be an older Town. She continued that this meant most people who were living in houses inherited those houses and did not have mortgages to spread their taxes out. Councilwoman Ward stated that there were individuals on fixed incomes who were trying to pay their taxes every year, who had lived in Valdese their whole life, expressing they may have to leave Valdese and find somewhere else to live. Councilwoman Ward stated that the Town was not willing to make the cuts that would make it okay for those individuals to still live in the town that they had called home for years.

Councilwoman Ward stated that these were the topics she had been getting calls and emails about, where individuals asked her how they were to afford this. She thought that there were some hard decisions that needed to be made and added on top of this that she did not know the exact numbers before the budget meeting. Councilwoman Ward expressed that she did not know how the Council was expected to make any type of decision. She continued that until she could see that the Town had made cuts where they needed to be made, she could not be okay.

Mayor Huffman asked Councilwoman Ward what she was proposing. Councilwoman Ward responded that she was proposing that the Council look at further cuts to make. She added that she did not like the fact that every time cuts were brought up, discussions moved immediately to the Town's streets. Councilwoman Ward asserted that there were other things to cut. She continued by asking for figures which spoke to what departments drained the most money from the Town. Councilwoman Ward stated that she knew it was a hard question to ask, but that the Town had to look at departments and say that they had to bring in at least 50% to 60% of their budget in revenue. Councilwoman Ward stated that as a person who had to deal with a budget for a 501(C)3, her own business, and herself, she did not see how the Town could make every individual pay for services that just a few individuals enjoyed, when the need for the public safety building was great. She expressed that there were other programs that the Town would have to look at. Councilwoman Ward added that the meeting was not livestreamed, which meant that she had no proof of anything that was said, as some things were not even recorded in the minutes.

Councilwoman Ward expressed that she specifically asked if the public safety building would cost over \$10,000,000, would the Town be able to afford it, and reported that she was told no. She asked if the Town was now already looking at a \$10,800,000 to \$11,200,000 figure, what would it have to cut to afford it now. Councilwoman Ward stated that people would come after the Town next year when the reevaluation hit, as the Town was depending on this reevaluation to increase its revenues. She expressed that this meant citizens would be paying more in 2027 and questioned if the Town needed to take a hard look at things presently, instead of pushing the hard decisions down the road and continuing to tax.

Councilwoman Ward stated that she knew it was do or die on the public safety building, but asked if there were other things that the Town needed to evaluate.

Town Manager Herms stated it was possible he did not communicate properly in terms of the Town being able to afford a figure above \$10,000,000. He explained that he was saying the Town could not afford anything more than \$10,000,000 without making changes to the normal operating budgets, which included things such as street paving. Town Manager Herms stated that Staff had prepared this budget based off of how they were directed. He continued that the budget was the Council's budget, and added that if Council gave Staff further direction, they would be more than happy to go in that direction.

Councilwoman Radabaugh stated that a reduction in paving had already been discussed at the budget workshop, noting that this was already considered in the \$10,000,000 figure. She expressed that she thought this was why the Council was looking at what else was going to be cut, or how much higher taxes were going to go up.

Mr. Weichel stated he would recap the discussions of the budget workshop, starting by discussing the presence of First Tryon Financial Advisors. He stated that the Town had engaged with First Tryon this year to assist with the budgeting process, as there were hard decisions to be made. Mr. Weichel reported that there were three (3) things outlined in that budget workshop that needed to happen in order to make the pay study and the public safety building work.

Mr. Weichel stated that the first thing was the fire district tax, providing that the 13-cent number was based on the two items which were to follow. He continued that the next item would be the 2027 reevaluation, and that the Town would have to go rate neutral on that reevaluation. Mr. Weichel reported that the Town did not know what that percentage was yet, but that it did have a range. He added that the Town was taking the low end of that range. Mr. Weichel recounted that the third thing, which was a fallback as the Town wanted a bit of a buffer, was the \$375,000 for paving being reallocated toward the public safety building. Mr. Weichel expressed that the Town still received \$125,000 in Powell Bill funds annually which would continue to go towards road maintenance.

Mr. Weichel stated that the presented budget still currently had the additional \$375,000 allocated towards paving, which meant that the Town currently had over a million dollars to address paving work over the next few years. Mr. Weichel reported that the current shortfall was approximately \$1,650,000 for funding the pay study and the public safety building. He contextualized that number to say that when one was discussing cuts, those cuts would have to be significant to total that \$1,650,000 figure.

Mr. Weichel expressed that the reason why the three (3) revenue generating items were needed was due to the Town wanting to maintain the same level of services. He added that this was the assumption that Staff had through the discussions with Council.

Councilwoman Ward asked if the Town were to keep things rate neutral, would it not have to make cuts, as the budget kept going up year after year. Mr. Weichel provided that rate neutral was different than revenue neutral, which is what the Town did a few years prior when it lowered its tax rate. He added that rate neutral meant the Town would keep the tax rate the same and use the appraisals provided by the County. Councilwoman Ward stated it was important to maintain a balance as the Town was counting on the County's reevaluation.

Councilwoman Ward stated that it felt like there would be a lot of sacred cows dying over the next little bit in Valdese. She stated it would have to happen, that she hated to say it, but that the Town had danced around it for years. Councilwoman Ward stated it may be unpopular, but there were things that were going have to be cut to allow citizens to continue living in, and wanting to move to, Valdese.

Councilwoman Ward reported that she had received calls from citizens where they stated that they would leave Valdese if the budget were to be approved. Councilwoman Ward noted that she would not put it past them. Councilwoman Ward stated that she knew the services were for everyone, and should keep individuals coming back in, but noted that she did not see that. She added that if one taxed people to death, they would not want to be in Valdese.

Councilwoman Ward asked if the meeting and slide were being live streamed, as she wanted to make sure citizens could see the graphic. She continued that another problem the Town was having was that the budget workshop was not livestreamed. Councilwoman Ward reported that citizens were asking questions, that the Council was trying to answer, as they did not get to see a lot of the materials from the budget workshop. She added that was especially important as everyone discussed transparency, stating that the budget workshop was not transparent.

Mayor Huffman asked Councilwoman Ward what revisions she was proposing, as that was the purpose of the meeting. Councilwoman Ward stated that the purpose of the meeting was to consider revisions. Mayor Huffman asked what revisions were being considered. Councilwoman Ward responded that the revisions were being considered, and talked about, to see what needed to be considered. She asserted that it was not said that revisions were being made, it was said that they were being considered.

Councilwoman Radabaugh asked if the taxes needed to be raised to pay for the pay study as well. Town Manager Herms responded that the technical answer would be no, however it would cause the Town to dip

into fund balance. He added that if the Town was not planning on going rate neutral next year, then the Town would not be able to fund 100% of the pay study. Councilwoman Radabaugh stated that the fire district tax should then not be called a fire district tax, as it was being used for more than the Fire Department.

Town Manager Herms asked Mr. Weichel what percentage of the pay study could be attributed to the Fire Department. Mr. Weichel reported that this figure was 34%. Town Manager Herms stated that the majority of the pay study was going toward the Fire Department. He added that the total Fire Department Budget was higher than what the fire district tax would raise. Town Manager Herms asserted that the fire district tax would be used to fund the Fire Department, reallocating the monies that were currently coming out the General Fund to shift them to address other needs. Mr. Weichel provided some context with approximate numbers. He reported that the total Fire Department Budget was \$1,200,000 and that the fire district tax would generate \$742,000, falling short of funding the total Fire Department Budget. He continued that if one infused those monies into the Fire Department, the General Fund monies could be moved.

Councilwoman Radabaugh asserted that she was not discussing the Fire Department's Budget, she was talking about the fire tax, which had been stated would go towards funding the public safety building. Mr. Weichel confirmed that the monies would go towards the public safety building once payments became active. He stated that this would be a part of the Fire Department Budget, supporting that budget. Councilwoman Radabaugh stated that North Carolina General Statute specifies that funds collected through a fire tax were required to be maintained in a separate fund and used specifically for fire protection purposes. Mr. Weichel agreed, stating this would be outlined in the budget ordinance when Council adopted the budget. He added that the budget ordinance would outline a separate line for the fire district tax.

Councilwoman Radabaugh asked how the Town was calling it a fire tax, when it was being used to pay for the pay study, which she was told would total \$514,000. She compared this number to the \$742,000 the fire district tax would raise, stating this only left \$228,000. Mr. Weichel stated that it would be helpful to see the budget ordinance and how it outlined those numbers. He added he could not pull it up at that moment, but it showed that fire district tax revenues would directly support fire operations, and that the ad valorem tax contributions towards the Fire Department would decrease by the amount generated by the fire district tax.

Town Manager Herms added that whether the Town called it a fire district tax, or increased ad valorem taxes, the amount of money that the Town needed to bring in to fund the pay study and public safety building, as directed by Council, would not change. He added that however the Town wanted to get there was up to the Council. Town Manager Herms stated that if the Town was going to continue to offer the same services, and build a police and fire station, it needed that amount of money. He added that the Town could look at doing significant program cuts and added that it would not just be one (1) program, it would be multiple.

Councilwoman Radabaugh stated it was her understanding that the Town did not know if the 13-cent tax increase would cover the public safety building, given the Town did not have an exact estimate of what the building would cost. Town Manager Herms provided that the Town had a good range, and that once they had a fixed number, the Town would have 60 days until that number was no longer valid. He added that this was a part of the design build that the Town had entered into. Councilwoman Radabaugh asserted that the cost estimate went up over \$1,000,000 in one month, stating this increase was not in the bounds of a reasonable range. Town Manager Herms reported that there were a lot of things that went into that. Councilwoman Radabaugh responded that she understood that, that she knew the increase was related to fuel costs, among other things, but expressed that the number could continue to go up. She continued that her biggest concern was that the Town was approving a budget when it did not know if it would have to come back the following year and increase taxes another five (5) to ten (10) cents. Councilwoman Radabaugh expressed that she had a problem with this as she had never approved a budget on anything without having the final number. Town Manager Herms responded that he understood where Councilwoman Radabaugh was coming from in regard to the final number. He continued that the best he could presently do was provide the range which was given to the Town by its contractor. Town Manager Herms reported that the Town was trying its best to get everything done before the third quarter, as he had a suspicion that numbers were not coming down, they would only continue to rise. Town Manager Herms shared that the building quote had gone from \$7,300,000 to over \$10,800,000, just since 2023.

Councilwoman Radabaugh provided that in May of 2024 the quote for a fire and police department from Talley and Smith was approximately \$9,200,000. Councilwoman Ward helped contextualize that number, stating that the Town was told a number of years ago that it could get a loan for \$7,200,000 but would have to subsidize at least another \$2,000,000 on top of that to cover the building. Town Manager Herms thought this went to show what he was trying to say, that the building was not going to get any cheaper. He reported that the Town should get a firm number by early to mid-June and would have 60 days from that point to either accept it or not and added that this decision would be made by Council through a vote.

Town Manager Herms expressed that the Town was trying to get everything lined up with the LGC, as one could not just call the LGC and say they would like to get on their agenda. He provided that this had to be done months in advance and shared that the Town had a call with the LGC on the following day to discuss preapproval based on the budget that was being recommended. Town Manager Herms pointed out that it was a tight schedule but added that there was only so much the Town could do under state law. He continued that within those 60 days, the Town also had to go out and get bids from banking institutions on the loan itself before it could go back to the LGC.

Councilwoman Radabaugh asked if the \$10,800,000 to \$11,200,000 figure only covered construction or if it included everything. Town Manager Herms responded that it was the total package, noting that there was some furniture that may not be included, but added that the Town had received a donation for most of the furniture. Councilwoman Radabaugh asked when Town Manager Herms was anticipating the final number. Town Manager Herms stated that it would be provided sometime early to mid-June. Councilwoman Radabaugh followed up, asking why they could not provide it now as they had been working on it for months. Mr. Weichel stated that they were still in the design phase. Town Manager Herms provided that there were a couple things going on, that the contractor had a medical issue, and that the design had been changing based on staff input in an exercise to try and get the price as low as possible.

Councilwoman Ward asked if the quoted range included IT services. Town Manager Herms responded in the affirmative. Councilwoman Ward followed up, asking if there was anything else, outside of furniture, that the Town may incur a cost on. Town Manager Herms answered that as far as he could provide today, no, the Town had included everything that it could think of. Town Manager Herms added that that there were items which would be transported that currently worked perfect, and hoped they would continue to do so. He continued that there was always a possibility of items being damaged in the move, and that the Town could not account for that. Town Manager Herms stated for him to say that an accident would not happen was not something that could be said with any construction project.

Councilwoman Ward asked if there was a great windfall in Valdese, could the loan be paid off earlier, as she knew this was not a possibility with the Town's USDA loans. She also asked why the Town could not allocate more to debt service. Councilwoman Ward also recalled that it was recommended by First Tryon to borrow the entire amount. She then asked if the three (3) USDA loans for the Town Hall, Splash Pad, and Fire Truck could be paid off early. Mr. Weichel provided that the Town would have to look into the agreements for an exact answer, but added if one would be better off using that money as a down payment toward the public safety building, as that loan would have a higher interest rate. Mr. Weichel stated that it depended on how one used the money, stating that if one pulled the money out of fund balance, the money could work harder for them if they put it towards the public safety building, rather than paying off USDA loans early. Councilwoman Ward replied that First Tryon informed the Council that it was better to borrow the entire amount rather than use any fund balance as a down payment. Mr. Weichel clarified that if one was going to take money out of the fund balance to pay off other debt early, it would be better allocated towards the public safety building, as the interest rates associated with the public safety building were higher. Mr. Weichel further clarified what First Tryon's recommendation was saying, stating that if the Town were to borrow for the entirety of the public safety building it would have more breathing room in its fund balance.

Councilwoman Ward wished the budget workshop had been livestreamed as Council was receiving a large amount of questions. She continued that this was why she was asking if the Town could allocate some monies toward debt service, to pay off those loans, as the figures associated with them were crazy. Mayor Pro Tem Lowman stated that it was her understanding that the loan for the public safety building would be on a 20-year term, and that it would be paid off before the Town Hall and the Splash Pad. Mr. Weichel responded in the affirmative.

Town Manager Herms reported that Mr. Weichel had run the numbers, and with the way the loans were structured through USDA there was no tangible benefit to paying them off early. He continued that all the payments the Town had made so far did little to pay off the principal, but added that the loan payments were very low, which is why he guessed the Town approved them at the time they did. Town Manager Herms reported that the Town had multiple of these loans and that they were stacking on top of each other. Town Manager Herms added that while the Town's debt sheet may look better if the loans were to be paid off early, he did not think the total financial situation would look any better.

Mayor Huffman asked what revisions Councilwoman Ward was wanting to recommend. Councilwoman Ward stated she was just considering them.

Councilwoman Radabaugh then moved to discuss the pay study. She stated that the Town's pay study was vague at best, that it was generalized from much larger towns, and that it did not seem to show fairness from one department to the other. Councilwoman Radabaugh reported that during the budget workshop Council discussed about the Town's employees and the pay increases which were needed for each department. She continued that it was discussed that each department would see a raise, adding that the Fire Department and Police Department would see the highest raises. Councilwoman Radabaugh stated that department heads would speak to their hourly employees and let them realize that yes, they would receive a small raise, however, their hours were going to be cut from 40 hours a week to 35 hours a week, and no overtime would be allowed. She asserted that she did not see how this was fair to every Town employee across the board when the hourly employees, who were the ones that came out in the middle of the night, were only seeing an average increase of 3% to 5%, and also a 12% reduction of their hours. Councilwoman Radabaugh asked how that gave them a pay increase. Town Manager Herms reported that the true pay increase would be close to 18%, but when one cut 12% of hours, the net increase would only be between 3% and 5%. Councilwoman Radabaugh clarified that employees would see a 3% pay increase, with a 12% reduction in hours. Town Manager Herms responded in the affirmative, but added that those employees would also be working less hours.

Town Manager Herms provided that he had said since the start of the 35-hour work week exploration that he did not know if it would work. He continued that at the end of the day, staff was tasked with some heavy lifts, and the Town was tasked with trying to figure out a way to pay for everything that was as equitable and fair as possible. Town Manager Herms expressed that this was what he had come up with, and that if council did not like this, the Town could always do the pay study flat out, without the 35-hour work week, but added it would cost an extra \$180,000.

Councilwoman Radabaugh recalled that in years prior employees generally got a 5% raise across the board, whereas now they were only getting a 3% raise, stating they would have been better off with the old method. Town Manager Herms stated that if the Town had not done the pay study, and just given a 5% pay increase, Councilwoman Radabaugh was right. Councilwoman Radabaugh stated she was right as Town Manager Herms was telling people that were hourly that they would get a 3% increase instead of a 5% increase, stating that the money was the money. She continued that Town Manager Herms was reporting that fire and police would not be touched, that they would get their pay increase, that department heads, as well as Council, which were salaried, would not be touched either, but that everyone who was hourly for the Town would not earn very much and would only be allowed to work 35 hours a week with no overtime. Mayor Pro Tem Lowman stated that some people were moving up 10% to 11%, not just 3%. Councilwoman Radabaugh stated she would not know as she did not have the full pay study. Mr. Weichel reported that not every employee was getting a 3% raise based on the pay study. He continued that it depended on where they fell within that pay study. Mr. Weichel stated that the figure of 3% was used, as it was the minimum somebody would get, adding that if they were higher on the pay scale originally, then their needle didn't move as much. He added that employees would get 3%, no matter what, even if they were above where the pay study showed they would fall. Mr. Weichel expressed that employees were at minimum receiving a 3% increase and were also working 5 hours less a week, which he believed to be a benefit.

Councilwoman Radabaugh asked if Mr. Weichel was stating that those receiving a 3% increase were already making more than the average. Mr. Weichel responded in the affirmative. Town Manager Herms added that they were also generally individuals that had been hired in the last one (1) to two (2) years, as to get them on board the Town had to start them out higher than what people who started three (3) to four

(4) years before them. Councilwoman Radabaugh asked how the Council was supposed to know this. Town Manager Herms provided that the Town was currently working on a public information request regarding this matter, and that it would be shared with the entire Council once it was completed. Mr. Weichel explained that typically, when a town did a pay study, the actual individual pay was not released to employees until it passed, as to not get their hopes up if it were not to pass. He continued that when something was presented to Council, including in other towns, it generally was a summary of how the pay study would affect the budget. Mr. Weichel provided that if Council wanted to get into the details of what each individual's pay looked like, him and Town Manager Herms would be more than happy to sit down and have those discussions. Mr. Weichel summarized that this was the reason why the information for the pay study was not presented, in detail, within an open meeting.

Councilman Ogle asked if Mr. Weichel would be able to show the Council an example of an hourly employee, what they were currently making, and what they would be making with the pay increase. Mr. Weichel responded in the affirmative. Councilman Ogle stated that he had not yet seen those figures.

Councilman Ogle asked if there was an individual making \$18 an hour, and working 35 hours, how much of an increase would they get. Mr. Weichel reported that the individual's hourly rate would go up enough to make at least 3% more than what they were currently making. He continued that if the pay study showed that they needed more than 3%, then that was accounted for, but summarized that they would be making at least 3% more than they currently were. Mr. Weichel stated that their hourly rate would adjust for the difference in hours.

Councilwoman Ward asked if the Council could get an idea of how much each department's pay was increasing by viewing their salaries and wages line item at the top of budget allocations. She explained that if one saw a huge jump in salaries from the previous year, one could assume that department in particular was very underpaid. Mr. Weichel responded in the affirmative, that this was possible, and added that the four (4) departments who were seeing the greatest increases were the Police, Fire, Water, and Wastewater Departments.

Councilman Ogle asked if the Town went back to 40 hours a week, for hourly employees, and included the pay increase, how much would it cost the Town. Mr. Weichel reported that it would cost an additional \$75,000 out of the General Fund and an additional \$115,000 out of the Utility Fund. Mr. Weichel added that even under that plan, there would still be some employees who only received a 3% increase, based on where they fell in the pay study. Councilman Ogle asked for further clarification. Mr. Weichel responded that even on a 40-hour hourly rate, there would still be some employees that were higher up on the pay scale based on when they were brought in to the organization, adding that those individuals were still above the pay studies suggestions. He added that in that case those employees would still receive a 3% pay increase.

Councilwoman Ward asked if the Town was doing an across-the-board raise for all employees or if it was just trying to adjust rates for employees who fell below the recommended amount. She added that these were questions she was asking as citizens were not privy to the budget workshop for this fiscal year. Mr. Weichel explained that the pay study looked at grade levels, so that in the updated pay plan, grade levels for certain positions moved up. He continued that the higher-grade level one was in, the higher that individual's salary range, or hourly rate, was. Mr. Weichel gave an example of a police officer position, stating that the pay study evaluated the Town's grade level in comparison with other towns. He continued that grade levels were adjusted based on the studied salary ranges. Mr. Weichel reported a good rule of thumb given to him by the Town's consultant, where one grade level increase basically represented a 5% increase. He stated that as one looked at the positions, one could see the grade levels move with the new pay plan in comparison with the old pay plan. Mr. Weichel provided that another thing that went into the formula was an individual's years of service with the Town, as well as their time in the position. He gave an example of someone who worked for a town for ten (10) years, stating they may not have been in the same position for the entirety of that time, so it was possible they only had five (5) years in their current position. Mr. Weichel stated that this would be factored into the formula so they would not be starting at the minimum grade level point. He added that when an employee's years of service and time in position were factored in, it could help them get to the midpoint of their paygrade.

Mayor Pro Tem Lowman directed Council that they received emails on March 31 and April 1 with information about the pay study that broke it down by market rates with surrounding towns, and also broke it down for Valdese. Town Manager Herms added that Council would receive the information for each department and each employee by the end of the week. He continued that it would also include a 40-hour work week compared to a 35-hour work week so that Council could compare the two (2).

Town Manager Herms expressed that the last thing he wanted anybody to think was that Staff was trying to hide something. He continued that this was not the case, and recounted Mr. Weichel's comments, stating that he did not want to back Council into a corner where an employee sees they were supposed to get a 20% increase when Council may say that such an action was not affordable, and that the employee would only see a 15% pay increase. Town Manager Herms stated that this was common practice for pay studies within municipalities. Town Manager Herms added another thing which he thought was important to note, stating that when market rate was discussed, it did not guarantee that the Town's employees would be making more than Sawmills, Longview, or Granite Falls, it was just to get the Town in the same market as them. He provided that the Town's police pay would be brought closer to what Drexel or Longview pays, but not necessarily more than those cities. Town Manager Herms added that fire was the same way, that the Town would get close, but not necessarily more. He outlined that it would depend on years of service, experience, and where one fell into that range.

Town Manager Herms stated that the Town's goal was to get every employee to the midpoint by year seven (7), adding that if someone had twenty-five (25) years of experience, versus someone who had eight (8), the Town's goal was still to get everyone to the midpoint. He added that some long-term employees were looking at increases in excess of 20%, as they had worked for the Town for a long time, and over time the Town had not kept up with the market.

Mr. Weichel added that this was the first pay study with this Council and noted that there may have been some miscommunications on the expectations of what material the Council would see. He added that based on his, and Town Manager Herms, prior experience, the norm was to present the Council with the big picture numbers and how it fit within the budget, rather than speak to the details of each individual employee. Mr. Weichel expressed that he was glad these discussions were happening and that Council and Staff were figuring this out together.

Councilwoman Ward thought that the hard part for the Council was the hourly employees, stating that department heads were taken care of a lot of the time as they made more. She added that when one did across the board adjustments, the department heads saw huge jumps, while hourly employees did not see a lot. Councilwoman Ward expressed that Council wanted to make sure that everyone was looked after, especially the ones that did the real heavy lifting. Mr. Weichel provided that the way the math worked, there were some employees within the pay study that would receive a 3% raise, regardless of whether the Town went with a 35-hour work week, or a 40-hour work week. He added that they could make 3% more working 40-hours, or make 3% more working only 35-hours.

Town Manager Herms reported that it was not just the salaries that the Town was responsible for, adding that additional factors included FICA, social security, and retirement. He stated that salary was not the only thing being looked at when discussing cost savings. Town Manager Herms provided that retirement contributions from the Town were currently 16% and when one reduced hours the Town realized the savings on those contributions, while employees were not affected one way or the other. Town Manager Herms wanted to make sure Council and citizens were aware that it was not just the salaries being discussed, it was all the benefits which were mandated by state law as well. He added that these contributions were based off an employee's base pay and that this is where a lot of the costs were coming from.

Councilwoman Radabaugh recounted that during the budget workshop, there were discussions about no overtime, and noted that the Town had over \$45,000 budgeted for overtime. Town Manager Herms clarified that employees would still receive overtime pay, but would have a buffer before they hit 40 hours. He explained that if one had a 35-hour work week, hit those 35-hours, and was called back in for four (4) hours, they would not receive overtime until after they worked 40 hours. Town Manager Herms explained that a 35-hour work week would drastically reduce the amount of overtime the Town had to pay, as most

employees would not reach past the buffer. He added that if there were 29 water leaks in the winter, there was nothing that could be done.

Councilwoman Radabaugh referenced Exhibit Five (5) from the budget workshop and noted that overtime pay had not been drastically reduced, which was why she was questioning the figure. Town Manager Herms expressed that Staff took pride in bringing as few budget amendments to the Council as possible. He added that this was a pilot program, and that Staff was not 100% sure how it was going to work. Town Manager Herms stated that Staff did not want to cut the budgeted overtime hours just to have a bad winter, or a bad summer. He asserted that the Town needed that flexibility until the program had been in place for a year or two (2), to make sure it worked.

Mr. Weichel stated that if an employee hit 40-hours, the Town had to pay overtime, noting it was a federal requirement. He added that he did not want anyone thinking that the Town was not following federal regulations. Mr. Weichel provided that between 35 and 40 hours, an employee would receive straight pay, and that once they hit 40 hours, they would receive overtime. Mr. Weichel stated that there almost definitely would be a reason for overtime in the future, and noted the Town had to account for that in the budget. He added that just because the Town was moving to a 35-hour work week, it did not mean that nobody would show up to a water leak. Councilwoman Radabaugh stated that she realized this, and noted all she was stating was that there was not a significant decrease from the prior year to the current year.

Councilwoman Radabaugh thought there was some grey area, and did not know how one could push a budget through without having exact numbers. She added that Council did not know exactly how much employees were going to be paid, and did not know if it was fair for hourly employees to be broken down to only 35-hours a week. Councilwoman Radabaugh moved to discuss the public safety building, noting she knew Staff was meeting with the LGC, which was why the meeting had to happen on that day. She added that she knew time was of the essence, but at the same time noted that Council did not have the full picture of what the pricing for the public safety building would look like. Councilwoman Radabaugh expressed that she wanted to be able to tell the people of the Town, approximately, what their tax bill would look like, noting that it did not look like the building would be paid for as a whole, as it was not \$10,000,000 and costs were continuing to grow quickly.

Mr. Weichel expanded on why the Town was calling a meeting on the current day, prior to the LGC meeting. He stated that this was because the LGC wanted a game plan of what Council was planning to do before they could consider putting the Town on the Agenda. Mr. Weichel reported that it took a long time to get on the LGC's agenda and noted that this was why it was important to get direction from Council. He added that if the Town was to tell them that they were unsure of that decision, the LGC would not be willing to work with the Town at all. Mr. Weichel reported that First Tryon was on board and working through the numbers and added that the LGC had the Town's model and was looking at it along with the building plans.

Councilwoman Radabaugh stated that the last model she had seen from First Tryon spoke to the building costing only \$10,000,000, indicated a 25% increase from reevaluations was needed, and that she did not see anything after that. Councilwoman Radabaugh stated that if there was another model, she would love to see it moving forward with the \$10,800,000 or \$11,200,000 figures. She added that she knew in the previous model the Town would be in the red by 2032, and stated she could only imagine that if the number had gone up, the Town would be in trouble before 2032.

Mr. Weichel stated that Council could decide to hold off, that this was one of the options, but added that around the same time in the following year, with how construction costs had been, he was afraid that the figure could increase to \$12,500,000 or even \$13,000,000 by that point. Mr. Weichel provided that he was not trying to make Council skittish about a decision, adding that this was the reality and environment the Town was in. Mr. Weichel stated that this was why the Town was trying to get a jump on it now.

Councilwoman Radabaugh stated she was just asking what the building would cost. Mr. Weichel stated he would like to know as well. Councilwoman Radabaugh stated anyone should be able to tell the Council that and added that she would not write a blank check. Town Manager Herms stated that before any loan was approved, all those numbers would be black and white, and added that Council would vote on those figures as well as the loan term. Town Manager Herms disclosed that the Town hoped to have hard numbers in June, hoped to present to banks by the end of July, and to then be able to present it to Council in August.

Town Manager Herms reported that this was the game plan the Town had been operating under, and emphasized that he needed to know if that game plan had changed. Town Manager Herms stated that the last thing he wanted to do was go before the LGC, receive pre-approval, and then call them to tell them that the Town was changing its plans.

Councilwoman Radabaugh provided that she had been going off of what First Tryon had told Council, up until that week, which was the \$10,800,000 figure. Mr. Weichel added that there was nothing wrong with telling the LGC to hold off if that had to be done, but provided that there were consequences if the Town were to do so. He continued that it would delay everything, including the guaranteed maximum price and getting on the LGC's agenda. Town Manager Herms added that the \$10,800,000 was not to be exceeded, that it was possible that the building could cost \$10,200,000. He stated that he felt confident that the figure would range in between \$10,200,000 and \$11,200,000.

Councilwoman Ward asked if there was any way to get those numbers prior to May 28th. Town Manager Herms stated that this was not possible, adding that D.R. Reynolds was still working on putting numbers together. Town Manager Herms provided that the Town was asking a contractor, along with their subs, to give the Town a number in June for work that may not occur until March of the following year. He continued that they must stay firm to the number they would provide in June, which was hard for them. Councilwoman Ward asserted that it was hard for her to raise the taxes by thirteen-and-a-half cents (13.5) without knowing how much she was actually gunning for, as she felt this was a blank check. Councilwoman Ward stated that she had considered things and asked to hold off in the current moment.

Councilwoman Radabaugh stated there would be public discussion on May 28th. She encouraged citizens to come and speak. Councilwoman Radabaugh knew there were individuals who were unhappy, and that she did not mean to make anyone unhappy, expressing that she had questions and felt she needed to ask those questions for the people of the Town.

Mayor Huffman asked if Councilwoman Radabaugh had any revisions to propose at that moment in time. Councilwoman Radabaugh stated that she was asking the questions for the pay study and that she would like to know how much the public safety building would cost. Councilwoman Ward stated that these were her two (2) questions, that these were the things being considered, so that they would know what to cut.

Mayor Pro Tem Lowman asked if Councilwoman Ward had any cuts she would like to suggest. Councilwoman Radabaugh stated that it was discussed at the budget workshop to cut the Fourth of July fireworks, as they were not happening on the Fourth. She stated that she was told it would cost between \$60,000 to \$70,000 to have the celebration on that exact day, and noted that this was a start. Councilwoman Radabaugh asked how much Santa cost to have. She provided that she was told it was somewhere around \$6,000, and asked if the Town had to have someone sit there for \$6,000. Town Manager Herms provided that this cost included floats, which they sold places for, reporting that the Town recouped some of those monies. Councilwoman Radabaugh expressed that this was the conversation that needed to be had, as she had just asked what was going to be cut.

Councilwoman Ward considered trying to align the Town's budget presentation with that of Morganton's, reporting that Morganton's budget had actual line items, rather than the brush-over provided, so that Council could see what was bringing in the most, and what wasn't, to allow Council to make better recommendations. Councilwoman Ward provided that she could not tell one what the miscellaneous line item was made up of. She added that a thirteen (13) cent tax increase was a lot, that it was a 31% tax hike, and she would appreciate it if Staff would provide things which would bring it down. Councilwoman Ward stated that citizens were expecting that. She continued that she knew Town Manager Herms had to stand up for his employees, but noted that the Council had been charged with the duty of standing up for 5,000 people. Councilwoman Ward expressed that Council had been put in this position, and that she for one was put in the position by people who were not for taxes going up. She stated that she had to stand on this as this was how she slept at night, adding that she had to know in her heart that what she had done was right for the people whom she served. Councilwoman Ward stated that she understood that staff had their thoughts and that she appreciated what they did. She stated that she thought more than staff needed to be taken into consideration, adding that sometimes the Town had to take the 5,000 individuals who lived in town into consideration as well, as that was who they had to answer to. Councilwoman Ward expressed that even though Staff had asked Council to direct questions to them, citizens still came to them with

questions, and wanted to know why the Town did not live stream the budget workshop. She added that this blocked parents from being able to view the meeting, and looked like the Town was not being transparent. Councilwoman Ward provided that there were a lot of questions regarding the budget, such as what the Town was going to cut. She stated that she did not know what could be cut, and never had gotten a chance to sit in a group to have those discussions. Councilwoman Ward asserted that the Council did not get a chance this year to sit and talk in a group setting, aside from one day.

Councilwoman Radabaugh recounted that Town Manager Herms had stated that there was not enough money to buy printer ink for the Town Clerk, stating this resonated with people and made people call her. Councilwoman Radabaugh stated that this was probably not the best thing to say, as now people were asking how the Town was going to afford a \$10,000,000-plus building but could not buy ink for its Town Clerk. Town Manager Herms stated he was trying to prove the point that over the previous several years, the Council and Staff before them had cut the budget significantly down to almost the bare bones. He provided that there were things that could be cut, but that they were services, events, and programs which the Town offered. Town Manager Herms asserted that if there was any fluff in the budget, he had not found it.

Mayor Huffman transferred his mayoral responsibilities to Mayor Pro Tem Lowman in order to engage in active debate.

Mayor Huffman addressed Councilwoman Ward, stating that she had been on Council for three (3) years, and knew the budget better than Councilwoman Radabaugh. Mayor Huffman reported that Councilwoman Ward did not show up at a mini-budget meeting and asked very little questions during the public forum. Mayor Huffman continued that Councilwoman Ward vaguely said anything during the public comments at the budget workshop. Mayor Huffman recalled that Town Manager Herms asked specifically regarding two (2) particular issues. Mayor Huffman recounted that Town Manager Herms asked if the Town wanted to move forward with the fluoride, stating Councilwoman Ward said nothing, and also asked about the public safety building, reporting that Councilwoman Ward said nothing. Mayor Huffman indicated that this was tacit agreement. Mayor Huffman asked what Town Manager Herms was supposed to do, other than present the budget as it was. Mayor Huffman indicated that all other Council members had asked Town Manager Herms, Mr. Weichel, and himself questions.

Mayor Huffman stated that the Town was at the eleventh hour, and that if Councilwoman Ward was suggesting program cuts to offset the public safety building, it would have to be discussed in the following year. He asserted that if one was discussing cutting tourism, this would be a programmatic cut and needed to be thought through. Mayor Huffman expressed that if Councilwoman Ward was wanting to do that she needed to think about the consequences that would impact the Town, not just the day after, but five (5) to ten (10) years down the road. He asked how this would change the landscape of the Town of Valdese. Mayor Huffman stated that if one were to cut out the recreation center, they needed to be bold and know what the impacts would be moving forward. Mayor Huffman asserted that one could not sit there at the eleventh hour and say they wanted to cut tourism or the recreation center. Mayor Huffman recounted that the issue had been debated and stated that the consequences of not paying for the pay study, or public safety building, could not be unraveled.

Councilman Ogle asked Mayor Huffman what consequences he was referencing. Mayor Huffman stated that if the Town did not complete the pay study, and the public safety building, it would send a signal to the Town's Police Department and Fire Department that it did not value them. He continued that the next step would be transferring the responsibilities of the Fire and Police Departments to Burke County. Mayor Huffman stated that one needed to know the implications of what they were talking about and that these were serious times. Mayor Huffman shared that he had been on the spear both in his military career, and public career, and that he knew what it meant to cut. He continued that he was tasked with cutting by a presidential appointee, and knew what it meant to cut, stating one did not get back what was cut. Mayor Huffman expressed that he understood where the Town was and that he was compassionate for the Town. Mayor Huffman asserted that there were two (2) groups within Valdese, those who grew up in the Town, saw what was taking place with textiles vacating, and expressed that they loved the Town. He continued that those individuals were saying that they were unwilling to pay for those services, and added that when they passed on, they were not passing it on to their kids. Mayor Huffman stated there were people moving to Valdese from Texas, Florida, and many other points, noting that when they came, he had overwhelmingly

heard that they love what Valdese offered, and were willing to pay for it. Mayor Huffman asked how the Town could find that balance, and stated that this is what Council had been challenged to do. Mayor Huffman stated that he wanted the Council to work together, noting it would have hard challenges in the year to come.

Mayor Huffman expressed that the budget should not fool one for what the challenges moving forward would be. He continued that there would be some significant cuts that would have to be made in other areas. Mayor Huffman asserted that public safety was a need. Mayor Huffman stated that the elderly, and other people, who moved to the Town, primarily looked at whether the Town was safe. He continued that the population of the Town was old, noting that 70% of police and fire calls were for falls, breaks, and other urgent issues. Mayor Huffman expressed that there were expectations and a willingness to pay. He stated that the Town had a condemned building which the Fire Department was working out of, as well as a mobile trailer. Mayor Huffman continued that the Police Department was operating out of the front side of the Town Hall, and shared that Town Hall had to be closed down three (3) times in the previous year due to safety issues. Mayor Huffman stated that the Town Planner met someone at a locked door, thinking it was an ordinary citizen who wanted to pull a permit, stating that that individual was a felon and wanted to turn himself in. Mayor Huffman continued that the Town was trying to do Town operations while there was a police subject in the copier room, stating that the Town could not operate that way.

Mayor Huffman expressed that the Town needed to start talking honestly, and if one did not want to pay for it, the Town understood, but then one must understand the consequences that would come thereafter.

Councilwoman Ward stated that the budget meeting she had missed was due to her child having a medical emergency which she had to take care of, noting that she chose to be a mother and let everyone know she would not be there. Councilwoman Ward expressed she did not ask questions in the budget workshop as the Council had seven (7) hours to go through everything. She acknowledged that no one could see that video, as it was not livestreamed, noting several citizens were upset about that fact. Councilwoman Ward stated that the fact of the matter was that she could not ask questions, that she had to get information to citizens so that they could inform her that this was not what they wanted to see, and that this was not the direction they saw the Town going. Councilwoman Ward expressed that she listened to the citizens in her neighborhood who came up to her and said that they could not afford this. She noted that she was not referencing the public safety building, she was asking if the Town had looked at everything. Councilwoman Ward asserted that she knew the Town needed its Police and Fire Departments, stating that this was a moot point at that moment. She expressed that there were other things that may need to be looked into, that the Town may not have a lot of fun in the moment, but needed to make some type of choice to get the public safety building.

Councilwoman Ward expressed that when she tried to go to Staff and suggest things it was like running around in circles trying to get an answer, as she was not a patsy and would not just say she agreed with everything just because one said it. She continued that she wanted to look into it, get her own opinions, and do her own homework. Councilwoman Ward stated that thirteen (13) cents was a lot, and that there were people who could not afford it, especially with the County's reevaluation which was scheduled in 2027. Councilwoman Ward recounted that the previous reevaluation done by the County was the reason everyone was upset previously, as it caused everything to shoot up. She continued that this would happen again, and that there would essentially be a 51% tax hike, by cause of the reevaluation. Councilwoman Ward asked if that was affordable and stated she was not referring to the public safety building as one knew how she felt about that. She continued that she stood behind the Town's police officers and firefighters, but added that there were other things in the Town that could be looked at, as to say it might not be needed in that moment in time. Councilwoman Ward asked if the Town needed Fletcher Field or Tiger Gym, stating that they were things that had been in the Town for years and noted it was time to evaluate those things and ask if the Town was propping up things that were no longer useful.

Mayor Huffman responded that he understood this and stated that these were the hard discussions the Town was having to have, but noted that it was at the eleventh hour. Mayor Huffman asked Town Manager Herms regarding the public safety building, if there was a way to move forward with the project without cutting programs, or raising taxes. Town Manager Herms provided that in his professional opinion, he did not think the LGC would approve the Town's loan without a long-term plan. Town Manager Herms stated that Staff had been operating under the assumption of the tax increase, not program cuts. He added that

he did not think Staff could come up with a list of cuts long enough, and big enough, to satisfy the LGC at that time. Town Manager Herms stated that if it was something Council wanted, the Town needed to realize that it needed to delay other things until it got everything lined up.

Councilwoman Ward disclosed that she personally would not be able to vote on that matter until she saw hard numbers. She added that until she saw how much the public safety building would be, she would not be okay with approving a tax increase.

Mayor Pro Tem Lowman transferred her mayoral responsibilities back to Mayor Huffman.

Mayor Huffman asked if there was a motion on the table.

ADJOURNMENT: At 11:18 a.m., there being no further business to come before Council, Councilwoman Ward made a motion to adjourn, seconded by Mayor Pro Tem Lowman. The vote was unanimous.

Town Clerk

Mayor

mr