

January 9, 2023, MB#32

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
JANUARY 9, 2023**

The Town of Valdese Town Council met on Monday, January 9, 2023, 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 Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent: Ward 1 Vacant Seat

A quorum was present.

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

OPEN FORUM/PUBLIC COMMENT: Mayor Pro Tem Frances Hildebran read the Rules & Procedures for Public Comment.

Rule 5. Public Comment

Any individual or group who wishes to address the council shall inform the town clerk, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Comments should be limited to five minutes per speaker.

OATH OF OFFICE – WARD 1: Burke County Clerk of Court Crystal Carpenter administered an Oath of Office to Councilman Timothy Bryan Barus, Ward 1, while his wife held the Bible.

RECOGNITION OF DIANE SEARCY: Police Chief Jack Moss recognized Diane Searcy, who donated five Elan City speed radar signs to place at all the entrances into Valdese. Chief Moss thanked Ms. Searcy for her support and the service to our Police Department and the Town. Members of the Council thanked Ms. Searcy for helping to keep the Town safe.

2023 YEAR OF THE TRAIL – BETH HEILE – 5291 MINERAL SPRINGS MTN., VALDESE: Ms. Heile shared that the 2023 Year of Trail came about three years ago when the Great Trails State Coalition discussed trail funding across the state. Representative Hugh Blackwell sponsored the new Bill that was passed. Ms. Heile and Parks & Recreation Director David Andersen are working together to plan different events at Valdese Lakeside Park in 2023. Ms. Heile shared that the Friends of the Valdese Rec started the 365-Mile Challenge that challenges all citizens in Valdese to walk one mile a day using a Valdese trail if possible.

2023 YEAR OF THE TRAIL PROCLAMATION: Mayor Watts read the following Proclamation:

2023 YEAR OF THE TRAIL PROCLAMATION

WHEREAS, The Town of Valdese's natural beauty is critical to its residents' quality of life, health, and economic wellbeing; and

WHEREAS, the trails and walkways that span across our community are an integral part of the recreational and transportation possibilities of our area and promote an enjoyment of scenic beauty by our residents and our visitors; and

WHEREAS, the parks, greenways, trails and natural areas in our community are welcoming to all and provide a common ground for people of all ages, abilities, and backgrounds to access our rich and diverse natural, cultural, and historic resources; and

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WHEREAS, the Town of Valdese's natural assets and resources are integral to disaster recovery and resiliency to climate change for future generations; and

WHEREAS, the Town of Valdese's abundance of trails vary from the natural surface Hoyle Creek Trail meandering from Lovelady Road along Hoyle Creek to the Valdese Lakeside Park Parking Area, the Story Trail at Valdese Lakeside Park to the Meditation Point Lookout, the short path to McGalliard Falls in McGalliard Falls Park, the longer Valdese Greenway spanning multiple parks via the McGalliard Creek Bridge, the Wilderness Gateway Trail making its way over Mineral Spring Mountain and along Main Street, the River Trail of Burke County joining Valdese with other Burke County communities, and other trails; and

WHEREAS, trails offer quality-of-life benefits to all as expressions of local community character and pride, as outdoor workshops for science education, as tools for economic revitalization, as free resources for healthy recreation, as accessible alternative transportation, and as sites for social and cultural events; and

WHEREAS, individual and corporate members of the community, the Town of Valdese Parks and Recreation Department, and the Friends of the Valdese Rec have engaged in trail building, trail maintenance, and have promoted the growth of the trail system and outdoor recreation economy; and

WHEREAS, the North Carolina General Assembly designated 2023 as the Year of the Trail in North Carolina to promote and celebrate the state's extensive network of trails that showcase our state's beauty, vibrancy and culture; and

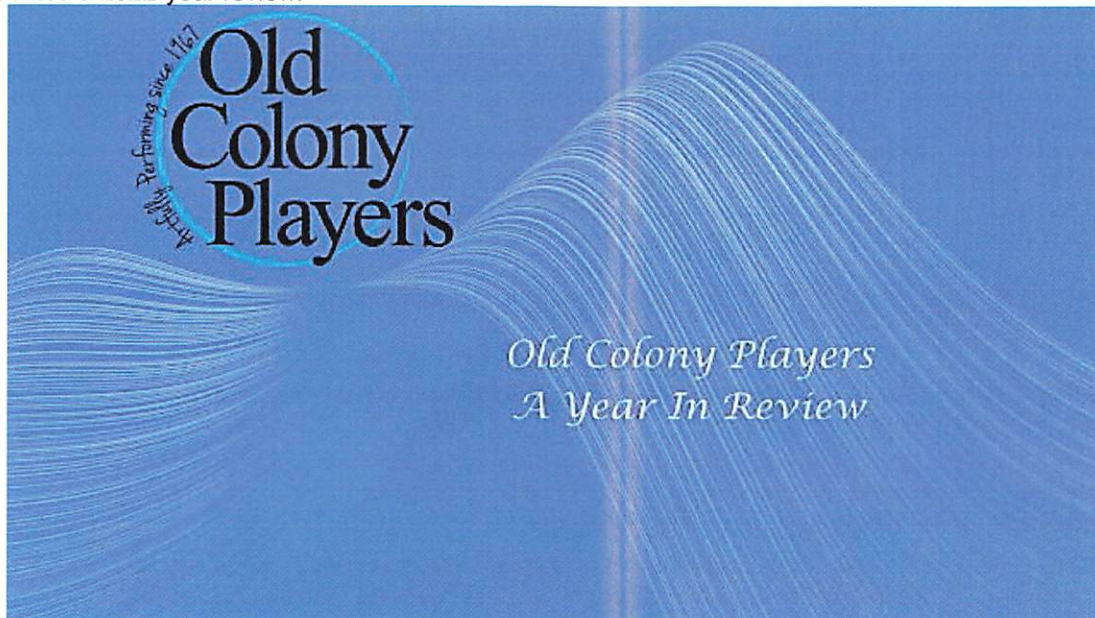
WHEREAS, North Carolina is known as the "Great Trails State;"

NOW, THEREFORE, I, Charles Watts, Mayor, do hereby proclaim 2023 as "THE YEAR OF THE TRAIL" in The Town of Valdese, and commend its observance to all people.

This 9th day of January 2023.

/s/ Charles Watts, Mayor

UPDATE FROM OLD COLONY PLAYERS: Edyth Potter, General Manager of Old Colony Players presented a 2022-year review.



Old Colony Players

*The mission of Old Colony Players is to
preserve Waldensian cultural heritage, promote
quality theatre,
and celebrate diverse artistic expression.*

Old Colony Players is a 501-c3 non-profit corporation

OUR 2022 SEASON

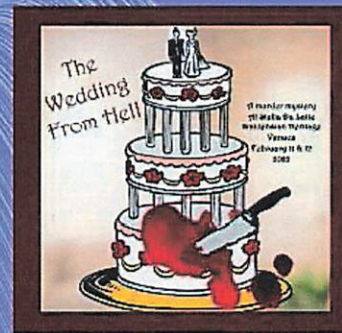


Steel Magnolias

January 2022

At the Old Rock School

4 performances | 165 patrons
13 cast and crew | 3 new to OCP



February 2022

A murder mystery dinner done in conjunction with
Waldensian Heritage Venues
2 sold out performances



The Hunchback of Notre Dame

April 2022

At the Amphitheatre

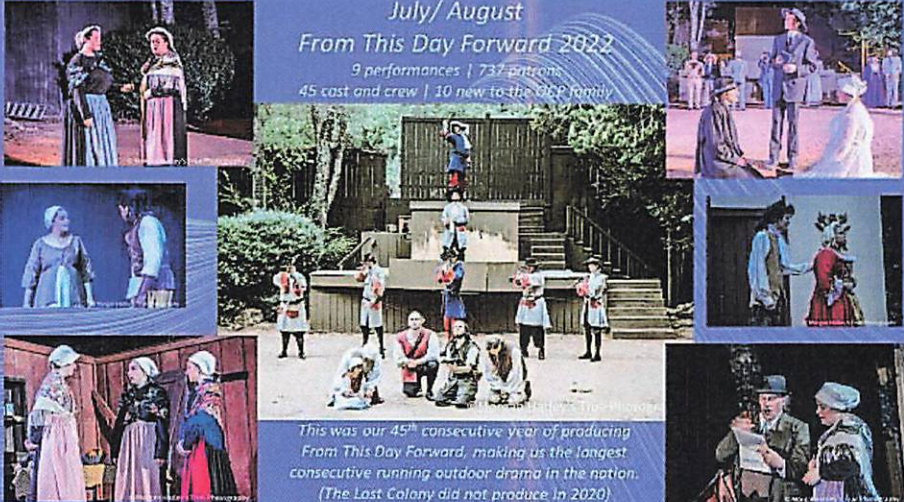
7 performances | 541 patrons
57 cast and crew | 19 new to OCP

OCP Summer Camp- You in the Spotlight June 2022

4 teachers | 16 students



July/ August
From This Day Forward 2022
9 performances | 737 patrons
45 cast and crew | 10 new to the OCP family



This was our 45th consecutive year of producing From This Day Forward, making us the longest consecutive running outdoor drama in the nation. (The Last Colony did not produce in 2020)

September 2022 Cyrano De Bergerac At the Amphitheatre 5 performances 193 patrons 32 cast and crew 5 new to OCP 	October 2022 Sweeney Todd At the Amphitheatre 8 performances 557 patrons 38 cast and crew 15 new to OCP 	December 2022 A Christmas Carol At the Old Rock School 7 performances 588 patrons 32 cast and crew 3 new to OCP 
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• Where do our audiences come from?
Over 75% of our audiences are from outside of valdese, making OCP a destination attraction for those who do not know our wonderful town.

For the Outdoor drama, we have had people from all over the country and even overseas.

For our other productions, patrons regularly come from as far as Asheville, Winston Salem and Charlotte and every point inbetween.

- Where do our actors come from?
Our actors are a diverse group.

Actors travel from Hickory, Lenoir, Boone, Marion, Cherryville, Lincolnton, Shelby and Statesville as well as many people in our local acting community.

We have a wonderful core group who work with almost every show, but we have had 45 people this year alone who have joined our casts and crews who had never worked with Old Colony Players before.

As a community theatre, all actors and most of the crew are volunteers. Each of them give at least 150 hours of their time at the theatre per production.

From This Day Forward and the murder mysteries are the only productions for which actors are paid.

Pay range is from \$150-\$400 for the whole summer and \$50 for 2 mystery dinners.

- How much does it cost to put on a production?

Depending on the production, the rights run anywhere from \$120-\$285 per performance.

The average cost of rights/music for a major musical is over \$3500.

Add to that the cost of production staff, costuming, sets, musicians, and props, and productions cost anywhere from \$3000- \$8,000 to produce.

On top of show costs, of course the regular costs of doing business still apply. Revenues from shows only pay a portion of our operating costs, so we are incredibly grateful to our community for all the support from individuals, businesses and grants which keep us going.

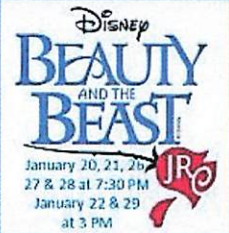
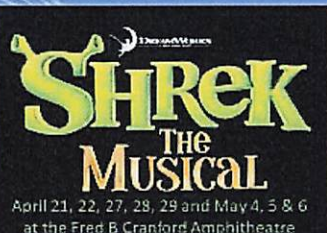
What's new at OCP

We have done a major upgrade to our sound system thanks to a generous grant from the Rostan Family Foundation and Derek Long Productions

We are constantly upgrading the Amphitheatre to make it safe and accessible.

We are expanding our season and including more opportunities for young people in the community with a "Jr." show. We are also looking into doing workshops in audition techniques, dance, costuming and other aspects of theatre to build the community and build confidence for those who may want to become part of our theatre community.

What's Coming Up in 2023

 Disney BEAUTY AND THE BEAST January 20, 21, 26, 27 & 28 at 7:30 PM January 22 & 29 at 3 PM	 Crazy Little Thing Called Murder A murder mystery at Waldensian Heritage Venues February 10 and 11	 SHREK The Musical April 21, 22, 27, 28, 29 and May 4, 5 & 6 at the Fred B. Cranford Amphitheatre
 THE TEMPEST By William Shakespeare June 9, 10, 15, 16, 17 at the Fred B. Cranford Amphitheatre	55th Consecutive Season <i>From This Day Forward</i> Presented by Old Colony Players Fridays and Saturdays July 14 through August 12	You in the Spotlight Summer Camps Date TBA June/July October show TBA At the Amphitheatre October 14-28 Christmas Show TBA December 8-17

 **Old Colony Players**

Thank You
To the Town Council,
The town employees
The Old Rock School and Tourism department Staff
And especially, our community for all your support.
Without you, our "Dreams" would not be possible
and our stories would remain silent.
YOU are the community in community theatre.
OldColonyPlayers.com

COMMUNICATIONS – GLENN HARVEY – 801 MICOL AVE., VALDESE: Mr. Harvey congratulated Councilman Barus for representing Ward 1 and shared that there were no hard feelings since he also applied for the Ward 1 seat. Mr. Harvey appreciates Mr. Barus's service to the Town. Mr. Harvey thinks that the County taking over tax collection for the Town is good, and believes it is always good to outsource things outside of the organization. Mr. Harvey asked the Mayor if he could give the public a report on where we are at with the new Public Safety Building construction bids. Mr. Harvey also asked about the construction loans and if Council authorized it. Mr. Harvey is concerned that the numbers keep changing with costs, interest rates, etc.

TAX BILLS – JEAN MARIE COLE – 705 BERTIS ST., VALDESE: Ms. Cole expressed her concern with the newspaper article that said the Town would outsource the city tax collection. Ms. Cole wondered how the Town would save money by doing this. Ms. Cole is curious if there is a fee if you pay your taxes online. Ms. Cole also wants to know how the bill is structured; is it one bill or two, and is there going to be a discount. Ms. Cole would like to have heard about this change before reading it in the newspaper.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF DECEMBER 5, 2022

APPROVED CLOSED SESSION MINUTES OF DECEMBER 5, 2022

APPROVED APPOINTMENTS/REAPPOINTMENTS TO BOARDS AND COMMISSIONS:

VEDIC (3-year terms)

1. Appointment of Tim Barus – Valdese Town Council Representative
Mr. Barus will be filling the unexpired term of Keith Ogle whose term expired July 1, 2024.
2. Appointment of Lily Laramie – WWPC Small Business Center Director
Ms. Laramie will be filling the unexpired term for Forrest Fleming who term expires July 1, 2025.

Bio for Lily Laramie:

I started my professional journey early in life. My parents have always been entrepreneurial, so my first experience with business came when I was 10 years old helping to package and ship plants. I was homeschooled up until I joined Caldwell Early College High School where I got on the fast track to being the first person in my family to go to college. I went to UNC Asheville for my bachelor's degree and after two years I graduated Summa Cum Laude with my bachelor's in Arts, Management, and Entrepreneurship. I paid my way through college by operating my own photography business. After graduation, I completed my masters in Business Administration with a focus on Entrepreneurship in the Charles M. Snipes College of Business and Economics at Lenoir-Rhyne University, and now, I work at Western Piedmont Community College as the Small Business Center Director helping local businesses grow and expand. I also work on my own as a photographer and web designer in all my free time!

Planning Board & Board of Adjustment (4-year terms)

1. Reappointment of Barry Zimmerman

Councilwoman Hildebran made a motion to approve the aforementioned items on the Consent Agenda, seconded by Councilman Mears. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

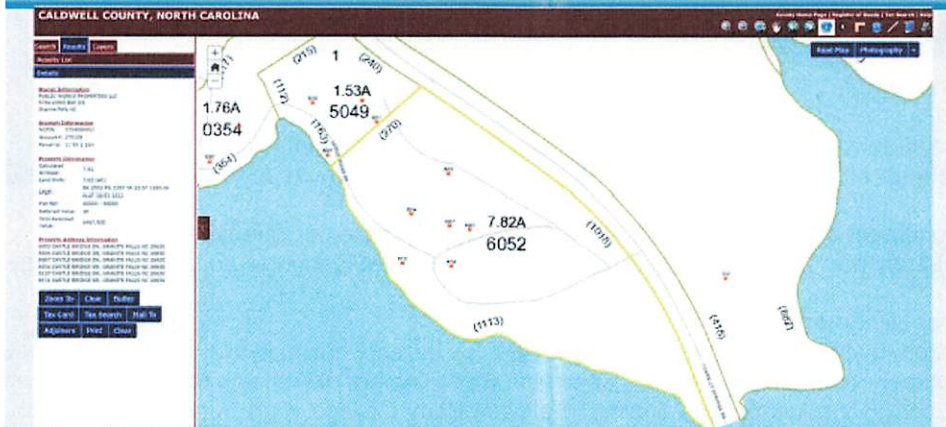
INTRODUCTION OF NEW EMPLOYEE: Mayor Watts tabled this item until next month due to Public Works employees working on an emergency water break.

APPROVED PUBLIC HEARING – RUTHERFORD COLLEGE & TOWN OF VALDESE ANNEXATION AGREEMENT: Mayor Watts opened the Public Hearing.

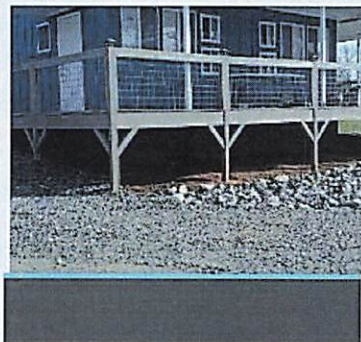
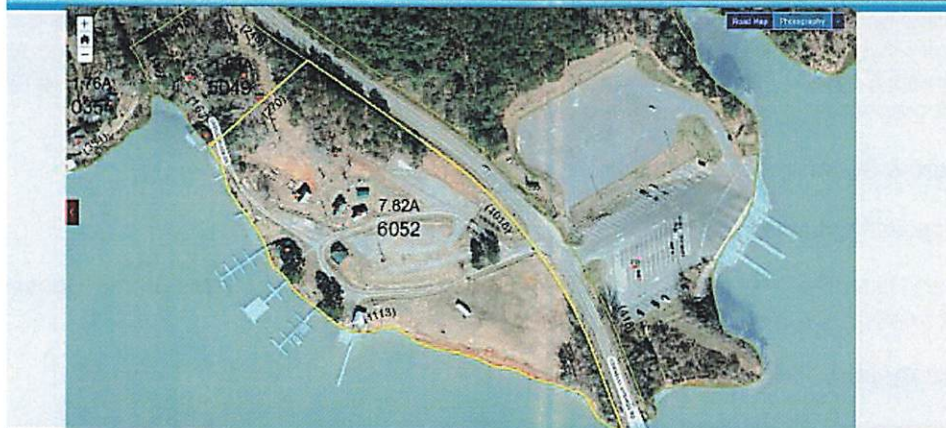
Planning Director Larry Johnson explained that the owner of the marina located at 5784 Long Bay Dr., Granite Falls, petitioned an annexation with the Town of Rutherford College into their corporate limits. However, the Town of Valdese corporate limits is closer. Mr. Johnson shared that the Valdese Town Council would have to approve an Ordinance adoption and an agreement between the Towns for Rutherford College to proceed with annexing the property. Mr. Johnson and the Valdese Planning Board sought input from Police, Planning, Fire Department, and Public Works. Mr. Johnson presented the following presentation with maps, pictures, and the Department Head responses:

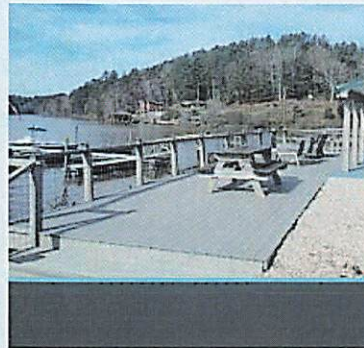
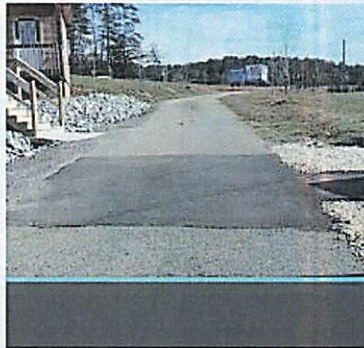
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Marina Property



Marina Property





Public Works Department

- Limited in the scope of services that Public Works can provide
- Public Works services include trash, brush, leaves, and rough trash
- Water and Sewer are not available

Police Department

- Not in favor of an annexation
- Necessitate officers monitor two separate communication centers (Caldwell, Burke) when dispatched
- Strain resources with current staffing shortages
- Marina location takes officers further out of town, which could hamper response times

Fire Department

- Concerns regarding the possible annexation
- Marina property located more than 5 miles from the fire station, which would result in Class 10 Unprotected rating
- Town required to contract with North Catawba Fire and Rescue, resulting in loss of revenue and need the town to contract with North Catawba with cost and conditions unknown
- Dispatching issues or confusion because of the property being located in another county which could result in missing calls

Planning Department

- Concerns regarding the possible annexation
- Haphazard Development – RV Park, Marina, Rental Cottages, Snack Bar
- M-1 Manufacturing designation for the property
- Proximity of septic systems to Lake Rhodhiss
- Property access along a private (15 ft) Drive

Planning Board's Recommendation

- Planning Board recommends that Town Council not accept nor encourage a petition to annex the marina
- Allow the property owner to continue his petition with the town of Rutherford College by adopting an ordinance and annexation agreement between the two municipalities

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Councilman Skidmore and Councilwoman Hildebran were concerned with future growth and if we needed to consider annexing to that area. Mr. Johnson shared that he has not heard of any plans to expand, and it would have to be on a voluntary bases to extend that far. Mr. Johnson shared that the property owner is only interested in annexing with the Town of Rutherford College.

Mayor Watts asked if anyone wished to speak either for or against the proposed annexation agreement.

GLENN HARVEY – 801 MICOL AVE. NE, VALDESE: Mr. Harvey thought that this was great information and should be publicized. Mr. Harvey expressed hopefulness that the Town Council in the New Year would start live-streaming the meetings.

Councilman Mears shared that legal counsel has reviewed the documents and wondered if there was an expiration date on the annexation. Town Attorney Tim Swanson explained that it is a 20-year term and does allow for a five-year notice of termination during the term. Mr. Swanson said the owner would have to change course at that point.

There being no one else wishing to speak, Mayor Watts closed the public hearing.

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held at a meeting of the Valdese Town Council in the Council Chambers of the Valdese Town Hall, at 102 Massel Avenue SW, Monday, January 9, 2023, at 6:00 p.m.

At the public hearing, the Town Council will consider an Annexation Agreement with the Town of Rutherford College regarding the parcel at NCPIN: 2754096052 (Castle Bridge Marina). The agreement would defer the Town of Valdese's right to annex the parcel by proximity.

For information regarding this, contact the Planning Department at (828) 879-2124. Interested parties are invited to attend this hearing and present comments. Request for accommodations by persons with disabilities should contact Jessica Lail, Clerk at (828) 879-2117 at least 48 hours before the scheduled meeting time.

PUBLISH: DECEMBER 29, 2022

AN ORDINANCE APPROVING A TOWN OF RUTHERFORD COLLEGE / TOWN OF VALDESE ANNEXATION AGREEMENT

WHEREAS, in order to enhance orderly planning by municipalities and the residents and property owners in areas adjacent to such municipalities, Chapter 160A, Article 4A, Part 6 of the North Carolina General Statutes authorizes municipalities to enter into binding agreements to annexation by one or more of the participating municipalities; and

WHEREAS, all of the prerequisites to adoption of this ordinance as prescribed in Chapter 160A, Article 4A, Part 6 of the North Carolina General Statutes have been met; and

WHEREAS, the Councils of the Town of Rutherford College and the Town of Valdese, in compliance with the aforementioned General Statutes, held public hearings on the matter of said municipalities entering into an agreement concerning annexation; and

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WHEREAS, the Council of the Town of Valdese has taken into consideration the statements presented at the Town public hearing; and

WHEREAS, the Council of the Town of Valdese finds it to be in the best interest of the citizens and residents of the Town to enter into the proposed Annexation Agreement attached to this ordinance.

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

Section 1. The proposed Annexation Agreement between the Town of Rutherford College and the Town of Valdese is hereby approved and ratified, and the Mayor is directed to execute this same.

Section 2. The Annexation Agreement is attached to this ordinance and is incorporated herein, and this ordinance and the executed Annexation Agreement shall be attached to the minutes of this meeting.

Section 3. This approving ordinance is effective upon adoption.

ADOPTED this ____ day of _____, 2023.

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

/s/ Charles Watts, Mayor

ATTEST: /s/ Town Clerk

Councilman Mears made a motion to approve the annexation ordinance as presented, seconded by Councilwoman Lowman. The vote was unanimous.

TOWN OF RUTHERFORD COLLEGE/TOWN OF VALDESE
ANNEXATION AGREEMENT

WHEREAS, the Town of Rutherford College and the Town of Valdese, (the "participating governmental units"), duly incorporated municipalities under the laws of the State of North Carolina, each desires to enhance the orderly planning of their respective municipalities, desires to eliminate uncertainty among residents and property owners in unincorporated areas adjacent to them, and desires to improve planning by public and private interests in such areas; and

WHEREAS, Chapter 143 of the 1989 Session Laws of the North Carolina General Assembly (hereinafter referred to as the "Act") authorizes municipalities to enter into binding agreements concerning future annexation in order to enhance orderly planning by such municipalities as well as residents and property owners in areas adjacent thereto.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein; and further in accordance with the authority granted each of the parties under North Carolina General Statutes Chapter 160A, Article 4A, Part 6, the participating governmental units agree as follows:

1. This Annexation Agreement ("Agreement") is executed pursuant to the authority of the Act, codified as Article 4A, Part 6 of the General Statutes Chapter 160A.
2. This Agreement shall terminate twenty (20) years after its effective date unless earlier terminated in accordance with the provisions of Paragraph 6 herein.
3. A. The Town of Valdese hereby defers their statutory right by proximity to annex the following described area: See Exhibit A (attached survey map), further designated by the NCPIN: 2754096052

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B. In so deferring their statutory right to annex the area described in this agreement, specifically NCPIN: 2754096052, the Town of Valdese thereby grants the Town of Rutherford College the right to annex by this agreement for the satellite annexation area described in this agreement pursuant to N.C.G.S. § 160A-58.24(a)(5).

4. The effective date of this Annexation Agreement is _____, this Agreement having been entered into after Public Hearings held by the governing Councils of the participating governmental units, and passage of an ordinance approving the Agreement by each of the participating governmental units.
5. This Agreement may be modified or terminated by subsequent written agreement(s) entered into by the participating governmental units; however, any subsequent agreement(s) shall be approved by Ordinance only after public hearings as provided in N.C.G.S. § 160A-31(c).
6. This Agreement may be terminated unilaterally by either participating governmental unit, or either participating governmental unit may withdraw from this Agreement, by repealing the Ordinance which approved this Agreement and providing not less than five years' written notice to the other participating governmental unit. Upon the expiration of the five-year period, this Agreement shall terminate.
7. From and after the effective date of this Agreement, neither participating governmental unit shall adopt an annexation ordinance as to all or, any portion of an area in violation of the Act or this Agreement.
8. Nothing in the Act or this Agreement shall be construed to authorize the annexation of any area which is not otherwise subject to annexation under applicable law by either of the participating governmental units.
9. Nothing in the Act or this Agreement shall be construed to prevent the annexation of any area which is not subject to this Agreement by either of the participating governmental units.
10. Either participating governmental unit which shall believe that a violation of the Act or this Agreement has occurred, shall have available to it all remedies and relief authorized by the Act in addition to such remedies or relief as are authorized by other applicable law.
11. All notices, requests, and other communications hereunder shall be deemed to have been given when deposited in the United States mail in a sealed envelope, postage prepaid, certified mail, and addressed as follows:

Town of Rutherford College
PO Box 406
Rutherford College NC 28671

Town of Valdese
P.O. Box 339
Valdese, NC 28690

12. This writing contains the entire agreement between the participating governmental units, and there is merged herein all prior and collateral representations, promises, and conditions in connection with the Agreement.

IN WITNESS WHEREOF, the Mayors of the Town of Rutherford College and the Town of Valdese, the participating governmental units, by and under the authority granted by their respective municipalities in Ordinances Approving this Agreement, have hereunder executed this Agreement to become effective as provided in paragraph 4 above.

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This the _____ day of _____, 2023.

THE TOWN OF RUTHERFORD COLLEGE,
a North Carolina Municipal Corporation

(SEAL)

ATTEST:

By: _____
Yates Jensen, Mayor

Jessica Bargsley, Town Clerk

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

(SEAL)

ATTEST:

By: _____
Charles Watts, Mayor

Jessica Lail, Town Clerk

Councilwoman Hildebran made a motion to approve the annexation agreement with the Town of Rutherford College as presented, seconded by Councilman Mears. The vote was unanimous.

BURKE COUNTY PROPERTY TAX REVALUATION PRESENTATION: Burke County Tax Administrator John Bridgers introduced himself to Council and gave a presentation on the countywide 2023 tax reassessment. Mr. Bridgers explained that the reappraisals are completed at least once every eight years per N.C.G.S. 105-286; however, the County can conduct an earlier appraisal at the discretion of the Board of Commissioners. Mr. Bridgers shared that Burke County has elected to do that, and the last reappraisal was in 2019. Mr. Bridgers gave an in-depth presentation on property/market values and how to determine values on identical homes in different locations.

Mr. Bridgers shared that if a person's property value went up more than the average percentage, their taxes would probably go up. If the property's value went up less than the average percentage or went down, chances are their taxes will probably go down. Mr. Bridgers explained that citizens could make tax payments.

Mr. Bridgers shared that tax notices should be mailed out sometime mid to late February. Councilman Mears asked when the Burke County Commissioners would decide on the tax rate. Mr. Bridgers said when they do their budget in June. Councilwoman Lowman would like to pay the County and Town tax bills in one location.

A copy of the presentation can be obtained by contacting the Clerk's office.

APPROVED AGREEMENT BETWEEN BURKE COUNTY & TOWN OF VALDESE: Assistant Town Manager/CFO Bo Weichel presented a presentation on moving the Valdese tax collection to Burke County.

VALDESE – BURKE COUNTY

Tax Collection Agreement

Topics of Discussion

- Current Process
- Proposed Process
- Why Now?
- Impact/Benefits
 - Save the Town Money
 - Provide Better Services

Current Process

- Every July, the County sends tax billing file of all Valdese property.
- Valdese sends file to our software vendor to begin the conversion process to format into our accounting system. Takes about a week to complete.
- Billing file is uploaded to our accounting system overnight so that property identification matches County GIS.
- Valdese Tax Collector creates billing file of PDF statements and sends to our print/mail vendor.
- Tax bills are paid at Town Hall or by mail with cash or check.
- Collection, processing, and updating accounts is done by Valdese staff.

Proposed Process

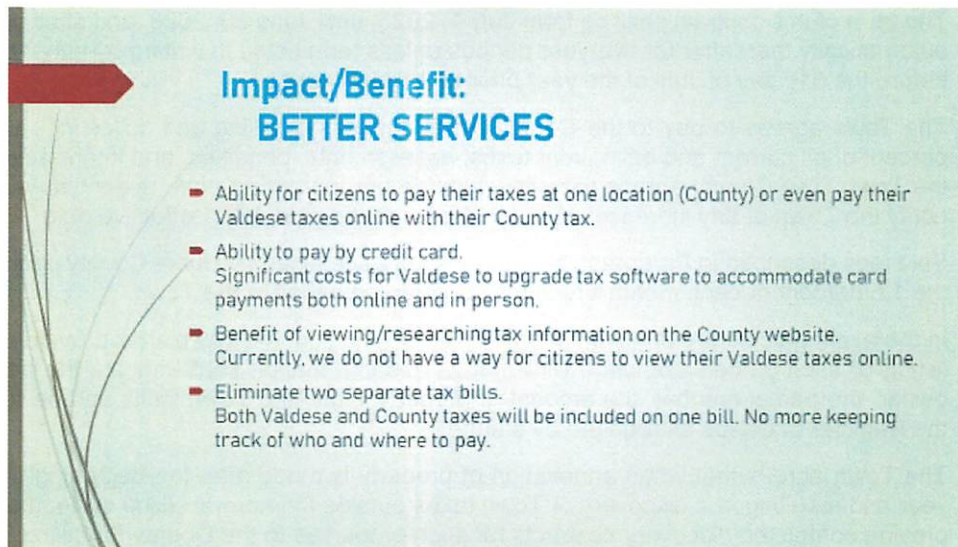
- Every July, the County will include Valdese taxes on their tax bill.
- They will collect new tax bills and delinquent moving forward, beginning July 2023.
- Valdese will still be responsible for collection of current delinquents.
- County will deposit daily collections directly into Valdese bank account.
- They will provide reporting so that the Valdese Tax Collector can reconcile tax collections with deposits.
- Collection, processing, and updating accounts is done by Valdese staff.
- Collection fee of 1.5%

Why Now?

- Ideal time to restructure the department.
- Departure of a full-time position.
- Leave position unfilled – tax billing and collection to the County.
- Redistribution of current duties – same level of service for outside and inside customers.
- Still need a "Tax Collector" on staff for coordinating with the County, reporting, and reconciling accounts.

Impact/Benefit: SAVINGS TO THE TOWN

- Savings of \$53,400 in personnel costs from restructuring (salary+benefits)
- Savings of \$8,800 from removing tax billing and collection (includes our cost to print and mail tax bills, tax advertisements, file conversion, software fees for tax module).
- County collection rate 1.15% higher than Valdese, meaning we can budget our Ad Valorem Tax revenue 1.15% more than what we are allowed to by law. Net cost for the County to collect would be an effective rate of 0.35% or approximately \$7,500 out of pocket for Valdese.
- Adding item 1 & 2 and decreasing by item 3, results in a budgetary savings of **\$54,700**. This savings would increase each year as salary and benefit costs rise.



Impact/Benefit:
BETTER SERVICES

- Ability for citizens to pay their taxes at one location (County) or even pay their Valdese taxes online with their County tax.
- Ability to pay by credit card.
Significant costs for Valdese to upgrade tax software to accommodate card payments both online and in person.
- Benefit of viewing/researching tax information on the County website.
Currently, we do not have a way for citizens to view their Valdese taxes online.
- Eliminate two separate tax bills.
Both Valdese and County taxes will be included on one bill. No more keeping track of who and where to pay.

Councilwoman Hildebran addressed Ms. Cole and hoped that her questions were answered in regards to her questions during the public comment session.

STATE OF NORTH CAROLINA

AGREEMENT

BURKE COUNTY

THIS AGREEMENT, made and entered into this the ____ day of _____ 2023, by and between the County of Burke, (hereinafter referred to as "the County") a political subdivision of the state of North Carolina, and the Town of Valdese, (hereinafter referred to as "the Town"), a municipal corporation under the laws of the State of North Carolina.

WITNESSETH:

THAT WHEREAS, the Town desires for Burke County, by and through its duly appointed Tax Administrator, to list and assess municipal properties, both personal and real, for the purpose of levying taxes; and

WHEREAS, the Town desires for Burke County, by and through its duly appointed Tax Administrator, to bill and collect current and delinquent municipal taxes by methods set forth in Chapter 105 of the North Carolina General Statutes (hereinafter, "Chapter 105"); and

WHEREAS, the Town by action of the Town Council dated the ____ day of _____ 2023, requested Burke County to list, assess, bill, and collect current and delinquent ad valorem municipal property taxes; and

WHEREAS, Burke County, by action of the Board of Commissioners, has agreed to list, assess, bill, and collect current and delinquent municipal taxes; and

WHEREAS, the County and the Town have reached an agreement concerning the listing, assessment, billing, and collection of the Town ad valorem property taxes by the County and desires to reduce this agreement to writing;

NOW, THEREFORE, in consideration of the payment hereafter mentioned, the mutual promises herein contained and the mutual benefits to result there from, the County and the Town agree as follows:

Pursuant to the provisions of Article 20 of Chapter 160A of the General Statutes of North Carolina, and N.C.G.S. 153A-445 (a) (1), the County and the Town agree:

1. The term of this contract shall be from July 1, 2023, until June 30, 2028, and shall be renewed automatically thereafter for five-year periods unless terminated in writing by either party on or before the 31st day of July of the year prior to the termination.
2. The Town agrees to pay to the County for its services in billing and collecting, a fee of 1.5 percent of all current and delinquent taxes, assessments, penalties, and interest collected for the Town. The County agrees to review this fee not more than once every five years and to notify the Town of any increases by July 31 prior to the next July 1 effective date.
3. Said fees described in Paragraph Number 2 shall be retained by Burke County each month as the 1.5 percent of each month's receipts collected on behalf of the Town.
4. In the event parcels are annexed or split by an annexation, the Town shall provide a complete listing of such parcels complete with maps. This information shall indicate the name of the owner, the parcel number, the amount of property within the Town limits and be recorded at the Register of Deeds as required by statute.
5. The Town agrees that when annexation of property is made after the beginning of the fiscal year and resulting in a discovery of Town taxes outside the normal billing cycle, the Town will provide completed discovery abstracts for such properties to the County for billing. The Town also agrees that discoveries for current and prior years made as a result of failure to properly code Town properties will be handled in the same manner, with the Town providing completed discovery abstracts for each year. The Town further agrees to reimburse the County for postage and staff costs associated with unanticipated multiple discoveries due to annexation or coding.
6. The Burke County Tax Administrator shall have complete responsibilities for the collection of ad valorem property taxes for the Town, both current and delinquent. The County Tax Administrator shall exercise the general duties on behalf of the Town as set forth in Chapter 105-350 (General Duties of Tax Collector) and further have the right to use all remedies as set forth in Article 26 of Chapter 105.
7. When real property is sold at foreclosure sale for the collection of ad valorem taxes, the County agrees to use reasonable efforts to assure that the opening bid is sufficient to pay both the County and Town ad valorem property taxes including penalties, interest and such cost as accrued prior to the institution of the foreclosure action. In the event the property is sold for an amount not sufficient to satisfy both the County and the Town taxes, including penalties, interest and cost, the money shall be distributed as follows:

Burke County shall first be reimbursed for accrual expenses and disbursements made by it in connection with the foreclosure action, including the cost of advertising, legal fees and other necessary legal expenses, and any balance remaining after the payment of these expenses shall be distributed to the County and Town in proportion to their respective interests.

In the event that the County shall become the purchaser at foreclosure sale, the property shall be held and disposed of pursuant to Chapter 105-376 (a) & (b).
8. The Town agrees that the Burke County Tax Administrator shall be authorized to use all lawful means to collect the ad valorem property taxes on behalf of the Town. The Town agrees to extend full cooperation from its officials, agents and employees in the collection of these taxes and further agrees to take no action on behalf of any Town taxpayer that is influenced by personal or political friendships or obligations.

The County agrees that in collecting ad valorem taxes for the Town that, pursuant to Chapter 105-354, these taxes shall be treated in the same manner as taxes of Burke County. The Tax Collector agrees as to these taxes to follow all procedures set forth in Article 26 (Collection and Foreclosure of Taxes), for the delivery of receipts, releases, and prepayment. Therefore, the County agrees to pay the Town every 30 days at the close of the month's books, the amount collected less the County's fee. The County agrees to provide a monthly summary of all

transactions and also a status report showing all outstanding accounts as requested by the Town.

9. In the event the taxpayer asserts taxpayer's remedies pursuant to Chapter 105-381, including a demand for release or a request for a refund, the County will handle those as follows: releases and or refunds of Town taxes for reasons of value changes will be handled in the same manner as the release of County taxes. Release records will be available for inspection by the Town as requested. Releases and/or refunds requested by reason of situs within the Town will be referred to the Town for confirmation and then released by the County. Any refund requested for taxes of years prior to this agreement will be referred to the Town for decision by the governing body and issued by the Town. The County and the Town agree to handle all refunds, releases, and compromises under the provisions of Article 27 (Refund and Remedies) of Chapter 105, and agrees not to release, refund, or compromise all or any taxes except as provided in Article 27.
10. The parties agree that the collection shall be subject to an audit by a certified public accountant to be selected by Burke County.
11. The County agrees to print and mail delinquent notices each year on or before July 1.
12. The parties agree that there shall be at least one advertisement of tax liens on real property for failure to pay taxes pursuant to Chapter 105-369. The time of the advertisement shall be selected by the County.
13. The parties agree that all fiscal month closings shall be on the last day of each month, with the exception of when the last day falls on a weekend. When the last day falls on a weekend, the fiscal month shall close on the preceding day prior to the weekend except that June 30 shall be the closing for both the fiscal year and the fiscal month, and December 31 which shall be the close of the fiscal month and the calendar year.
14. The Town agrees to provide the County with a tax rate, in writing, for the new fiscal year by June 30 annually.
15. The parties agree that there shall be one tax bill for County bills and Town bills. The bill shall indicate a separate total for the County and a separate total for the Town, and in addition, shall state a grand total of the County and Town ad valorem taxes.
16. In the event a taxpayer makes a partial payment, the County Tax Collector shall divide the payment proportionally between the County ad valorem taxes due and the Town ad valorem taxes due, except when the taxpayer directs that the money be applied on another basis.
17. The Town agrees to encourage all taxpayers to make payment of both the Town and County ad valorem taxes to the Burke County Tax Collector.
18. This Agreement shall be effective upon its adoption by a majority vote of the members of the governing board of the County and Town and its execution by the proper officials of each unit of government, and minutes of each unit of government shall be spread upon the minutes of the County and the Town.
19. The Town agrees to take such action as may be required by North Carolina General Statutes to give the Burke County Tax Administrator, his assistants and clerks the authority to administer the collection of Town ad valorem taxes and to carry out the provisions of this Agreement.
20. The Town agrees to pay the County the actual cost of transitioning any current or delinquent accounts from the Town's records to the County's tax system. The Town will be responsible for completing any foreclosure actions begun prior to remitting delinquent files to the County. All other delinquent files not in foreclosure will be remitted to the County for collections.

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed, in their respective names, by their proper officials, all by authority of a resolution of the governing bodies of each of the taxing units, duly adopted.

BURKE COUNTY

BY: _____
Scott Mulwee, Chairman
Burke County Board of Commissioners

Attest:

Kay Honeycutt Draughn, CMC, NCMCC
Clerk to the Board

TOWN OF VALDESE

BY: _____
Charles Watts, Mayor
Town of Valdese

Attest:

Jessica Lail
Valdese Town Clerk

Councilwoman Lowman made a motion to approve the agreement between the Town of Valdese & Burke County, seconded by Councilwoman Hildebran. The vote was unanimous.

APPROVED FY 23-24 AUDIT CONTRACT – LOWDERMILK CHUCH & CO., LLP: Assistant Town Manager/CFO Bo Weichel informed Council that the FY 2023-2024 audit contract was being presented in the amount of \$17,300.00. The fee does reflect a \$500.00 increase. A copy of the audit contract can be obtained by contacting the Clerk's office.

Councilman Mears made a motion to approve the aforementioned audit contract for FY 2023 - 2024, seconded by Councilman Barus. The vote was unanimous.

APPROVED TOWN OF VALDESE ACTION PLAN: The Town of Valdese Action Plan was updated based on the findings of the November 1, 2022, strategic planning session held at the Western Piedmont Council of Governments' office. A copy of the Action Plan is available for inspection on the Town's website and in the clerk's office.

Councilwoman Hildebran made a motion to approve the Town of Valdese Action Plan, seconded by Councilman Barus. The vote was unanimous.

APPROVED LEASE CONTRACT BETWEEN DUKE ENERGY CAROLINAS, LLC & TOWN OF VALDESE – CANOE/KAYAK LAUNCH: Parks & Recreation Director David Andersen reminded Council that the outstanding amenity for the PARTF grant is the Canoe/Kayak Fishing pier. Mr. Andersen said for the Town to build on the shoreline, we have to have Duke Energy's permission, and this agreement is the lease to allow that to happen.

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Prepared By: Karol P. Mack, Deputy General Counsel, Duke Energy
Site: 007326
Land Unit: 0048798
Project No: 007326-860580

STATE OF NORTH CAROLINA

TRUE PUBLIC RECREATION LEASE

COUNTY OF BURKE

Town of Valdese

Lake Rhodhiss, Catawba-Wateree Hydroelectric Project (FERC Project No. 2232)

THIS LEASE is made and entered into by and between DUKE ENERGY CAROLINAS, LLC, a North Carolina limited liability company ("Lessor"), and TOWN OF VALDESE, a body politic and corporate existing under the laws of the State of North Carolina ("Lessee"); each singularly called a "Party" and collectively called the "Parties";

WITNESSETH:

WHEREAS, Lessor owns, leases or otherwise controls substantial equity interests in that certain property described herein lying within the Project Boundary, more particularly within the lake bed and upland of the lake bed of Lake Rhodhiss (the "Lake") in Burke County, North Carolina, which is part of Lessor's Catawba-Wateree Hydroelectric Project (FERC Project No. 2232) (the "Project"), for which Lessor holds a license to operate (the "License") and which Project is subject to regulatory oversight by the Federal Energy Regulatory Commission ("FERC" or "Commission"); and

WHEREAS, Lessee desires to use Project property described herein for the purposes described in Paragraph 2 of this Lease, and Lessor is willing to allow the use of said property pursuant to the terms and conditions recited herein.

NOW THEREFORE, Lessor, for and in consideration of Ten Dollars and No/100 (\$10.00) and other valuable considerations, and the covenants and agreements hereinafter expressed, to be kept and performed by Lessee, hereby grants and Lessee hereby accepts a Lease, subject to the exceptions and reservations and upon the terms and conditions and for the purposes in this instrument set out, to use the following property located in Burke County, North Carolina, hereinafter sometimes referred to as the "Leased Premises," to wit:

All that tract of land containing 0.268 ± acres, lying within and adjoining the Lake, as shown on that certain plat entitled "Pier Lease Survey for NC Wildlife Resource Commission," dated July 11, 2022, attached hereto as Exhibit A and incorporated herein by reference.

1. Term: This Lease shall begin on _____, 20____, (the "Effective Date") and shall expire at the end of the term of the License granted to Lessor by the FERC effective November 1, 2015 (including any extension periods of the License as may be granted by the FERC through annual licenses or otherwise, but not including the next new or subsequent license the FERC may issue after the expiration of the License), unless terminated sooner pursuant to Paragraph 16 of this Lease. Lessor may terminate this Lease at any time if directed to do so by FERC or its successor agency having jurisdiction over hydroelectric reservoirs that are subject to the Federal Power Act or if necessary to comply with FERC requirements.
2. Permitted Uses: The Leased Premises may be used by the Lessee as a True Public Recreation area offering to the public one (1) fishing access pier with a canoe/kayak launch, as shown on the attached survey (Exhibit A) and as approved by FERC on November 3, 2022.

If, as a part of this Lease, Lessor has approved construction of new facilities, such facilities must be constructed within eighteen (18) months from the date of Lessor's letter notifying the Lessee that their application has been approved. A one (1) year extension may be considered if the Lessee

files a written request with Lessor prior to the eighteen (18) month deadline, which sets forth the reasons the facilities will not be completed within the allotted timeframe. If an extension of time to complete construction of the facilities is requested by the Lessee and granted by Lessor, additional requirements may be placed on Lessee to meet revised regulations or shoreline development guidelines.

3. Rental: Intentionally Deleted.
4. Maintenance: Lessee recognizes that it has the continuing responsibility to ensure that the constructed facilities are maintained in good repair, including, but not limited to maintenance of all constructed facilities and any required navigation or public safety devices and required erosion control along the shoreline within the Leased Premises, and agrees to take all reasonable steps necessary to meet this responsibility. Lessee shall cause all structures within the Leased Premises to be maintained in a sound condition and in a neat appearance at no cost to Lessor.

Lessee, at no cost to Lessor, shall be responsible for the removal of any sunken boats or disabled boats within the Leased Premises.

5. Improvements: Lessee shall not make material alterations or improvements upon the Leased Premises or conduct excavation or shoreline stabilization activities within the Leased Premises without the prior written approval of Lessor. Lessee shall request Lessor's approval in writing and shall include detailed plans of all proposed material alterations, improvements, excavation or shoreline stabilization activities; including but not limited to construction plans and elevation drawings in substantial compliance with Lessor's Shoreline Management Guidelines then in effect. Proposed alterations, improvements, excavation or shoreline stabilization activities that do not require any additional entity or FERC review shall be approved or denied by Lessor in its sole discretion. Major additions and/or modifications, excavation and shoreline stabilization will typically require review and/or approval by other entities and may require approval by FERC. If the proposed alterations, improvements, excavation or shoreline stabilization activities require review and/or approval by other entities, the Lessee shall first submit draft plans to Lessor for review and initial comment. Once Lessor's initial comments, if any, have been addressed by Lessee, Lessee shall submit the revised draft plans, if any, to the other required entities for their review, comment and/or approval. Lessee shall address the additional comments received prior to submittal of the final plans to Lessor for final approval. If such plans require FERC approval, Lessor will forward such plans to FERC for review and approval. FERC will provide Lessor with its approval, approval with modifications, or denial in the form of a FERC order or letter. After receiving any applicable FERC order or letter, Lessor will provide Lessee with Lessor's final decision (i.e., approval, approval with conditions/modifications or denial - including a reasonable basis for such approval with conditions/modifications or denial.)

Lessor shall not be obligated to approve additional material alterations, improvements, excavation or shoreline stabilization activities and retains the right to conditionally approve or deny any requested alterations, improvements, excavation or shoreline stabilization activities.

6. Illegal Uses: Lessee shall not make or allow to be made any illegal use of the Leased Premises or any use thereof constituting a public nuisance, and shall keep the Leased Premises in a neat and orderly manner and shall comply with all applicable building codes and health regulations and with the rules and regulations of any relevant governmental authority. All water and sanitary sewer facilities shall be designed, installed, constructed, maintained and operated only with the approval of the applicable governmental authorities.
7. Lessee Ownership or Other Interest in Adjoining Property: This Lease is made subject to and contingent upon Lessee's owning, leasing or otherwise having an interest at all times during the term hereof in the shoreline property adjoining the Leased Premises. If Lessee, at any time during the term of this Lease, does not own, lease or otherwise have an interest in the shoreline property adjoining the Leased Premises, then in such event, Lessor may cancel this Lease (subject,

however, to Lessee's right to cure the violation as set forth in Paragraph 16 hereof) and require Lessee, at its expense, to remove its marina facilities from the Leased Premises.

8. Transfer or Assignment: The Lessee may not transfer or assign this Lease or let or sublet the whole or any part of the Leased Premises to anyone without the prior written consent of the Lessor.
9. Entry by Lessor: Lessor, its agents and representatives, at all reasonable times may enter the Leased Premises to examine same and any such entry by or on behalf of Lessor shall not be or constitute an eviction, partial eviction or deprivation of any right of Lessee and shall not alter the obligations of the Lessee hereunder or create any right in Lessee adverse to the interest of Lessor.
10. Utility Easement: Lessor reserves an easement to build, construct, maintain and operate electric distribution/transmission lines on, over, along and above the Leased Premises. Lessor also reserves the right, privilege and easement to erect, construct, reconstruct, replace, maintain and use towers, poles, wires, crossarms and other appliances and fixtures for the purpose of transmitting or distributing electric power, for said Lessor's communication purposes, and for any other purpose that is in Lessor's sole discretion consistent with its business operations, together with the right to keep said lines, appliances, and fixtures free of structures, trees and other objects that may endanger or interfere with same.
11. Indemnity: To the extent permitted by law, Lessee will indemnify and save harmless Lessor, its successors and assigns, from and against any and all claims arising from any conduct, management, operation, work or thing done in or about the Leased Premises or any building, structure or equipment thereon during the period of this Lease or arising from any act or failure to act by Lessee, its agents, contractors, employees or sublessees, or arising from any accident, injury or damage whatsoever, however caused, to any person or persons or to the property of any person, persons, corporation or corporations during the period of this Lease on, in or about the Leased Premises and from and against all costs, counsel fees, expenses, liabilities and damages incurred in or about such claims or any action or proceeding brought thereon, and in case any action or proceeding be brought against Lessor, its successors or assigns, by reason of any such claim, Lessee, on notice from Lessor, shall resist and defend such action or proceeding by counsel satisfactory to Lessor. This indemnification and hold harmless is not intended to apply and shall not apply to any claims arising from any conduct, management, operation, work or thing done in or about the Leased Premises or any building, structure or equipment thereon during the period of this Lease by Lessor, its agents, contractors or employees or arising from any act or failure to act by Lessors, its agents, contractors or employees.

Lessee hereby waives all claims against Lessor for damages to the improvements and other property that are now or hereafter placed or built on the Leased Premises caused by or resulting from intermittent flooding or drawdown of the waters of the Lake.

12. Insurance by Lessee: Lessee agrees that, at its own cost and expense, it shall obtain and maintain in force during the term of this Lease the following insurance coverage and minimum insurance limits:
 - a) Commercial General Liability insurance from a reputable insurance company authorized to do business in North Carolina, providing coverage for any and all risks of liability associated with Lessee's occupancy and use of the Leased Premises and the activities authorized hereunder, with limits of at least \$1 million per occurrence.
 - b) Workers' Compensation (including U.S. Longshoremen & Harbor Workers Act, if applicable) meeting statutory limits. If Lessee is not required to have Workers' Compensation coverage by the State of North Carolina (or state where work will be performed), Lessee must give Lessor a notarized letter stating that they are exempt from the law and will hold Lessor harmless from all injury except those injuries resulting from Lessor's gross negligence; if applicable.

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- c) Employers' Liability Insurance (including Maritime Employers Liability) of not less than \$1 million each accident; if applicable.
- d) Automobile Liability Insurance of not less than \$1 million each occurrence. If the Lessee is required to use privately owned vehicles in performance of their contracted duties, the Lessee must hold the Lessor and Lessor's affiliates harmless for any liability associated with their operation of automobiles while performing work under this agreement.
- e) Umbrella Liability Insurance or Bumbershoot of not less than \$1 million per occurrence.

The Lessee must meet the following additional insurance-related requirements:

1. Insurance coverage must be with insurance companies with a minimum A.M. Best Rating of A-VII.
2. Lessee shall deliver to Lessor certificates of insurance prior to the beginning of the Lease and within 30 days of each insurance renewal. The certificates of insurance shall list the coverages and limits, the expiration dates and terms of policies and all endorsements whether or not required by Lessor, and listing all carriers issuing said policies. Lessor shall not be obligated to review any of Lessee's certificates of insurance, insurance policies, and/or endorsements or advise the Lessee of any deficiencies in such documents, and any receipt of copies or review by Lessor shall not relieve the Lessee from or be deemed a waiver of Lessor's right to insist on strict fulfillment of the Lessee's obligations. The Lessee shall deliver a certified copy of each insurance policy including all endorsements upon request by Lessor.
3. Lessee shall name Lessor as an additional insured, using Insurance Services Office, Inc. (ISO) additional insured (CG 20 10) or equivalent, under all required policies of liability insurance (Except Worker's Compensation Insurance). All policies shall include waivers of any right of subrogation of the insurers using standard ISO forms. The certificate(s) of insurance shall specifically confirm the "waiver of subrogation" and "additional insured" obligations.
4. All insurance policies shall each contain a provision that coverage will not be cancelled, not renewed, or materially modified unless at least thirty (30) days' prior written notice has been given to the Lessee. In any event, if Lessee becomes aware of any such cancellation, reduction in coverage or non-renewal, Lessee shall provide written notice to Lessor of such action within ten (10) days of receipt of notice of any such action from its carrier. All policies of insurance required shall be endorsed or shall otherwise provide that Lessee's insurance shall be primary with respect to their own acts or omissions and not be in excess of, or contributing with, any insurance maintained by Lessor. Lessee will be responsible for their own respective deductibles, self-insured retentions, and self-insurance under its insurance program.
5. Should Lessee fail to provide or maintain any required insurance, Lessor shall have the right, but not the obligation, to provide or maintain any such insurance, and to invoice the cost to the Lessee whereupon Lessee shall reimburse Lessor annually within forty-five (45) days following the request for payment.
6. Upon Lessee's contracting with an entity for the purpose of constructing any facilities on the Leased Premises, Lessor shall be named as an additional insured on a policy of insurance covering the scope of such activity prior to the commencement of any activity by Lessee, its agents or contractors. All policies shall include waivers of any right of subrogation of the insurers using standard ISO forms. Any contractor or subcontractor performing work on property that is the subject of this Lease shall have in place prior to commencement of any activity and during the performance of any activity, the following types of insurance and minimum coverage limits:
 - Commercial General Liability Coverage – \$1 million per occurrence.

- Automobile Liability – \$1 million per occurrence.
- Workers Compensation – Within statutory limits.
- Employer's Liability – \$1 million each accident.
- Umbrella Liability or Bumbershoot - \$1 million per occurrence.

13. **Taxes and Assessments:** Except as provided herein, any fees received herein are net of all taxes. Lessee shall pay when due all taxes or assessments of any kind levied against the marina facilities or Lessee's personal property located within the Leased Premises and all ad valorem taxes on the marina facilities. On the condition that the Leased Premises, exclusive of marina facilities, remains classified and taxed as utility property at the same rate as all other land of Lessor lying within the Project Boundary, Lessor shall pay the tax thereon exclusive of taxes assessed on the marina facilities. In the event, however, that as a result of this Lease, the Leased Premises, exclusive of the marina facilities, shall be classified and taxed as non-utility property or at a higher rate than other lands of Lessor lying within the Project Boundary, then in such event Lessee shall pay such amount, if any, as is equal to the taxes assessed on the Leased Premises, exclusive of the marina facilities, minus the taxes which would have been assessed if the Leased Premises had been taxed as utility property or at a rate applicable to other lands of Lessor lying within the Project Boundary. Provided however, in such event, Lessor agrees to use reasonable efforts to assist Lessee in contesting the reclassification of the Leased Premises from utility property to non-utility property with the applicable taxing authority. Lessee shall be solely responsible for listing the marina facilities in its name for tax and assessment purposes and filing any required tax return, to the extent such listing and return is required by applicable law. Upon written request, Lessee shall furnish Lessor with copies of paid receipts for all said taxes and assessments on or before the 31st day of December of each year to the extent Lessee is required by applicable law to pay said taxes.

14. **Limitation of Liability:** Lessor and Lessee agree to warrant that any and all work performed within the Leased Premises will be performed with professional thoroughness and using acceptable standard business practices. Lessor's total cumulative liability to Lessee for claims of any kind whether based on contract, tort (including strict liability and negligence except for gross negligence or willful misconduct on part of Lessor), under any warranty or otherwise, for any loss or damage relating to this Lease, shall in no case exceed the cost of completing the work in accordance with acceptable business practice, and Lessee releases Lessor from all further liability in excess of this amount for any work performed under this Lease. Lessee further releases Lessor from any and all liability resulting from any injury of any employee of Lessee or anyone performing any service at the direction of the Lessee on the Leased Premises, excluding any acts of willful misconduct by Lessor.

Neither Party shall be liable, whether based on contract, tort (including negligence and strict liability), or under any warranty or otherwise, for any consequential, indirect, special, or incidental loss or damage, or any damage (except to the extent damage resulted from willful misconduct) to or loss of any property or equipment, arising from any services or work performed relating to this Lease, for any consequential, indirect, special, or incidental loss or damage, any damage (except to the extent damage resulted from willful misconduct) to or loss of any property or equipment.

This limitation of, or protection against liability shall also protect directors, officers, employees, agents, consultants, suppliers, subcontractors, and affiliated entities and their directors, officers, employees, agents, consultants, suppliers, subcontractors, parents, subsidiaries and affiliates of Lessor and Lessee and shall apply regardless of the fault (excluding willful misconduct), gross negligence or strict liability of the respective Party.

Lessee waives and will require its insurers to waive all rights to recovery and claims of any kind, including rights and claims to which its insurers or another may be subrogated, against Lessor arising out of damage to, loss of or loss of use of any Lessee's property, located on the Lake, whether based on contract, tort (including strict liability and negligence except for gross negligence or willful misconduct on part of Lessor), under any warranty or

otherwise. These waivers are effective as to all damages to or losses of use of property arising out of or relating to this Lease or deficiencies in the services provided hereunder and Lessee hereby covenants that no such action or claim shall be brought by or through Lessee on any theory whatsoever. In the event Lessee or its insurers recover damages from a third party for losses or damages to which the foregoing waivers apply, Lessee shall indemnify and hold Lessor harmless against any liability for any such losses or damages which said third party recovers from Lessee and any expenses (including attorney fees and other cost of investigation and defense) related hereto.

The limitation of liability in this provision shall apply notwithstanding any other provision of this Lease.

15. Surrender of Lease: The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Lessor, terminate all or any existing subleases or subtenancies or may at the option of Lessor operate as an assignment to it of any or all such subleases or subtenancies.
16. Termination & Waiver: It is expressly agreed and understood that this Lease may be terminated by any of the following: (1) by a written document duly approved and executed by both Parties; or (2) by written notice from Lessee of Lessee's intent to abandon the rights herein granted by Lessor; or (3) by Lessor if directed by Order of FERC (or its successor agency) or if necessary to comply with FERC requirements; or (4) by Lessor under the conditions set forth in Paragraph 7; or (5) by expiration of this Lease pursuant to Paragraph 1; or (6) by Lessor in the event of a breach of any of the covenants, conditions, terms or provisions of this Lease by Lessee, including but not limited to noncompliance with health, safety or sanitation laws, and the continuation of such breach for sixty (60) days following written notice of such breach by Lessor to Lessee; provided, that if the cure of such breach cannot reasonably be completed by Lessee within such sixty (60) day period, Lessee shall have ninety (90) days to cure such breach provided Lessee commences such cure within thirty (30) days and diligently pursues such cure; or (7) by Lessor, if at any time during the duration of this Lease (or any renewal thereof) the Lessee should be adjudged bankrupt or insolvent by any federal or state court or the Lessee shall allow a final judgment obtained against it to remain unpaid for a period of sixty (60) days.

In providing notification of a breach of covenants, conditions, terms or provisions of the Lease, as identified in Paragraph 16, Lessor will advise the Lessee of its right to present evidence regarding the claimed breach in a meeting conducted by Lessor. Notice of the meeting will be sent by Lessor to the Lessee by certified mail, return receipt requested, and include information on the date, time, and place of the meeting and possible remedies for cure. At the option of the Lessee, such a meeting will be scheduled within 60 days following the initial written notification that a breach of provisions included within this Lease has taken place.

Failure of Lessor to exercise any of said rights relating to the termination of this Lease or any other rights of Lessor under this Lease shall not be construed as a waiver or abandonment of the right thereafter to exercise any or all of same. In the event that Lessor terminates this Lease under any of the above written conditions, Lessor may enter the Leased Premises and expel the Lessee there from; or Lessor may, in lieu thereof or in conjunction therewith, pursue any other lawful right or remedy incident to the relationships created by this Lease.

Upon expiration or termination of this Lease (either at the end of the term or upon such earlier termination date as is provided herein) and notice from the Party terminating this Lease to the other Party, the Lessee shall have 180 days to submit a plan and schedule for Lessor's approval to remove the marina facilities or retire a portion of the marina facilities (e.g., shoreline stabilization, boat ramps, etc.), such approval not to be denied unreasonably. If the marina facilities are not removed or retired by the deadline approved by Lessor, the marina facilities shall become the property of Lessor and any reasonable cost of removal for those facilities that must be removed and cannot be reasonably retired shall be paid by Lessee. Lessee's obligations to remove

improvements within the Leased Premises shall be limited to the marina facilities and shall not extend to removal of any improvements of Lessor or any third party. If improvements of Lessor have been installed within the Leased Premises, Lessor shall notify Lessee that Lessor will at Lessor's election either: (1) waive liability for damage to such improvements during Lessee's removal of the marina facilities; (2) remove Lessor's improvements at Lessor's sole cost prior to the removal or retirement of the marina facilities; or (3) waive any requirement that Lessee remove or retire the marina facilities at the Lessee's expense. Lessee shall use reasonable efforts to avoid damage to any improvements of Lessor or any third parties installed within the Leased Premises.

Failure to use the marina facilities for any permitted use identified in Paragraph 2 for a consecutive period of 12 months shall be deemed abandonment of the Leased Premises and shall be cause for termination pursuant to this paragraph, unless Lessee has provided notice to Lessor of its intent to continue operations within 24 months (including the 12-month abandonment period) or other mutually acceptable future date and Lessee actually resumes operations within said 24-month period or by said mutually acceptable date.

17. **Remedies:** In the event that any Party breaches this Lease and fails to cure the breach in accordance with the provisions of Paragraph 16, the other Party may seek compensatory damages, declaratory relief, specific performance, injunctive relief of any type, and/or sanctions for violation of any injunctive relief previously granted.
18. **Parties Bound:** The covenants and conditions herein contained shall apply to and bind the heirs, successors, executors, administrators, and assigns of the Parties hereto; provided, however, that neither this Lease nor any interest therein may be assigned, transferred or sublet by Lessee except as provided in Paragraph 8.
19. **Notices:** Wherever in this Lease it shall be required or allowed that notice be given by either Party to this Lease to the other, such notice must be in writing and must be given personally or forwarded by certified mail addressed as follows:

Lessor: Duke Energy Carolinas, LLC
Lake Services – ECII-12-Q
526 South Church Street
Charlotte, North Carolina 28202

Lessee: Town of Valdese
c/o David Anderson
Post Office Box 339
Valdese, North Carolina 28690

Such addresses may be changed from time to time by notice given hereunder.

20. **Compliance with Federal, State and Local Laws:** Lessee agrees that its use of the Leased Premises as herein provided shall be consistent with all FERC orders, regulations and requirements regarding recreational opportunities and development at licensed projects and use of Project lands and facilities, and all other applicable federal, state and local laws as well as all ordinances, rules, regulations and sanctions of any regulatory body or governmental agency (federal, state or local) having jurisdiction in the Leased Premises, and Lessee's use of the aforesaid Leased Premises shall comply with all applicable Lessor Shoreline Management Guidelines and will not endanger health, create a nuisance or otherwise be incompatible with the overall recreational use of the Project.
21. **Reservation of Use:** The right to use the Leased Premises which is the subject of this Lease for Project purposes is hereby reserved to the FERC Project licensee, its successors and assigns.

22. Non-Warranty, "AS IS": Lessor makes no representation or warranty, express or implied, and shall bear no responsibility as to the existing or future water quality or quantity in the Lake or the sufficiency or suitability of the Leased Premises for the uses authorized herein. Lessee accepts the Leased Premises in "AS IS" condition.
23. Protection of Environment: All necessary precautions shall be taken during construction and subsequent operation and maintenance of the activity to protect and enhance the environmental values of any affected lands and waters of the Project.
24. Archaeological Resources: If previously unidentified archeological or historical properties are discovered during the course of excavation/construction within the Leased Premises, the Lessee shall stop all land clearing or land disturbing activity in the vicinity of the excavation/construction area and notify Lessor immediately. Lessor shall initiate the required consultation process with the State Department of Archives and History, State Historic Preservation Office and the Catawba Indians Tribal Historic Preservation Office. Lessor may be required to prepare a cultural resources management plan for approval by the FERC that includes but is not limited to the following: (i) a description of each discovered property indicating whether it is listed on, or eligible for listing on the National Register of Historic Places, (ii) a description of the potential effect, and (iii) the proposed measures for avoiding or mitigating the impacts. The Lessee shall be responsible for implementing any required cultural resource management plan. No land clearing or land disturbing activities within the Leased Premises shall resume until authorized in writing by Lessor.
25. Sanitation: A commercially manufactured marine pump-out system must be installed and be available for use by occupants of the Leased Premises if the Lessee shall allow any one of the following: 1) the sale of boat fuel within the Project Boundary; 2) a total number of boat docking locations greater than or equal to sixty-five (65); or 3) the mooring of twenty-five (25) or more watercraft with Marine Sanitation Devices (MSD) with fixed holding tanks. The Lessee may be exempted from this requirement if written proof from a state or local agency having jurisdiction regarding waste disposal provides documentation that the facility cannot be permitted to dispose of waste collected from watercraft to the satisfaction of applicable regulations. Lessee shall maintain sanitation facilities as a regular and customary service for pumping and/or deposit of waste, if required under this paragraph.
26. Sedimentation and Erosion: Lessor shall not be responsible for any sedimentation, erosion, impacts of sedimentation or impacts of erosion caused by Project operations or otherwise. Lessee agrees that any damage it may suffer as a result of such sedimentation, erosion or their impacts shall not be claimed or charged against Lessor.
27. Flooding and Drawdown: Lessor reserves the right to back, flood, or draw down the waters of the Catawba River and its tributaries from time to time and at any and all times over and upon the Leased Premises or any portion of the same, to such extent the flooding or drawdown may be necessary or convenient in connection with the practical operation of its hydroelectric or other electric generation power plants located or to be located in the future upon the Catawba River and to the extent such flooding or drawdown is consistent with Lessor's obligations under its License, other applicable agreements, and applicable law. Lessee agrees that any damage it may suffer as a result of such flooding or drawdown shall not be claimed or charged against Lessor.
28. FERC Project Restoration: Lessor shall be under no obligation to Lessee to maintain or continue to operate the Project or Lake and should said Project or Lake be damaged, destroyed or removed, Lessor shall be under no obligation to restore or rebuild same, and Lessee hereby waives all claims against Lessor for damages to or destruction or removal of the Project or Lake.
29. Recovery of Fees and Costs: If any action is taken by Lessor to enforce any provision, covenant or agreement contained in this Lease or if Lessor is required to retain an attorney to enforce any provision, covenant or agreement contained in this Lease (including, without limitation, the removal of an encroachment constructed on or in the vicinity of the Leased Premises in violation of this

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Lease) following written demand on Lessee, then Lessor shall be entitled to recover from Lessee all of Lessor's reasonable attorneys' fees and court costs incurred in such action and/or enforcement. Lessee shall be solely responsible for either performing or reimbursing Lessor for any related studies or actions that the FERC or any other federal or state agency may require of Lessor due to the Lessee's construction and subsequent operation of the marina facilities within the Project.

30. Recordation: Intentionally Deleted.

31. Integration and Amendment: It is agreed and understood that this Lease contains all agreements, promises and understandings between Lessor and Lessee and that no oral agreements, promises and understandings shall be binding upon Lessor or Lessee in any dispute, controversy or proceeding at law. Any addition, variation or modification of this Lease shall be void and ineffective unless made in writing and signed by Lessor and Lessee. It is further agreed and understood that Lessor will seek amendment to this Lease when required to comply with FERC orders, regulations and requirements and as required to ensure compliance with Paragraph 20.

32. Duty to Mitigate: If either Party breaches this Lease, then the breaching Party shall have the affirmative duty to use its best efforts to minimize any and all loss, damage or injury to the other Party as a result of such breach; provided that, the breaching Party shall not be liable in money damages for failure to mitigate damages of the other Party for which the breaching Party is not liable under Paragraph 14 of this Lease.

33. Severability of Terms: Unless provided otherwise in this Lease, should any term of this Lease or part hereof be held under any circumstances in any jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other term of this Lease or other part of such term.

34. Survival: The provisions of Paragraphs 11 and 14 of this Lease shall survive any termination or expiration of this Lease. The conditions, warranties, obligations and agreements contained in Paragraphs 4 and 16 shall survive termination of this Lease (either at the end of the term or upon such earlier termination date as is provided herein) until the removal of the marina facilities to the extent required by this Lease or such removal is waived by Lessor. Additionally, any provisions of this Lease which require performance subsequent to the termination or expiration of this Lease shall also survive such termination or expiration.

35. Existing Lease Amended and Superseded: Beginning on the Effective Date, this Lease shall amend, restate, replace and supersede all previous leases or other agreements between Lessor and Lessee, or their respective predecessors in interest, for the use of the Leased Premises, and such prior leases or other agreements are no further force or effect.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed by their duly authorized officials, effective as of the Effective Date written above.

LESSOR:

DUKE ENERGY CAROLINAS, LLC
a North Carolina limited liability company

LESSEE:

TOWN OF VALDESE
a body politic and corporate existing under the laws of the
State of North Carolina

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Councilwoman Lowman made a motion to approve the aforementioned lease contract with Duke Energy, seconded by Councilman Mears. The vote was unanimous.

Mayor Watts asked Mr. Andersen to give an update on the Recreation construction project. Mr. Andersen shared that everything is progressing well and anticipates a completion date of mid-February on the downstairs locker room/lobby area. Mr. Andersen shared that the gymnasium renovations are taking a little longer and hoped it would be finished in time for indoor soccer, but that will not happen. Mr. Andersen will contact other facilities to hold the games, but they will not be canceled or delayed. Mr. Andersen is still waiting on the fans for Tiger Gym to be delivered. Councilwoman Hildebran asked if we were within our budget, Mr. Andersen said yes, and we might see some savings.

APPROVED CREATING OUTDOOR RECREATION ECONOMY (CORE) STRATEGIC SERVICES: Parks & Recreation Director David Andersen introduced Kyle Case from the Appalachian Regional Commission and NC Department of Commerce to speak about CORE. Mr. Case services the 12 counties in the northwestern part of the state through the CORE program, which offers strategic planning and technical assistance to Local Governments and Counties. Mr. Case shared that CORE is a new program, and he will be working with the Town to identify what activities, economic drivers, and priorities we have for the Town of Valdese. The services are accessible through state funds through an EDA grant given to the Department of Commerce. Councilwoman Hildebran asked who would be on the planning committee. Mr. Andersen shared that the committee has not been identified yet, but he is looking at five to ten individuals that would be a variety of stakeholders in the Town. Mr. Case said the final product we will receive is a strategic planning document with all the background data on what we currently do and recommendations for future actions.

N.C. Department of Commerce
Rural Economic Development Division
NC Main Street & Rural Planning Center
Rural Planning Program

**MEMORANDUM OF UNDERSTANDING
CREATING OUTDOOR RECREATION ECONOMIES (CORE) PROJECT
Town of Valdese, NC**

This Memorandum of Understanding (MOU) is entered into by and between the North Carolina Department of Commerce, Rural Economic Development Division, Main Street & Rural Planning Center, Rural Planning Program ("Program"), and the Town of Valdese, NC, ("Town"), and together the "Parties," for the purpose of setting out the terms and understandings between the Parties for the Program to provide Creating Outdoor Recreation Economies services to the Town.

WHEREAS, as part of the North Carolina Department of Commerce, the state's lead agency for promoting economic development and prosperity, the Program provides services and assistance to add value to local community economic development efforts.

WHEREAS, through its American Rescue Plan Travel, Tourism & Outdoor Recreation program, the U.S. Economic Development Administration focused resources to accelerate the recovery of communities that rely on the travel, tourism, and outdoor recreation sectors. This included a non-competitive "State Tourism Grant" to help states quickly invest in marketing, infrastructure, workforce, and other projects to rejuvenate safe leisure, business, and international travel.

WHEREAS, as part of North Carolina's successful request for a State Tourism Grant, the Program developed a technical assistance initiative to provide outdoor recreation economy strategic planning and asset development services to rural North Carolina communities. The initiative, Creating Outdoor Recreation Economies ("CORE"), is intended to leverage the abundant outdoor recreation assets available across the state to bolster local economic vitality.

WHEREAS, the Town applied to receive CORE services and subsequently met with the Program to identify the strategic planning process, asset development and other plan implementation services, and work products that would suit the Town's needs ("CORE Project"), including the roles and responsibilities of the Parties, the involvement of other partners, as well as the projected timeframe to complete the CORE Project.

WHEREAS, the mission of the NC Main Street & Rural Planning Center, which includes the Program, is to work in regions, counties, cities, towns, downtown districts, and designated North Carolina Main Street communities to inspire placemaking through building asset-based economic development strategies that achieve measurable results such as investment, business growth, and jobs. To further that mission, the Program may share successful "best practices" with other communities when appropriate. In this context, relevant materials produced from the project and economic outcomes may be shared with other communities, as needed.

The Program and the Town agree as follows:

1. Scope of Work

Primary Services

The primary services to be provided by the Program for the Town's CORE Project include the following:

- A. Outdoor Recreation Asset Mapping – A review of any current asset mapping initiatives and relevant updates.
- B. Outdoor Recreation Economy Strategic Planning – A series of meetings with local work group and town staff to develop strategies for growing the Town's outdoor economy. Some components of this process are outlined below but may be adjusted to meet the needs of the Town.

Community Assessment

The Program will facilitate one or more assessment meeting(s) with a local work group to include, but not be limited to:

- 1) Presentation of general information about the outdoor recreation economic sector, as well as relevant outdoor recreation economy and other data.
- 2) Discussion of local outdoor recreation assets.
- 3) Presentation and discussion of results of interviews, surveys, other input gathered during the Community Assessment from the local work group, stakeholders, and the community regarding outdoor recreation and the economy.

Development of an Outdoor Recreation Economy Strategic Plan

Following the Community Assessment, the Program will work with the local work group and Town staff to develop a strategic plan focused on the local outdoor recreation economy. The Community Assessment will inform the identification and development of an outdoor recreation economy-building positioning statement/vision, strategies, goals, objectives, actions/projects, and tasks that will comprise the outdoor recreation strategic plan.

- C. Asset Development and Other Plan Implementation Services – Once the Outdoor Recreation Asset Mapping, if applicable, and the Outdoor Recreation Economy Strategic Planning have been completed, the Program will work with Town staff, the local work group, and other project partners, to determine the asset development and plan implementation services that may be the most beneficial for the community's outdoor recreation economy-building efforts, potential resources for acquiring such services, and the timeframe(s) within which the services should be pursued.

Town Roles and Responsibilities

- A. Local Work Group - The Town will be responsible for assembling a local work group to participate in the CORE Project. The local work group may include, but is not limited to, elected officials,

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municipal or county staff, local business owners/operators, representatives of civic organizations with an interest in the community, and/or active residents.

- B. Meetings – The Town will be responsible for providing or otherwise securing meeting space for the local work group and other activities related to the CORE Project. If local work group meetings and/or other CORE Project activities must be conducted virtually, using an internet-based video conferencing platform, for example, the Town will be responsible for ensuring participants are able to access and attend such meetings.
- C. Meeting Materials and Other Information - The Town will share meeting agenda, relevant maps and other images, documents, and plans electronically with the Program and all CORE Project participants.

Project Staff

Kyle Case, ARC Community Economic Development Planner for the Northwest Region, is the Program staff member assigned to lead the CORE Project. Other Program staff will assist with the project, as needed.

David Andersen will be the Town's primary contact for the CORE Project.

Proposed Project Timeline

The CORE Project is planned to begin in February 2023 and to be completed by June 2023.

Project Schedule Tasks

- 1. Asset Mapping
- 2. Community Assessment
- 3. Strategic Planning
- 4. Asset Development and Other Implementation Projects

No Cost for Services

The Program will provide its CORE Project services (including Program staff time, materials, and travel costs), and final project work products at no cost to the Town, thanks to the State Tourism Grant from the U.S. Economic Development Administration.

Next Steps

The CORE Project will be scheduled to begin upon receipt by the Program of this signed MOU and a signed resolution to request Program services for the CORE Project (sample resolution attached) adopted by the Valdese Town Council.

2. Effective Term and Termination of MOU

This MOU will be effective on the date the last of the Parties executes it through December 31, 2025. This MOU is subject to modification at any time upon written amendment signed by the Parties. In the event of staff turnover, budget reductions, or other unforeseeable events, however, the Program may be compelled to place a project in an indefinite "hold" status until replacement staff resources can be secured. In rare cases, where very specialized staff skills are unable to be replaced, the project commitment may be terminated by the Program. Projects may also be reprioritized consistent with department or division policies.

3. Funding

The Program will provide its CORE Project services, including Program staff time, labor, materials, and travel costs, as well as project work products produced by the Program, at no cost to the Town, thanks to the State Tourism Grant from the U.S. Economic Development Administration.

4. Auditing

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The records as they relate to this MOU shall be accessible to the North Carolina State Auditor's Office in accordance with N.C. Gen. Stat. §147-64.7 and to any other State or federal entity authorized to conduct audits with respect to activities performed pursuant to this MOU.

5. Information Sharing/Confidentiality

To facilitate necessary information sharing and cooperation in fulfilling the purpose of this MOU, the Parties agree that they will protect all confidential information provided to them by the other Party in accordance with applicable state and federal statutes. Those employees who receive confidential information will be limited by the Parties to those who need access to it for the purpose of carrying out the functions outlined in this MOU and confidential information shall not be disclosed to third parties for any purpose, except that the Parties' obligation to keep information confidential shall not apply to disclosures made by the Parties to their attorneys, insurers, accountants, investors, or to the extent otherwise required by law, court order, or regulation.

6. Notices

All notices given in connection with this MOU shall be in writing and, if routine, may be sent by email and, if requested, followed by first class United States mail, postage prepaid, or sent by certified mail, return receipt requested, hand delivered, or delivered by overnight courier. Notices shall be delivered to the appropriate Parties at the addresses set forth below.

PROGRAM:

Karen Smith, AICP, Rural Planning Program Manager
NC Main Street & Rural Planning Center
48 Grove Street
Asheville, NC 28801
ksmith@commerce.nc.gov

Town of Valdese:

David Andersen, Recreation Director
Town of Valdese
102 Massel Ave SW
Valdese, NC 28690
DAndersen@valdesenc.gov

7. Governing Law

This MOU is governed and construed in accordance with the laws of the State of North Carolina.

8. Signatures

The Program and Town agree to the foregoing understandings as indicated by the signatures below of their respective authorized representatives, on duplicate originals.

**NORTH CAROLINA DEPARTMENT OF COMMERCE
RURAL ECONOMIC DEVELOPMENT DIVISION
NC MAIN STREET & RURAL PLANNING CENTER
RURAL PLANNING PROGRAM**

Karen C. Smith, AICP
Rural Planning Program Manager

Date

TOWN OF VALDESE, NC

Charles Watts, Mayor
Town of Valdese, NC

Date

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Please sign, date, and return one original, by email or U.S. mail, to:

Karen Smith, Rural Planning Program Manager
NC Main Street & Rural Planning Center
48 Grove Street
Asheville, NC 28801
ksmith@commerce.nc.gov

Please also send a signed copy, by email or U.S. mail, to:

Kyle Case
720 E. Union St.
Morganton, NC 28655
kyle.case@commerce.nc.gov

Councilwoman Hildebran made a motion to approve the MOU CORE Project as presented, seconded by Councilwoman Lowman. The vote was unanimous.

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**Resolution Requesting
Creating Outdoor Recreation Economies (CORE) Services
from the NC Main Street & Rural Planning Center, Rural Planning Program**

WHEREAS, the Town of Valdese, NC, ("Town"), Town Council believes the Town would benefit from assistance with outdoor recreation economy strategic planning and asset development; and

WHEREAS, the NC Main Street & Rural Planning Center's Rural Planning Program ("Program") has developed the Creating Outdoor Recreation Economies ("CORE") initiative to provide outdoor recreation economy strategic planning and asset development services to rural communities in North Carolina; and

WHEREAS, the Town Council would like the Program to provide CORE services to the Town; and

WHEREAS, the Town and Program have reached agreement on the scope of work for the Town's CORE project, as outlined in the attached Memorandum of Understanding.

NOW, THEREFORE, BE IT RESOLVED, that the Town Council hereby requests that the Program assist the Town with its CORE project and expresses its commitment to the CORE planning process and plan implementation.

Duly adopted by the Town of Valdese, NC, Town Council, this ____ day of _____, 2023.

Mayor, Town of Valdese, NC

ATTEST:

Town Clerk, Town of Valdese, NC

Councilman Mears made a motion to approve the Resolution requesting the CORE services, seconded by Councilwoman Hildebran. The vote was unanimous.

BUDGET AMENDMENT: Assistant Town Manager/CFO Bo Weichel introduced the proposed budget amendment and asked Water Plant Superintendent Eric Wilson to address the need. Mr. Wilson shared that the Water Plant needs an additional \$111,000 for the remainder of the fiscal year. This is due to the rising cost of raw materials to produce chemicals, personnel, driver shortages, and fuel increases. Mr. Wilson explained that the money would come out of the Utility Fund. Mr. Wilson gave an example of bleach that has increased 300% from approximately \$2,000 per load in May of 2021 to now \$8,000 per load present.

Valdese Town Council Meeting

Monday, January 9, 2023

Budget Amendment #

5

Subject:

Water Plant chemicals

Description:

Due to an increase in cost of chemicals to treat raw water greater than what we originally budgeted during the FY22-23 budget process. Original budget was \$78,500. Halfway through the budget year, 85% of this budget has been used. Anticipated costs through the remaining budget year are \$120,000.

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2023:

Section I:

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
30.3990.000	Utility Fund Balance Appropriated		111,000
Total		\$0	\$111,000

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
30.8100.332	Chemicals	111,000	
Total		\$111,000	\$0

Section II:

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

Councilwoman Lowman made a motion to approve the aforementioned budget amendment, seconded by Councilman Barus. The vote was unanimous.

MANAGER'S REPORT: Town Manager Seth Eckard made the following announcements:

Bluegrass at the Rock presents: Volume Five, Saturday, January 14, 2023, at 7:30 p.m.

Town Offices Closed Monday, January 16, 2023, in Observance of Martin Luther King Day

OCP Production: Beauty and the Beast, Show Dates January 20-21 & 26-28, 2023, 7:30 p.m., and January 22 & 29, 2023, 3:00 p.m.; visit www.oldcolonyplayers.com for more information and to purchase tickets.

Bluegrass at the Rock presents: Darin & Brooke Aldridge, Saturday, February 4, 2023, at 7:30 p.m.

MAYOR AND COUNCIL COMMENTS: Councilwoman Lowman shared that today was National Law Enforcement Day and thanked the Valdese Police Department for all they do.

Councilman Barus thanked the Council members for their support in voting him into the Town Council. Councilman Barus also thanked all the staff for welcoming him and for everything they do for Valdese. Councilman Barus identified some concerns he has encountered with some citizens speaking about the

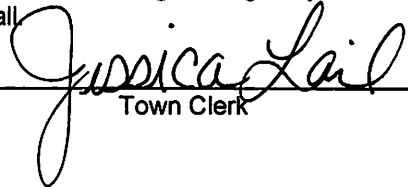
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Town having insufficient funds, poor budgeting, debt, and money management. Councilman Barus shared that before applying for the Ward 1 seat, he told everyone he did not have an agenda, but he has one now. Councilman Barus stated, "I will support and serve the citizens, this Council, the Mayor, and the employees of the Town that I love, by working to stop the fear and misinformation that has been shown. With over 150 plus years of government experience sitting on this panel, we are a team with one goal. Serve this Town to the best of our abilities and guide her towards the future."

Mayor Watts recognized Public Works, Fire Department, and the Police Department, who worked hard to respond to water breaks and numerous calls over the Christmas holiday break. Mayor Watts thanked Morrissa Angi and David Andersen for their initiative in getting grants for the Town. Mayor Watts read a thank you note from Ms. Hatley expressing her sincere appreciation to the Council, Town employees, and our citizens for allowing her to serve as our Grand Marshal during our 2022 Christmas Parade and naming the Town Christmas tree after her late husband, Mayor Hatley. Mayor Watts encouraged our staff and Council to attend our Town events and show support.

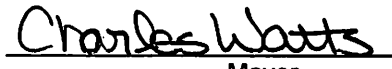
ADJOURNMENT: At 8:16 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilman Mears. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, February 6, 2023, 6:00 p.m., Valdese Town Hall.



Town Clerk

jl



Mayor

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
February 6, 2023**

The Town of Valdese Town Council met on Monday, February 6, 2023, 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 Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent:

A quorum was present.

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

OPEN FORUM/PUBLIC COMMENT:

RECOGNITION OF THE DRAUGHN HIGH SCHOOL FOOTBALL & CHEERLEADING TEAM: Parks & Recreation Director David Andersen recognized the Draughn High School football team, who was 13 – 2 overall, first-ever conference title for DHS, Western 1A, regional runner-ups, and lost to Mount Airy, who ended up winning the State Championship. Mr. Andersen introduced Head Football Coach Chris Powell. Coach Powell shared that out of 55 all-county players, 20 were from DHS. Coach Powell thanked the Council for their support and for recognizing the team. Members of the Council thanked the coaches, players, and parents. DHS Principal Jeanene Burris also shared a few words and thanked the football players. Coach Powell thanked the Valdese Police and Fire Department for all they have done to support their season. The Cheerleaders could not attend the meeting.

Mayor Pro Tem Frances Hildebran read the Rules & Procedures for Public Comment:

Rule 5. Public Comment

Any individual or group who wishes to address the council shall inform the town clerk, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Comments should be limited to five minutes per speaker.

No comments from the public.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF JANUARY 9, 2023

Councilwoman Hildebran made a motion to approve the aforementioned items on the Consent Agenda, seconded by Councilman Barus. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

INTRODUCTION OF NEW EMPLOYEES: Police Chief Jack Moss introduced new Police Officer Andrew Smith, and Public Works Director Allen Hudson introduced new Utility Field Technician Nicholas David.

APPROVED BID FOR MAIN STREET CURB REPLACEMENT & PAINTING: Public Works Director Allen Hudson shared a presentation on the need for curb replacement and painting of the curbs and crosswalks. Mr. Hudson explained that the paint was chipping off, and the top edge of the sidewalks was deteriorating. Mr. Hudson shared that approximately 90 feet of the curbing would be completely replaced. Mr. Hudson sought out bids and recommends using Jimmy Coffee Concrete for the curb replacement in the amount of \$3,400 and Hickory Sealing & Striping for the curb/crosswalk painting in the amount of \$8,490.

Valdese Public Works

Main Street Curb Replacement & Painting

Town Council Presentation | February 2023



Curb Replacement

JIMMY COFFEE
CONCRETE

Cost estimate to remove and replace 90 feet of concrete curb gutter on Main Street from Pralry Street heading East towards Foothills Thrift Store

TOTAL Cost Estimate is \$3,400



Quote #1

Curb Painting

Applied Linear Designs
Main Street from Eldred to Hoyle
\$14,224.96

Crosswalk Painting at Mt. Calvary
\$4,656.12



APPLIED LINEAR
DESIGNS

APPLIED LINEAR DESIGNS LLC
PO Box 1582 | Canton, NC 28612
828-999-2755 | Wes.Techman@alldesigns.com

TO: Town of Valdese
120 Whitworth Street Southeast
Valdese, North Carolina 28688

Quote #45
Sent on Dec 12, 2022
Quote ID: ALD-QUO-045-0002
NOT AN INVOICE
This is an ESTIMATE ONLY of potential work on this project.

Total \$14,224.96

PRODUCT / SERVICE	DESCRIPTION	QTY.	UNIT PRICE	TOTAL
Free Quote with Project Description	Free Quote provided for the rendering and related services requested by client	1	\$0.00	\$0.00*
Surface Prep & Clean	7,360' x Surface areas to be striped/painted will be Prepared and Cleaned before product is applied. Note: While APPLIED LINEAR DESIGNS guarantees our work, the existing surface, curing to be re-painted is covered with oil, chipped, and failing paint. There will be made on the part of the APPLIED LINEAR DESIGNS come to free the surface to be painted from oil or debris before product is applied. However, due to the current condition of the surface, we cannot guarantee that there might not be some adhesion issues in some trouble areas.	7560	\$0.05	\$1,040.00*
Sidewalk Curbing Painted Yellow (conventional to linear feet)	7,360' x length x 10" width x 2 side-by-side repetitions	22060	\$0.42	\$8,273.60*
Quills Paint	Quills Paint, an extremely durable solvent-based, traffic marking product, will be used on this project. A test sheet can be provided upon client's request.			
10% Labor Charge		1	\$1,111.36	\$1,111.36*
Travel/Fuel Charge	Based on distance traveled to site location, and estimated number of trips to complete the project	20	\$130.00	\$2,600.00*

NOTE: Soaring fuel costs at the pumps, due to massive inflation, are contributing to our current, higher Travel/Fuel Charges. We do apologize for this added expense to our clients. However, this circumstance has affected us all at this time.

Quote #2

Curb Painting

Hickory Sealing & Striping
Main Street from Eldred to Hoyle
\$8,490.00

Includes Crosswalk Painting
@Mt. Calvary Baptist Church



HICKORY SEALING & STRIPING, INC.
2306 MOUNTAINTOP LANE
CONNELLY SPRINGS, NC 28612

EST-879-2834 ItemMgnsbld@charter.net

Name: Address:
TOWN OF CALDESS
ATTN: ALAN HUDSON
(704) 477-3179
ahudson@caldesse.gov

Description	EST. No.		Project
	Qty	Rate	
PAINT ALL CURBING ALONG MAIN STREET FROM ELDRED ST. TO ROLLER ST. (YELLOW) - INCLUDES NEARLY POURED AREAS @ INTERSECTIONS		5,525.00	5,525.00
ALTERNATE # 1: REPAINT (2) CROSSWALKS ON MAIN STREET AND THOSE ON THE CONNECTING STREETS AS IS (WHITE)		2,065.00	2,065.00
ALTERNATE # 2: PAINT CURBING ALONG PRINCE STREET FROM MAIN ST. TO ST. GEORGE AVE AS IS (YELLOW) - INCLUDES (1) CROSSWALK @ MT. CALVARY BAPTIST CHURCH (WHITE)		500.00	500.00
MOBILIZATION & TRAFFIC CONTROL		500.00	500.00
Total			\$8,490.00

Staff Recommendation

Jimmy Coffee Concrete – Curb Replacement

Hickory Sealing & Striping – Crosswalks & Curb Painting

Project Cost

\$8,490

\$3,400

Total: \$11,890

Councilwoman Lowman made a motion to accept the bid from Jimmy Coffee Concrete, for Curb Replacement, in the amount of \$3,400, and to Hickory Sealing & Striping, for Crosswalks & Curb Painting, in the amount of \$8,490, seconded by Councilman Barus. The vote was unanimous.

APPROVED CHRISTMAS DECORATION IMPROVEMENTS: Community Affairs Director Morrissa Angi shared a proposal to enhance the Christmas decorations downtown. Ms. Angi shared the following presentation:

Christmas Decoration Ideas

Town Council Meeting Presentation – February 2023



Unlit Holiday Garland – 9' sections at \$200/strand = \$2,400

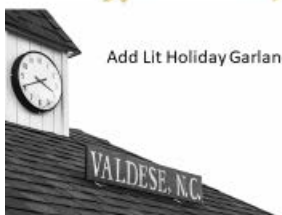
- **Fence at Bakery (Carolina Street)**
- The Arrival
- Old Rock School
- Entrance Signs
- Fountain – Carolina
- Centennial Fountain
- Town Hall
- Fire/Police Dept
- Recreation Center

Décor Improvements



Add Lit Holiday Garland – 9' sections at \$225/strand = \$1,350

- Fence at Bakery (Carolina Street)
- **The Arrival**
- Old Rock School
- Entrance Signs
- Fountain – Carolina
- Centennial Fountain
- Town Hall
- Fire/Police Dept
- Recreation Center



Décor Improvements



Add Lit Holiday Garland – 9' sections at \$225/strand = \$4,500

- Fence at Bakery (Carolina Street)
- The Arrival
- Old Rock School
- **Entrance Signs**
- **Fountain – Carolina**
- **Centennial Fountain**
- Town Hall
- Fire/Police Dept
- Recreation Center

Décor Improvements



- Fence at Bakery (Carolina Street)
- The Arrival
- **Old Rock School**
- Entrance Signs
- Fountain – Carolina
- Centennial Fountain
- **Town Hall**
- **Fire/Police Dept**
- **Recreation Center**

Add exterior lighting to all locations where electricity is available. Purchase light strands, net lights for shrubs, wreaths and additional garland to add to what is already used. Estimated Cost: \$15,000



Additional Lighting



Bows on Light Poles – Along Main Street – Add bows to both sides of light poles = \$5,000 (on 100+ poles)
- Reuse last year's bows at Town facilities and with new garlands

Décor Improvements



Plan for “wow” with photo opportunities for families during holiday events = \$7,500 (3 bulbs)
Where? Three Graces Art Installation or Old Rock School

Interactive

- Create “quaint Hallmark type small holiday town”
- Enhance Areas Already Decorated
- MORE MORE MORE Lights!
- Target Areas with Holiday Traffic – downtown, Old Rock School, etc.
- Let light poles connect lit areas of interest
- Create “holiday welcome” at entrance signs
- Add to the décor each year... More garland, more wreaths, etc.

Goals

Cost

- Garland = \$8,250
- Lighting = \$15,000
- Bows = \$5,000
- Photo Props “wow” = \$7,500

Total = \$35,750

Town Manager Seth Eckard explained that we are considering this now because the Christmas decorations are cheaper now versus waiting until the Christmas season. Councilman Barus shared that many constituents have commented to him about wanting to see more lights. Councilman Barus asked if we were replacing the garland around the light poles. Public Works Director Allen Hudson explained that every year we replace 10-20 pieces of garland that look bad and repurpose them in other areas if it is still usable. Mr. Eckard shared that our yearly Christmas budget is to maintain what we currently have. Councilman Barus thanked the Public Works team for putting up all the decorations. Councilwoman Lowman is excited about the photo opportunities. Councilwoman Hildebran shared that in her affiliation with the Town for 40-plus years, there had always been an issue and complaints with the Christmas decorations, and expressed the importance of setting aside money to go towards updating. Councilman Mears shared that he is not opposed to enhancing the decorations at the facilities, but wants to see the downtown area improved and asked if it was possible to get businesses involved in sponsoring Christmas trees. Ms. Angi shared that businesses get involved by decorating their windows. Mr. Eckard explained that access to power on Main Street limits us. Councilman Mears and Councilman Barus feel we could use two photo opportunities at both ends of the Town. Councilman Barus thanked Ms. Angi for putting this together as requested.

Councilwoman Lowman made a motion to approve the Christmas decoration improvements in the amount of \$35,750, seconded by Councilman Skidmore. The vote was unanimous.

APPROVED BUDGET AMENDMENTS: Assistant Town Manager/CFO Bo Weichel presented the following Budget Amendments:

Valdese Town Council Meeting

Monday, February 6, 2023

Budget Amendment #

6

Subject: Holiday decorations

Description:

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2023:

Section I:

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
10.3990.000	General Fund Balance Appropriated		35,750
Total		\$0	\$35,750

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.6250.331	Holiday Supplies and Decor	35,750	
Total		\$35,750	\$0

Section II:

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

Valdese Town Council Meeting

Monday, February 6, 2023

Budget Amendment #

7

Subject: Curb replacement and painting

Description:

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2023:

Section I:

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
10.3991.000	Powell Bill Fund Balance		11,890
Total		\$0	\$11,890

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.5700.730	Sidewalks	11,890	
Total		\$11,890	\$0

Section II:

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

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Councilman Mears made a motion to approve the aforementioned budget amendments, seconded by Councilwoman Hildebran. The vote was unanimous.

MANAGER'S REPORT: Town Manager Seth Eckard made the following announcements:

Concerts at the Rock presents: Joe Mullins & the Radio Ramblers, Saturday, March 4, 2023, at 7:30 p.m.

MAYOR AND COUNCIL COMMENTS: Councilwoman Lowman went to see Old Colony Players Beauty and the Beast, Jr. and was so impressed by the talent. The cast members were 18 years old and under. Councilwoman Hildebran also went and was very impressed as well.

Councilwoman Hildebran thanked Morrissa Angi, Annie Hogan, and the staff involved in the Newsletter that just went out to citizens and has had so many positive comments. Councilwoman Hildebran went on a tour of the Recreation department improvements and was so impressed by the updates and thanked David Andersen. Councilwoman Hildebran took her grandson to the Friday night bowling and feels it is a great program.

Mayor Watts recognized Cindy Stephens, who was newly appointed to the Valdese Planning Board. Mayor Watts also thanked Town Clerk Jessica Lail for what she does for Council.

Councilman Barus went to the newly elected official's class and enjoyed it. Councilman Barus thanked everyone who worked on the Newsletter and Assistant Town Manager/CFO Bo Weichel for all he did.

ADJOURNMENT: At 6:46 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilwoman Lowman. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, March 6, 2023, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

jl

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
MARCH 6, 2023**

The Town of Valdese Town Council met on Monday, March 6, 2023, 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 Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent: None

A quorum was present.

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

OPEN FORUM/PUBLIC COMMENT:

RECOGNITION OF DRAUGHN HIGH SCHOOL'S VOLLEYBALL TEAM: Mayor Watts tabled this to May 1, 2023, Council meeting.

Mayor Pro Tem Frances Hildebran read the Rules & Procedures for Public Comment:

Rule 5. Public Comment

Any individual or group who wishes to address the council shall inform the town clerk, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Comments should be limited to five minutes per speaker.

COMMUNICATIONS & FINANCES – GLENN HARVEY, 801 MICOL AVE NE., VALDESE: Mr. Harvey expressed his concern with the lack of communication on the Town's biggest undertaking in history with a building that was approved about a year ago. Mr. Harvey shared the he has not heard anything about it since last March and July. Mr. Harvey is concerned about the \$7.4 M loan over 40 years. Mr. Harvey referenced the Finance presentation in the meeting and noted some highlights from slides and the five-pier towns compared to the Town of Valdese. Mr. Harvey hopes that the Town Council will start considering the long-term impact on our legacy to the children and grandchildren for the next 40 years who will be paying for the Public Safety Building.

PROPERTY TAX RATE – JEAN MARIE COLE, 705 BERTIS ST., VALDESE: Ms. Cole asked the Council to consider the effects of the property revaluation for some people in Valdese. Ms. Cole received a 79% increase in her 1937 home. Ms. Cole is concerned with home insurance increasing as well. Ms. Cole wants the Council to consider that when setting the tax rate. Ms. Cole would like to keep the Town's services.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF FEBRUARY 6, 2023

APPROVED REAPPOINTMENT TO VALDESE ABC BOARD: Seth Eckard was reappointed to the Valdese ABC Board for a third, full three-year term that expires April 1, 2026.

APPROVED APPOINTMENT TO VALDESE PARKS & RECREATION COMMISSION: Chip Stallings was appointed to the Valdese Parks & Recreation Commission, filling the unexpired term of Robert Murray. The unexpired term will expire on December 31, 2025.

APPROVED RENEWAL OF LEASE AGREEMENT AT THE OLD ROCK SCHOOL WITH DR. KYLE BARNES: Lease agreement with Dr. Kyle Barnes for rental space at the Old Rock School, in the amount of \$50.00 per month.

APPROVED ORDINANCE DECLARING ROAD CLOSURES FOR THE TOWN OF VALDESE ANNUAL EVENTS:

AN ORDINANCE DECLARING ROAD CLOSURE FOR TOWN OF VALDESE SPECIAL EVENTS

WHEREAS, the Town of Valdese desires to schedule an Independence Day Celebration, Annual Waldensian Festival; Treats in the Streets; and the Annual Valdese Christmas Parade; and

WHEREAS, part of US 70/Main Street in Valdese will need to be closed for each of these special events; and

WHEREAS, G.S. 20-169 provides that local authorities shall have power to provide by ordinance for the regulation of the use of highways by processions or assemblages;

NOW, THEREFORE, be it ordained by the Town Council of the Town of Valdese pursuant to G.S. 20-169 that the following portion of the State Highway System be closed during the times set forth below:

2023 Independence Day Celebration (*Description of Closure: 1.19 mi. US 70 Main St from Hoyle St to Eldred St*) on June 30, 2023 from 5:00 PM until 11:00 PM.

2023 Waldensian Festival Kickoff Celebration (*Description of Closure: 1.19 mi. US 70 Main St from Hoyle St to Eldred St*) on August 11, 2023 from 5:00 PM until 11:00 PM.

2023 Waldensian Festival Celebration (*Description of Closure: 1.19 mi. US 70 Main St from Hoyle St to Eldred St*) on August 12, 2023 from 5:30 AM until 11:00 PM.

2023 Valdese Treats in the Streets (*Description of Closure: 1.19 mi. US 70 Main St from Hoyle St to Eldred St*) on October 31, 2023 from 3:30 PM until 6:30 PM.

2023 Valdese Christmas Parade (*Description of Closure: 1.19 mi. US 70 Main St from Hoyle St to Eldred St*) on December 2, 2023 from 9:30 AM until 12 Noon.

Signs shall be erected giving notice of the limits and times of these street closures as required by G.S. 20-169.

THIS, the 6th day of March, 2023.

/s/ Charles Watts, Mayor

ATTEST:

/s/ Town Clerk

APPROVED REQUEST FROM WALDENSIAN STYLE WINES TO SELL WINE AT ANNUAL EVENTS:

Waldensian Style Wines has been authorized to sell wine at the Craft Market event on April 29, 2023, from 9:00 a.m. to 4:00 p.m., Independence Day Celebration on June 30, 2023, from 5:00 p.m. until 11:00 p.m., and the 48th Annual Waldensian Festival events on August 11 & 12, 2023, from 3:00 p.m. to 10:00 p.m.

Councilwoman Hildebran made a motion to approve the aforementioned items on the Consent Agenda, seconded by Councilman Skidmore. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

ARBOR DAY PROCLAMATION: Mayor Watts presented the following proclamation:

ARBOR DAY 2023 PROCLAMATION

WHEREAS, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and

WHEREAS, the holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska; and

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WHEREAS, 2023 is the 151st Anniversary of the holiday and Arbor Day is now observed throughout the nation and the world; and

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, cut our heating and cooling costs, moderate the temperature, clean the air, produce life-giving oxygen and provide habitat for wildlife; and

WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires, and beautify our community; and

WHEREAS, trees, wherever they are planted, are a source of joy and spiritual renewal; and

WHEREAS, the Town of Valdese has received the prestigious Tree City USA award for the past 35 years.

NOW, THEREFORE, I, Charles Watts, Mayor of the Town of Valdese, North Carolina, do hereby proclaim Friday, March 17, 2023, as the 151st Anniversary celebration of; and

FURTHER, I urge all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.

This 6th day of March, 2023.

/s/ Charles Watts, Mayor

Public Works Director Allen Hudson invited everyone to a ceremony in conjunction with Valdese Elementary School at the Old Rock School on Friday, March 17, 2023, at 2:00 p.m. Mr. Hudson shared that staff plans to plant an autumn blaze maple tree on the Old Rock School Temple Field near the permanent stage. Each student will be presented with a small pine tree.

TOWN FINANCIAL UPDATE: Assistant Town Manager/CFO Bo Weichel shared a financial update on the general fund only. Mr. Weichel focused on the operations ratio, quick ratio, debt service, and fund balance. Mr. Weichel reviewed the six debt items in the general fund showing the annual payment, balance remaining, and the years remaining to pay off the debt. Mr. Weichel explained that it is important to look at how much of the debt is the percentage of our overall expenditure. Mr. Weichel noted that ours is 3.84%, which is a good percentage. Mr. Weichel ended with a history of our fund balance percentages and feels overall our general fund health is in good shape. Councilwoman Hildebran noted that some debt items would come off in the next few years. Town Manager Seth Eckard reminded Council that the Local Government Commission approves new debt, which must be approved before we can borrow money.

TOWN OF VALDESE

2023 March Council Meeting

FINANCIAL STANDING

1

- **BENCHMARK MEASURES**
 - OPERATIONS RATIO
 - QUICK RATIO
- **FINANCIAL MEASURES**
 - DEBT SERVICE
 - FUND BALANCE

2

BENCHMARK MEASURES

3

The following financial analysis pulls data from each municipality's audited Annual Financial Reports from the prior five years.

The graph's contain data comparing Valdese's financial health to our peer group.

The screenshot shows a web application interface for the North Carolina Department of Public Safety. The header includes the department's name and logo. The main title is "State and Local Government Finance Division: Financial Reports and Analysis Tools". On the left, there is a sidebar with four steps: "Select Report Type", "Select Report", "Select Report Criteria", and "Select Report Option". The "Select Report Criteria" step is currently active. The main content area is titled "Please select criteria for reports: General Fund". It contains several dropdown menus for selecting criteria. The "Type of Fund" dropdown is set to "Municipality". The "Do you want to select Benchmark Peer?" dropdown is set to "No". The "Peer 1 Unit" dropdown is set to "Valdese (P: 4877 | WS: Y | E: N)". The "Peer 2 Unit" dropdown is set to "Clarendon (P: 1085 | WS: Y | E: N)". The "Peer 3 Unit" dropdown is set to "Long View (P: 5085 | WS: Y | E: N)". The "Peer 4 Unit" dropdown is set to "Malden (P: 3740 | WS: Y | E: Y)". The "Peer 5 Unit" dropdown is set to "Gretna Falls (P: 4957 | WS: Y | E: Y)".

P = Population

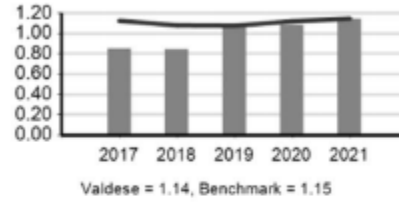
WS = Water & Sewer

E= Electric

4

General Fund Health Checkup: Operations Ratio

Measures whether a government's annual revenues are sufficient to pay for annual operations.

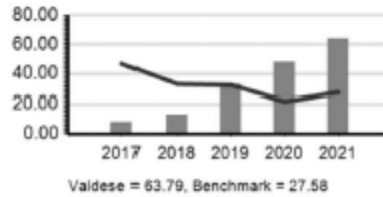


The ratio of 1.14 means Valdese can maintain current services under the revenues being collected.

5

General Fund Health Checkup: Quick Ratio

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



Valdese is higher than our peer group to meet short-term liabilities. This is a strong indicator that shows the Town is in great financial condition to handle an economic slowdown or even a brief recession without a reduction to services or staffing.

6

General Fund Health Checkup: Debt Service

Addresses how financially obligated the Town is by measuring the amount of expenditures committed to annual debt service payments.

TOWN OF VALDESE General Fund Debt			
	Annual Payment	Balance Remaining	Years Remaining
Fire Engine (USDA)	26,908	53,816	2
Fire Ladder Truck (USDA)	52,761	844,176	16
Trucks & Equip-Street (Truist)	53,743	214,972	4
Town Hall (USDA)	88,878	2,577,462	29
Splash Park (USDA)	19,483	701,388	36
Patrol Vehicles (Truist)	18,471	55,410	3
Total	260,244	4,447,224	

$$260,244 / 6,769,259 = 3.84\%$$

7

General Fund Health Checkup: Fund Balance Percentage

This percentage measures the amount of funds available, beyond expected revenue and expenditures, to meet future unexpected needs and emergencies.

Commonly referred to as "reserves" or "savings".

\$4,907,145

113.50%

Fund Balance History				
FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
18.56 %	60.53 %	72.06 %	93.69 %	113.50 %

This means we have over 14 months of reserves available to cover or expenditures. This allows Valdese to take advantage of time sensitive opportunities, invest in large projects without the need to borrow, and increase interest earned on investment. It also shows us we can weather an economic slowdown without reducing services or staffing.

8

General Fund Health Checkup:



9

MANAGER'S REPORT: Town Manager Seth Eckard made the following announcements:

Year of the Trail Outdoor Adaptive Recreation Day – Friday, March 10, 2023, McGalliard Falls Park, 1:00 pm – 5:00 p.m.

The Lucky Leprechaun Hunt begins Friday, March 17, 2023. Participants will search for Leprechauns hidden around Valdese. Prizes can only be redeemed during the Old Rock School hours, 8:00 a.m. – 5:00 p.m.

Annual Budget Retreat is scheduled for March 23 & 24, 2023, 9:00 a.m. – 5:00 p.m. at the Old Rock School, Waldensian Room

Bluegrass at the Rock presents: Alan Bibey & Grasstowne, Saturday, April 1, 2023, at 7:30 p.m.

MAYOR AND COUNCIL COMMENTS: Councilwoman Lowman reminded citizens that if they feel like their property rate percentage went up too much, they have the right to appeal through Burke County. The information to appeal is on the Town's website.

Councilwoman Hildebran thanked Officer Hicks, Code Enforcement/Animal Control, for the great job he is doing for the Town. Councilwoman Hildebran also thanked the Police Department for maintaining a presence within the Town and making our citizens feel safe.

ADJOURNMENT: At 6:32 p.m., there being no further business to come before Council, Councilwoman Lowman made a motion to adjourn, seconded by Councilman Barus. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, April 3, 2023, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

jl

**TOWN OF VALDESE
TOWN COUNCIL SPECIAL MEETING
March 16, 2023**

The Town of Valdese Town Council met on Thursday, March 16, 2023, at 11:00 a.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The following were present: Mayor Charles Watts, Councilwoman Frances Hildebran, Councilman Tim Skidmore, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent: Councilwoman Rexanna Lowman

A quorum was present.

Mayor Watts called the meeting to order at 11:00 a.m. He offered the invocation and led in the Pledge of Allegiance to the Flag. Town Manager Seth Eckard introduced Nicholas Lattanzi, Area Specialist/Community Programs with U.S. Department of Agriculture Rural Development(USDA).

USDA PRESENTATION – LETTER OF CONDITION PACKAGE: Nicholas Lattanzi shared that the official offer for the Town to consider is a loan amount of \$7,241,900, over a 30-year term, with a fixed interest rate of 3.75%. Mr. Lattanzi explained that the need for the special called meeting is due to interest rates increasing after April 1, 2023. Mr. Lattanzi presented the following Letter of Conditions for a Community Facilities Program Loan for the proposed Public Safety Facility.

USDA

United States Department of Agriculture

03/16/23

Town of Valdese
Seth Eckard — Town Manager
102 Massel Ave SW
Valdese, NC 28690

Subject: Letter of Conditions for a Community Facilities Program Loan to
Public Safety Facility

Dear Mr. Eckard:

This letter, with attachments, establishes conditions that must be understood and agreed to by the applicant before further consideration may be given to the application for Federal Assistance. The State and Area Office staff of USDA Rural Development (RD) will administer the loan and/or grant funds for this project on behalf of the Rural Housing Service. All parties may access information and regulations referenced in this letter at our website located at:

<https://www.rd.usda.gov/programs-services/community-facilities>. Any changes in project cost, source of funds, scope of services, or any other significant change (this includes significant changes in the

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Borrower's financial condition, operation, organizational structure or executive leadership) in the project or applicant must be reported to and approved by USDA Rural

Development by written amendment to this letter. Any changes not approved by USDA Rural Development will be cause for discontinuing processing of the application. If you do not meet the conditions of this letter, the Agency reserves the right to withdraw Agency funding.

This letter is not to be considered as loan approval or as representation to the availability of funds. The application can be processed on the basis of a USDA Rural Development loan not to exceed \$7,241,900.00. Funds for this project are provided by the Rural Housing Service (RI-IS).

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," and Form RD 1940-1, "Request for Obligation of Funds," within the next ten (10) days, if you desire that we give further consideration to your application. The execution of these and all other documents required by USDA Rural Development must be authorized by appropriate resolutions of the applicant's governing body.

The loan will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is mailed by USDA Rural Development. This is also the date that the interest rate is established. If the interest rate is lower at the time of loan closing, you must make a request in writing to receive the lower rate in effect.

The loan will be repayable over a period not to exceed 30 years from the date of loan closing at the market interest rate. The first interest installment will be due no later than one full year from the date of loan closing.

Project Budget—Based on Standard Form 424, "Application for Federal Assistance," the project cost and funding will be as follows:

a.

Development	Construction	\$6,742,170.00
Other	FF&E	\$350,000.00
Contingencies		\$400,000.00
Arch, Eng, & Planning	Interest	\$451,850.00
Other Professional Fees	Construction Loan Interest (18-months)	\$577,748.00
Other Professional Fees	Geotechnical	\$12,000.00
Land & Rights	Special Inspections	\$30,000.00
Legal Services	Site Purchase	\$98,132.00
		\$30,000.00
	Total	\$8,691,900.00

b.	<u>Source of Funds</u>	\$6,775,381.00
	USDA Loan	
	Applicant Contribution	\$950,000.00
	NC State	\$500,000.00
	TOTAL:	\$8,691,900.00

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. If actual project costs exceed the project cost estimates, an additional contribution by the borrower may be necessary.

The applicant will ensure projects are completed in a timely, efficient, and economical manner. Section I of the attached conditions (Items 1—21) must be satisfied prior to interim loan closing or before construction

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begins, whichever occurs first, in either case not later than one (1) year from the date of this letter. In the event the project has not advanced to the point of construction within one (1) year, USDA Rural Development reserves the right to discontinue the processing of the application.

If you have any questions, feel free to contact this office.

Sincerely,

Nick Lattanzi
Area Specialist

ATTACHMENT TO LETTER OF CONDITIONS

SECTION 1. CONDITIONS TO BE SATISFIED PRIOR TO LOAN CLOSING OR BEFORE CONSTRUCTION BEGINS, WHICHEVER OCCURS FIRST

- I . Reserves—The applicant will establish a separate debt service reserve account in an amount at least equal to an average annual loan installment. This reserve will be accumulated at the rate of at least one-tenth of the average annual installment each year until the required level is reached, which is one average annual loan installment. The reserve account balance must be reported annually to the State Office and included in the audit as a separate and identifiable line item as restricted.

For any fiscal year end in which the debt service reserve account balance is less than the required account total; the applicant will provide the Agency with a twelve-month budget and plan to correct the cash shortfall.

Additionally, the applicant will establish a capital asset replacement reserve in an amount adequate to replace short term assets with an annual contribution of \$10,000.00. The amount will be based on the condition of the existing facility and the economic life of the proposed improvements.

2. Disbursement of Funds

- a. Interim loan financing during construction will be required in accordance with 7 CFR 1942.17 (n)(3) for all construction loans over \$50,000. The applicant must provide Rural Development a copy of the proposed interim financing package prior to execution.
- b. The applicant will provide evidence that funds from other sources will be made available for the project cost in the amount of \$1 **450,00.00**. This evidence should include a copy of the loan/grant award that addresses how funds will be disbursed.
- c. The applicant's contribution of funds toward the project cost shall be considered the first funds expended and must be deposited in its project account before construction is started. Please provide Rural Development evidencing applicant's contribution.
- d. Agency funds will not be used to pre-finance funds committed to the project from other sources.
- e. The Debt Collection Improvement Act (DCIA) of 1996 requires that all Federal payments be made by Electronic Funds Transfer/Automated Clearing House (EFT/ACH). Borrowers receiving payments by EFT will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. The

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borrower should complete Form SF-3881, Electronic Funds Transfer Payment Enrollment Form, for each account where funds will be electronically received. The completed form(s) must be received by Rural Development at least forty-five (45) days prior to the first advance of funds. Failure to do so could delay loan closing.

3. Security Requirements

- a. At loan closing the applicant will execute the attached Form RD 1942-47, "Loan Resolution (Public Bodies)". Please note the refinancing provision in paragraph
2. Also, on page 3 there is a certification to be executed at loan closing.
 - b. The security instrument and any ordinance or resolution relating thereto must not contain any provision in conflict with the Agency Loan Resolution, applicable regulations, or its authorizing law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 U.S.C. 1983. c. The applicant and the applicant's financial institution(s) will execute the USDA RHS Community Facility Program, Deposit Account Control Agreement. This is required on all account(s) the applicant has which the Agency will be taking a security interest in, including but not limited to, all primary accounts where the facilities operating and non-operating revenues are deposited and any accounts holding the debt service reserve(s) for the Agency loan(s). Please note the Termination of Agreement provision, item number 8.
 - d. The security for this project will be an Installment Purchase Contract and a Deed of Trust with 1st lien position on the property in which construction will be completed and a UCC-I filed for all assets and equipment.

4. Appraisal Requirements

- a. Appraisal reports must be performed by a certified general real estate appraiser licensed in the state where the property is located. The appraiser must have the specific qualifications, experience, and competency necessary to appraise the type of facility being financed.
- b. For loans which include the purchase of an existing facility, the appraisal must report the "As Is" Market Value of the property. For loans which contain a construction component (new construction or rehabilitation), the initial appraisal must estimate the "As Is" Market Value and the "Prospective Market Value" as of the date of completion of construction pursuant to Uniform Standards of Professional Appraisal Practice (USPAP) and Agency appraisal requirements. [12 CFR, Chapter I , Subpart C, Part 34.420)].
- c. USDA Rural Development must be listed as an intended user of the appraisal report.
- d. The appraisal must determine that the value is equal to or exceeds the amount of the USDA loan(s), plus any other indebtedness against the security.
- e. The appraisal must be submitted and approved by USDA Rural Development prior to the start of construction or earlier if required.
- f. Once construction is complete and prior to closing the Agency direct loan(s), any appraisal more than two years from the estimated date of closing must be updated and submitted 90 days in advance of loan closing. The value of the appraisal must demonstrate that the Agency remains fully secured.
- g. Reports shall be in compliance with the reporting requirements of USPAP Standard Rule 2-2 for an Appraisal Report and with the Agency requirements.
- h. Appraisers must be prepared to discuss their analyses, opinions, and conclusions and provide additional written support, clarification, and a corrected electronic appraisal report, at no additional cost, if requested by a USDA Regional Appraisal Reviewer.

5. Insurance and Bonding Requirements—The applicant must provide evidence of adequate insurance and fidelity bond coverage by loan closing or start of construction, whichever occurs first. Adequate coverage, in accordance with USDA Rural Development's regulations, must then be maintained for the life of the loan and evidence must be submitted to Rural Development annually. Evidence that coverage is being maintained must be provided annually thereafter. It is the responsibility of the applicant and not that of USDA Rural Development to assure that adequate insurance and fidelity bond coverage is maintained. Applicants are encouraged to review coverage amounts and deductible provisions with their attorney, consulting engineer, and/or insurance provider(s).
- a. Property Insurance—Fire and extended coverage will be required on all above-ground structures, including applicant-owned equipment and machinery housed therein. Provide USDA Rural Development with proof of coverage and attach Lender's Loss Payable Endorsement (438 BFU or equivalent) naming the UNITED STATES OF AMERICA as lender.
 - b. Corporate Liability Insurance - The Applicant will provide public liability, and property damage insurance in an amount to adequately protect the applicant from civil action arising from the function of the applicant relative to the project.
 - c. Workers' Compensation Insurance—The applicant will be required to carry workers' compensation insurance for all employees in accordance with the State law. Provide USDA Rural Development with proof of coverage.
 - d. General liability and vehicular coverage must be maintained—Provide USDA Rural Development with proof of coverage.
 - e. Fidelity Bond—Persons who have access to the funds and custody to any property will be covered by a fidelity bond or an adequate crime policy that protects the applicant from an employee crime. Coverage may be provided either for all individual positions or persons, or through "blanket" coverage providing protection for all appropriate employees and/or officials. The amount of coverage required by USDA Rural Development will be sufficient to cover the total annual debt and
- reserve service requirements for the loan. The United States of America will be named as co-obligee on the bond. A certified power-of-attorney with effective date will be attached to each bond. Provide USDA Rural Development with a copy of the bond and the power of attorney.
6. Civil Rights & Equal Opportunity— The borrower has received an award of Federal funding and is required to comply with U.S. statutory and public policy requirements, including but not limited to:
- a. Section 504 of the Rehabilitation Act of 1973 — Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Agency financial assistance. The Standard for compliance is the Architectural Barriers Act Accessibility Standards (ABAAS).
 - b. Civil Rights Act of 1964 — All recipients are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*) and 7 CFR 1901, Subpart E, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.

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- c. The Americans with Disabilities Act (ADA) of 1990 — This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications.
- d. Age Discrimination Act of 1975 — This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
- e. Limited English Proficiency (LEP) under Executive Order 13166 - LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally-assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. The recipient must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information the recipient provides. These protections are pursuant to Executive Order 13166 entitled, "Improving Access to Services by Persons with Limited English Proficiency" and further affirmed in the USDA Departmental Regulation 4330-005, "Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA."
- f. Controlled Substances Act - Even though state law may allow some activities, as a recipient of Federal funding, you are subject to the Controlled Substances Act. Specific questions about the Controlled Substances Act should be directed to the
Servicing Official who will contact the Office of General Counsel, as appropriate.

Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. The recipient must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor the recipient's compliance with these requirements during regular compliance reviews.

As a recipient of Rural Development funding, you are required to post a copy of the NonDiscrimination Statement listed below in your office and include in full, on all materials produced for public information, public education, and public distribution both print and non-print.

Non-Discrimination Statement

"This institution is an equal opportunity provider and employer."

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at <https://www.ocio.usda.gov/document/ad-3027>, or at any USDA office, or call (866) 6329992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

If the material is too small to permit the full statement to be included, the material at a minimum includes the statement in print size no smaller than the text that "This institution is an equal opportunity provider and employer."

7. Written Agreements for Professional Services

- a. The legal service agreement submitted by Young, Morphis, Bach, & Taylor, LLP is satisfactory to USDA Rural Development.
- b. An Agreement for Architectural Services with CBSA Architects will have to be approved by USDA Rural Development.
- c. Agreement for Project Manager Services will have to be approved by USDA Rural

Development

9. Land and Rights-of-Way—The applicant must present satisfactory evidence that they have obtained, or can obtain, any and all lands, rights-of-way, easements, permits and franchises which are required by the architectural/engineering plan. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation and Real Property Acquisition Act. The following forms, copies of which are attached, may be used for these purposes:

o Form RD 442-21, "Right-of-Way Certificate" (with map attached) o Final as-built will be required

10. System Policies. Procedures, Contracts. and Agreements — The facility must be operated on a sound business plan which involves adopting policies, procedures, and/or ordinances outlining the conditions of service and use of the proposed system.

- a. Conflict of Interest Policy — Prior to obligation of funds, you must certify in writing that your organization has in place up-to-date written standards of conduct covering conflict of interest. The standards of conduct must include disciplinary actions in the event of a violation by officers, employees, or agents of the borrower. The standards identified herein apply to any parent, affiliate or subsidiary organization of the borrower that is not a state or local government, or Indian Tribe. Policies and accompanying documents shall be furnished to Rural Development upon request.

You must also submit a disclosure of planned or potential transactions related to the use of Federal funds that may constitute or present the appearance of personal or organizational conflict of interest. Disclosure must be in the form of a written letter signed and dated by the applicant's official. A negative disclosure in the same format is required if no conflicts are anticipated.

Sample conflict of interest policies may be found at the National Council of Nonprofits website, <https://www.councilofnonprofits.org/tools-resources/conflict-ofinterest> or in Internal Revenue Service Form 1023, Appendix A, "Sample Conflict of Interest Policy," at <http://www.irs.gov/pub/irs-pdf/i1023.pdf>. Though these examples reference non-profit corporations, the requirement applies to all types of Agency borrowers.

Assistance in developing a conflict of interest policy is available through Agencycontracted technical assistance providers if desired,

- b) Contracts for Other Services/Lease Agreement — Drafts of any contracts or other forms of agreements for other services, including audit, management, operation, and maintenance, or lease agreements covering real property essential to the successful operation of the facility, must be submitted to the Agency for review and concurrence prior to advertising for bids.

11. Permits—All permits involving Federal, State, and local agencies must be obtained and evidence thereof provided to USDA Rural Development prior to bidding. All permits involving Federal, State, and local agencies must be obtained and evidence thereof provided to USDA Rural Development prior to the start of the construction phase of the project.

12. Environmental Reviews— The project as proposed has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local laws, regulations and or permits may apply or be required. During any stage of project development, including construction, should environmental issues develop which require mitigation measures, USDA Rural Development applicants are required to notify USDA Rural Development and comply with such mitigation measures. Failure by an applicant to implement mitigation measures may disqualify the project from Agency funding. Mitigation measures identified or prepared as part of the State Environmental Act if applicable and NEPA environmental process must be implemented. If the project or any project element deviates from or is modified from the originally approved project, additional environmental review may be required.

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- Mitigation Measure #1 — Historic Preservation: The contractor must follow and maintain a copy of the Agency's inadvertent discovery plan (attached) onsite for review as a condition of obligation in order to address any historic properties inadvertently discovered or affected during construction. Any excavation by the contractor that uncovers a historical or archaeological artifact or human remains shall be immediately reported to the owner and a representative of the Agency. Construction shall be temporarily halted pending the notification process and further directions issued by Agency after consultation with the State Historic Preservation Officer (SHPO). During the ground disturbance phase of the project, the Catawba Indian Nation and Cherokee Nation must be notified if Native American artifacts and /or human remains are located.
- Mitigation Measure #2 — Threatened and Endangered Species/Biological Resources: In order for this project to not adversely impact species listed as Threatened or Endangered, the following measures must be taken:
 - To protect the northern long-eared bat (*Myotis septentrionalis*)'s summer roosting habitat, all tree-clearing activities must occur between October 15th and April 1st.
 - To protect the dwarf-flowered heartleaf (*Hexastylis naniflora*), the contractor must flag areas of suitable habitat prior to construction activities and all such activities must avoid those areas. Sediment and erosion control measures will also be implemented to prevent surface run-off and sedimentation in off-site areas.
 - If the tricolored bat (*Perimyotis subflavus*) is listed as Endangered before the completion of this project, the applicant will contact the USFWS (and copy the Agency) before the effective date of the listing (typically 30 days after the listing is posted in the Federal Register) for further consultation.
 - The contractor shall comply with the Endangered Species Act, which provides for the protection of endangered and/or threatened species and critical habitat. Should any evidence of the presence of endangered and/or threatened species or their critical habitat be brought to the attention of contractor, the contractor will
 - immediately report this evidence to Owner and a representative of Agency.
 - Construction shall be temporarily halted pending the notification process and further directions issued by Agency after consultation with the USFWS.
- Mitigation Measure #3 — Wetlands: When disposing of excess, spoil, or other construction materials on public or private property, Contractor shall not fill in or otherwise convert wetlands. A formal wetland delineation of the proposed project area has been completed.
- Mitigation Measure #4 — Floodplains: When disposing of excess, spoil, or other construction materials on public or private property, Contractor shall not fill in or otherwise convert 100-year floodplain areas (Standard Flood Hazard Area) delineated on the latest Federal Emergency Management Agency Floodplain Maps, or other appropriate maps, e.g., alluvial soils on NRCS Soil Survey Maps.
- Mitigation Measure #5 -- Environmental Risk Management: The proposed project does not include any land disturbing activities within the existing abandoned mill facility and storage building property (2743038327). All existing structures, grassed areas, paved parking areas, concrete building pads, or other engineered barriers will be left in place. No soils from this area are planned to be transported off-site or relocated on-site because of the proposed project. Groundwater use, either through drinking water wells or irrigation wells, is not planned for the proposed project. All water requirements for the property will be made available by the Town of Valdese public water system.

13. Architectural and Construction

- a. USDA Rural Development must approve any agreements or modifications to agreements for professional planning and design services. AIA Document "Standard Form of Agreement

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Between owner and Architect," may be used when appropriate or other Agency approved forms of agreement

- b. All construction will be completed under contract. The planning, bidding, contracting, and construction must comply with 7 CFR 1942, Subpart A, and any additional requirements of the State's law and the requirements of other County, State, or Federal agencies.
- c. The following must be reviewed and approved by USDA Rural Development in the sequence indicated:
 - i. Preliminary Architectural Report
 - ii. Agreement for Architectural Services
 - iii. Final Plans and Specifications for the project
 - iv. Draft/Construction Bid Documents, prior to Going Out to Bid
 - v. Bid Award Information.
 - vi. Executed Contract Documents
- d. Affirmative steps should be taken to assure that small, minority and/or women-owned businesses are utilized as source of supplies, equipment, construction, and services.
- e. The Plans & Specifications must be reviewed and approved, when applicable, by any regulatory or other agencies that are required to review these documents.
- f. A representative of USDA Rural Development will attend all pre-construction conferences in connection with this project. These conferences must be held prior to the issuance of the Notice to Proceed to the contractors. The applicant's architect will conduct the conference and document the discussions and agreements.

14. BUILD AMERICA, BUY AMERICA ACT (BABAA)

The borrower must comply with the provisions of the Build America, Buy America Act (the "Act"). Pub. L. No. 117-58, §§ 70901-52, enacted on November 15, 2021. The Act requires that "none of the funds made available for a Federal financial assistance program for infrastructure may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States." Borrowers of an award of Federal financial assistance from a program for infrastructure are hereby notified that none of the funds provided under this award may be used for a project for infrastructure unless:

- a. All iron and steel used in the project are produced in the United States. This means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;
- b. All manufactured products used in the project are produced in the United States.
This means the manufactured product was manufactured in the United States, and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and
- c. All construction materials are manufactured in the United States. This means that all manufacturing processes for the construction material occurred in the United States.

The BABAA requirement applies to the entirety of an infrastructure project, even if only a portion of the project is funded by Federal funds. The requirement applies to each product, manufactured good, or construction material incorporated in the project.

14.1. Definitions

Construction Materials—include an article, material, or supply—other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives— that is or consists primarily of:

- non-ferrous metals;
- plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
- glass (including optic glass); • lumber; or • drywall.

Domestic Content Procurement Preference—means all iron and steel used in the project are produced in the United States; the manufactured products used in the project are produced in the United States; or the construction materials used in the project are produced in the United States.

Infrastructure—includes, at a minimum, the structures, facilities, and equipment for, in the United States, roads, highways, and bridges; public transportation; dams, ports, harbors, and other maritime facilities; intercity passenger and freight railroads; freight and intermodal facilities; airports; water systems, including drinking water and wastewater systems; electrical transmission facilities and systems; utilities; broadband infrastructure; and buildings and real property. Infrastructure also includes structures, facilities, and equipment that generate, transport, and distribute energy, including electric vehicle (EV) charging stations. "Infrastructure" has a broad interpretation and the definition provided is illustrative and not exhaustive.

Manufactured Product—Items assembled out of components, or otherwise made or processed from raw materials into finished products. Manufactured products must be manufactured (assembled) in the United States, and the cost of components that were mined, produced, or manufactured in the United States must be greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation.

Manufacturer's Certification—Documentation provided by a manufacturer, certifying that the items provided by manufacturer meet the domestic preference requirements of the Act.

Project—means the construction, alteration, maintenance, or repair of infrastructure in the United States.

14.2. Compliance

The borrower must comply with the provisions of the Build America, Buy America Act (BABAA). Pub. L. No. 117-58, 70901-52, enacted on November 15, 2021.

By accepting these conditions, the borrower attests that they or their designee(s) will maintain documentation for BABAA provisions to indicate compliance.

Minimum records include certifications from manufacturers, the architect/engineers, and the prime contractor. Supporting documentation includes purchasing records and notes and photos taken by the Resident Project Representative (RPR)/ Resident Inspector (RI). Documentation must be available and reviewable upon request.

14.3. Evidence Standards

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For each item to which BABAA applies (every item permanently installed on the project, except for aggregate and aggregate binding materials), a manufacturer's certification letter or other document demonstrating compliance is required. It must, at a minimum, identify the item being certified (short written description as well as part number, if applicable) and affirm that the item complies with BABAA. This document must be signed by an authorized company representative. The manufacturer may submit a letter on letterhead or provide other evidence acceptable to the Agency.

Architects and Engineers WE.)

The need to comply with BABAA will be spelled out in agreements for ME services, construction contracts, and procurement contracts. Generally, the A/E contract will include, as a basic service, obtaining and maintaining all BABAA documentation (particularly manufacturers' certifications) during construction, which shall be transferred to the borrower upon substantial completion of the project. The architect or engineer should certify in writing to the completeness and accuracy of the manufacturers' certifications.

Resident project representative (RPR) / Resident inspector (RI)

As part of their duties, RPR/RI will be instructed to verify items delivered to the site and installed are accompanied by documentation of compliance with BABAA. They will photograph items as appropriate. RPR/RI daily logs and photographs will become part of the construction record and can be used as supporting information during audits, providing evidence for items that are buried or otherwise inaccessible.

Contractors

The construction contract(s) will include a requirement to procure and install only items that comply with BABAA or are subject to a waiver approved by the Secretary of Agriculture or designee. The contractors are to provide manufacturers' certifications for all BABAA compliant items to the architect/engineer no later than with applications for payment. At substantial completion, the contractor will be required to certify that all items used on the contract complied with BABAA and that all manufacturers' certifications were provided to the architect/engineer.

14.4.Obtaining Waivers under the BABA Act

The Secretary of Agriculture or a designee may grant waivers to the procurement requirements under the following conditions:

- (1) Nonavailability. The Secretary of Agriculture or delegate determines that the iron, steel or relevant manufactured goods or construction materials are not produced or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality.
- (2) Unreasonable cost. The Secretary of Agriculture or delegate determines that the inclusion of domestic iron, steel, or relevant manufactured goods will increase the cost of the overall project by more than 25%.
- (3) Inconsistent with public interest. The Secretary of Agriculture or delegate determines that the application of these restrictions would be inconsistent with the public interest.

14.5. BABAA Waivers for Rural Development

A waiver of the domestic procurement requirement for a specific product in a specific infrastructure project may be obtained upon a satisfactory showing of evidence that the waiver is warranted by a borrower and a recommendation by the Agency. Waivers of the procurement requirement are granted by the Secretary of Agriculture or by a designee of the Secretary. The requirements are posted publicly at the USDA OCFO website: USDA Buy America Waivers for Federal Financial Assistance | USDA located at <https://www.usda.gov/ocfo/federal-financial-assistancepolicy/USDABuyAmericaWaiver>

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Before submitting a request for waiver, borrower should determine whether they qualify for agency-wide public interest waivers that have already been approved by USDA. One such public interest waiver is referred to as the "De Minimis, Small Grants, and Minor Components" waiver, which has three parts. De Minimis is intended to prevent restrictions on the procurement of materials and products that represent a small portion of an infrastructure project, specifically no more than 5% of the project costs up to a maximum of \$1 from hindering the overall project. Small Grants exempts projects below the Federal Simplified Acquisition Threshold of \$250,000 (the grant section also applies to small loans and loan guarantees). The Minor Components provision of the waiver exempts miscellaneous components of iron and steel that make up no more than 5% of the total cost of an iron or steel product used in a project.

15. Electronic Funds Transfer—All loan funds will be transferred to borrowers via Electronic Funds Transfer/Automated Clearinghouse Systems (EFT/ACH). Normal transfers will be ACH, with money being placed in Borrower's account two business days after the USDA processing office approves the pay request. The applicant must submit the Electronic Funds Transfer Form containing the banking (ACH) information to the USDA Servicing Office at least 90 days prior to the date of loan closing. Failure to do so could delay loan closing.
16. Automatic Payments—The applicant is required to participate in the Pre-Authorized Debit (PAD) payment process for all new and existing indebtedness to USDA Rural Development. It will allow for the applicant's payment to be electronically debited from its account on the date their payment is due. Form RD 3550-28, "Authorization Agreement for Pre-Authorized Payments," is attached. Please fill out and sign your "Individual/Company Information" section, then have your financial institution/bank fill out the bottom portion prior to submitting the form to the USDA Rural Development service office.
17. Loan Closing—The permanent loan will be closed in accordance with USDA Rural Development instructions, the legal requirements of the USDA Office of General Counsel, and this Letter of Conditions. All applicable closing documents, including draft security documents, must be submitted to USDA Rural Development at least 90 days prior to the planned closing date. Prior to loan closing, a request for reimbursement must be submitted to USDA with all the supporting invoices.
18. Operating Budget— Prior to loan closing, USDA Rural Development must review the applicant's approved operating budget. The budget must balance and include the proposed USDA debt service and reserve obligations. Each year the USDA loan is outstanding, the applicant will adopt an annual budget which provides for the annual debt service and reserve payments.
19. System for Award Management Registration and Unique Entity ID—You as the recipient must maintain the currency of your information in the System for Award Management (SAM) until you submit the final financial report required under this award and all grant funds under this award have been disbursed or de-obligated, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term. Recipients can register on-line at (<https://www.sam.gov>) You as the recipient may not make a sub-award to an entity unless the entity has provided its Unique Entity ID from SAM.gov to you.
20. Suspension and Debarment Screening — You will be asked to provide information on the principals of your organization. Agency staff must conduct screening for suspension and debarment of the entity, as well as its principals through the Do Not Pay Portal.
 - a. Principal —
 - i. An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or
 - ii. A consultant or other person, whether or not employed by the participant or paid with federal funds, who —
 1. Is in a position to handle federal funds;
 2. Is in a position to influence or control the use of those funds; or,

Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction. (2 CFR §180.995)

21. Litigation. You are required to notify the Agency within 30 days of receiving notification of being involved in any type of litigation prior to loan closing or start of construction, whichever occurs first. Additional documentation regarding the situation and litigation may be requested by the Agency.

SECTION 11. LOAN CONDITIONS TO BE SATISFIED DURING CONSTRUCTION

- I. Inspections—A full-time resident inspector/project manager is required during construction unless a written exception is made by the Agency upon your written request. This service is to be provided by the consulting architect or other arrangements as approved by the Agency. Prior to the pre-construction conference, a resume of qualifications of the resident inspector(s) will be submitted to the owner and Agency for review and approval. The owner will provide a letter of acceptance for all proposed observers to the architect and Agency. The inspection reports must be available to USDA, Rural Development for review at any time. These reports must be kept at the project site or borrower's office, if nearby.
2. Monthly Reporting—The applicant must monitor and provide a monthly report to USDA Rural Development on actual performance during construction for each project financed, or to be financed, in whole or in part with USDA Rural Development funds, to include Forms RD 1924-18, "Partial Payment Estimate"; RD 1924-7, "Contract Change Order"; SF-270, "Request for Advance or Reimbursement" (non-construction); SF-271, "Outlay Report and Request for Reimbursement for Construction Programs"; and Project Daily Inspection Reports.
3. Final Inspection—A final inspection will be made by USDA Rural Development on the component USDA is financing before final payment is made.
4. Excess Funds—Any remaining funds must be utilized for approved purposes within 60 days following the final inspection or the funds will be canceled without further notification from USDA Rural Development.

SECTION 111. LOAN CONDITIONS TO BE SATISFIED AFTER PROJECT COMPLETION

- I. Financial Statements—To be submitted on an annual basis in accordance with the following:
 - a. 2 CFR Part 200, Subpart F establishes audit requirements that borrowers and grantees must follow. Borrowers and grantees who expend \$750,000 or more in Federal awards in their fiscal year, have CF loan balances totaling \$750,000 or more, or a combination of the two must submit an audit in accordance with 2 CFR 200, Subpart F.

Federal funds expended during a borrowers fiscal year: 2 CFR Part 200, Subpart F requires a borrower that expends \$750,000 or more in Federal awards in their fiscal year to submit a single or program-specific audit. A CF direct loan, guaranteed loan, and/or grant, or any combination thereof, are considered Federal awards.

Grantees: Grantees that expend \$750,000 or more in a year in Federal awards must have an audit conducted in accordance with 2 CFR Part 200, Subpart F except when the grantee elects to have a program specific audit conducted.

Prior loan and loan guarantees: 2 CFR Part 200, §200.502(b) establishes the basis for including loan and loan guarantees (loans) on the Schedule of Expenditures of Federal Awards (SEFA). The value of new loans made or received during the audit period plus the beginning of the audit

period balance of loans from previous years for which the Federal Government imposes continuing compliance requirements must be reported on the SEFA. CF Program loans require its borrowers to meet continuing compliance requirements. Continuing compliance requirements that CF borrowers must meet include, but are not limited to, funding reserves, maintaining insurance, deposit funds in Federally insured banks, meet financial covenants, maintain sufficient debt service ratios, comply with civil rights requirements, and comply with additional requirements established as part of the loan approval process.

Borrowers and grantees must submit audits within nine months from the end of the borrower's fiscal year or 30 days after receipt from the auditor, whichever is earlier. The audited financial statements must be submitted to the Federal Audit Clearinghouse.

- b. All borrowers exempt from the audit requirements cited in I (a) above, and who do not otherwise have annual audits, will within 60 days following the end of the borrower's fiscal year furnish Rural Development with annual financial statements, consisting of a verification of the organizations, balance sheet and statement of income and expenses.

Grantees exempt from the audit requirements cited in I (a) above, and who do not otherwise have annual audits, will within 60 days following the end of the fiscal year in which any grant funds were expended furnish Rural Development with annual financial statements consisting of a verification of the organizations, balance sheet and statement of income and expenses.

The borrower/grantee may use Forms RD 442-2 "Statement of Budget, Income and Equity" and 442-3 "Balance Sheet", or similar format to provide the financial information. For borrowers using Form RD 442-2, the dual purpose of fourth quarter management reports, when required, and annual statements of income will be met with this one submission.

2. Quarterly Reports—A quarterly management report will be required for the first year for new borrowers and for all borrowers experiencing financial or management problems for one year from the date problems were noted. If the borrower's account is current at the end of the year, the processing office may waive the required reports. The recipient may use Form RD 442-2 or similar format to provide this information, and the reports are to be signed by the appropriate borrower official and submitted within 30 days of each quarter's end.
3. Audit agreement—If you are required to obtain the services of a licensed Certified Public Accountant (CPA), you must enter into a written audit agreement with the auditor. The audit agreement may include terms and conditions that you and auditor deem appropriate.
4. Limitations of Additional Debt- You will not borrow any money from any source or enter into any contract or agreement or incur any other liabilities in connection with making extensions or improvements to the Facility, exclusive of normal maintenance, without obtaining the prior written consent of the Agency.
5. Compliance Reviews—Rural Development will be required to periodically conduct a compliance review of this facility and operation. Compliance reviews will be completed one year after loan closing and every three years thereafter. You will need to provide the local office the statistical information as requested.

The Agency will conduct regular compliance reviews of the borrower and its operation in accordance with 7 CFR Part 1901, Subpart E, and 36 CFR 1.191, Americans with Disabilities Act (ADA) Accessibility Guidelines for Buildings and Facilities; Architectural Barriers Act (ABA) Accessibility Guidelines. Compliance reviews will typically be conducted in conjunction with the security inspections described in this letter. If beneficiaries (users) are required to complete an application or screening for the use of the facility or service that the recipient provides, the recipient must request and collect data by race (American Indian or Alaska Native, Asian, Black or African American, White); ethnicity (Hispanic or Latino, Not Hispanic or Latino); and by sex. The Agency will utilize this data as part of the required compliance review.

6. Continuation of Financing Statement- At the time of renewal (every 5 years) the borrower must provide a \$10.00 (or applicable filing fee) check payable to the Secretary of State (fee subject to

change based on current Secretary of State fee schedule) for the continuation of the Financing Statement until the loan is paid in full.

7. Security Inspections—Rural Development is required to conduct an inspection of the facility a minimum of once every three years. The recipient must participate in these inspections and provide the required information.
8. Graduation—You may be required to refinance (graduate) the unpaid balance of the RD loan, in whole or in part, if at any time RD determines your entity is able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time, the recipient will be requested to refinance. The ability to refinance will be assessed every other year for those loans that are five years old or older.
9. Prepayment and Extra Payments - Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower, with no penalty.

Security instruments, including bonding documents, must contain the following language regarding extra payments, unless prohibited by State statute:

Prepayments of scheduled installments, or any portion thereof may be made at any time at the option of borrower. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Agency debt, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of borrower to pay the remaining installments as scheduled in your security instruments.

10. Financial Covenants

- a) Beginning in the First Full Year of 2026, a debt service coverage ratio (DSCR) of a least 1.10 will be maintained with debt service to include the loan payments plus all required reserves. If the DSCR drops below 1.10 for any audited year, or quarterly financial report, then an independent management consultant shall be engaged at the expense of the Applicant to prepare a fiscal strategy report that documents how the debt service requirement will be met. This must be provided to the Agency no later than 90 days after any quarter in which the DSCR drops below 1.10.

Debt service coverage is defined as net income plus depreciation and amortization expense plus interest expense on structured debt divided by the sum of all structured debt payments including required reserve payments still due.

DISCUSSION: Councilwoman Hildebran asked what the timeline would be for the loan closing. Mr. Lattanzi estimates an 18-24 month process for construction. After the construction is completed, the USDA will officially close the loan, pay off the construction loan, and then the permanent loan with USDA begins. Mr. Lattanzi explained that the first payment would not be due until one year after the loan's closing date. Councilman Mears asked if the interest rates would possibly go down. Mr. Lattanzi explained that USDA looks at the interest rate twice, one now in the process and the second at the closing. If the rate does go down at the time of closing, the Town Manager will have to write a letter to the USDA asking for the lower rate. Mr. Lattanzi shared that accepting this letter does not obligate the Town; the official approval would not be until construction was done at the closing. Councilwoman Hildebran noticed that everything is American-made and wondered if that was new. Mr. Lattanzi shared that a new regulation was passed about two years ago but was delayed until February 2023. Councilwoman Hildebran is pleased that the Town great staff in place to work through this process. Town Manager Seth Eckard will provide Council weekly/biweekly updates once the project starts. Mr. Lattanzi noted that all Town business would be filtered through the Town Manager.

APPROVED LOAN RESOLUTION: Mr. Lattanzi asked Mayor Watts to read the Loan Resolution to Council.

BE IT RESOLVED

That the Town Counsel of the Town of Valdese accepts the conditions set forth in a Letter of Conditions dated March 16, 2023, and the "Loan Resolution" dated March 16, 2023; that the Town Council adopt the Operating Budget for the Town of Valdese that will meet all budgeted operations, replacement, and debt service expenses associated with the ~~Stinger Park Project~~ Public Safety Project.

That the Town Manager and Town Clerk be authorized to execute all forms necessary to obtain a loan from Rural Development, but not limited to the following forms:

Form RD 1942-46	Letter of Intent to Meet Conditions
Form RD 1940-1	Request For Obligations of Funds
Form RD 1942-47	Loan Resolution
Form RD 400-1	Equal Opportunity Agreement
Form RD 400-4	Assurance Agreement
Form RD 442-7	Operating Budget

That if the interest rate charged by Rural Development should change between this date and the date of actual approval, the Town Manager be authorized to execute new forms reflecting the current interest rate and revised payments as required by Rural Development.

That the Town Manager elects to have the interest charged by Rural Development to be the lower of the rate in effect at either the time of loan approval or loan closing.

The Town Manager hereby agrees to abide by the mitigation requirements in the Letter of Conditions.

This resolution is to become a part of the official minutes of the Town Council meeting held on March 16, 2023

MOTION MADE BY: Timothy Barus and
SECONDED BY: Timothy Skidmore THAT THE RESOLUTION
BE APPROVED.

MOTION PASSED 4 FOR AND 0 AGAINST.

BY: Town of Valdese

Attest: Jessica Lail (Date) 3/16/2023 BY: Jessica Lail Town Clerk (TYPE NAME AND TITLE)

TOWN OF VALDESE
INCORPORATED
1920
NORTH CAROLINA

Councilman Barus made a motion to accept the resolution, seconded by Councilman Skidmore. The vote was unanimous.

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After a brief discussion on the condition of the current public safety building, the special called meeting was adjourned.

ADJOURNMENT: At 11:24 a.m., Councilwoman Hildebran made a motion to adjourn, seconded by Councilman Barus. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, April 3, 2023, at 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

jl

TOWN OF VALDESE
ANNUAL COUNCIL/DEPARTMENT HEAD BUDGET RETREAT
THURSDAY, MARCH 23, 2023 & FRIDAY, MARCH 24, 2023

The Valdese Town Council met on Thursday, March 23, 2023, and Friday, March 24, 2023, at 9:00 a.m., for the Annual Budget Retreat, Old Rock School, Waldensian Room, 400 Main Street West, Valdese, North Carolina. The following members were present: Mayor Charles Watts, Councilwoman Frances Hildebran, Councilman Tim Barus, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, and Councilman Paul Mears. Also present: Town Manager Seth Eckard, Town Clerk Jessica Lail, and Department Heads.

Absent: None

A quorum was present; however, no action was taken.

DAY 1 – MARCH 23, 2023

CALL TO ORDER At 9:00 a.m., Mayor Watts opened the meeting with an invocation and led in the Pledge of Allegiance to the Flag. Mayor Watts welcomed everyone and thanked the staff for all the planning that went into the budget retreat. Mayor Watts shared several goals he would like to see for the future. Mayor Watts would like to maintain staff's high level of service, personnel recruitment and retention, our current Capital Improvement Plan(CIP), and street paving while using taxpayer monies wisely, consistently, and conservatively.

Town Manager Seth Eckard reviewed the Town's 2022 Annual Statistics:

Administration • 4,867 population • 7.87 square miles • 73 full time employees • 9 town departments • 60 zoning permits issued • 19 zoning permits for new home construction • 10 industries	Police • 168,230 patrol miles • 19,623 CAD logged events • 7,369 security checks • 6,181 extra patrols • 608 community policing contacts • 107 traffic accidents reports • 45 written warning citations • 417 verbal warning traffic stops • 353 traffic citations issued • 201 arrests made	Recreation • 7 unique facilities tennis/pickleball courts, 2 gyms, year around pool, bowling alley, & fitness center, 3 ball fields • 319 weekly fitness center visitors • 2 miles crushed cinder greenway • 353 acres of recreation parks • 26 classes weekly • 708 participants in youth athletics • 145 facility reservations • 502 pool/fitness memberships • 9 trails
Community Affairs • 35 season performances at Old Rock School • 18 times the stage at Temple Field was used last year • 14 events in downtown • 87 businesses (downtown district) Restaurants = 8 Retail = 21 Industry & Commercial = 5 Health & Wellness = 15 Automotive = 6 Misc. Services = 32 • 624 events at the Old Rock School • 27,184 Old Rock School attendance • 122,386 social media followers • 6,040 e-newsletter subscribers with 36% open rate • 154,238 website visits	Fire • 4 primary emergency response vehicles • 3 support vehicles • 287 fire inspections with 1,046 violations • 200 fire responses • 478 medical responses • 1,804 training hours	Public Works • 3 buildings • 2 mowers • 37.5 miles of streets • 1 cemetery • 30 pieces of equipment Ex. 2 dump trucks, 2 brush trucks, 1 trash, 2 flat-beds, 1 water truck, sand spreader truck • 1466 work orders completed
 TOWN OF VALDESE NORTH CAROLINA 2022 Annual Statistics Valdese, in the heart of Burke County is located in the foothills of Western North Carolina "where the Piedmont meets the Mountains." The Catawba River traverses Burke County west to east creating a wide valley and Lake Rhodhiss. Founded on the rich traditions of 19th century Waldensian settlers, the Town of Valdese honors the heritage and determination of the Waldenses with its historic attractions, parks and annual events. Find out more at townofvaldese.com		
	Utilities • Water Plant Capacity: 12 million gals/day • Waste Water Plant Capacity: 7.5 million gals/day • 5,324 water customers • 164 miles of water line • 5 pump stations (water resources) • 4 water tanks 2 - 250,000 gallon tanks, 1 - 500,000 gallon tank, 1 - 2,000,000 gallon tank • 65 miles of sewer line • 36 new water taps	

UTILITY FUND OVERVIEW Assistant Town Manager/CFO Bo Weichel provided an overview of the Town's utility fund balance, debt services, and budget challenges. Mr. Weichel shared that the unassigned fund balance for last year was in the amount of \$2,845,266, with a 50% fund balance percentage of expenditures. Mr. Weichel shared that this was an increase of \$1,100,000, or 18% of expenditures. Mr. Weichel identified items that will affect this year's fund balance. Mr. Weichel identified challenges for the upcoming year, with one being the increase of the Town's portion of retirement moving from 12.16% to 12.91%, which is state-mandated.

UTILITY DEPARTMENTS Water Resources Director Greg Padgett shared that the Utility Departments consist of Collections & Distribution Systems, Water Treatment Plant, and Wastewater Treatment Plant. Mr. Padgett said that each department would share its presentations.

COLLECTIONS & DISTRIBUTION SYSTEM Public Works Director Allen Hudson identified obstacles that the Collections & Distribution department faces due to the price increase of materials. In addition, he shared the proposed water/sewer tap fee increases.

WATER TREATMENT PLANT Water Plant Superintendent Eric Wilson presented all the locations of the Town's pump stations and water tanks and explained the water flushing and sampling process. Mr. Wilson highlighted the recent Water Plant projects that are a part of the Capital Improvement Plan.

WASTEWATER TREATMENT PLANT Water Resources Director Greg Padgett shared that the Wastewater Plant is looking into chlorine disinfection alternatives due to the rising costs. Mr. Padgett went over the sampling process and provided an overview of all the pump stations that the Wastewater employees manage. Mr. Padgett identified various projects that have been completed and showed Council the rate dashboard on the NC Water Infrastructure Environmental Quality website of where we should be with water and sewer rates. Mr. Padgett encourages everyone to visit <https://dashboards.efc.sog.unc.edu/nc> to review it.

CAPITAL IMPROVEMENTS PLAN WATER & SEWER RATE STUDY R.J. Mozeley with McGill Associates provided updates on projects in progress, upcoming projects, and went over why developing a Capital Improvement Plan(CIP) is important. Mr. Mozeley explained to Council that the CIP list items are either for a regulatory requirement, viability of equipment, efficiency, and growth causing the need to expand. Dale Schepers with McGill Associates provided an overview of market considerations, which have increased over the years. Mr. Mozeley noted that looking at the overall market in planning for utilities is important. Mr. Schepers reviewed the Water and Sewer Utility Fund Summary Financial Analysis and Funding Awards Summary. Mr. Schepers explained that an increase in water and sewer rates would need to occur. Mr. Schepers shared the current and proposed water and sewer rates based on the projected numbers. Mr. Schepers recommends an 8% residential increase, 8% for wholesale, and an 8% increase for commercial and industrial increase for this coming year. The sewer increase would be 8% across the board. This would be a \$3.60 increase in residential monthly bills. Mr. Schepers noted that it is important not to defer costs because of escalates of emergency repairs. Mr. Mozeley reviewed water bill comparisons for Valdese and neighboring communities showing FY 22-23 rates and the anticipated percentage increases for FY 23-24. Mr. Mozeley reminded Council that the CIP guides in decision-making, budgeting, and operations.

Councilwoman Hildebran asked if this proposed 8% increase was due to the inflation we are seeing today because a 4% increase was recommended last year. Mr. Mozeley said yes. Councilman Mears asked if the Triple community could pay more than our Valdese citizens. Town Manager Seth Eckard shared that the original contract stated that the Triple community had to pay the same, but it may be something staff could re-visit and discuss with the Town Attorney. Councilwoman Hildebran is concerned with the thoughts of an 8% increase due to the conversations she continues to have with her constituents. Councilman Barus feels the same based on all the other additional costs on the bill. Council members discussed what it would look like for a 4% or 6% increase. Mr. Mozeley shared to keep in mind that if do not increase now, the increases would more than likely be more significant next year. Mr. Mozeley will provide Council with a rate comparison increasing by 4% and 6%.

EMPLOYEE BENEFITS Town Manager Seth Eckard shared a possible plan for employee recruitment and retention. Mr. Eckard is requesting that we update the pay plan, and increase the starting salaries by 10%. Mr. Eckard explained that anyone below the minimal salary would be brought up to the new minimum. Mr. Eckard would also like to bring back retiree insurance for full-time employees who have completed at least 25 years of employment with the Town of Valdese but are not yet eligible for Medicare. Mr. Eckard would like to sunset this benefit, so any employees hired after June 30, 2026, will not qualify for this benefit. Council discussed other ways we could improve recruitment and retention.

GENERAL FUND OVERVIEW Assistant Town Manager/CFO Bo Weichel provided an overview of the Town's general fund balance, debt services, and budget challenges. Mr. Weichel shared that the unassigned fund balance for last year was in the amount of \$5,569,974, with a 113% fund balance percentage of expenditures. Mr. Weichel shared that this was an increase of \$1,270,297, or 20% of expenditures from the prior year. Mr. Weichel identified items that will affect this year's fund balance. Mr. Weichel identified challenges for the upcoming year and shared that we do not have employee insurance rates yet but should by the April budget workshop.

COMMUNITY AFFAIRS Community Affairs Director Morrissa Angi shared the annual statistics on community outreach and engagement, showing an additional increase of 44,201 visits to the website from 2021. Ms. Angi shared ideas for new Town of Valdese welcome signs, downtown streetscape improvements, and wayfinding signs. Ms. Angi informed the Council of the many events and projects that Community Affairs completed this year. Ms. Angi finished her presentation with requests for FY 2023-2024, including repairs to the clock tower and the front stairs at the Old Rock

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School and an increase to the current fee schedule and lease rates at Old Rock School. Council members would like to see staff raise funds for the clock tower repairs.

PARKS & RECREATION Parks and Recreation Director David Andersen discussed various local and state organizations that the department had collaborated with this past year that brought more opportunities to Parks & Recreation. Mr. Andersen gave an overview of the updates to the gymnasium, locker rooms, lobby area, and pool boilers. Mr. Andersen identified departmental challenges and shared ways to expand revenues, such as increasing facility rentals. In addition, the Council discussed increasing Recreation fees for patrons living outside of the Town limits. Mr. Andersen shared budget highlights and CIP projects for FY 23-24.

At 3:00 p.m., Mayor Watts closed the meeting and continued it to Day 2.

DAY 2 CONTINUED – MARCH 24, 2023

CALL TO ORDER At 9:00 a.m., Mayor Watts continued the meeting with an invocation and led in the Pledge of Allegiance to the Flag.

POLICE DEPARTMENT Police Chief Jack Moss shared the Police Department accomplishments for FY 22-23, identified objectives, and budget needs for FY 23-24. Chief Moss shared that the Police Department recorded 19,623 CAD logs and shared other stats, such as security checks, incident reports, traffic accidents, and arrests made.

PLANNING DEPARTMENT Planning Director Larry Johnson provided an overview of zoning permits, housing development updates, rental housing projects, and items the Planning Board is working on. Mr. Johnson shared that the Planning Department and Planning Board has a big project coming to work on re-zoning the Downtown Business Corridor. Mr. Johnson has been working on creating a Unified Development Ordinance and showed Council an example of what it will look like compared to the current format. Mr. Johnson shared that he has no new funding request for the next FY but shared improvements that the Council will need to consider in the future.

FIRE DEPARTMENT Assistant Fire Chief Truman Walton shared departmental accomplishments. Assistant Chief Walton also provided an overview of calls and activities throughout FY 22-23 at the Fire Department. Assistant Chief Walton shared operational budget increases and reviewed capital improvement needs for the next four years. Assistant Chief Walton informed Council of all the existing programs the Fire Department is involved in and possibly offering a community CPR/First Aid class in the future.

PUBLIC WORKS Public Works Director Allen Hudson gave an overview of the services provided by Public Works. Mr. Hudson shared the need for the upcoming FY. Mr. Hudson discussed the extra trash that Public Works has to pick up around town. The excess trash is due to citizens overflowing their trash bins. Council discussed ways to improve the process. Mr. Hudson recommended a \$75.00 charge to citizens who need to use the flatbed truck to help cover the cost of fuel, maintenance, and land field fees.

FINANCE DEPARTMENT Assistant Town Manager/CFO Bo Weichel shared the proposed ten-year General Fund Capital Improvement Plan.

Copies of department presentations are located on the Town of Valdese website.

ADJOURNMENT At 12:38 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilman Barus. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, April 3, 2023, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

jl

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
APRIL 3, 2023**

The Town of Valdese Town Council met on Monday, April 3, 2023, 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 Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent: None

A quorum was present.

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

OPEN FORUM/PUBLIC COMMENT: Mayor Pro Tem Frances Hildebran read the Rules & Procedures for Public Comment:

Rule 5. Public Comment

Any individual or group who wishes to address the council shall inform the town clerk, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Comments should be limited to five minutes per speaker.

RECOGNITION OF DRAUGHN HIGH SCHOOL'S WOMEN'S TENNIS TEAM Parks & Recreation Director David Andersen introduced the DHS Women's Tennis Team coach, Kelsey Houser. Coach Houser shared highlights of the year - the tennis team earned conference champions, conference tournament singles/doubles champions, named conference player of the year, Katie Cozort, and all six seated players were all-conference and qualified for regionals. Coach Houser thanked the Council for recognizing the team.

RECOGNITION OF DRAUGHN HIGH SCHOOL'S WOMEN'S BASKETBALL TEAM Parks & Recreation Director David Andersen introduced the DHS Women's Basketball Team coach, Coach Taylor. Coach Taylor shared that the basketball team finished third in the conference and made it to the fourth round in the State playoffs, the first time in school history of making it that far. Coach Taylor identified players that were named all-conference. Coach Taylor thanked the Council for recognizing the team.

RECOGNITION OF DRAUGHN HIGH SCHOOL'S VOLLEYBALL TEAM Parks & Recreation Director David Andersen introduced Leah Lail, who has helped coach the DHS Volleyball Team in the past. Ms. Lail shared that the volleyball team was 9-3 in the conference, won the conference championship, and went the furthest they had ever gone in the state playoff run. Ms. Lail thanked the Council for recognizing the team.

Mayor Watts thanked all the coaching staff and the parents for supporting the students.

No comments from the public.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF MARCH 6, 2023

APPROVED SPECIAL MEETING MINUTES OF MARCH 16, 2023

APPROVED BUDGET RETREAT MINUTES OF MARCH 23 & 24, 2023

APPROVED SUNDAY, APRIL 9, 2023 AS TAX LIEN ADVERTISING DATE FOR REAL PROPERTY

APPROVED REQUEST FROM AMERICAN LEGION POST 234 TO SELL ALCOHOL: The Ladies Auxiliary has been authorized to sell beer at the Independence Day Celebration on June 30, 2023, from 5:00 p.m. until 11:00 p.m.

APPROVED REQUEST FROM BURKE SUNRISE ROTARY TO SELL ALCOHOL: The Burke Sunrise Rotary has been authorized to sell beer at the 2023 Waldensian Festival events on August 11, 2023, from 5:00 p.m. until 11:00 p.m. and April 12, 2023, from 3:00 p.m. until 10:00 p.m.

APPROVED REQUEST FROM OLD COLONY PLAYERS TO SELL ALCOHOL: The Old Colony Players has been authorized to partner with The Levee Brewery and Pub to sell beer and wine(Hard Cider) at the "Shrek, the Musical" performance on April 21, 22, 27, 28, 29, 2023, & May 4, 5, 6, 2023, at 7:30 p.m., at the Fred B. Cranford Amphitheatre.

APPROVED DATE FOR PUBLIC HEARING DATE FOR RE-ZONING OF LAKESIDE PARK, MONDAY, MAY 1, 2023

Councilman Mears made a motion to approve the aforementioned items on the Consent Agenda, seconded by Councilman Barus. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

INTRODUCTION OF NEW EMPLOYEE: Fire Chief Greg Stafford introduced new Fire Engineer Ethan Woody.

PRESENTATION FROM FOOTHILLS BROADBAND, LLC: Mayor Watts moved the presentation to Thursday, April 6, 2023, at the 6:00 p.m. Council Budget Workshop.

LEASE AGREEMENT WITH FOOTHILLS BROADBAND, LLC: Mayor Watts moved the lease agreement to Thursday, April 6, 2023, at the 6:00 p.m. Council Budget Workshop.

APPROVED LOAN RESOLUTION FOR CLINE PUMP STATION: Water Resources Director Greg Padgett introduced a resolution to accept funds from the State of North Carolina (DEQ) in the amount of \$1,176,000 for the Cline Pump Station renovations. Mr. Padgett shared that the Town has had numerous issues with the infiltration and inflow on the Cline Pump Station for the last 15 years. Mr. Padgett explained the next step is to go out for bid once the state approves the bid packet. Councilwoman Hildebran asked what the conditions of the loan were. Mr. Padgett said 1.10% for 20 years. Mr. Padgett identified different issues at the pump station and felt this would address many needs. Mr. Padgett reminded Council that this is a loan and there is no grant available for the Town of Valdese. Mr. Padgett said we did not qualify for a grant due to the five economic indicators we do not meet. Town Manager Seth Eckard shared that we always apply to at least try for a grant.

RESOLUTION BY VALDESE, TOWN COUNCIL

WHEREAS, the North Carolina Clean Water Revolving Loan and Grant Act of 1987 has authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment works, wastewater collection systems, and water supply systems, water conservation projects, and

WHEREAS, the North Carolina Department of Environmental Quality has offered a State Reserve Loan in the amount of \$1,176,000 for the replacement of two (2) 200 gpm submersible pumps with two (2) 360 gpm submersible duplex pumps and 1,570 LF of 6-inch FM with 1,570 LF of 8-inch FM; installation of approximately 470 LF of 8-inch FM. Replacement of approximately 2,610 LF of 8-inch gravity sewer and 12 manholes; and rehabilitation of 15 manholes.

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WHEREAS, the Town of Valdese intends to construct said project in accordance with the approved plans and specifications,

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF VALDESE:

That the Town of Valdese does hereby accept the State Reserve Loan offer of \$1,176,000.

That the Town of Valdese does hereby give assurance to the North Carolina Department of Environmental Quality that all items specified in the loan offer, Section II - Assurances will be adhered to.

That Mr. Seth Eckard, Valdese Town Manager, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That Town of Valdese has substantially complied or will substantially comply with all Federal, State and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted the 3rd day of April 2023.

/s/ Charles Watts, Mayor

ATTEST:

/s/ Town Clerk

Councilwoman Hildebran made a motion to approve the aforementioned Resolution, seconded by Councilman Skidmore. The vote was unanimous.

APPROVED RESOLUTION AUTHORIZING APPLICATION FOR GRANT FUNDING: STORMWATER:

Water Resources Director Greg Padgett introduced a resolution to apply for funding up to \$400,000 for a planning study of the condition of the Town's stormwater pipes.

RESOLUTION BY GOVERNING BODY OF APPLICANT

WHEREAS, The Town of Valdese has need for and intends to construct, plan for, or conduct a study in a project described as (Assessment of the Town's Stormwater System), or give a brief description of the project(s) in the application(s), and

WHEREAS, The Town of Valdese intends to request Local Assistance for Stormwater Infrastructure Investments (LASII) Planning Studies for the project,

NOW THEREFORE BE IT RESOLVED, BY THE TOWN COUNCIL OF THE TOWN OF VALDESE:

That Town of Valdese, the **Applicant**, will arrange financing for all remaining costs of the project, if approved for Local Assistance for Stormwater Infrastructure Investments (LASII) Planning Study grant award.

That the **Applicant** will provide for efficient operation and maintenance of the project on completion of construction thereof.

That the **Applicant** will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the **Applicant** agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the Town of Valdese to make a scheduled repayment of the loan, to withhold from the Town of Valdese any State funds that would otherwise be distributed to the local

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government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

If applying for a regional project, that the **Applicant** will partner and work with other units of local government or utilities in conducting the project, including N/A

That Mr. Seth Eckard, Valdese Town Manager, the **Authorized Representative**, and successors so titled, is hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a loan and/or grant to aid in the study of or construction of the project described above.

That the **Authorized Representative**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, ordinances, and funding conditions applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the April 3rd, 2023 at Valdese, North Carolina.

(Signature of Mayor)

Charles Watts, Town Mayor

(Title)

FORM FOR CERTIFICATION BY THE RECORDING OFFICER

The undersigned duly qualified and acting Town Clerk of the Town of Valdese does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the Town Council of the Town of Valdese duly held on the 3rd day April 2023; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20 ____.

(Signature of Recording Officer)

Jessica Lail, Town Clerk

Title of Recording Officer

Councilman Mears made a motion to approve the aforementioned Resolution, seconded by Councilman Barus. The vote was unanimous.

APPROVED RESOLUTION AUTHORIZING APPLICATION FOR GRANT FUNDING: LEAD SERVICE LINES: Water Resources Director Greg Padgett shared with Council that the EAP is requiring all utilities to complete an inventory of all the water service lines by October 16, 2024. Mr. Padgett introduced a resolution to apply for funding up to \$400,000 to help create this process. This would identify where all the lead is in our system.

RESOLUTION BY GOVERNING BODY OF APPLICANT

WHEREAS, The Town of Valdese has need for and intends to construct, plan for, or conduct a study in a project described Lead Service Line Inventory and Assessment, and

April 3, 2023, MB#32

WHEREAS, The Town of Valdese intends to request DWI Assistance for Lead Service Line Replacement Funding,

NOW THEREFORE BE IT RESOLVED, BY THE TOWN COUNCIL OF THE TOWN OF VALDESE:

That Town of Valdese, the **Applicant**, will arrange financing for all remaining costs of the project, if approved for Local Assistance Solicitation to apply for Lead Service Line Replacement funding.

That the **Applicant** will provide for efficient operation and maintenance of the project on completion of construction thereof.

That the **Applicant** will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the **Applicant** agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the Town of Valdese to make a scheduled repayment of the loan, to withhold from the Town of Valdese any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

If applying for a regional project, that the **Applicant** will partner and work with other units of local government or utilities in conducting the project, including N/A

That Mr. Seth Eckard, Valdese Town Manager, the **Authorized Representative**, and successors so titled, is hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a loan and/or grant to aid in the study of or construction of the project described above.

That the **Authorized Representative**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, ordinances, and funding conditions applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the April 3rd, 2023 at Valdese, North Carolina.

Signature of Mayor

Charles Watts, Town Mayor
(Title)

FORM FOR CERTIFICATION BY THE RECORDING OFFICER

The undersigned duly qualified and acting Town Clerk of the Town of Valdese does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the Town Council of the Town of Valdese duly held on the 3rd day April 2023; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 20____.

(Signature of Recording Officer)

Jessica Lail, Town Clerk

Title

Councilwoman Hildebran made a motion to approve the aforementioned Resolution, seconded by Councilman Skidmore. The vote was unanimous.

APPROVED RESOLUTION OF SALE OF TOWN-OWNED PROPERTY: Assistant Town Manager/CFO Bo Weichel shared that in October 2022, Council adopted a Resolution for authorizing upset bids of town-owned property located at 408 & 409 Pineburr Ave SE. Mr. Weichel shared that we had ten upset bids, and we have an offer from W.C. Erwin in the amount of \$112,000.00. Councilwoman Hildebran asked how much we paid for the land and how much it cost to demolish the mill. Mr. Weichel said we paid \$98,000.00, and it would cost \$500,000.00 to demolish the mill. Councilwoman Hildebran feels that this is a win-win for the Town.

RESOLUTION AUTHORIZING SALE OF REAL PROPERTY

Sale of 3.645 Acre Tract at 408 Pineburr Ave SE, Valdese, NC

Sale of 0.40 Acre Tract at 409 Pineburr Ave SE, Valdese, NC

WHEREAS, W.C. Erwin ("**Buyer**") offered to purchase from the Town of Valdese (the "**Town**") for the sum of \$112,000.00 certain property located at 408 Pineburr Ave SE & 409 Pineburr Ave SE, Valdese, North Carolina (the "**Property**"), which is described as follows:

Being all of that 3.645 acre tract or parcel of real property being identified as Parcel A on that plat entitled "Recombination Plat for: Town of Valdese," dated September 28, 2022 and revised October 3, 2022, prepared by Jason N. Gasperson, NC PLS L-5267, and being recorded in Plat Book 60, Page 61, Burke County Registry, to which reference is hereby made for greater certainty in description.

ADDRESS: 408 Pineburr Avenue, SE, Valdese, NC 28690
DEED REF: Book 2540, Page 374, Burke County Public Registry
REID NO.: 33227
PIN NO.: PIN No.: 2743038327

Being all of that 0.41 acre tract or parcel of real property being identified as Tract No. 2 on that plat entitled "Property of Alba-Waldensian, Inc.," dated January 13, 1970, prepared by R. A. Childres, a Reg. Land Surveyor, and recorded in Plat Book 5, Page 95, Burke County Registry, to which reference is hereby made for greater certainty in description.

ADDRES: 409 Pineburr Avenue, SE, Valdese, NC
DEED REF: Book 2540, Page 371, Burke County Public Registry
REID NO.: 30873
PIN NO.: 2743037173

WHEREAS, at its October 3, 2022 regular meeting, the Town council adopted a Resolution Authorizing Upset Bid Process proposing to accept this offer;

WHEREAS, as required by N.C.G.S. § 160A-269, the Town council directed Town representatives to publish notice of the Town's intent to accept the offer and notice that persons could raise the bid, and that notice was published;

WHEREAS, no upset bids were received within the ten (10) day upset bid period, and the \$112,000.00 offer made by Buyer is the last and highest bid for the Property; and

WHEREAS, the Town does not need the Property, and the Town therefore desires to accept the offer made by Buyer and sell the Property to Buyer upon the terms hereafter set forth; and

WHEREAS, the Buyer will be responsible for all legal fees associated with the closing documents necessary to transfer ownership from the Town to the Buyer.

IT IS THEREFORE RESOLVED that, pursuant to N.C.G.S. § 160A-269, the sale of the Property to Buyer for the purchase price of \$112,000.00 is approved; that the Property shall be sold “as is” and subject to all existing easements; that the Town shall reserve easements for all Town utility lines located on or under the property, if any; and that the Town manager is authorized and directed to deliver to Buyer a special warranty deed for the Property upon receipt of the purchase price, subject to the above terms and conditions.

THIS RESOLUTION IS ADOPTED this 3rd day of April, 2023.

/s/ Charles Watts, Mayor

ATTEST:

/s/ Town Clerk

Councilwoman Hildebran made a motion to approve the aforementioned Resolution, seconded by Councilman Barus. The vote was unanimous.

MANAGER’S REPORT: Town Manager Seth Eckard made the following announcements:

Town Council Budget Workshop Dinner Meeting, Thursday, April 6, 2023, Valdese Town Hall, Community Room, 6:00 p.m.

Town Offices closed Friday, April 7, 2023 in observance of Good Friday Holiday

NCDOT Biannual Cleanup Drive - Spring Litter Sweep, April 15-29, 2023

Town Council Budget Workshop #2 Meeting (if needed), Tuesday, April 18, 2023, Valdese Town Hall, Community Room, 6:00 p.m.

OCP Production: Shrek The Musical, Show Dates April 21-22 & 27-29, 2023, 7:30 p.m., and May 4-6, 2023, 7:30 p.m.; visit www.oldcolonyplayers.com for more information and to purchase tickets.

Spring Craft Market, Saturday, April 29, 2023, ORS Temple Field, 9:00 a.m., special music by: The Brothers’ Cooperative from 10:00 a.m. – 12:00 noon, and Lost Wages from 1:00 p.m. – 3:00 p.m.

MAYOR AND COUNCIL COMMENTS: Councilman Barus recognized the Fire Department for rescuing a father and young daughter who fell from McGalliard Falls. Councilman Barus thanked the employees that were involved in saving their lives.

Councilman Mears reminded citizens that we had a Budget Retreat a few weeks ago and felt like it was a well-planned meeting with great presentations from the staff. Councilman Mears encouraged everyone to come to the meetings. Councilwoman Hildebran feels that this Budget Retreat was one of the best ones that we have had in many years and thanked the Department Heads for the great job they continue to do.

Town Manager Seth Eckard witnessed Police Sergeant Beck going out of his way to interact with the public positively, and Mr. Eckard appreciated the community policing.

ADJOURNMENT: At 6:35 p.m., there being no further business to come before Council, Councilman Barus made a motion to adjourn, seconded by Councilman Mears. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, May 1, 2023, 6:00 p.m.

Town Clerk

Mayor

jl

TOWN OF VALDESE
TOWN COUNCIL MEETING - BUDGET WORKSHOP
APRIL 6, 2023

The Town of Valdese Town Council met on Thursday, April 6, 2023, at 6:00 p.m., in the Community Room at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, Community Affairs Director Morrissa Angi, and Parks & Recreation Director David Andersen.

Absent: None

A quorum was present.

Others present: RJ Mozeley, McGill & Associates, Dwayne Wilson of Dwayne Wilson Insurance & Financial Services, Zachary Chiz, Foothills Broadband, LLC

Mayor Watts opened the meeting with an invocation, led in the Pledge of Allegiance to the Flag, and invited members of Council to enjoy dinner catered by Twin Brother's Pizza.

UTILITY CIP DISCUSSION RJ Mozeley with McGill & Associates recapped the history of the Capital Improvement Plan with the Town of Valdese and answered general questions from Council. Mr. Mozeley presented Council with three proposed adjustments, as requested, regarding the water/sewer rates. Mr. Mozeley shared three Financial Model Output Summaries showing scenarios of a 4% increase across the board, a 4% increase in FY24 with a catch-up, and a 6% increase in FY24 then a catch-up in the Water/Sewer Utility Fund. Mr. Mozeley explained that if we continue to keep the rates as is and run a loss, it would eventually get the attention of the Local Government Commission. Council members discussed their concerns with the different scenarios and requested more time to consider the rates.

Town of Valdese Water and Sewer Utility Fund
Financial Model Output Summary - FISCAL YEAR 2024
Scenario 1: 4% Across the Board

Revenue

Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Operating Revenue Existing Rates	5,194,000	5,265,000	5,332,000	5,400,000	5,470,000	5,541,000	5,613,000	5,687,000	5,762,000	5,838,000	5,916,000
New Revenue (Cumulative amount)		208,000	418,000	632,000	847,000	1,066,000	1,288,000	1,512,000	1,739,000	1,970,000	2,203,000
Projected Operating Revenue	5,194,000	5,473,000	5,750,000	6,032,000	6,317,000	6,607,000	6,901,000	7,199,000	7,501,000	7,808,000	8,119,000
Expenses											
Operating Expenses	4,742,000	4,794,000	4,994,000	5,132,000	5,275,000	5,425,000	5,581,000	5,743,000	5,913,000	6,091,000	6,276,000
Capital Outlay	914,000	504,000	660,000	533,000	384,000	284,000	157,000	561,000	315,000	152,000	236,000
Existing Debt Service	361,000	361,000	360,000	480,000	498,000	481,000	479,000	477,000	475,000	472,000	471,000
Projected Debt Service	-	-	82,000	307,000	762,000	899,000	879,000	998,000	1,030,000	1,005,000	980,000

Percent Increase Applied

Overall Revenue Adjustment	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
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Financial Outcomes

Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Expenses to Cover	6,017,000	5,659,000	6,096,000	6,452,000	6,819,000	7,089,000	7,096,000	7,779,000	7,733,000	7,720,000	7,963,000
Difference / (Shortage)		(186,000)	(346,000)	(420,000)	(502,000)	(482,000)	(195,000)	(590,000)	(232,000)	88,000	156,000

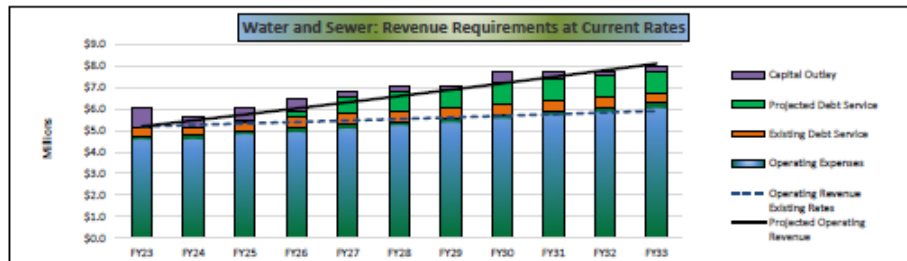
Effect on Customer Bills

Combined Residential Bill 3,000 gal	\$44.50	\$46.35	\$48.25	\$50.20	\$52.30	\$54.45	\$56.65	\$59.00	\$61.40	\$63.90	\$66.50
Monthly Combined Residential Bill Change		\$1.85	\$1.90	\$1.95	\$2.10	\$2.15	\$2.20	\$2.35	\$2.40	\$2.50	\$2.60

Financial Indicators

Fund Balance Tracker	2,845,000	2,659,000	2,313,000	1,893,000	1,391,000	909,000	714,000	134,000	(98,000)	(10,000)	146,000
Fund Balance % of Expenses to Cover	47%	47%	38%	29%	20%	13%	10%	2%	-1%	0%	2%

Summary Chart



Water/Sewer 10-Year Capital Investment

Description	Total CIP	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Water Treatment	11,086,000	76,000	4,794,300	158,300	49,900	-	-	139,000	21,000	5,610,700	236,300
Wastewater Treatment	8,523,000	175,000	2,259,100	142,900	5,184,800	176,400	157,000	172,000	104,100	152,000	-
Distribution / Collection	8,392,000	252,700	910,600	2,731,500	149,600	1,807,900	-	1,750,000	790,000	-	-
Total Water/Sewer CIP	28,001,000	503,700	7,964,000	3,032,700	5,384,300	1,984,300	157,000	2,061,000	915,100	5,762,700	236,300

Town of Valdese Water and Sewer Utility Fund **Financial Model Output Summary - FISCAL YEAR 2024** **Scenario 2: 4% in FY24 with Catch-Up**

Revenue

Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Operating Revenue Existing Rates	5,194,000	5,265,000	5,332,000	5,400,000	5,470,000	5,541,000	5,613,000	5,687,000	5,762,000	5,838,000	5,916,000
New Revenue (Cumulative amount)		208,000	839,000	1,159,000	1,429,000	1,648,000	1,869,000	2,094,000	2,321,000	2,551,000	2,785,000
Projected Operating Revenue	5,194,000	5,473,000	6,171,000	6,559,000	6,899,000	7,189,000	7,482,000	7,781,000	8,083,000	8,389,000	8,701,000

Expenses

Operating Expenses	4,742,000	4,794,000	4,994,000	5,132,000	5,275,000	5,425,000	5,581,000	5,743,000	5,913,000	6,091,000	6,276,000
Capital Outlay	914,000	504,000	660,000	533,000	284,000	284,000	157,000	561,000	315,000	152,000	236,000
Existing Debt Service	361,000	361,000	360,000	480,000	498,000	481,000	479,000	477,000	475,000	472,000	471,000
Projected Debt Service	-	-	82,000	307,000	762,000	899,000	879,000	998,000	1,030,000	1,005,000	980,000

Percent Increase Applied

Overall Revenue Adjustment	4%	12%	6%	5%	4%	4%	4%	4%	4%	4%	4%
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Financial Outcomes

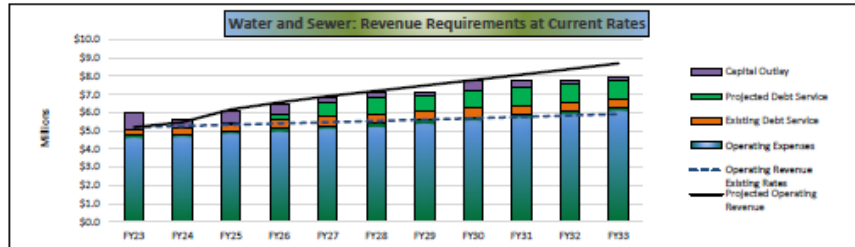
Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Expenses to Cover	6,017,000	5,659,000	6,096,000	6,452,000	6,819,000	7,089,000	7,096,000	7,779,000	7,733,000	7,720,000	7,963,000
Difference / (Shortage)		(186,000)	75,000	107,000	80,000	100,000	386,000	2,000	350,000	669,000	738,000

Effect on Customer Bills

Combined Residential Bill 3,000 gal	\$44.50	\$46.35	\$51.95	\$55.15	\$57.95	\$60.35	\$62.80	\$65.35	\$68.00	\$70.75	\$73.65
Monthly Combined Residential Bill Change		\$1.85	\$5.60	\$3.20	\$2.80	\$2.40	\$2.45	\$2.55	\$2.65	\$2.75	\$2.90

Financial Indicators

Fund Balance Tracker	2,845,000	2,659,000	2,734,000	2,841,000	2,921,000	3,021,000	3,407,000	3,409,000	3,759,000	4,428,000	5,166,000
Fund Balance % of Expenses to Cover	47%	47%	45%	44%	43%	43%	48%	44%	49%	57%	65%

Summary Chart**Water/Sewer 10-Year Capital Investment**

Description	Total CIP	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Water Treatment	11,086,000	76,000	4,794,300	158,300	49,900	-	-	139,000	21,000	5,610,700	236,300
Wastewater Treatment	8,523,000	175,000	2,259,100	142,900	5,184,800	176,400	157,000	172,000	104,100	152,000	-
Distribution / Collection	8,392,000	252,700	910,600	2,731,500	149,600	1,807,900	-	1,750,000	790,000	-	-
Total Water/Sewer CIP	28,001,000	503,700	7,964,000	3,032,700	5,384,300	1,984,300	157,000	2,061,000	915,100	5,762,700	236,300

Town of Valdese Water and Sewer Utility Fund **Financial Model Output Summary - FISCAL YEAR 2024** **Scenario 3: 6% in FY24 then Catch-Up**

Revenue

Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Operating Revenue Existing Rates	5,194,000	5,265,000	5,332,000	5,400,000	5,470,000	5,541,000	5,613,000	5,687,000	5,762,000	5,838,000	5,916,000
New Revenue (Cumulative amount)		312,000	839,000	1,159,000	1,429,000	1,648,000	1,869,000	2,092,000	2,320,000	2,550,000	2,783,000
Projected Operating Revenue	5,194,000	5,577,000	6,170,000	6,559,000	6,899,000	7,187,000	7,481,000	7,779,000	8,082,000	8,388,000	8,699,000

Expenses

Operating Expenses	4,742,000	4,794,000	4,994,000	5,132,000	5,275,000	5,425,000	5,581,000	5,743,000	5,913,000	6,091,000	6,276,000
Capital Outlay	914,000	504,000	660,000	533,000	284,000	284,000	157,000	561,000	315,000	152,000	236,000
Existing Debt Service	361,000	361,000	360,000	480,000	498,000	481,000	479,000	477,000	475,000	472,000	471,000
Projected Debt Service	-	-	82,000	307,000	762,000	899,000	879,000	998,000	1,030,000	1,005,000	980,000

Percent Increase Applied

Overall Revenue Adjustment	6%	10%	6%	5%	4%	4%	4%	4%	4%	4%	4%
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Financial Outcomes

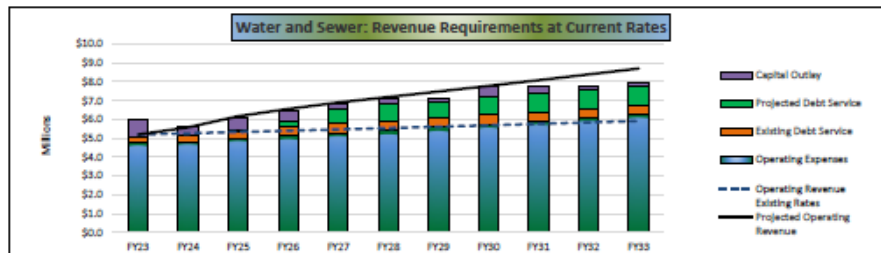
Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Expenses to Cover	6,017,000	5,659,000	6,096,000	6,452,000	6,819,000	7,089,000	7,096,000	7,779,000	7,733,000	7,720,000	7,963,000
Difference / (Shortage)		(82,000)	74,000	106,000	79,000	98,000	385,000	-	349,000	668,000	736,000

Effect on Customer Bills

Combined Residential Bill 3,000 gal	\$44.50	\$47.20	\$51.95	\$55.15	\$57.95	\$60.35	\$62.80	\$65.35	\$68.00	\$70.75	\$73.65
Monthly Combined Residential Bill Change		\$2.70	\$4.75	\$3.20	\$2.80	\$2.40	\$2.45	\$2.55	\$2.65	\$2.75	\$2.90

Financial Indicators

Fund Balance Tracker	2,845,000	2,763,000	2,837,000	2,943,000	3,022,000	3,120,000	3,505,000	3,505,000	3,854,000	4,522,000	5,258,000
Fund Balance % of Expenses to Cover	47%	49%	47%	46%	44%	44%	49%	45%	50%	59%	66%

Summary Chart**Water/Sewer 10-Year Capital Investment**

Description	Total CIP	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Water Treatment	11,086,000	76,000	4,794,300	158,300	49,900	-	-	139,000	21,000	5,610,700	236,300
Wastewater Treatment	8,523,000	175,000	2,259,100	142,900	5,184,800	176,400	157,000	172,000	104,100	152,000	-
Distribution / Collection	8,392,000	252,700	910,600	2,731,500	149,600	1,807,900	-	1,750,000	790,000	-	-
Total Water/Sewer CIP	28,001,000	503,700	7,964,000	3,032,700	5,384,300	1,984,300	157,000	2,061,000	915,100	5,762,700	236,300

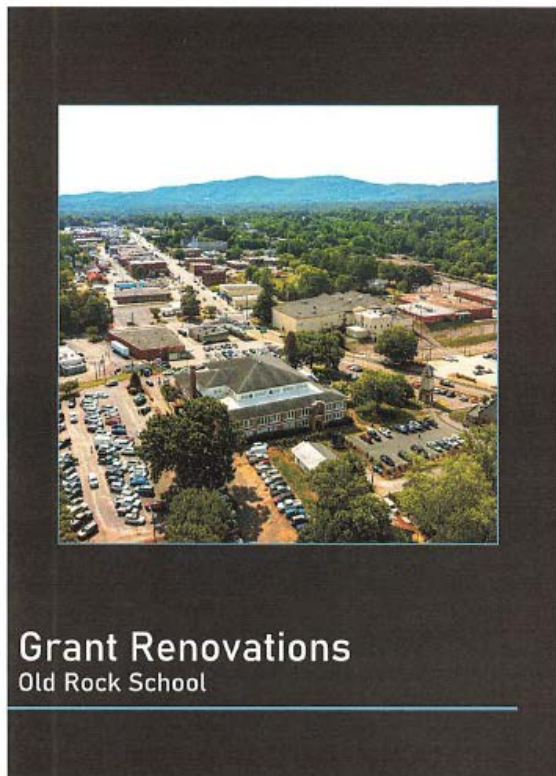
EMPLOYEE HEALTH INSURANCE UPDATE Dwayne Wilson of Dwayne Wilson Insurance & Financial Services discussed Blue Cross Blue Shield's first renewal quote for Medical insurance, which showed a 33% increase in the premiums. Mr. Wilson has it down to 27%. Mr. Wilson said there were some significant high claims, and he will need to shop out other providers. Mr. Wilson will come back to the April 18, 2023, Council Workshop with the outcomes and other creative options to decrease the rates. Mr. Wilson shared that the Life and Vision insurance will stay the same, but we will see a 5% increase in the Dental insurance.

COMMUNITY AFFAIRS PROJECTS

GATEWAY SIGNS: Community Affairs Director Morrissa Angi presented Council with two concept renderings of Town Gateway signs in different colors. Ms. Angi shared that we would need four signs. Council members agreed on an option and asked Ms. Angi to follow-up with a final quote.

VILLAGE PARK MURAL: Ms. Angi discussed the current issues with the Village Park Mural that is showing signs of aging and peeling throughout the mural. Ms. Angi shared that the mural was not appropriately prepped or sealed in 2003, which is causing the deterioration. Ms. Angi has had three different muralists look at the mural, and no one wants to touch it. The muralist that completed it has deceased. Ms. Angi gave the Council solutions to revamp the wall. Those options include scraping the wall clean, selling the property through an upset bid process, or installing canvas prints that could be changed out with the seasons but still honoring the Town's heritage. Ms. Angi explained that the Town owns the wall that the mural is on but not the building. Ms. Angi will provide Council with quotes on the canvas solution for future discussion but will go ahead and move the fencing in front of the building for safety purposes.

OLD ROCK SCHOOL: Ms. Angi feels we need to have a huge fundraiser for the Old Rock School renovations to make the grant funds go as far as possible. This fundraiser would coincide with the 100th-year celebration of the Old Rock School. Ms. Angi shared that the improvements to the Clock Tower would stay in the Capital Improvement Plan. After a brief discussion, Council would like Ms. Angi to start fundraising for the renovations.



ARC – Appalachian Regional Commission	\$60,000
Rural Transformation Fund Grant	\$850,000
Private Contributions	\$60,000
	\$970,000

Renovation Includes:

- Front Lobby Restroom Expansion
- Auditorium Seating & Flooring
- ADA Ramp to Stage
- 3rd Floor Renovation with restrooms (storage to office space)
- West Side Restroom Renovation
- Fire Door Replacements

Equipment Upgrades

- Wi-Fi Upgrades
- Meeting Space Cabinetry & Furnishings
- Tech Upgrades (5 Meeting Spaces)

Construction Timeline – March & April 2024

FY 23-24 PROPOSED RATE STRUCTURE & FEE SCHEDULES Assistant Town Manager/CFO Bo Weichel reviewed the current and proposed rate structures, which were also presented at the budget retreat. Parks & Recreation Director David Andersen went over fee increases for facilities, bowling, adding party packages, set uniform athletic fees, and options to increase Aquatic and Fitness memberships. Mr. Andersen would like to simplify the Aquatic and Fitness fee schedule and consolidate the options. Mr. Andersen shared options for increasing non-resident rates, including anyone with a 28690 zip code that lives outside the city limits. Mr. Andersen has identified 37 households that would move to the non-resident rates. Mr. Andersen compared rates from the City of Morganton, Lenoir, and Phifer YMCA. The Council discussed the different options and would like to see a difference in the rates between residents and non-residents.

MISCELLANEOUS DISCUSSIONS Town Manager Seth Eckard reviewed two items discussed at the Budget Retreat. Mr. Eckard reminded Council that we are going to propose in the budget an increase in the longevity benefit cap from \$1,500 to \$2,000. Mr. Eckard also shared that the previously submitted part-time pay for Police and Fire has changed. Mr. Eckard proposed not doing the part-time pay increase for the Police Department Reserve Officers. Mr. Eckard proposed going half of what the Fire Department suggested, going from \$15.00/hr. to \$16.00/hr., and call back from \$6.00/hr. to \$8.00/hr.

PRESENTATION FROM FOOTHILLS BROADBAND, LLC Zachary Chiz with Foothills Broadband, LLC, shared a little about himself and his family and why he is starting Foothills Broadband. Mr. Chiz showed Council a Valdese fiber map showing zero percent coverage. Mr. Chiz explained that many residents are receiving 100/20Mbps with their internet service, and he will be able to provide 100/100Mbps with fiber internet. Mr. Chiz shared that the monthly fee would be \$65.00 and that there were two other options to increase the cost up to \$115.00 monthly. Mr. Chiz shared that he has identified a parcel of land that the Town owns that he would like to lease to place a small building to house equipment. The property is located at 204 Janavel Ave., Valdese. Mr. Chiz presented the following Resolution and Lease agreement for the Council to consider:

**A RESOLUTION AUTHORIZING EXECUTION OF A GROUND LEASE BETWEEN TOWN OF
VALDESE AND FOOTHILLS BROADBAND, LLC FOR TOWN OWNED PROPERTY LOCATED AT
204 JANAVEL AVENUE SW, VALDESE, NORTH CAROLINA PURSUANT TO THE PROVISIONS
OF N.C.G.S. 160A-272**

WHEREAS, the Town of Valdese is the owner of that certain real property (the "Town Property") situated in Lovelady Township, Burke County, North Carolina commonly known as 204 Janavel Avenue SW, Valdese, North Carolina, Parcel I.D. No.: 2733950361, which Town Property is more particularly described in Deed Book 592, Page 904, Burke County Registry; and

WHEREAS, Foothills Broadband, LLC desires to lease from the Town of Valdese and the Town of Valdese desires to lease to Foothills Broadband, LLC the Town Property pursuant to a one-year Ground Lease for use as a central office and storage area for securing and maintaining telecommunication equipment essential for the installation, monitoring, and security of network for broadband services in the Town of Valdese; and

WHEREAS, the Town Property will not be needed by the Town of Valdese for town purposes during the term of the proposed lease; and

WHEREAS, no public notice is required for leases for terms of one year or less pursuant to the provisions of N.C.G.S. 160A-272.

NOW, THEREFORE BE IT RESOLVED, by Council for the Town of Valdese that the Town Property will not be needed by the Town of Valdese during the term of the proposed lease.

BE IF FURTHER RESOLVED, by Council for the Town of Valdese that the Mayor and the Town Clerk are hereby authorized to execute the above-described Lease on behalf of the Town of Valdese with Foothills Broadband, LLC, subject to a pre-audit certificate thereon by the Town Chief Financial Officer, if applicable, and approval as to form and legality by the Town Attorney. The proposed Lease is attached hereto and incorporated herein by reference.

THIS RESOLUTION IS ADOPTED this ____ day of _____, 2023.

/s/ Charles Watts, Mayor

ATTEST:
/s/ Town Clerk

STATE OF NORTH CAROLINA

GROUND LEASE

COUNTY OF BURKE

THIS GROUND LEASE ("Lease") is made as of the ____ day of _____, 2023 by and between the **TOWN OF VALDESE**, a municipal corporation duly organized and existing under the laws of the State of North Carolina ("Lessor"), and **FOOTHILLS BROADBAND, LLC**, a North Carolina limited liability company ("Lessee"). Lessor and Lessee are sometimes referred to herein collectively as the "Parties" and individually as a "Party."

WITNESSETH:

WHEREAS, the Lessor is the owner of that certain real property (the "Town Property") situated in Lovelady Township, Burke County, North Carolina commonly known as 204 Janavel Avenue SW, Valdese, North Carolina, Parcel I.D. No.: 2733950361, which Town Property is more particularly described in Deed Book 592, Page 904, Burke County Registry; and

WHEREAS, Lessee is a private broadband provider or cooperative; and

WHEREAS, in accordance with North Carolina General Statute § 160A-272(c)(3), Lessee seeks to lease from Lessor and Lessor seeks to Lease to Lessee that certain area located on the Town Property described in **EXHIBIT A** attached hereto (the "Premises"), together with all rights, appurtenances, servitudes, charges, easements, rights of ingress and egress, parking, licenses, hereditaments thereto and any improvements presently located thereon, if any, for the operation and use of components of a wired or wireless network in connection with a grant received by the Town pursuant to North Carolina General Statute § 143B-1373 for a discrete and specific project located in an unserved and economically distressed area to provide broadband services to homes, businesses, and community anchor points not currently served; and

WHEREAS, to facilitate the accomplishment of their respective purposes, Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, the Premises upon the terms, provisions and conditions hereinafter set forth in this Lease; and

WHEREAS, on _____, 2023, the Town Council authorized and approved by Resolution/Vote the Premises to be leased subject to the terms, provisions and conditions hereinafter set forth in this Lease.

NOW THEREFORE, for and in consideration of the lease of the Premises, the mutual covenants contained herein and other valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. **DEMISE**. In consideration of the rents hereinafter agreed to be paid and in consideration of the mutual covenants and agreements herein contained, and to be performed by the respective Parties hereto, Lessor does hereby lease and demise unto Lessee, its successors and assigns as hereinafter limited, and Lessee does hereby lease and take as tenant from Lessor the Premises, together with the improvements to be constructed thereon, together with all rights, privileges and easements pertaining thereto.

2. **COMMENCEMENT DATE**. For purposes of this Agreement, "Commencement Date" shall mean April 15, 2023.

3. **TERM**. The term of this Lease shall be one (1) year, commencing on April 15, 2023 and terminating on April 14 2024 (the "Term"), unless sooner terminated hereunder.

4. **USE**. Lessee will use the Premises as the central office and storage area for securing and maintaining telecommunication equipment essential for the installation, monitoring, and security of network for broadband services. Subject to the advance approval of the Lessor as to design, color and material, which will not be unreasonably withheld, and subject to all applicable federal, state and local laws, rules, regulations, codes, ordinances, judgments, decrees, or orders of any state, federal or local government or agency having jurisdiction over the Town Property, the Lease Premises, or any portion thereof ("Applicable Laws"), Lessee may install, at its sole cost and expense, a pre-fabricated building on the Premises, which building will, at all times, be and remain the personal property of Lessee ("Lessee Improvements"). Lessee will also install, at the Lessor's request, a privacy fence on the Premises, which will at all times, be and remain the personal property of Lessee.

5. **DELIVERY OF PREMISES**. Lessor shall deliver possession of the Premises to Lessee as of the Commencement Date. Lessee acknowledges that it has had the opportunity to inspect the Premises. Except as expressly set forth herein, the rights granted hereby by Lessor to Lessee are made and granted without any warranty or representation by Lessor whatsoever, and Lessor hereby disclaims all express and implied warranties, including, without limitation, any warranty of fitness of the Premises for the purpose of use desired by Lessee. Lessee accepts the Premises in their present "AS-IS," "WHERE-IS," and "WITH ALL FAULTS" condition subject to any and all: (a) taxes and assessments which may now or hereafter be assessed against the Town Property; (b) matters of record affecting the Premises or the Town Property lying outside of the Premises; (c) tenants or occupants in possession of the Town Property or any part thereof; (d) matters which would be shown by a current accurate survey of the Town Property or Premises; and (e) all Applicable Laws. Lessee, to the maximum extent permitted by North Carolina law, assumes the

entire risk of all activities conducted or performed by Lessee or on behalf of Lessee on the Premises. Lessor shall have no obligation to make any repairs, alterations, or improvements to the Premises. Lessee will have the right to access the Premises via Janavel Ave SW and will have the right to use the parking lot located on the Town Property adjacent to the Premises in a manner otherwise allowed by the public in general. Lessee's use of the parking, when permitted hereunder, shall not interfere with or obstruct the Lessor's access and/or use of the Town Property and is subject to the absolute and sole discretion of Lessor.

6. RENT.

a. Lessee shall pay to Lessor annual rent payments in the amount of Six Thousand and 00/100 Dollars (\$6,000.00) for each year of the Term of this Lease ("Rent"). Rent shall be payable in installments of Five Hundred and 00/100 Dollars (\$500.00) per month.

b. Rent shall commence on April 15, 2023, and continue on the 15th day of each month thereafter during the Term of this Lease.

c. Payment of all Rent shall be made by check, draft or money order issued and payable to the Lessor and mailed or otherwise delivered to Lessor at the address set forth herein, or such other place as may be designated in writing by the Lessor.

7. REPAIRS AND MAINTENANCE OF LESSEE IMPROVEMENTS. Lessee shall throughout the Term of this Lease, at its own cost and without any expense to Lessor, keep and maintain the Premises in clean order, condition and repair, normal wear and tear excepted. Lessee shall comply with and abide by all Applicable Laws affecting the Town Property and Premises, or any activity conducted thereon by Lessee.

8. UTILITIES. Lessee shall contract in its own name and fully and promptly pay for all water, gas, heat, light, sewage, power, telephone service and other public utilities of every kind that Lessee desires to be furnished to the Premises throughout the Term hereof.

9. REAL ESTATE TAXES AND ASSESSMENTS. For purposes of this Lease, the term "Real Estate Taxes: shall mean all general real estate or personal property taxes and assessments and other ad valorem taxes, rates and levies paid upon or with respect to the Premises, or the Lessee Improvements, for a calendar year, or a portion thereof to any governmental agency, or authority and all charges specifically imposed in lieu of any such taxes. Lessee shall timely pay all Real Estate Taxes attributable to the Premises and Lessee Improvements. In the event Lessor is charged for any Real Estate Taxes attributable to the Premises or Lessee Improvements, Lessee shall promptly pay such Real Estate Taxes within thirty (30) days of receipt from Lessor of the tax bill, or in the alternative, reimburse Lessor upon receipt of a copy of the tax bill and a copy of Lessor's check to the appropriate governmental agency or authority evidencing Lessor's payment thereof to the taxing authority.

10. INSURANCE.

a. From and after the Commencement Date, Lessee shall, at its sole cost and expense, obtain and maintain property insurance covering the Premises and Lessee Improvements in an amount not less than the full replacement cost thereof (less the cost of foundations), with such deductibles and retentions as determined by Lessee in its sole and absolute discretion. Such insurance shall be provided by companies authorized to do business in the State of North Carolina and shall name Lessor as an additional insured.

b. From and after the Commencement Date, Lessee shall maintain with respect to the Premises and Lessee Improvements a policy of commercial general liability insurance covering bodily injury, death and property damage in a commercially reasonable amount not less than \$1,000,000.00 per each occurrence and \$2,000,000.00 in aggregate limits.

c. Lessee shall, within fifteen (15) days after receipt of written request therefor by Lessor, provide Lessor with (i) evidence of such property insurance and (ii) a certificate of such commercial general liability insurance, each naming Lessor as an additional insured or loss payee, as applicable.

d. All insurance shall contain a provision requiring that Lessor will be given written notice of any intent to terminate within sixty (60) days by either the insured or the insurance company.

e. Lessee will provide Lessor with copies of any substantial changes to the policies. Within sixty (60) days prior to the expiration of any such policy, a signed and complete certificate of insurance coverage that has been renewed or extended shall be filed with Lessor.

f. Neither Lessor nor Lessee nor anyone claiming by, through, under or in their behalf shall have any claim, right of action or right of subrogation one against the other for or based upon liability for personal injury or any loss or damage caused by fire, explosion or other casualty relating to the Premises or to any property upon, in, or about the Premises, whether such fire, explosion or other casualty shall arise from the negligence of Lessor or Lessee, their respective agents, representatives or employees, or otherwise.

11. ASSIGNMENT. Lessee shall have the right, without Lessor's consent, to assign, transfer and encumber its interest in the Premises, including the leasehold estate created by this Lease, to (a) any lender as collateral for a loan to Lessee, or (b) any lender or a transferee pursuant to a foreclosure, deed in lieu of foreclosure or otherwise. Any other transfer shall require the written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. In the event Lessee shall be reorganized, merged or consolidated with any other corporation, limited liability company or other business entity, or shall sell all or substantially all of its assets, any resulting or surviving corporation, limited liability company or other business entity, or any other person, which shall, as a result of such reorganization, merger, consolidation or sale, succeed to substantially all of the assets or the business of Lessee, and which shall assume all of the liabilities and obligations of Lessee under this Lease, shall automatically and without the necessity of further assignment or any other act become and be Lessee under this Lease in accordance with and subject to all of the terms, provisions and conditions hereof, including the requirement of obtaining Lessor consent, if applicable. Lessee shall give Lessor notice of any transfer, such notice to include a copy of the original instrument evidencing such transfer.

12. LESSEE'S FINANCING. Subject to the provisions of this Section 12 and provided that Lessee is not in default under this Lease, Lessee shall have the right at all times during the Term, to mortgage, assign, pledge, hypothecate or otherwise encumber all or any portion of Lessee's interests in the Premises, including the leasehold estate created by this Lease, by one or more deeds of trust or other security instruments in favor of any lender, or any financing in conjunction with construction of the Lessee Improvements and the development and operation of the Premises or a sale of the Lessee Improvements or a portion of the Lessee Improvements, including, without limitation, assignments of the profits from the Premises, to secure repayment of any loans, associated obligations, and other obligations of Lessee, for the purposes of interim and long-term financing of the Premises, the construction of new buildings and improvements upon the Premises, any refinancing of any such construction or acquisition financing whether equal to, less than, or in excess of the original financing, with notice to, but without the consent of Lessor. Any Leasehold Mortgage, as hereafter defined, as permitted hereunder and all rights of the mortgagee, beneficiary or security holder thereunder, shall in the event of any foreclosure of such Leasehold Mortgage be subject to all terms, covenants and conditions of this Lease and to all other rights and interests of Lessor under this Lease. In no event shall any Leasehold Mortgage constitute or be deemed to constitute a lien upon the fee estate of Lessor. As used in this Lease, "Leasehold Mortgage" shall mean any deed of trust or other security instrument, including, without limitation, an assignment of the rents, issues and profits from the Premises, which constitutes a lien on the leasehold estate created by this Lease, and "Lender" shall mean a beneficiary of a Leasehold Mortgage.

Notwithstanding anything herein to the contrary, the following provisions shall apply to the protection of any Lender during the continuance of any Leasehold Mortgage and until such time as the lien of any Leasehold Mortgage has been extinguished:

a. Lessor and Lessee shall not agree to any mutual termination or surrender of this Lease, nor shall they amend or modify this Lease, in any material manner, without the prior written consent of all Lenders, which consent shall not be unreasonably withheld, and any termination or surrender of, or material amendment or modification to, this Lease without such prior written consent shall be void. Unless the Lender shall otherwise expressly consent in writing, the fee title to the Premises and the leasehold estate of Lessee therein created by this Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of such fee title and such leasehold estate by Lessor or by Lessee or by a third party, by purchase or otherwise.

b. Notwithstanding any default by Lessee in the performance or observance of any agreement, covenant or condition of this Lease on the part of Lessee to be performed or observed, Lessor shall have no right to terminate this Lease unless an Event of Lessee Default shall have occurred and be continuing, and Lessor shall, subject to subparagraph G. below, have given all Lenders written notice of such Event of Lessee Default, and such Lenders shall have failed to remedy such default or acquire Lessee's leasehold estate created hereby or commence foreclosure or other appropriate proceedings in the nature thereof, all as set forth in, and within the time specified by, this Section 12.

c. Any Lender shall have the right, but not the obligation, at any time prior to termination of this Lease and without payment of any penalty, to pay all of the rents due hereunder, to effect any insurance, to pay any taxes and assessments, including, without limitation, the Real Estate Taxes, as defined above, to make any repairs and improvements, to do any act or thing required of Lessee hereunder, and which may be necessary and proper to be done in the performance and observance of the agreements, covenants and conditions hereof to prevent termination of this Lease. All payments so made and all things so done and performed by any Lender shall be as effective to prevent a termination of this Lease as the same would have been if made, done and performed by Lessee instead of by such Lender. Any Lender of the Premises, and any sublessee, shall not be disturbed by Lessor in the event of any default hereunder or any termination of this Lease or in the event that this Lease is subject to termination for any reason by virtue of Lessee's bankruptcy including the rejection of this Lease by Lessee or any trustee of Lessee in bankruptcy, or by any party under Section 365 of the Bankruptcy Code or any similar Section as a result of Lessee's bankruptcy, as long as (a) such sublessee performs all sublessee's obligations binding upon sublessee under its sublease, (b) such sublessee attorns to Lessor, and (c) any defaults in the payment of any monetary obligations of Lessee under this Lease are cured by any Lender within a reasonable time period not to exceed ninety (90) days.

d. Should any Event of Lessee Default under this Lease occur, any Lender shall have ninety (90) days after receipt of notice from Lessor, subject to subparagraph g. below, setting forth the nature of such Event of Lessee Default, to remedy such default, or if such default cannot be remedied within such ninety (90) day period, within a reasonable period thereafter, provided that the remedy for such default shall have been commenced within such ninety (90) day period and shall thereafter be diligently prosecuted to completion, and if the default is such that possession of the Premises may be reasonably necessary to remedy the default, a reasonable time after the expiration of such ninety (90) period within which to remedy such default, provided that (i) the Lender shall have fully cured any default in the payment of any monetary obligations of Lessee under this Lease within such ninety (90) period and shall continue to pay currently such monetary obligations as and when the same are due and (ii) the Lender shall have acquired Lessee's leasehold estate created hereby or commenced foreclosure or other appropriate proceedings in the nature thereof within such period, or prior thereto, and is diligently prosecuting any such proceedings. All right of Lessor to terminate this Lease as the result of the occurrence of any such Event of Lessee Default shall be subject to, and conditioned upon, Lessor, subject to subparagraph g. below, having first given any Lender written notice of such default and such Lender having failed to remedy such default or acquire Lessee's leasehold estate created hereby or commence foreclosure or other appropriate proceedings in the nature thereof as set forth in and within the time specified by this subparagraph d.

e. Any Event of Lessee Default under this Lease which in the nature thereof cannot be remedied by a Lender shall be deemed to be remedied if (i) within ninety (90) days after receiving written notice from Lessor, subject to subparagraph g. below, setting forth the nature of such Event of Lessee Default, or prior thereto, the Lender shall have acquired Lessee's leasehold estate created hereby or shall have commenced foreclosure or other appropriate proceedings in the nature thereof, (ii) the Lender shall diligently prosecute any such proceedings to completion, (iii) the Lender shall have fully cured any default in the payment of any monetary obligations of Lessee hereunder which do not require possession of the Premises within such ninety (90) day period and shall thereafter continue to faithfully perform all such monetary obligations which do not require possession of the Premises, and (iv) after gaining possession of the Premises, the Lender performs all other obligations of Lessee hereunder excepting however the cure or remedy of such Event of Lessee Default which in the nature thereof cannot be remedied by a Lender.

f. If a Lender is prohibited by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Lessee from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof, the times specified in subparagraphs d. and e. above for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition provided that the Lender shall have fully cured, within the 90 day time periods set forth in subparagraphs d. and e. above, any default in the payment of any monetary obligations of Lessee under this Lease and shall continue to pay currently such monetary obligations as and when the same fall due.

g. Lessor shall mail or deliver to any Lender of whom Lessor has received notice hereunder or has actual knowledge, a duplicate copy of any and all notices which Lessor may from time to time give to or serve upon Lessee pursuant to the provisions of this Lease, and such copy shall be mailed or delivered to such Lender simultaneously with the mailing or delivery of the same to Lessee. Lessee shall provide Lessor with written notice of the name, mailing address, street address and telephone number of any such Lender of whom Lessee has received notice under any sublease or has actual knowledge. Any Lender may directly provide such information to Lessor. Upon receipt of such information, unless otherwise actually known to Lessor, Lessor shall thereupon become and thereafter shall be bound to mail or deliver a duplicate copy of all notices to the Lessee hereunder to each such Lender; provided, however, that any failure to provide such notice shall not constitute a failure to provide notice to Lessee hereunder. All such notices shall be governed by Section 24 of this Lease.

h. Notwithstanding anything to the contrary contained herein, foreclosure of a Leasehold Mortgage, or any sale thereunder, whether by judicial proceedings or by virtue of any power contained in the Leasehold Mortgage, or any conveyance of the leasehold estate created hereby from Lessee to a Lender through, or in lieu of, foreclosure or other appropriate proceedings in the nature thereof shall not require the consent or approval of Lessor or constitute a breach of any provision of or a default under this Lease, and upon such foreclosure, sale or conveyance Lessor shall recognize the Lender, or any other foreclosure sale purchaser, as Lessee hereunder. In the event the Lender becomes Lessee under this Lease or any new lease obtained pursuant to subparagraph i. below, or in the event the leasehold estate hereunder is purchased by any other party at a foreclosure sale, the Lender, or such other foreclosure sale purchaser, shall be bound to perform and satisfy the obligations of Lessee under this Lease or such new lease; provided, however, that the personal liability of the Lender, or such foreclosure sale purchaser, for the obligations of Lessee under the Lease or such new lease shall exist only with respect to obligations arising, or to be performed, during the period of time that the Lender or such other foreclosure sale purchaser remains lessee thereunder, and the Lender's or such foreclosure sale purchaser's right thereafter to assign this Lease or such new lease shall not be subject to any restriction. In the event the Lender subsequently assigns or transfers the interest under this Lease after acquiring the same by foreclosure or deed in lieu of foreclosure or subsequently assigns or transfers its interest under any new lease obtained pursuant to subparagraph i. below, and in connection with any such assignment or transfer the Lender takes back a mortgage or deed of trust encumbering such leasehold interest to secure a portion of the purchase price given to the Lender for such assignment or transfer, then such mortgage or deed of trust shall be considered a Leasehold Mortgage as contemplated under this Section 13 and the Lender shall be entitled to receive the benefit of and enforce the provisions of this Section 13 and any other provisions of this Lease regarding the holder of a Leasehold Mortgage.

13. DAMAGE OR DESTRUCTION. If any of the Lessee Improvements are damaged or destroyed by fire, earthquake, act of God, or other casualty (a "Casualty"), Lessee shall either (i) repair and restore the affected portion of the Lessee Improvements to substantially the same condition as existed immediately prior to the Casualty, or (ii) raze the affected portions of the Lessee Improvements, remove all debris and maintain the affected area as an appropriately landscaped area. All property insurance proceeds payable with respect to Lessee Improvements shall belong to and be the exclusive property of Lessee. Notwithstanding any provision contained in this Lease to the contrary, Lessor and Lessee acknowledge and agree that the application of any and all insurance proceeds payable to Lessee as a result of any Casualty may be governed by and subject to the terms and conditions of any Leasehold Mortgage.

14. CONDEMNATION. If the whole or any part of the Premises shall be acquired or taken by eminent domain, condemnation or private purchase under threat thereof or in lieu thereof, including, without limitation, the physical occupation of the Premises, or any portion thereof, or the filing of eminent domain or condemnation papers by appropriate authorities (a "Taking"), and such Taking shall affect Lessee Improvements, Lessee shall be entitled to claim compensation from the condemning authority for (i) the value of its leasehold estate in the Premises, (ii) the unamortized costs of all leasehold improvements paid for by the Lessee and (iii) damages to Lessee Improvements occurring by reason of the Taking, and any other items to which Lessee may be entitled under applicable law. In the event of a complete Taking or a substantive Taking that would materially impede the operating of the business on the Premises, this Lease shall automatically terminate as of the effective date of such Taking. Notwithstanding any provision contained in this Lease to the contrary, Lessor and Lessee acknowledge and agree that the application of any and all proceeds payable to Lessee as a result of any Taking may be governed by and subject to the terms and conditions of any Leasehold Mortgage.

15. LEASE TERMINATION AND SURRENDER OF LAND.

a. Surrender of Land. Upon the expiration or earlier termination of this Lease, Lessee shall, at its sole cost and expense, promptly (i) return and restore the Premises and any portion of the Town Property located outside of the Premises which are damaged or disturbed by Lessee to Lessor in substantially the same condition the Premises and Town Property were in as of the Commencement Date, reasonable wear and tear excluded; and (ii) remove all Lessee Improvements and equipment kept, constructed or installed by Lessee on the Premises. Notwithstanding anything to the contrary contained herein, in the event any required restoration work is not promptly performed by Lessee, and such failure is not cured within thirty (30) days after Lessee's receipt of written notice from Lessor, Lessor shall have the right, but not the obligation, to perform such restoration work and to collect the costs and expenses of such restoration work from Lessee.

16. PROVISIONS RELATED TO WORK PERFORMED BY LESSEE.

a. General. Notwithstanding anything to the contrary set forth in this Agreement, the installation of any improvements on the Premises, including the installation of the pre-approved fabricated building and privacy fence, shall, in each and every instance, (A) be performed in a good and workmanlike manner; (B) be performed in a lien-free

manner; (C) be performed in accordance with all Applicable Laws; (D) not violate any terms or provisions of this Agreement or of any other agreement or restriction affecting the Town Property or Premises; (E) be performed by qualified, licensed and insured contractors; (F) be performed only after at least seven (7) days' prior written notice to Lessor, except in the event of an emergency (and Lessor shall have the right to have a representative of Lessor present during the performance of any such work); and (G) be performed in such a manner so as not to interfere with, interrupt, disturb, obstruct, delay, or impose any additional expense, burden, or obligation upon Lessor or the ownership, use, enjoyment, operation, or maintenance of the Town Property. Lessor already has notice that the pre-fabricated building will be installed on the Premises on or after April 18, 2023 and the privacy fence requested by Lessor will be installed on the Premises in or about June 2023.

b. Unsafe Conditions. Under no circumstance shall Lessee create or suffer any unsafe conditions on the Town Property, the Premises, or any portion thereof. If any unsafe condition is created, it shall be promptly remedied by Lessee, at Lessee's sole cost and expense, and, notwithstanding anything contained herein to the contrary, in the event Lessee fails to remedy such unsafe condition within thirty (30) days after Lessee's receipt of written notice from Lessor (except in the event of an emergency, in which no prior notice shall be required), or if such unsafe condition cannot be remedied within thirty (30) days and Lessee fails to commence the remedial work within such time period and diligently prosecute the same thereafter, Lessor shall have the right, but not the obligation, to remedy such condition and collect the costs and expenses of its work from Lessee.

c. Restoration. After the completion of all work of any kind or nature whatsoever performed under or pursuant to this Agreement, Lessee shall, at its sole cost and expense, promptly restore the Premises, any portion of the Town Property located outside of the Premises, and any site which are damaged or disturbed by such work to as near possible the condition and contour that existed immediately prior to such work. Notwithstanding anything to the contrary contained herein, in the event any required restoration work is not promptly performed by Lessee, and such failure is not cured within thirty (30) days after Lessee's receipt of written notice from Lessor (except in the event of an emergency, in which no prior notice shall be required), Lessor shall have the right, but not the obligation, to perform such restoration work and to collect the costs and expenses of such restoration work from Lessee.

d. Repair and Maintenance. Lessee, at its sole cost and expense, shall keep and maintain the Premises and all Lessee Improvements in good, operational order and repair and a safe, clean, attractive, and presentable condition, clear of trash, debris, and other obstructions. Prior to commencing any major maintenance or repair work to the exterior of the structure or the Premises (which shall be defined for purposes of this Section as any maintenance or repair work exceeding \$1,000.00), Lessee shall provide no less than seven (7) days' prior written notice of such repair or maintenance work, along with a reasonably detailed description of the repair or maintenance work and the anticipated timeframe for completion of such work, to Lessor. Notwithstanding anything to the contrary contained herein, and for the avoidance of all doubt, the Parties agree that Lessee is solely responsible for the maintenance and repair of the entirety of the Premises and Lessee Improvements and Lessor is under no duty to maintain or repair the Premises, the Lessee Improvements, or any portion thereof.

17. LESSEE'S DEFAULT.

a. Lessee shall be in default hereunder (an "Event of Lessee Default") in the event Lessee fails to observe or perform any material provision of this Lease within sixty (60) days after Lessee's receipt of written notice from Lessor to Lessee specifying such default and demanding that the same be cured; provided that if such default cannot with due diligence be wholly cured within such sixty (60) day period, Lessee shall have such longer period as is reasonably necessary to cure the default, so long as Lessee proceeds promptly to commence the cure of same within such sixty (60) day period and diligently prosecutes the cure to completion.

b. Upon the occurrence of an Event of Lessee Default, at Lessor's option, in addition to any and all other remedies which it may have at law and/or in equity except as provided below, and without its actions being deemed an election of remedies or a cure of Lessee's default, Lessor may (i) obtain specific performance, injunction, appointment of a receiver, or other equitable remedy, (ii) recover actual damages suffered by Lessor as a direct result of Lessee's default, and (iii) subject to the provisions of Section 19 below, terminate this Lease and Lessee's right of possession to the Premises.

c. Notwithstanding the foregoing or anything herein to the contrary, if Lessee reasonably believes that an Event of Lessee Default has not occurred, Lessee may, within the applicable cure period, request that the matter be submitted for mediation as provided in Section 19 below, and no Event of Lessee Default shall be deemed to have occurred until the Parties have been through the mediation procedure provided in Section 19 below.

18. LESSOR'S DEFAULT

a. Lessor shall be in default hereunder (an "Event of Lessor Default") in the event Lessor fails to perform any nonmonetary obligations of Lessor hereunder within sixty (60) days after receipt of written notice from Lessee specifying such default and demanding that the same be cured; provided that if such default cannot with due diligence be wholly cured within such sixty (60) day period, Lessor shall have such longer period as is reasonably necessary to cure the default, so long as Lessor proceeds promptly to commence the cure of same within such sixty (60) day period and diligently prosecutes the cure to completion.

b. Upon the occurrence of an Event of Lessor Default, at Lessee's option, in addition to any and all other remedies which it may have at law and/or in equity except as provided below, and without its actions being deemed an election of remedies or a cure of Lessee's default, Lessor may pay or perform such obligations and offset Lessee's actual cost of performance, including any and all transaction costs and attorneys' fees actually incurred, against the Rent and any and all other amounts and charges due Lessor hereunder.

c. Notwithstanding the foregoing or anything to the contrary, if Lessor reasonably believes that an Event of Lessor Default has not occurred, Lessor may, within the applicable cure period, request that the matter be submitted for mediation as provided in Section 19 below, and no Event of Lessor Default shall be deemed to have occurred until the Parties have been through the mediation procedure provided in Section 19 below.

19. MEDIATION. Notwithstanding anything to the contrary in this Lease, following any dispute between the Parties under this Lease, the Parties agree to participate in mediation proceedings which shall be scheduled, but not necessarily occur, within thirty (30) days of such a request by either Party. The cost of the mediation will be split equally between the Parties. Such mediation shall be in accordance with the American Arbitration Association's mediation rules then in effect unless otherwise agreed to by the Parties. The Parties shall jointly pick the mediator.

20. LIENS. Should any lien of any nature, including but not limited to mechanic's and materialmen's liens, be filed against the Premises, the party on account of whose actions such lien has been filed shall, within thirty (30) days after receipt of written notice of such lien, cause such lien to be removed, or otherwise protected against execution during good faith contest, by substitution of collateral, posting a bond therefor, escrowing of adequate funds to cover the claim and related transaction costs or such other method as may be permissible under applicable title insurance regulations and reasonably acceptable to the other party hereto.

21. SURRENDER; HOLDING OVER. Upon expiration of this Lease, or its earlier termination, Lessee will surrender possession of the premises, except for the Lessee Improvements removed from the Premises in accordance with this Agreement, to Lessor in a condition as described in Section 15(b) hereof. In the event the Lessee holds over beyond the Term, such holding over shall be from month to month only, subject to the conditions of this Agreement, shall not be a renewal or extension thereof, and shall be at the monthly compensation provided herein.

22. COVENANT OF QUIET ENJOYMENT. Lessor covenants, warrants and represents that Lessee, upon paying the rent herein reserved and performing the covenants and agreements hereof, shall peaceably and quietly have, hold and enjoy the premises during the Term. No third party claiming a right through Lessor has the right to prohibit Lessee's tenancy hereunder, to prohibit Lessee or its employees, customers and/or invitees from using the Premises in accordance with the terms of this Lease or to consent to or approve, excepting governmental agencies, any feature of the Premises.

23. ENVIRONMENTAL REPRESENTATIONS; WARRANTIES AND INDEMNITY.

a. Lessee shall not cause or permit any hazardous wastes, hazardous substances, toxic substances or related materials (collectively, "Hazardous Materials") to be used, generated, stored, or disposed of on, under or about, or transported to or from the Premises (collectively "Hazardous Materials Activities") except in compliance with all Applicable Laws governing such Hazardous Materials or hazardous Materials Activities, which compliance shall be at Lessee's sole expense.

b. Lessor shall not be liable to Lessee or to any other party for any Hazardous Materials Activities conducted or permitted on, under or about the Premises by Lessee or by Lessee's employees, agents, contractors, licensees, or invitees. Lessee shall indemnify and hold Lessor harmless from any claims, damages, fines, penalties, losses, judgments, costs and liabilities arising out of or related to any Hazardous Materials Activities conducted or permitted on, or under or about the Premises by Lessee's employees, agents, contractors, licensees, or invitees, regardless of whether Lessor shall have consented to, approved of, participated in or had notice of such Hazardous Materials Activities. The provisions of this paragraph shall survive the expiration or termination of this Lease.

c. At the expiration of this Lease, Lessee shall remove from the Premises, at Lessee's sole expense, all Hazardous Materials located, stored or disposed of on, under or about the Premises which were first brought to or used, stored or disposed of on the Premises by Lessee or by Lessee's employees, agents, contractors, licensees, or invitees. Lessee shall close, remove or otherwise render safe any buildings, tanks, containers, or other facilities related to the Hazardous Materials Activities conducted or permitted on the Premises in the manner required by all Applicable Laws. Lessee shall be solely responsible for the transportation, handling, use or reuse and disposal of such Hazardous Materials after their removal from the Premises.

d. For purposes of this section, Hazardous Materials shall include all solid, liquid or gaseous material defined or regulated as wastes under any Applicable Law applicable to the Premises and shall further include all other substances defined or regulated as pollutants or as hazardous, toxic, infectious, or radioactive substances under any Applicable Law applicable to the Premises, all as amended from time to time. Without limitation to the foregoing, the term Hazardous Materials shall include used or waste oils regulated under any federal, state or local law, regulation or ordinance.

24. INDEMNIFICATION.

a. During the Term of this Lease, Lessee will protect, indemnify and save harmless Lessor from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses, including without limitation, attorneys' fees and expenses by reason of (i) any accident, injury to or death of persons or loss of or damage in property occurring on the Premises or any part thereof due to the negligence of Lessee, its employees or agents, (ii) any use, nonuse or condition of the Premises or any part thereof due to actions or conditions attributable to Lessee, its employees or agents or (iii) any failure on the part of the Lessee to perform or comply with any of the terms of this Lease.

b. In case any action, suit or proceeding is brought against Lessor by reason of any such occurrences, Lessee upon Lessor's request, will at Lessee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted and defended by counsel.

c. Such obligation of Lessee under this section which shall have occurred at the time of any termination of this Lease shall survive any such termination.

25. NOTICES. Notices under this Lease shall be in writing and shall be deemed properly served and received: (i) two (2) business days after being deposited in the United States mail, as certified or registered mail, return receipt requested, bearing adequate postage, (ii) one (1) business day after being deposited with a reputable overnight delivery carrier (e.g. Federal Express, Airborne, UPS, Express Mail) for guaranteed next day delivery with a request that the addressee sign a receipt evidencing delivery or (iii) upon receipt if personally delivered. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice as of the date of such rejection, refusal or inability to deliver. Notices shall be addressed as follows:

To Lessor at: Town of Valdese
Post Office Box 339
Valdese, North Carolina 28690
Attention: Seth Eckard, Town Manager

With a copy to: Timothy D. Swanson, Esq.
Young, Morphis, Bach & Taylor, LLP
Post Office Drawer 2428
Hickory, North Carolina 28603

To Lessee at: Foothills Broadband, LLC
223 Greenfield Pl
Brandon, Mississippi 30947
Attention: Zachary and Jodi Chiz

With a copy to: Tina Hlabse, Esq.
Ramseur Maulsby LLP
1150 N. Revolution Mill Drive, Suite 3
Greensboro, NC 27405

or to any other address furnished in writing by any of the foregoing. However, any change of address furnished shall comply with the notice requirements herein and shall include a complete outline of all current addresses to be used for all parties.

26. MISCELLANEOUS PROVISIONS.

a. Time of Essence. Time is of the essence with respect to any time periods or dates referenced in this Lease with respect to both Lessor and Lessee.

b. Identity of Interest. Nothing contained in this Lease shall be construed to make Lessor and Lessee partners or joint venturers or to render either party liable for the debts or the obligations of the other. The only relationship created by this Lease between the parties is that of Lessor and Lessee.

c. Third Party Beneficiaries. Except as herein specifically provided, no person, subtenant, customer, employee or invitee or any other third party shall be deemed to be a third party beneficiary of any of the provisions herein.

d. Partial Invalidity. If any section, paragraph, subparagraph, sentence, clause or phrase of this Lease shall be declared or judged invalid or unconstitutional, such declaration or adjudication shall not affect the other sections, paragraphs, subparagraphs, sentences, clauses or phrases of this Lease, all of which shall remain in full force and effect.

e. Recording of Memorandum of Lease. A Memorandum of Lease may be recorded in the appropriate office for filing by Lessee at Lessee's expense.

f. Headings; Gender. The section headings are for convenience and are not a part of this Lease. The masculine, feminine or neuter gender and the singular or plural number shall be deemed to include the others whenever the context so requires or indicates.

g. No Waiver. The failure of either party to insist in any one or more instances upon a strict performance of any covenant of this Lease or to exercise any option or right herein contained shall not be construed as a waiver or relinquishment for the future enforcement of such covenant, right or option, but the same shall remain in full force and effect, unless the contrary is expressed in writing by such party.

h. Force Majeure. Except as otherwise specifically contemplated in this Lease, in the event that Lessor or Lessee shall be delayed or hindered in, or prevented from, the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, delay by the other party, failure of power or unavailability of utilities, riots, insurrection, war, terrorism or other reason of a like nature not the fault of such party or not within its control (each, a "Force Majeure Event"), then performance of such act shall be excused for the period of delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, the party claiming a delay by reason of a Force Majeure Event shall notify the other party within five (5) business days following the onset of the Force Majeure Event.

i. Choice of Law. This Lease shall be construed in accordance with and governed by the laws of the State of North Carolina. Venue for any action brought pursuant to this Lease shall be placed in Burke County, North Carolina.

j. Binding Effect. This Lease shall inure to the benefit of and be binding upon Lessor and Lessee and their respective heirs, executors, legal representatives, successors and assigns.

k. Entire Agreement; Amendment. This Lease and the attached exhibits constitute the entire agreement between Lessor and Lessee with respect to the Premises, and all negotiations, considerations, representations and understandings between Lessor and Lessee prior to the execution of this Lease are incorporated herein. This Lease shall not be amended, modified, waived, discharged or terminated except by an instrument in writing signed by the parties hereto. The Parties acknowledge and agree that on or before the Commencement Date, the Lessor will issue a written public notice via publication as required by N.C.G.S. §160A-272(a1), so that council may take up Lessee's request to amend the Term of the Lease from 1 year to 25 years at the next regular council meeting occurring at least thirty (30) days after the publication is issued.

l. Brokers. Lessee and Lessor warrant each to the other that it has had no dealings with any broker or agent in connection with this lease, and each party covenants to pay, hold harmless and indemnify the other

April 6, 2023, MB#32

from and against any and all costs, expenses or liability for any compensation, commissions and charges claimed by any broker or agent with respect to this Lease or the negotiation thereof.

m. Counterparts. This Lease may be executed in more than one counterpart, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

THIS SPACE WAS INTENTIONALLY LEFT BLANK. SIGNATURES AND ACKNOWLEDGMENTS APPEARS ON THE FOLLOWING PAGES.

April 6, 2023, MB#32

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed effective as of the day and year written below.

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

ATTEST: _____ (Seal)
CHARLES WATTS, Mayor

JESSICA LAIL, Town Clerk

This document has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

BO WEICHEL, Chief Financial Officer

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

TIMOTHY D. SWANSON, Attorney

STATE OF NORTH CAROLINA
COUNTY OF BURKE

I, _____ a Notary Public of said county and state, certify that Jessica Lail personally came before me this day and acknowledged that she is Town Clerk of the Town of Valdese, a North Carolina municipal corporation, and that by authority duly given and as the act of the Town Council of the Town of Valdese, the foregoing instrument was signed in its name and by its Mayor, CHARLES WATTS, sealed with its corporate seal and attested by her as its Town Clerk.

Witness my hand and notarial stamp or seal, this _____ day of _____, 2023.

Notary Public _____
[AFFIX NOTARIAL SEAL]

My Commission Expires: _____.

April 6, 2023, MB#32

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be duly executed effective as of the day and year written below.

FOOTHILLS BROADBAND, LLC

By: _____
Zachary Chiz
Chief Operating Officer

By _____
Jodi Chiz
Chief Executive Officer

Date: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that Zachary Chiz and Jodi Chiz personally appeared before me this day and acknowledged that they are the Chief Operating Officer and the Chief Executive Officer of Foothills Broadband, LLC, a North Carolina limited liability company, and being duly authorized to do so, voluntarily executed the foregoing instrument for the purposes stated therein on behalf of said limited liability company.

Witness my hand and official stamp or seal this ____ day of _____, 2023.

[NOTARIAL SEAL]

Notary Public
My commission expires: _____

EXHIBIT A

Legal Description

BEING that certain tract or parcel of land lying and being in Lovelady Township, Burke County, North Carolina more particularly described as follows:

BEGINNING at an iron pipe located in the southwest corner of the property of the Town of Valdese as shown in Deed Book 592, Page 904, Burke County Registry, and running thence South 73-19-09 East 63.64 feet; thence North 18-10-30 East 69.80 feet; thence North 70-59-10 West 68.82 feet; thence South 14-04-17 West 72.65 feet to the point of BEGINNING as surveyed by Roger D. Morgan Surveying, March 14, 2023, attached hereto for illustrative purposes only as Exhibit B, and being a portion of that property conveyed by Bertha S. Martinat to The Town of Valdese by Deed recorded in Deed Book 592, Page 904, Burke County Registry. Further being a portion of the land assigned Burke County PIN: 2733950361.

Councilwoman Lowman made a motion to approve the aforementioned Resolution and new Lease Agreement with Foothills Broadband LLC, seconded by Councilman Barus. The vote was unanimous.

ADJOURNMENT At 9:14 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilman Barus. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, May 1, 2023, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

jl

TOWN OF VALDESE
TOWN COUNCIL MEETING - BUDGET WORKSHOP #2
APRIL 18, 2023

The Town of Valdese Town Council met on Tuesday, April 18, 2023, at 6:00 p.m., in the Community Room at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, and Town Clerk Jessica Lail.

Absent: None

A quorum was present.

Others present: Dwayne Wilson Insurance & Financial Services

Mayor Watts opened the meeting with an invocation and led in the Pledge of Allegiance to the Flag.

EMPLOYEE HEALTH INSURANCE UPDATE Dwayne Wilson of Dwayne Wilson Insurance & Financial Services reminded Council that Blue Cross Blue Shield's first renewal quote for Medical insurance showed a 33% increase in the premiums, and Mr. Wilson got it down to 27%. Mr. Wilson said that BCBS would not lower the percentage anymore, so he has shopped out other providers. Mr. Wilson has received competitive rates from Aetna and is waiting to hear back from Cigna and United Healthcare. Mr. Wilson feels that Aetna will probably be the best. Mr. Wilson discussed different options showing the current plan, BCBS's original 33% increase, and two options with Aetna. Mr. Wilson shared a new option (#3) with going to a Health Reimbursement Account (HRA) with an HSA. Mr. Wilson explained that the deductible is higher, but the net exposure for the employee stays the same. If employees reach their deductible, they will still be responsible for \$3,000 plus the \$1,000 the Town provides in employees' HSA accounts. Mr. Wilson explained the Town would pay \$2,900 out of the PayFlex HRA Account to cover the rest. Council members like this plan. Mr. Wilson will share other plans once he receives them.

Town of Valdese
 Medical Rates Only
 Renewal Effective Date: **June 1, 2023**

HSA Plans

		BCBS Current Quote # 401176 Blue Options HSA	BCBS Original Renewal Quote # 423352 Blue Options HSA	Option #1 AFA CPOSII 2250 HSA 100/50 PY V22 ISL 20 SGP	Option #2 AFA CPOSII 2250 HSA 80/50 PY V22 ISL 20 SGP	Option #3 AFA CPOSII 6250 HSA 100/50 E PY V22 ISL 20 SGP
In-Network Deductible						
Employee Only		\$2,000	\$2,000	\$2,250	\$2,250	\$6,250
Family Member		\$4,000	\$4,000	\$4,500	\$4,500	\$6,250
Family Total		\$4,000	\$4,000	\$4,500	\$4,500	\$12,500
In-Network Out of Pocket Maximum						
Employee Only OOP Limit		\$4,000	\$4,000	\$3,450	\$3,450	\$6,900
Family Member OOP Limit		\$7,000	\$7,000	\$6,900	\$6,900	\$6,900
Family Total OOP Limit		\$8,000	\$8,000	\$6,900	\$6,900	\$13,800
In-Network Coinsurance						
Inpatient Hospital Services		20% after ded	20% after ded	0% after ded	20% after ded	0% after ded
Outpatient Hospital Services		20% after ded	20% after ded	0% after ded	20% after ded	0% after ded
Physician Office Visit						
In-Network Primary Care Visit		20% after ded	20% after ded	\$25 copay after ded.	\$35 copay after ded.	0% after ded
In-Network Specialist Visit		20% after ded	20% after ded	\$75 copay after ded.	\$75 copay after ded.	0% after ded
Telehealth Visit		20% after ded	20% after ded	\$25 copay after ded.	\$35 copay after ded.	0% after ded
Preventive Care		No Charge	No Charge	No Charge	No Charge	No Charge
Urgent Care		20% after ded	20% after ded	\$75 copay after ded.	\$75 copay after ded.	0% after ded
Emergency Room Care		20% after ded	20% after ded	\$500 copay after ded.	\$500 copay after ded.	\$500 copay after ded.
Prescription Drugs						
Generic Tier 1A Drugs		20% after ded	20% after ded	\$3 copay after ded.	\$3 copay after ded.	\$3 copay after ded.
Generic Tier 1 Drugs		20% after ded	20% after ded	\$10 copay after ded.	\$15 copay after ded.	\$15 copay after ded.
Preferred Brand Drugs		20% after ded	20% after ded	\$50 copay after ded.	\$50 copay after ded.	\$50 copay after ded.
Non-Preferred Generic & Brand Drugs		20% after ded	20% after ded	\$80 copay after ded.	\$100 copay after ded.	\$100 copay after ded.
Preferred Specialty Drugs		20% after ded	20% after ded	20% up to \$250 max after ded.	20% up to \$250 max after ded.	20% up to \$250 max after ded.
Non-Preferred Specialty Drugs		N/A	N/A	40% up to \$500 max after ded.	40% up to \$500 max after ded.	40% up to \$500 max after ded.
Employee Only	83	\$673.18	\$896.08	\$818.78	\$767.29	\$632.14
Employee + Child	1	\$981.48	\$1,292.74	\$1,571.18	\$1,470.44	\$1,206.05
Employee + Children	1	\$1,290.42	\$1,690.34	\$1,571.18	\$1,470.44	\$1,206.05
	85	\$58,145.84	\$77,357.72	\$71,101.10	\$66,825.95	\$54,879.72
			33.0%	22.3%	14.6%	-5.6%
				\$3,541.67	\$3,541.67	\$3,541.67
				\$67,559.43	\$63,084.28	\$51,338.05
				16.2%	8.5%	-11.7%
Admin Credit						
Net Monthly Premium						

Submitted by Dwayne Wilson
 A Hilb Group Company
 Dwayne Wilson Insurance & Financial Services, Inc.
 (O) 828-428-0800 (F) 828-428-0806
 Dwayne@dwaynewilsoninsurance.net

Cost Comparisons - #1 2250 HSA Plan (Option #2)

- Recommendation: Switch to Aetna Insurance Company - HSA Option #2
- Net Increase 9.6% - Lower Exposure - Large National Network

Employee / Member Advantages:

- Net Exposure is less than current - \$3,000 vs \$2,450.
- Keeps premiums the same for dependents.
- Copays for members after their deductible. Medical & Rx.
- Enables the member to keep more monies in their HSA.
- 3 EAP Counseling Sessions - Face to Face or Tele-video Visits.
- Free Minute Clinic – After Deductibles

Employer Advantages:

- Keeps rates in budgeted range. 9.6%
- No extra administrative cost, HRA, etc.
- Simple transition.
- Monthly Claims Reporting.
- Potential \$7,500 plus Surplus @ 15 months If Renewed

Disadvantages:

- Having to switch Insurance Companies
- Slightly different plan design
- COBRA Administration – \$1.50 PMPM = \$127.50 / Month
- Health Equity – HSA Administration \$1.75 PMPM = \$148.75 / Month

Cost Comparisons - #2 6250 HSA Plan (**Option #3**)

- Possible Solution: Switch to Aetna Insurance Company - HSA Option #3
- Decrease -5.6% - Increased Exposure - Large National Network
- Saves \$81,683 Annually
- \$2,900 = 28 Claims Budgeted
- Statistics: 15% = 13 Members
-

Employee / Member Advantages:

- Net Exposure Remains the same - \$3,000
- Keeps premiums the same for dependents.
- 3 EAP Counseling Sessions - Face to Face or Tele-video Visits.
- Free Minute Clinic – After Deductibles

Employee / Member Disadvantages:

- Members May Have To Submit Claims For Reimbursement

Employer Advantages:

- Keeps rates below current.
- Monthly Claims Reporting.
- Potential \$7,500 plus Surplus @ 15 months If Renewed
- \$147,000 HRA Funds Available For Claims & Admin.

Disadvantages:

- Having to switch Insurance Companies
- Different plan design
- COBRA Administration – \$1.50 PMPM = \$127.50 / Month
- Health Equity – HSA Administration \$1.75 PMPM = \$148.75 / Month
- PayFlex HRA Administration \$4.50 PMPM = \$382.50 / Month

Aetna Funding Advantage

- Level Funded Arrangement
- \$42,500 Admin Credit – 2nd Month
- **\$7500 minimum guaranteed surplus when they renew – Refund Could Be More**

Aetna Funding Advantage comes with a lot of extras too.

- **Reporting** - You get monthly reporting and access to claims data, so you know how the group is running throughout the year.
- **Surplus return** - The group has a chance to earn money back at the end of the year if they stay below expected claims cost. We return 50% of surplus.
- **Wellness** – We offer unique wellness offerings like our free fitness classes with Peerfit, and a free Employee Assistance Program.
- **\$0 Minute Clinic visits** – Members on copay plans can visit a Minute Clinic in CVS pharmacies at no cost. Members on HSA plans will need to meet deductible.
- **\$0 Teledoc visits**-for general visits, dermatology, and behavioral health on copay plans. On HSA plans, members will need to meet deductible.
- **\$0 Mental Health and Substance Abuse in-network outpatient visits** on copay plans. Members on HSA plans will need to meet deductible.
- **EAP**-is included at no cost for up to 3 consultations. The counseling sessions are available face to face or online with tele-video



FY 23-24 PROPOSED BUDGET DISCUSSION Assistant Town Manager/CFO Director Bo Weichel presented Council with a copy of the proposed budget and fee schedule. Mr. Weichel reminded Council this was a re-evaluation year, briefly reviewed revenue neutrality, and reviewed the variables included. Mr. Weichel reviewed the calculations and explained that the revenue-neutral tax rate is 0.4136 cents. Mr. Weichel said that with 0.4136 cents revenue neutral, the budget would propose a tax decrease of 3 cents, going down to 51.5 cents. Town Manager Seth Eckard identified that the \$400,000 in new revenue would go towards street repair and an increase for part-time pay for lifeguards and part-time firefighters, which was presented at the budget retreat. Mr. Weichel highlighted a few items in the proposed budget and fee schedule, which will be presented at the May 1, 2023, regular council meeting. Councilman Mears thanked the staff for all their hard work preparing the budget. Councilman Barus asked Mr. Weichel for clarification; we have two funds, a general fund, and a utility fund, that are separate. Mr. Weichel said that was correct; we have two separate budgets. Council members recapped the new revenue plan. Mr. Eckard shared that staff will look into replacing the aging waterlines of any streets that will be repaved. Mr. Eckard shared that the CIP may change slightly to accommodate that. Mr. Weichel explained that vibrating the waterlines, when repaving could cause a waterline break, which has happened in the past.

REVENUE NEUTRAL RATE (RNR)

- STATUTORILY CALCULATED
- VARIABLES:
 - PERSONAL PROPERTY ESTIMATION – ACTUAL DATA AVAILABLE AROUND LATE APRIL
 - TAX RELIEF
 - APPEALS

Property Values	449,252,757
Personal Property (estimation)	70,000,000
Total Assessed Value	519,252,757

Fiscal year		Assessed Valuation as of June 30	Annexation (Deannexation)		Total Adjusted for Annexation or Deannexation	Valuation Increase (Decrease)	Percentage change	
2023-24	Revaluation 1/1/2023	519,252,757	-	23-24	519,252,757			
				22-23	387,050,384			
2022-23		387,050,384	-	22-23	387,050,384	9,486,010	2.51%	
				21-22	377,564,374			
2021-22		377,564,374	-	21-22	377,564,374	2,469,600	0.66%	
				20-21	375,094,774			
2020-21		375,094,774	-	20-21	375,094,774	8,261,239	2.25%	
				19-20	366,833,535			
2019-20	Revaluation 1/1/2019	366,833,535					1.81%	Average growth % Doesn't include revaluation increase (decrease)
Last year prior to revaluation						Tax rate	Estimated tax levy	
2022-23		387,050,384				0.5450	2,109,425	
First year of revaluation						Tax rate to produce equivalent levy		
2023-24		519,252,757				0.4062	2,109,425	
Increase (decrease) tax rate for average growth rate						Revenue neutral tax rate, to be included in budget ordinance, adjusted for growth		
2023-24		519,252,757				0.4136	2,147,555	
						Increase (Decrease) in Tax Levy	38,130	
						Average Percentage Increase (Decrease)	1.81%	

ADJOURNMENT At 7:06 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilman Barus. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, May 1, 2023, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

jl

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
May 1, 2023**

The Town of Valdese Town Council met on Monday, May 1, 2023, 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 Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent:

A quorum was present.

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

OPEN FORUM/PUBLIC COMMENT: Mayor Watts presented the following Resolution of Appreciation for Retired Fire Chief Greg Stafford:

WHEREAS, Chief Greg Stafford for the past 34 years has served the Town of Valdese with distinction as a committed and dedicated public servant with the Valdese Fire Department; and

WHEREAS, Chief Stafford's 34 years of service have been marked by exemplary dedication, compassion and integrity to serve the best interests of the community, our citizens, and the Valdese Fire Department; and

WHEREAS, Chief Stafford has earned the admiration and high regard of those with whom he has worked with and the members of the public with whom he has served these past 34 years; and

WHEREAS, Chief Stafford has served the Valdese Fire Department in numerous positions; working his way up through the ranks of the department, and obtained the rank of Fire Chief at which he has served for the last 4 years and has proven himself a true leader; and

WHEREAS, Chief Stafford was instrumental in the establishment of the Burke County Emergency Communications Center and played a key role in the development of the Communication Centers county-wide Computer Aided Dispatch System; and

WHEREAS, Chief Stafford was instrumental in the engineering and development of the current fleet of emergency response apparatus at the Valdese Fire Department; and

WHEREAS, Chief Stafford served as the first NC State Certified Fire Inspector for the Town of Valdese and was responsible for establishing the Fire Department's Fire Inspection Program; and

WHEREAS, Chief Stafford has received four lifesaving awards; and

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Valdese as we take this occasion to express honor, respect, and admiration to **Chief Greg Stafford** for his outstanding contributions to the Valdese Fire Department and the Town of Valdese.

BE IT FURTHER RESOLVED, that the Town Council of the Town of Valdese, North Carolina, hereby expresses its sincere appreciation and gratitude to **Chief Greg Stafford** for his service and leadership to the Valdese Fire Department and the Town of Valdese during the past 34 years and extends congratulations and best wishes upon his retirement.

Adopted this the 1st day of May, 2023.

/s/ Charles Watts, Mayor

Mayor Pro Tem Frances Hildebran read the Rules & Procedures for Public Comment:

Rule 5. Public Comment

Any individual or group who wishes to address the council shall inform the town clerk, Jessica Lail, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Comments should be limited to five minutes per speaker.

VALDESE PROPERTY TAX RATE – DAVID WIESE, 3318 MONTANYA VIEW DR., VALDESE: Mr. Wiese shared his concern with the proposed tax increase and feels that the increase of tax revenue over the last year of \$394,000, which is a 20% increase in one year is too much. Mr. Wiese hopes that the 51.5 cent is not in concrete yet. Mr. Wiese asked why the Town needed an increase of that magnitude in one year and would like to see it spread out. Mr. Wiese hoped the Council would think about that with their hearts. Mr. Wiese is concerned for the citizens who cannot afford this increase. Mr. Wiese was also concerned about the Street Paving budget.

VALDESE PROPERTY TAX RATE – JIM JACUMIN, 3690 MILLER BRIDGE RD, CONNELLY SPRINGS: Mr. Jacumin shared that he has been involved in County and State government for many years and he has never voted to increase taxes in his tenure. Mr. Jacumin challenged the Council to spend time looking at operations in the Town, and ideas should come to them as to how to save money. Mr. Jacumin is concerned for the citizens that are low-income and elderly that cannot be at the meeting. Mr. Jacumin said you build what you can afford and suggested that Council tell staff they have a certain amount of money and they need to figure out a budget that is within what can be afforded.

DOTS & QUESTIONS – GLENN HARVEY, 801 MICOL AVE NE., VALDESE: Mr. Harvey shared that he liked connecting dots and had questions. Mr. Harvey recapped Town published articles and meetings from January through April of 2023 where certain items were discussed and not discussed and asked if it was a coincidence that all the calculations and assumptions on preliminary information that arrived at 51.5 cents happened to generate \$400,000, which is what is needed to pay the USDA loan, and where is the \$400,000 in the proposed budget? Mr. Harvey can find a \$21,000 increase in part-time pay, but he cannot find the other \$29,000 or any mention in the Capital Improvement Plan, Streets budget, or Powell Bill budget of that \$350,000 paving plan. Mr. Harvey hopes Council members will have more questions during the budget item this evening.

TAX RATE – JEAN MARIE COLE, 705 BERTIS ST., VALDESE: Ms. Cole shared her concerns with citizens with older homes, such as 1950 and earlier, and the upcoming tax rate. Ms. Cole gave her home as an example and shared her recent increases. Ms. Cole feels that the use of the increase of funds should be spread out a little longer. Ms. Cole thanked the Council and Parks & Recreation Director David Andersen for the work they put into the renovations of the Community Center.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF APRIL 4, 2023

APPROVED BUDGET WORKSHOP MINUTES OF APRIL 6, 2023

APPROVED BUDGET WORKSHOP #2 MINUTES OF APRIL 18, 2023

APPROVED VALDESE ABC BOARD TRAVEL POLICY



1018 MAIN STREET WEST • VALDESE, NC 28690 • PHONE 828-879-2227 • FAX 828-874-0332

TRAVEL POLICY

Proposed Date: April 17, 2023
Effective Date: July 1, 2023

Re: Adoption of Town of Valdeese Travel Policy
JULY 01, 2000, "Revised"

The following guidelines will be used as a travel policy for all employees traveling on Valdeese ABC Board business:

1. Reimbursement of travel expenses-

Meals will be covered on a per day rate. (Based on the current Federal Per Diem Rate.) The Federal Per Diem Rates listing (found online at www.gsa.gov) is updated on an annual basis in October. If the traveler's destination is not listed on the website, the standard rate is used.

When traveling to attend a conference, where some meals are provided by the conference, remaining meals not provided by the conference will be eligible for reimbursement on a reasonable and actual basis (receipts required).

When on a trip not involving an over-night stay, expenses (i.e. mileage, meals) will be eligible for reimbursement on a reasonable and actual basis (receipts required).

Lodging will be covered for reasonable and actual cost (receipt required). Unless attending a conference, the Federal Per Diem Listing should be used as a guideline in determining reasonable cost.

2. Board credit cards may be used to reserve lodging. Travel related cost however, should not be charged to the credit cards. All travel expenses will be covered through travel advances and / or reimbursements.

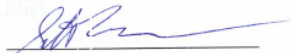
3. It is the responsibility of the General Manager to determine which meal allowances are eligible for reimbursement to employees for partial day travel. Reimbursement will be for reasonable and actual cost (receipt required).

4. All requests for travel expense reimbursement (i.e. meals, lodging, mileage, etc.) must be accompanied by a travel expense report.

5. Other issues-

- Transportation: As a general rule, it is the Board's policy that an employee is authorized to use a private vehicle and be reimbursed at the current standard mileage rate. The current standard rate shall be the same as paid by the Town of Valdeese following the IRS rate.
- Registration: Registration fees are generally paid in advance directly to the vendor, not from travel advance.
- Advances: The Board does permit employees to request advances whenever an estimated trip cost exceed \$25. If the cost is less than \$25, employee must seek reimbursement when the trip is completed.

Adopted this the 17th day of April, 2023


Chairman

Attest:

Secretary/Treasurer

Councilwoman Hildebran made a motion to approve the aforementioned items on the Consent Agenda, seconded by Councilman Mears. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

VALDESE ABC STORE PRESENTATION Valdeese ABC Store Manager Karen Clark-Caruso thanked the Council for all their support since opening. Ms. Clark-Caruso reported that the Valdeese ABC Board had

distributed \$279,620 to the Town within two years. Ms. Clark-Caruso shared that in addition to that amount, the Police Department received \$13,025, and Burke Recovery received \$17,323 for alcohol education and rehab. Today, Ms. Clark-Caruso shared another distribution check just to the Town for \$50,557, the Police Department received a separate distribution check for \$1,821, and Burke Recovery received \$2,422 for the 3rd quarter of this FY. Ms. Clark-Caruso introduced the Assistant ABC Store Manager, Chris Leonhardt, and he shared he is excited about his future at the ABC Store. Ms. Clark-Caruso will be retiring at the end of September. Town Manager Seth Eckard and Council members thanked the ABC Store team for all their hard work.

VEDIC PRESENTATION VEDIC's Executive Director Kerri Poteat, Business Development Eddie McGimsey, and Chairman Sherry Long gave Council an overview of VEDICs history and updates. The following presentation was shared:



1.7% (\$126,500)

LOAN LOSS % SINCE INCEPTION:

Original Grant From GL: \$250,000
Revolved Loan Fund Total: \$884,481

BURKE COUNTY GOLDEN LEAF REVOLVING LOAN FUND TO DATE:

Original Grant from RC: \$125,000

Revolved Loan Fund Total: \$372,285

VALDESE RURAL CENTER REVOLVING LOAN FUND TO DATE:

75 of the 167 Total Loans

45% = \$3,515,609.64

MINORITY LENDING:

2019 GRANT: \$100,000

VEDIC has funded \$195,000 totaling 21 loans

APPALACHIAN REGIONAL COMMISSION GRANT- REVOLVING LOAN FUND TO DATE:

2022 Additional Grant from ARC:

\$100,000

APPALACHIAN REGIONAL COMMISSION REVOLVING LOAN FUND GRANT

58 Loans

Original Loan Amount:

\$2,730,323.50

Outstanding Balance:

\$1,977,087.66

CURRENT LOAN PORTFOLIO

County	Sum of Jobs FT/PT
Alexander	2
Burke	585
Caldwell	17
Catawba	62
Cleveland	6
Iredell	12
McDowell	71
Mecklenburg	1
Rowan	34
Rutherford	31
Grand Total	821

JOBS CREATED AND OR RETAINED TO DATE:

100% MUNICIPALITY SUPPORTED

VEDIC HIGHLIGHTS

Presented by: Kerri Poteat
Executive Director

PAYOFFS RECEIVED FROM APRIL 1, 2020, TO PRESENT

Payoffs received due to refinance with a traditional bank, low interest government loans or normal loan payout:

- 53 Loans
- \$2,422,555.34



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SECRETARY OF STATE PARTNERSHIP

VEDIC BOARD OF DIRECTORS 2022-2023

Board Members	Executive Board Members
Jessica Bargsley	Sherry Long- Chairman
Timothy Barus	Tonia Stephenson- Vice Chairman
Robert Benfield	Johnny Berry- Treasurer
John Branstrom	Sherr Bradshaw- Secretary
Seth Eckard	
Kylie Gera	
Sharon Jablonski	
Rick Justice	
Lily Laramie	



VEDIC BOARD OF DIRECTORS
2022-2023

LOAN REVIEW COMMITTEE

Charles Conley Office Manager, Burke County United Way	Nancy Page Retired- Personal Banker, Wells Fargo Bank
Lisa Crump Financial Services Manager, First Citizens Bank	Tonia Stephenson President & CEO, Burke County Chamber of Commerce
Sharon Jablonski Director of the Department of Cultural and Creative Development, City of Morganton	Marla Thompson Mayor, Town of Long View
Lily Laramie Director, Small Business Center Western Piedmont Community College	Suzanne Wallace Director, Small Business Center Catawba Valley Community College
Sherry Long Assistant- Executive Director, Western Piedmont Council of Governments	

STAFF

Kerri Poteat
Executive Director

Eddie McGimsey
Business Development

Chuck Moseley
On-Call Help

2022-2023 CONTRIBUTORS

Burke County

Town of Valdese

City of Morganton

Town of Connelly Springs

Town of Drexel

Town of Glen Alpine

Town of Hildebran

Town of Rhodhiss

Town of Rutherford College

USDA RMAP Technical Assistance Grant

Town of Long View

THANK YOU

- Town of Valdese for your support since the very beginning.
- Thank you to everyone who has been apart of the VEDIC journey.

Councilman Barus thanked Ms. Poteat, Mr. McGimsey, and Ms. Long for their compassion and dedication to their clients and work.

PROPOSED WORK AT LAKESIDE PARK PRESENTATION President of Friends of the Valdese Rec, Beth Heile, presented the following presentation:

Beth Heile
FriendsOfTheValdeseRec.org



FVR Update



Greenway is Complete

March Visitation to Valdese Lakeside Park

March 4-5: Over 900 visitors

Daily Average: 275

VLP side Greenway was closed March 6-April 14



FVR April - March

Park Improvements

- Story Book Trail Installation (\$6K)
- Greenway - Crushed Cinder (\$250K)
- Suspension Bridge (\$200K)
- Bimbo Bakeries Steps (\$4K)
- Dog Park - clearing, fence, sod, obstacles (\$25K)
- *Worked with FCNC to purchase 5.8 acres north of Children's Park (\$40K)
- Back Country Bench Program (\$2000)

Events/Programs

- Story Book Trail Ribbon Cutting with activities
- 365 Challenge
- McGalliard Falls 40th Anniversary Celebration
- Paint the Park with Town and RSAC (Plein Air)
- Bridge Ribbon Cutting with State Officials
- Booth at McDowell Trails Expo
- VLP Survey (questions)
- 5K, 10K and Fun Runs on Dec 31
- Year of the Trail - First Day Outdoors Hike
- Pickleball Demo

Free Tennis for kids with racquets and balls

Trail Camera - ongoing

Monthly Lunch and Learn

1st Sunday & Every Wed Group Hikes

VLP Interactive Map/App

Workdays

- Kellex, Rotary Mulch, BRIDGE
- Dept of Adult Corrections
- Paint Pipe
- Paint back walls of Children's Park Shelter
- Trail Building Workdays
- Cove Cleanup

In the Works

- Kayak Launch/Fishing Pier
- Dog Park Shade
- Railing



Valdese Lakeside Park - Pavilion Needed for COMMUNITY GATHERING

CLASSES - MEALS - AWARDS - EXERCISE - MEET UPS



Pavilion - \$90K - At Valdese Lakeside Park

Applied for Cannon Foundation Grant

Duke - run Power to Site - \$15K

Met with Contractor and Architect



Who would use it?

- Blue Streaks of Adjacent High School
- Willing Drivers
- Club Organizations
- Community Members

Valdese State

Map 4410

Quakes are coming in at \$10,000. FVR has \$10,000 and are requesting \$10,000 from the Cannon Foundation.

Children below poverty line 95%

Flyer created for donation ask

FVR Updates



Mountain Bike Trails - \$150K - At Valdese Lakeside Park

Applied for Glass Foundation Grant

Planning - \$22K - happening now

4-5 miles




FVR Upcoming Events

April 30 - 4-6 pm - at Valdese Lakeside Park

Free Concert - Shelby Rae Moore Band

May 7 - 2pm at Valdese Lakeside Park

First Sunday Group Hike

Every Wednesday - 9:30am at Valdese Lakeside Park

Group Hike, 3-4 miles

Every Third Thursday - Noon

Lunch and Learn



Wilderness Gateway State Trail



Planned use: Hiking with some horseback riding, biking, and paddling sections

- 300 miles
- Bakers Mtn to South Mtns to Chimney Rock
- Connection to Valdese



Trails Through Valdese

- WGST route is Main Street Valdese
- WGST - Visitor Center for Western NC Outdoor Rec - Exit 111 (potential)
- Outfitter needed - rent bikes and kayaks
- 6 airbnb rentals now in Valdese - could grow, hotel? camping?
- Burke River Trail - 20 miles Morganton to Hickory




Trail Visitation in Valdese

- 900 over a weekend in March
- 275 per day

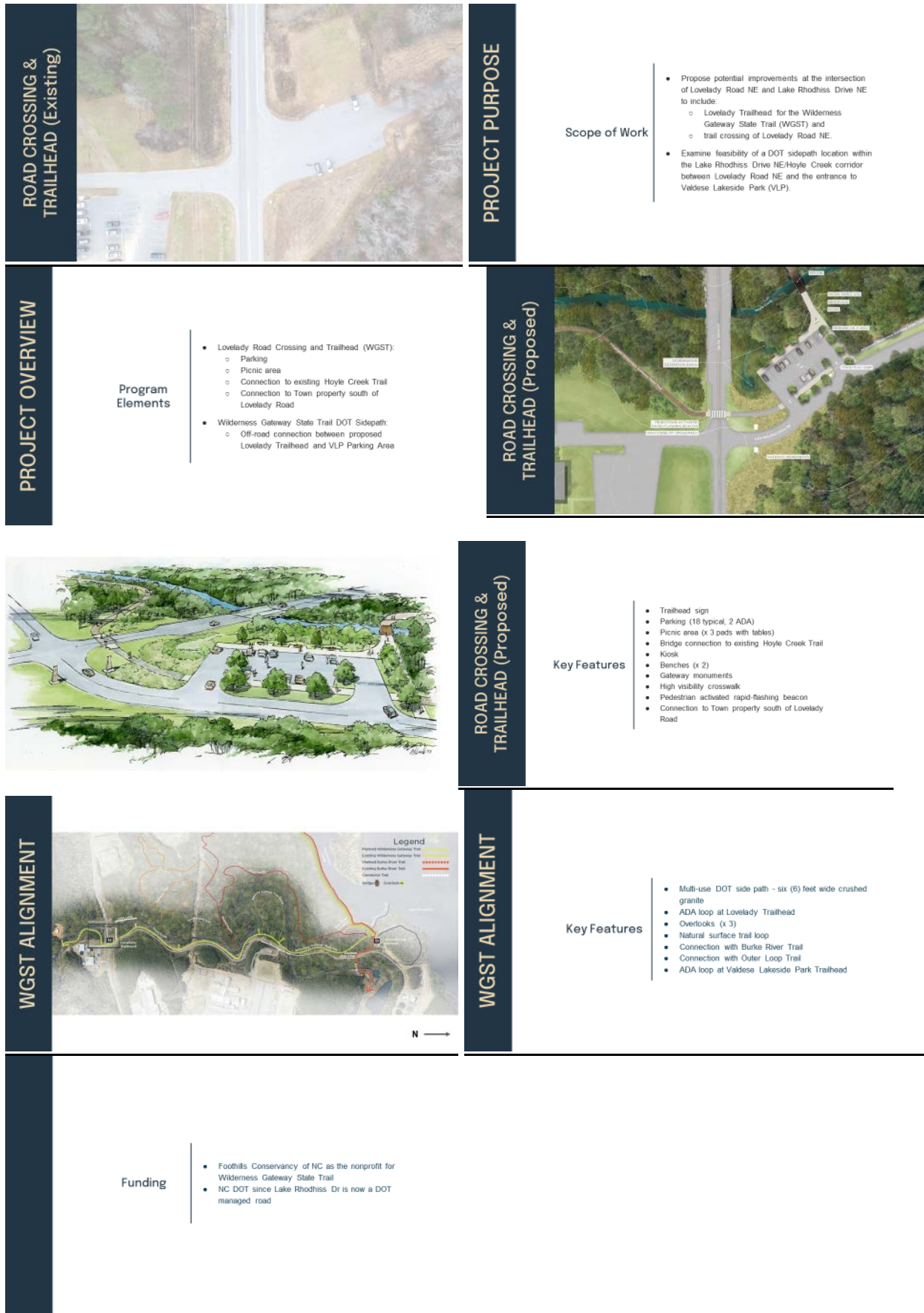
Outdoors Discover by Smith May 2022

FriendsOfTheValdeseRec.org



LOVELADY TRAILHEAD & WILDERNESS GATEWAY STATE TRAIL ALIGNMENT - VALDESE, NC

DESTINATION BY DESIGN



EMPLOYEE PROMOTIONS Town Manager Seth Eckard introduced Truman Walton, who was promoted to Fire Chief. Fire Chief Truman Walton introduced Levi Henry, who was promoted to Assistant Fire Chief.

2022 NC DEPARTMENT OF LABOR SAFETY AWARDS Fire Chief/Safety Director Truman Walton presented Town Departments with 2022 safety awards.

TO: Seth Eckard, Town Manager
Valdese Town Council

FROM: Truman Walton, Safety Director

DATE: April 4, 2023

REF: 2022 North Carolina Department of Labor Safety Awards

The goal of the North Carolina Department of Labor Safety Awards Program is to recognize those entities that go the extra mile to promote safety in the workplace. For calendar year 2022, all of our town departments received recognition for their efforts to prevent work place injuries and illnesses. These achievements are largely due to our department heads and employees working and training together to ensure that safe workplace practices are followed and that safety is the top priority of every Town of Valdese employee.

In order to qualify for a NCDOL Safety Achievement Silver Award the rate of days away from work must be at least 50% below the industry average. The following town departments received NCDOL Safety Achievement Silver Awards for calendar year 2022:

- Public Works Department (1st year)
- Waste Water Department (1st year)

In order to qualify for a NCDOL Safety Achievement Gold Award the rate of days away from work, job transfer or restriction must be at least 50% below the industry average. The following town departments received NCDOL Safety Achievement Gold Awards for calendar year 2022:

- Recreation Department (1st year)
- Police Department (2nd consecutive year)
- Water Department (6th consecutive year)
- Fire Department (8th consecutive year)
- Community Affairs Department (12th consecutive year)
- Administrative Department (35th consecutive year)

The Administrative Department's 35th consecutive year of achievement is the 3rd longest active awards streak in the State of North Carolina according to NCDOL Commissioner Josh Dobson.

Particular attention should be paid to those departments receiving consecutive Safety Awards, especially those departments where accident rates are usually elevated due to the nature of their work.

PUBLIC HEARING FOR RE-ZONING OF LAKESIDE PARK Mayor Watts declared the public hearing open at 7:17 p.m.

Planning Director Larry Johnson briefly reviewed highlights of the following report:

Rezoning Application 2-3-23
Town of Valdese

Property Location: McGalliard Pointe Drive NE, Lake Rhodhiss Drive NE, Crescent Street NE, and Lovelady Road NE

Real Estate Identification Numbers (REID): 64274, 59764, 64263, and 64264

ACREAGE: 320.34 acres

Requested Action: Rezone properties from R-12 Residential District and M-1 Manufacturing District to R-12A Residential District

BACKGROUND: The four parcels under consideration for rezoning were annexed into the corporate limits of the Town of Valdese in 2006 and subsequently zoned for residential and manufacturing uses. Remaining undeveloped, a master plan for the properties was developed in 2017 for outdoor recreation. In 2018, the Town purchased the parcels to create recreational opportunities outlined in the 2018 master plan. Park amenities currently are proposed to include walking trails, a dog park, a greenway, a kayak launch, mountain bike trails, and possible primitive camping. A bridge has been constructed to connect the existing McGalliard Falls Park to Lakeside.

During a recent meeting of the Valdese Planning Board, the staff informed the Board of the need to change the zoning designations of the parcels to a designation appropriate to the current and future uses. The current zoning designations of R-12 Residential and M-1 Manufacturing do not list parks as a use permitted by right. A rezoning to R-12A Residential will allow the recreational uses to continue without nonconformity.

The Planning Board has recommended an R-12A Residential District designation for the four parcels.

REVIEW CRITERIA:

1. Existing land uses in the general vicinity of the subject's property are residential, vacant land, and industrial.
 - North: The properties are zoned R-2 and R-3 Residential by Burke County, R-12A Residential and R-8 Residential occupied by single-family homes.
 - South: The property is zoned R-1 and R-2 by Burke County, R-2 and M-1 Manufacturing and contains manufacturing and residential uses.
 - East: The properties to the East are zoned M-1 Manufacturing. These properties are occupied mainly by a secondary school or vacant.
 - West: The properties to the West are zoned R-1 and R-2 by Burke County. The properties are mostly single-family residences and vacant.

To the extent to which zoning will detrimentally affect properties in the general vicinity of the applicant's properties, the requested R-12A Residential District permit uses are similar to those in the area, except for manufacturing.

2. Traffic

Lake Rhodhiss Drive NE is the primary entrance to Lakeside Park parcels. It is considered a local or minor street. The street provides ingress and egress for park attendees and school buses.

In April, the Town's Public Works Department conducted a two-week traffic study for Lake Rhodhiss Drive NE. The results revealed an (ADT) Average Daily Traffic count of 257 vehicles per day.

3. Public Services;

The proposed amendment will not cause public services to fall below acceptable levels. Public services are in place to service the area. These public services include water and sewer, police, and fire protection.

4. Consistency of the proposed zoning with the Valdese Vision: A Land Use Action Plan for the Future. The proposed zoning designation of R-12A Residential is *inconsistent* with the future land use of "natural" in the Valdese Vision: A Land Use Action Plan for the Future adopted by the Valdese Town Council in 2014.

REVIEW:

1. The Town of Valdese requested a zoning map amendment in March 2023 to rezone four parcels with zoning designations of M-1 Manufacturing and R-12 Residential to R-12A Residential District.
2. The four parcels comprise Lakeside Park.

3. The four parcels are contiguous with residential uses, vacant land, and industrial uses. The proposed rezoning to R-12A Residential permits “parks” and “neighbor and outdoor recreation.”
4. The Valdese Vision: A Land Use Action Plan for the Future. The Land Use Action Plan identifies the four parcels for natural and industrial development, which need to be revised with existing and planned development of the area for recreation.
5. Staff confirmed the following steps were taken in advance of the public hearing on Rezoning Petition 2-3-23:
 - a. adjoining property owners received first-class mail notifications.
 - b. The Town Clerk advertised the public hearing in the local paper.
 - c. Staff placed Rezoning Public Hearing signs along with the properties.

RECOMMENDED ACTIONS:

PLANNING BOARD

The Planning Board took up the issue of amending the Town's Zoning Map around the parcels described by REIDs: 64274, 59764, 64263, and 64264 from their currently designated zoning to R-12A Residential District. The Land Use Plan calls for natural and industrial uses on four parcels of interest.

The Planning Board found the Rezoning Petition 2-3-22 map amendment *inconsistent* with the Town of Valdese 2014 Valdese Vision: A Land Use Action Plan. However, in a five to zero vote, the Planning Board recommends that Town Council amend the Town's zoning map regarding the parcels of interest from M-1 Manufacturing and R-12 Residential to R-12A Residential District. The Planning Board Zoning Map Amendment Consistency Statement is included with this memorandum.

TOWN COUNCIL ACTION:

Before taking such lawful action as it may deem advisable, the Town Council shall consider the Planning Board's recommendations. Town Council must adopt a written statement (Consistency Statement) documenting its consideration of the land-use plan when making rezoning map amendment decisions. Town Council actions do not have to be consistent with The Valdese Vision: A Land Use Action Plan. Additionally, when adopting or rejecting any petition for a zoning map amendment, the Town Council shall approve a statement analyzing the reasonableness of the proposed Rezoning (Reasonableness Statement). This statement of reasonableness may consider, among other factors, (i) the size, physical conditions, and other attributes of the area proposed to be rezoned, (ii) the benefits and detriments to the landowners, the neighbors, and the surrounding community, (iii) the relationship between the current actual and permissible development on the tract and adjoining areas and the development that would be permissible under the proposed amendment; (iv) why the action taken is in the public interest; and (v) any changed conditions warranting the amendment.

if Town Council approves the petition, the approval shall also amend the existing and any future land use map, and no additional request or application for a plan amendment shall be required.

The Valdese Planning Board finds Rezoning Petition 2-3-23 inconsistent with the Valdese Vision: A Land Use Action Plan for the Future; however, the Planning Board recommends the Town Council's approval of the Rezoning Petition.

The Consistency and Reasonableness statement is required for Council's review and consideration for adoption. Town Council may approve both as a single combined statement.

CITIZEN INPUT

A Notice of Public Hearing will appear in the News-Herald in April 2023. All adjoining property owners will receive notices of the hearing. Notice of Public Hearing was posted before the appearance of the public hearing in an area of high traffic.

VALDESE PLANNING BOARD

ZONING MAP AMENDMENT CONSISTENCY/INCONSISTENCY STATEMENT

The Town of Valdese Planning Board has considered rezoning the following parcels from their currently designated zoning (as set forth below) to Zone R-12A Residential District.

1. A 20.3-acre parcel commonly known as McGalliard Pointe Drive NE, Valdese, NC, Parcel ID Number 2734843186, Zoned R-12 Residential;
2. A 294.91-acre parcel commonly known as 1149 Lake Rhodhiss Drive NE, Valdese, NC, Parcel ID Number 2744445905, Zoned R-12 Residential and M-1 Manufacturing;
3. A 2.65-acre parcel commonly known as Crescent Street NE, Valdese, NC, Parcel ID Number 2744329127, Zoned M-1 Manufacturing; and
4. A 2.48-acre parcel commonly known as Lovelady Road NE, Valdese, NC, Parcel ID Number 2743037173, Zoned M-1 Manufacturing.

The Valdese Vision: A Land Use Plan For the Future identifies parcels #1 and #2 for “natural” uses. Parcels #3 and #4 are designated for “industrial” uses.

The Planning Board finds the Petitioner’s (Town of Valdese) request to amend the Town’s Zoning Map around the parcels described above from their currently designated zoning to Zone R-12A Residential District to be **inconsistent** with the adopted Town of Valdese 2014, The Valdese Vision: A Land Use Action Plan.

Even though the Planning Board found the Rezoning Petition 2-3-2023 map amendment request to R-12A Residential District to be inconsistent with the Town of Valdese 2014 Valdese Vision: A Land Use Action Plan, per NCGS 160A-383 in a five to zero vote, the Planning Board recommends that Town Council amend the Town’s zoning map regarding the four parcels of interest from M-1 Manufacturing and R-12 Residential to R-12A Residential District.

Roy Sweezy, Chairman

Date

**VALDESE TOWN COUNCIL ZONING MAP AMENDMENT
CONSISTENCY AND REASONABLENESS STATEMENT**

On May 1, 2023, the Valdese Town Council met to consider Rezoning Petition 2-3-23 and received a recommendation from the Valdese Planning Board. After considering the Plan (defined below), ordinances, maps, recommendations, and other materials presented, the Valdese Town Council makes the following findings and conclusions:

1. In 2014 the Town of Valdese adopted a comprehensive land use plan entitled “The Valdese Vision: A Land Use Action Plan for the Future” (hereinafter the “Plan”).
2. The Town of Valdese submitted a Rezoning Petition to the Town of Valdese Planning Board requesting to rezone McGalliard Pointe Drive NE (Tax PIN: 2734843186; Zoned R-12 Residential) (“Parcel 1”), 1149 Lake Rhodhiss Drive NE (Tax PIN: 2744445905; Zoned R-12 Residential) (“Parcel 2”), Crescent Street NE, Valdese (Tax PIN: 2744329127; Zoned M-1 Manufacturing) (“Parcel 3”), and Lovelady Road NE (Tax PIN: 2743037173; Zoned M-1 Manufacturing) (“Parcel 4”) to Zone R-12A Residential District.
3. Town of Valdese desires to use Parcels 1-4 for park and outdoor recreation purposes.
4. R-12A Residential District uses permitted by right include residential development, single-family, multi-family, parks and neighborhood recreation, government buildings, and essential service.
5. Parcels 1 and 2 are currently zoned R-12 and M-1.

6. Parcels 3 and 4 are currently zoned M-1.
7. The Plan designates Parcels 1-4 as “natural” and “industrial,” which designations do not provide for use as parks and outdoor recreation.
8. North Carolina General Statute 160D-605(a) provides, in pertinent part, as follows:

When adopting or rejecting any zoning text or map amendment, the governing board shall approve a brief statement describing whether its action is consistent or inconsistent with an adopted comprehensive or land-use plan. The requirement for a plan consistency statement may also be met by a clear indication in the minutes of the governing board that at the time of action on the amendment the governing board was aware of and considered the planning board's recommendations and any relevant portions of an adopted comprehensive or land-use plan. If a zoning map amendment is adopted and the action was deemed inconsistent with the adopted plan, the zoning amendment has the effect of also amending any future land-use map in the approved plan, and no additional request or application for a plan amendment is required. A plan amendment and a zoning amendment may be considered concurrently.

9. The Town of Valdese's request for amendment was duly considered at a meeting of the Town of Valdese Planning Board. The Planning Board found the Town of Valdese's request to amend the Town's Zoning Map around Parcels 1-4 from their currently designated zoning to Zone R-12A Residential District to be **inconsistent** with the Plan.
10. The Planning Board voted five to zero to recommend that Town Council amend the Town's Zoning Map regarding Parcels 1-4 from M-1 Manufacturing and R-12 Residential Districts to R-12A Residential District.
11. The Valdese Town Council hereby finds Rezoning Petition 2-3-23 in regards to rezoning Parcels 1-4 from their currently designated zoning to Zone R-12A Residential District to be **inconsistent** with the Plan.
12. North Carolina General Statute 160D-605(b) provides, in pertinent part, as follows:

When adopting or rejecting any petition for a zoning map amendment, a statement analyzing the reasonableness of the proposed rezoning shall be approved by the governing board. This statement of reasonableness may consider, among other factors, (i) the size, physical conditions, and other attributes of the area proposed to be rezoned, (ii) the benefits and detriments to the landowners, the neighbors, and the surrounding community, (iii) the relationship between the current actual and permissible development on the tract and adjoining areas and the development that would be permissible under the proposed amendment; (iv) why the action taken is in the public interest; and (v) any changed conditions warranting the amendment.

13. The Town Council finds that the zoning amendment is reasonable and in the public interest based on the following:
 - a. The total acreage of Parcels 1-4 is of sufficient size so as not to be construed as “spot” zoning.
 - b. The surrounding zoning designations are R-2 Residential (County), R-8 Residential, R-12 Residential, and M-1 Manufacturing. The surrounding land uses include residential development, outdoor recreation, and manufacturing.

- c. With the zoning designation of M-1 Manufacturing, Parcels 3 and 4 could be developed for industrial and related uses, which could include, by way of example and not limited to, an automotive body repair shop, automotive repair, automotive service station, recycling center, a collection point or plant, manufacturing, truck terminal, and warehousing.
- d. With the zoning designation of R-12 Residential, Parcels 1 and 2 could provide for agricultural uses and single-family development. Uses interfering with the quiet, less urban residential nature of single-family neighborhoods, such as multifamily and commercial uses, would not be considered appropriate for the R-12 Residential District.
- e. The R-12A Residential District is intended to be a moderately quiet, medium-high-density residential living area with many types of residential development, home occupations, and limited private and public community uses.
- f. R-12A Residential District development will not harm the surrounding land uses in that the permitted uses of the district consist of moderately quiet, medium-high density, residential living, and private and public community use.
- g. The zoning amendment will allow the continued development of the Town's municipal park, according to the park's master plan.
- h. The Plan was adopted in 2014. The Town of Valdese rezoned Parcels 1-4 manufacturing and residential upon the subsequent annexation in October 2006. The Town of Valdese then purchased Parcels 1-4 in 2018 with recreational opportunities in mind following the creation of a master plan for the properties in 2017. Town Council finds that conditions have changed since adopting the Plan, warranting this zoning amendment.

Based upon the recommendation of the Valdese Planning Board and the findings from the public hearing, the Valdese Town Council, having found Rezoning Petition 2-3-23 in regards to rezoning Parcels 1-4 from their currently designated zoning to Zone R-12A Residential District to be **inconsistent** with the Plan, approves Rezoning Petition 2-3-23 and the recommendation from the Valdese Planning Board to amend the Town's Zoning Map regarding Parcels 1-4 from M-1 Manufacturing and R-12 Residential Districts to R-12A Residential District.

Based on those above and the findings from the public hearing, the Valdese Town Council further finds Rezoning Petition 2-3-23 and the proposed rezoning reasonable.

The Town Council therefore approves Rezoning Petition 2-3-23.

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

/s/ Charles Watts, Mayor

ATTEST:
/s/ Town Clerk

**NOTICE OF PUBLIC HEARING ON PROPOSED AMENDMENT TO THE
ZONING MAP OF THE TOWN OF VALDESE**

Valdese Town Council will meet in the Council Chambers of the Valdese Town Hall, at 102 Massel Avenue SW, on May 1, 2023, at 6:00 p.m., upon rezoning four parcels from a combination of R-12 Residential and M-1 Manufacturing districts to R-12A Residential District.

Map Amendment #02-03-23

The Valdese Town Council will consider an application by the Town of Valdese to rezone four parcels located on Lake Rhodhiss Drive NE, Lovelady Road NE, Crescent Street NE, and McGalliard Pointe Drive NW, further identified the Record Numbers 64274, 59764, 64263, and 64264. The request is a change in the zoning designation from a combination of R-12 Residential and M-1 Manufacturing Districts to R-12A Residential District.

At the hearing, all interested persons may be heard and voice any objections to the proposed amendment to the zoning map of the Town of Valdese. Notice is further given that complete copies of the proposed map amendment and this notice are now and will remain on file in the Office of the Planning Department at Valdese Town Hall for the inspection of all interested citizens until the public hearings. For information regarding the above-listed items, contact the Planning Department at (828) 879-2124.

Interested parties are invited to attend this hearing and present comments. Request for accommodations by persons with disabilities should contact Jessica Lail, Town Clerk, at (828) 879-2117 at least 48 hours before the scheduled meeting time.

PUBLISH: APRIL 17, 2023, AND APRIL 26, 2023

Mayor Watts asked if anyone wished to speak either for or against the re-zoning.

GLENN HARVEY, 801 MICOL AVE NE., VALDESE Mr. Harvey asked if this would allow entrepreneurial activity at Lakeside Park allowing people to rent kayaks, camping spaces, concession stands, etc. Mr. Johnson said yes, he feels that that would be allowed.

Mayor Watts asked if there was anyone else that wished to speak. There being no one wishing to speak, Mayor Watts closed the public hearing at 7:37 p.m.

Councilman Mears made a motion to approve the rezoning petition #2-3-23 and adopt the proposed consistency and reasonableness statement contained in the agenda materials, this approval is also deemed an amendment to the Valdese Vision: A Land Use Action Plan for the Future Land Use Map, seconded by Councilman Barus. The vote was unanimous.

Councilman Mears thanked Mr. Johnson for his service and dedication to the Planning Board and Department.

TAX RATE DISCUSSION Assistant Town Manager/CFO Bo Weichel presented the following presentation showing how the tax rate and revenue is calculated.

TOWN OF VALDESE

2023 May Council Meeting

**TAX RATE & REVENUE
CALCULATION**

REAL property	PERSONAL property
Land	Machinery
Buildings	Equipment

Data From Burke County Tax Office**REAL Property Values**

- 2022 = \$310,622,017
- 2023 (revaluation) = \$449,252,757
- Increase of **\$138,630,740** (44.63%)

Data From Burke County Tax Office**PERSONAL Property Values**

- No revaluation on PERSONAL.
- Actual value available later in May.
- Based on prior years, **\$70,000,000** of PERSONAL values for the budget.

Data From Burke County Tax Office**REAL + PERSONAL (R&P) Property Values**

$\$449,252,757 + 70,000,000 = \mathbf{\$519,252,757}$

Taxable Property Value for 2023

Data From Burke County Tax Office**R&P Values from Prior Four Years**

- Purpose: Calculate the average growth
- 2019 (revaluation) = \$366,833,535
- 2020 = 375,094,774 → 2.25 % increase
- 2021 = 377,564,374 → 0.66 % increase
- 2022 = 387,050,384 → 2.51 % increase
- Average of the above increases = **1.81% "Growth Factor"**

Revenue Neutral Rate (RNR)

Purpose:

What tax rate would produce same tax revenue as last year?

- Last year revenue based on 2022 R&P value?
 $(\$387,050,384 / 100) \times 0.545 = \$2,109,425$
- Rate needed to match same revenue using 2023 R&P?
 $(\$2,109,425 \times 100) / \$519,252,757 = \$0.4062 \text{ tax rate}$
- Apply "Growth Factor" 1.81%
 $\$0.4062 \times (1 + 1.81\%) = \0.4136
- Round to nearest ½ cent = **\$0.415 "RNR"**

"NEW" Revenue

Proposed Budget recommends to decrease tax rate 3 cents.

Lowers the rate from \$0.545 to \$0.515

How much "NEW" revenue is generated with a tax rate 10 cents more than our RNR of \$0.415?

"NEW" Revenue (cont.)

- Remember our \$449,252,757 REAL property value provided by the County?
Does not include a reduction for tax relief (~5% each year) AND the appeals process.
- Calculate reduction of 5% for exemptions plus 5% for appeals:
 $\$449,252,757 \times 90\% = \$404,327,481 \text{ REAL value for budget}$
- Add the above to the \$70,000,000 PERSONAL value
 $\$404,327,481 + 70,000,000 = \$474,327,481 \text{ R\&P used for budgeting}$

"NEW" Revenue (cont.)

\$474,327,481 R&P used for budgeting

- Calculate 2023 tax levy based on \$0.515 tax rate:
 $(\$474,327,481 / 100) \times \$0.515 = \$2,442,787$
- NCGS 159-13 tells us the estimated tax collection percentage used for budgeting shall not be higher than the prior year collection percentage. Since the County will be handling our collections, we can use their collection rate to finalize our tax revenue budget for REAL and PERSONAL collections.
 $\$2,442,787 \times 98.5\% = \$2,406,145$

"NEW" Revenue (cont.)

Proposed Budget recommends to decrease tax rate 3 cents.
Lowers the rate from \$0.545 to \$0.515

How much "NEW" revenue is generated with a tax rate 10 cents more than our RNR of \$0.415?

$\$2,406,145 \text{ (2023)} - 2,011,341 \text{ (2022)} = \mathbf{\$394,804}$

"NEW" Revenue (cont.)

\$394,804 "NEW" revenue is generated with a tax rate 10 cents more than our RNR of \$0.415

Budget Allocation:	Street Improvements	350,000
	Part-Time Pay	14,804
	Downtown Beautification	30,000
		394,804

Councilman Mears asked if the Local Government Commission could assist the Town in coming up with the calculations. Mr. Weichel explained that the Local Government Commission provides us with a worksheet to calculate revenue neutral, which we have used. Councilman Mears just wanted to ensure we had accurate calculations because citizens say that revenue neutral is much lower.

Councilman Barus shared that he has had questions from the public and was able to clarify some misinformation with citizens and encourages all to call Council for questions and clarifications. Councilman Barus reminded citizens that we had four budget meetings open to the public.

Councilwoman Hildebran shared that we are a Manager/Council form of government where we hire staff to present the Council with the information that has the final say. Councilwoman Hildebran stated that we are not “Yes people” and that we question proposals, and sometimes staff has to come back with more information. Councilwoman Hildebran also shared that she had heard nothing but street-paving requests for the last four to five years, and Council is trying to respond to what citizens have been requesting. Councilwoman Hildebran shared that the Town has not had a tax increase in the last 20 years, but with the economy changing, we have to pay for all kinds of increases. Councilwoman Hildebran explained that we could cut services if needed.

FY 23-24 PROPOSED BUDGET AND SCHEDULING OF PUBLIC HEARING FOR MONDAY, JUNE 5, 2023 The proposed budget was submitted to the Valdese Town Council on Wednesday, April 26, 2023. Town Manager Seth Eckard presented the proposed budget:

**TOWN OF VALDESE
BUDGET MESSAGE
2023 – 2024**

TO: Mayor Charlie Watts
Councilman Tim Barus – Ward 1
Councilman Paul Mears – Ward 2
Councilwoman Rexanna Lowman – Ward 3
Councilwoman Frances Hildebran – Ward 4
Councilman Tim Skidmore – Ward 5

FROM: Seth Eckard, Town Manager

DATE: May 1, 2023

SUBJECT: Proposed 2023 – 2024 Town of Valdese Budget

Honorable Mayor Watts and Members of the Valdese Town Council:

In accordance with the North Carolina Local Government Fiscal Control Act, the recommended budget for fiscal year 2023-2024 is presented for your consideration. The budget document represents balanced revenues and expenditures. The fiscal year 2023-2024 budget continues investment in our community's services and infrastructure needs. The capital budget includes equipment replacement, facility improvements, and substantial utility system investments.

The proposed combined fiscal year 2023-2024 operating and capital budgets are \$13,375,607. This includes a total General Fund budget of \$7,693,609 and a total Utility Fund budget of \$5,681,998.

Economic Improvements and Constraints

Inflation

Our community is facing several economic challenges. Inflation is at a 40-year high, and the cost of goods and services is rising rapidly. This is putting a strain on our residents and businesses, and it is making it more expensive for us to provide the same level of service that our citizens expect.

In addition to inflation, we face other economic challenges, such as supply chain disruptions, the rising cost of labor, and rising interest rates. These challenges are making it difficult for our town to control costs.

As a result of these challenges, we are facing a number of difficult choices regarding our budget. We must ensure that we provide the essential services our residents need while also being mindful of our financial constraints.

North Carolina Local Government Pension System

The Board of Trustees of the Local Government Employees' Retirement System (LGERS) voted to increase the employer contribution rate to 12.91% for general employees and 14.04% for law enforcement.

It is important to remember that these rates are not a pay increase to employees; it is a mandatory expenditure imposed by the State.

General Fund

In 2022 Burke County conducted a reappraisal of real property. Property revaluation is the process of updating the assessed value of all properties. This is necessary to ensure that property taxes are fair and equitable. Property values can change over time due to various factors, such as inflation, market changes, and property improvements.

The initial assessment in Valdese (before appeals) is an average increase of 44.3% of all property. Using the Local Government Commission's prescribed formula, calculates a revenue-neutral rate of 41.5 cents.

The proposed budget includes a total General Fund budget of \$7,693,609 and proposes lowering the current tax rate of 54.5 cents per \$100 to 51.5 cents per \$100 valuation. This will generate approximately \$394,804 in additional property tax revenue for the Town of Valdese. The proposed budget allocates \$350,000 of these funds for street resurfacing and the remaining funds to increase part-time pay for lifeguards, part-time firefighters and downtown beautification.

We are currently in one of the tightest labor markets in US history. The unemployment rate for Burke County is 3.3%, and there are presently two jobs open for every person looking for a job. The proposed budget includes several strategies to help with the recruitment and retention of employees, including a five percent cost of living adjustment for full-time employees, increasing the longevity cap from \$1,500 to \$2,000, and adjusting the Town's pay plan to reflect the current labor market more accurately. In addition, we have redesigned our employee health insurance plan to maintain the same benefits for our employees while keeping insurance premium costs level.

Sanitation and Recycling

Republic Services contractually increases its solid-waste and recycling contract with the Town based on its annual consumer price index. This year's increase is five percent. The Town will absorb this increase.

Long Term Debt

The percentage of the General Fund's annual operating budget used to service existing debt is 3.37 percent. No additional debt is proposed in this budget cycle.

ABC Distributions

North Carolina General Statutes allow ABC Stores with a substantial operating reserve to make quarterly distributions to the local government in which they operate. Staff projects that the Valdese ABC Store will distribute \$100,000 to the Town of Valdese in 2023-2024. In addition, ABC funds will be placed in the Town's public safety building capital project account.

Parks and Recreation

Aquatics and Fitness membership fees will decrease for Valdese residents and increase for non-residents.

Burke County Library

The proposed budget includes a \$40,000 donation to the Burke County Library.

Public Safety Building

On March 7th, 2022, The Valdese Town Council voted to authorize the architect (CBSA) to develop construction documents for a new facility, advertise for construction bids, and staff to develop alternative bids that will reduce the size and cost of the proposed facility. We anticipate receiving bids for the Town Council's consideration in late 2023. Funds for a future debt service payment are already contained in the proposed budget

General Fund Capital Projects:

In the Fiscal Year 2023-2024 budget, the Town plans to make strategic capital investments amongst all departments to ensure efficient delivery, and repair our aging infrastructure. The General Fund Budget reflects expenditures of \$473,800 in capital projects across multiple departments. Highlights include:

Community Affairs

- Clock Tower Repairs
- Village Park Mural improvements (Canvas Print Installation)
- New Town Entrance Signs

Police Department

- Patrol vehicle and equipment (replace unit 118)

Public Works

- Replace HVAC
- Update Fuel Management System
- Replace Broken Rollup Doors

Street Department

- Street Resurfacing

Sanitation Department

- Replace the 2001 Trash Truck

Administration

- Repair Town Owned Street Lights
- Repair Fence Around HVAC Units
- Update Printed Zoning Maps

Parks and Recreation

- New Truck
- Pool Vacuum
- Fitness Room Equipment
- Bowling Lane Machine

Utility Fund

The Utility Fund budget for Fiscal Year 2023-2024 is \$5,681,998. This includes \$503,700 of capital improvement needs. No additional debt is proposed in this budget cycle.

In the Fiscal Year 2015-2016 budget, the Town conducted a comprehensive capital improvement plan for the utility system. The study revealed that the Town has pressing needs to be addressed to ensure high-quality water and wastewater treatment for our citizens. The Town is heading into implementation year seven of our 10-year plan.

The Capital Improvement Plan contains a recommended funding model that restructures our utility rates to ensure we can pay for all our capital needs. This budget proposes a five percent increase in residential and commercial rates and an eight percent increase in industrial and bulk customer rates. These rate adjustments are needed to combat significant material inflation and ensure we continue replacing our aging infrastructure.

The Town of Valdese Utility Capital Improvement Plan calls for several investments next fiscal year.

Utility Fund Capital Projects:

Water Plant

- Roof Replacement – Finish Water Pump Station
- Install Security System
- Replace 2004 Ford F-150

Waste Water Plant

- Replace 1998 Biosolids Truck
- Sludge Trailer
- Centrifuge #1 Overhaul
- Spare Pump (Cline Street)
- Install Security System

Water Distribution

- Replace 2014 Mini Trackhoe
- Replace 2006 Chevy Dump Truck (1.5 Ton)
- Spare Meter Stock

Conclusion

I appreciate the dedicated employees of the Town of Valdese for their hard work and good stewardship of the Town's resources. Our team works hard and takes pride in carrying out their duties. I also thank Mayor Watts and the Town Council for their dedication in carrying out their responsibilities in providing leadership and guidance during the budgeting process.

Respectfully,

Seth Eckard, ICMA-CM
Town Manager

Councilman Mears shared that this year we were looking at a 30% rate increase to employee insurance, and with staff and our insurance broker, we were able to come up with an alternative plan that did not include that kind of rate increase and felt like that was a success.

Mayor Watts encouraged citizens to contact Council members for questions and clarifications.

Councilwoman Hildebran made a motion to set the public hearing for the FY 2023-2024 budget on Monday, June 5, 2023, at 6:00 p.m., at Valdese Town Hall, seconded by Councilman Barus. The vote was unanimous.

CAPITAL PROJECT ORDINANCE – STREET IMPROVEMENTS Assistant Town Manager/CFO Bo Weichel presented the following Capital Project Ordinance for the proposed street improvements. Mr. Weichel said the money would not go in until the budget was approved.

**TOWN OF VALDESE
STREET IMPROVEMENTS
CAPITAL PROJECT ORDINANCE**

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

Section 1. The project authorized is Street Improvements. Project proposes repairs and resurfacing of Town of streets which will be recommended by the appointed Street Paving Committee. The project is to be financed by Town funds.

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

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

<u>Source</u>	<u>Amount</u>	<u>Assigned Account Number</u>
Transfer from General Fund	\$ 350,000	76.3000.000

	\$ 350,000	
	=====	

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

<u>Source</u>	<u>Amount</u>	<u>Assigned Account Number</u>
2024 Street Improvements	\$ 350,000	76.5600.450

	\$ 350,000	
	=====	

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

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

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

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

Section 9: Copies of this project ordinance shall be made available to the budget officer and the finance officer for direction in carrying out this project.

Adopted this 1st day of May 2023.

Charles Watts, Mayor

Jessica Lail, Town Clerk

Councilwoman Hildebran made a motion to approve the Capital Project Ordinance, seconded by Councilman Barus. The vote was unanimous.

MANAGER'S REPORT: Town Manager Seth Eckard made the following announcements:

Granville Morrow Fun Fish Day is scheduled for Saturday, May 13, 2023, 9:00 a.m. – 1:00 p.m. at McGalliard Falls. Rain Date: May 20, 2023. Register online at www.valdese.recdesk.com.

Family Friday Nights Kickoff Celebration is scheduled for Friday, May 26, 2023, 7:00 p.m. – 10:00 p.m., with Ace Party Band, at the Temple Field. Concerts will continue every Friday until September 1, 2023.

Town Offices Closed on Monday, May 29, 2023, in Observance of Memorial Day

MAYOR AND COUNCIL COMMENTS: Councilman Mears is discouraged by how expensive street resurfacing is. Councilman Mears asked if we think the prices will go down. Town Manager Seth Eckard does not know but is hopeful.

CLOSED SESSION: Mayor Watts called for a motion to recess into Closed Session pursuant to NC General Statute 143-318.11 (a) (6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee. At 8:28 p.m., Councilman Barus made a motion to recess into Closed Session pursuant to NC General Statute 143-318.11 (a) (6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee. Councilman Mears seconded the motion. The vote was unanimous.

At 9:27 p.m., Councilwoman Lowman made a motion to return to Open Session, seconded by Councilwoman Hildebran. The vote was unanimous.

TOWN MANAGER'S SALARY: Councilman Barus made a motion to increase the Town Manager's salary by 7%, seconded by Councilman Mears. The vote was unanimous.

ADJOURNMENT: At 9:28 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilwoman Lowman. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, June 5, 2023, 6:00 p.m.

Town Clerk

Mayor

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
JUNE 5, 2023**

The Town of Valdese Town Council met on Monday, June 5, 2023, 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 Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent: None

A quorum was present.

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

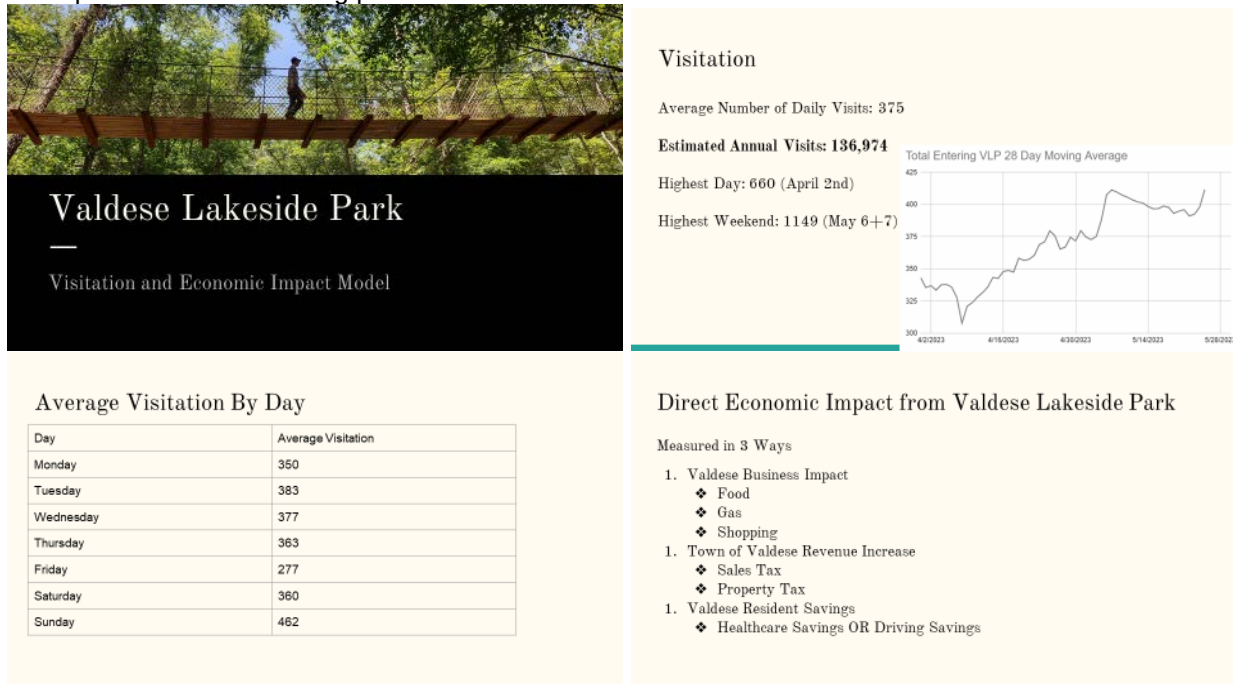
OPEN FORUM/PUBLIC COMMENT:

Mayor Pro Tem Frances Hildebran read the Rules & Procedures for Public Comment:

Rule 5. Public Comment

Any individual or group who wishes to address the council shall inform the town clerk, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Comments should be limited to five minutes per speaker. If the speakers' comments need to be addressed upon the direction of this Council, someone from the management team will be in touch with you later.

VALDESE LAKESIDE PARK, ZAKK HEILE, 5291 MINERAL SPRINGS MTN AVE., VALDESE, NC: Mr. Heile presented the following presentation to Council:



Visitor Stats

- Valdese (32.71%) - \$5.23 per visit
- Other Place in Burke County (33.96%) - \$7.31 per visit
- Out Of County (32.33%) - \$6.75 per visit

	Food %	Gas %	Shopping %
Valdese	19.43%	13.05%	4.59%
Other Burke County	24.27%	16.68%	14.50%
Out Of County	22.47%	18.08%	7.76%

Total Annual Valdese Business Impact

\$882,300 Annually (\$2,417 per day).

\$398,276 of this comes from food, \$281,135 from gas, and \$193,782 from shopping.

Annual Town of Valdese Total Revenue Increase

Added Sales Tax Revenue: \$2,329 (0.11% of transactions)

Added Property Tax Revenue: \$22,337 (2.5% increase of residential property value within 2000 feet of the park)

Total Added Annual Revenue for the Town of Valdese: \$24,666

Annual Valdese Resident Savings

Prior to the park being open, residents of Valdese had two options.

1. Drive farther to a park
2. Not visit any parks

Whichever choice they made would cost them more, whether in having to spend more on healthcare, or more on transportation costs.

Averaging Healthcare and Transportation

	Amount Saved	Weight
Healthcare	\$540,593	30%
Transportation	\$247,378	70%

Total Annual Valdese Resident Savings: \$335,343

\$338 Annual Savings per Valdese Residents that are park visitors

Total Economic Impact from Valdese Lakeside Park

Valdese Business Revenue Increase: \$882,300

Town of Valdese Revenue Increase: \$24,666

Valdese Resident Savings: \$335,343

Total Economic Impact: \$1,242,308

136,974 Annual Visits to Valdese Lakeside Park

Mr. Heile shared that it has been amazing to see the park's impact on the community and the health benefits it brings, and he has been so happy to be a part of it. Members of the Council expressed their appreciation to Mr. Heile and his family and others that have contributed to the park.

FRIDAY MOVIE NIGHT, JIM JACUMIN, 3690 MILLER BRIDGE RD, CONNELLY SPRINGS: Mr. Jacumin shared that 12 churches came together four years ago to try to improve the community by sharing Friday night movies for children. Mr. Jacumin said that it stopped when the Council decided to move the music from 9:00 pm to 10:00 pm, making it hard to hear. Mr. Jacumin shared that since the music is at the football field, it would be possible to try it again. Mr. Jacumin would like to start this again by watching wholesome movies and would like the Council's blessing.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING AND CLOSED SESSION MINUTES OF MAY 1, 2023

ADOPTED REVISED VALDESE TOWN COUNCIL RULES OF PROCEDURES The Valdese Town Council Rules of Procedures, revised March 3, 2021, has been revised in "Rule 5. Public Comment" to add, *person(s) must be present if they wish to address the Council.* (NOTE: A copy of the Rules of Procedures may be found in the Clerk's Office.)

APPROVED VEDIC BOARD OF DIRECTORS APPOINTMENT The VEDIC Board of Directors recommended the reappointment of Suzanne Wallace to a second term to the VEDIC Board. The three-year term will expire on July 1, 2026.

APPROVED LEASE AGREEMENT AT THE OLD ROCK SCHOOL DREAM CONNECTIONS Lease agreement for rental space at the Old Rock School. The Dream Connections Lease is in the amount of \$1,045 per month.

APPROVED REQUEST FROM OLD COLONY PLAYERS TO SELL ALCOHOL The Old Colony Players has been authorized to partner with The Levee Brewery and Pub to sell beer and wine(Hard Cider) at the following productions:

- "From This Day Forward" at the Fred B. Cranford Amphitheatre. The show will run July 14, 15, 21, 22, 28, 29 and August 4, 5, 11 and 12. Show time is 8:00 PM
- OCP Dinner Theatre September in the Waldensian Room. September 7, 8 and 9 at 6:00 PM and September 10 at 2:00 PM
- "Young Frankenstein" at the Fred B Cranford Amphitheatre. October 13, 14, 19, 20, 21, 26, 27 and 28 at 7:30 PM

Councilwoman Hildebran made a motion to approve the Consent Agenda as presented, seconded by Councilwoman Lowman. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

INTRODUCTION OF NEW EMPLOYEE: Police Chief Jack Moss introduced new Police Officer, Gage Davis. Officer Davis thanked the Council for this opportunity and shared it is a privilege to work in the same town he resides in.

APPROVED FY 2023-2024 BUDGET PUBLIC HEARING & ORDINANCE ADOPTION: Mayor Watts opened the Public Hearing at 6:15 p.m. Town Manager Seth Eckard shared that there had been no changes since the May 1, 2023, Council meeting.

Mayor Watts asked if anyone wished to speak either for or against the proposed budget. (No speakers)

Councilman Mears asked that assuming the budget was passed, funds for street paving of \$350,000 would be transferred to the Capital Projects Street Improvements fund? Town Manager Seth Eckard said yes.

Councilwoman Hildebran addressed the public, sharing that the Council has been studying and reviewing this budget since March, had public meetings, changes have been made throughout the process, and they are pleased with the outcome. Councilman Barus added that we had two full days of meetings where no citizens attended, we had a property revaluation from Burke County, we had inflation and supply chain difficulties, and Council came together as a team to provide an appropriate budget. Councilman Barus mentioned that we had to consider employee pay that is behind and thanked all the employees for their services. Councilman Barus asked the citizens to call the Council members with questions. (Council member telephone numbers can be found on the Town of Valdese website.)

Councilwoman Lowman shared that she was happy to see a decrease for residents in the Aquatic and Fitness membership fees and an increase for folks not citizens of the Town of Valdese. Councilwoman Lowman shared that she is a big proponent of the Valdese Library funds that have stayed the same.

Mayor Watts asked if anyone else wished to speak. Hearing none, Mayor Watts closed the Public Hearing at 6:21 p.m.

**TOWN OF VALDESE BUDGET ORDINANCE
FISCAL YEAR 2023-2024**

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF VALDESE, NORTH CAROLINA, THAT:

Section 1: The following amounts are hereby appropriated to the fund set forth for the operation of the town government and its activities for the fiscal year beginning July 1, 2023, and ending June 30, 2024, in accordance with the chart of accounts heretofore established for this town:

GENERAL FUND - OPERATIONS		\$	7,219,809
Governing Body	\$	76,989	
Administration		1,199,605	
Public Works		195,689	
Maintenance & Grounds		283,573	
Planning		127,144	
Police		1,295,208	
Fire		1,211,715	
Street		643,820	
Powell Bill		146,300	
Sanitation		368,199	
Recreation		981,680	
Tourism/Community Affairs		689,887	
GENERAL FUND - CAPITAL OUTLAY		\$	473,800
Governing Body	\$	-	
Administration		20,000	
Public Works		41,000	
Maintenance & Grounds		-	
Planning		3,000	
Police		45,000	
Fire		-	
Street		-	
Powell Bill		-	
Sanitation		165,000	
Recreation		104,800	
Tourism/Community Affairs		95,000	
WATER SEWER FUND - OPERATIONS		\$	5,178,298
Water	\$	2,103,250	
Wastewater		1,746,881	
Water & Sewer Construction		1,328,166	
WATER SEWER FUND - CAPITAL OUTLAY		\$	503,700
Water	\$	76,000	
Wastewater		175,000	
Water & Sewer Construction		252,700	
TOTAL BUDGET		\$	13,375,607

**TOWN OF VALDESE BUDGET ORDINANCE
FISCAL YEAR 2023-2024**

Section 2: It is estimated, and therefore appropriated, that the following revenues will be made available to the respective funds for the fiscal year beginning July 1, 2023 as follows:

GENERAL FUND	\$	7,693,609
UTILITY FUND		5,681,998
TOTAL REVENUES	\$	13,375,607

Section 3: There is hereby levied an ad valorem tax at the rate of fifty-one and one half cents (\$0.515) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2023, for the purpose of raising a portion of the revenue listed in the General Fund appropriation in Section II of this ordinance. This rate, based upon an estimated total valuation of \$474,327,481 will generate a levy of \$2,406,145 with an estimated collection rate of 98.50%.

Section 4: As set forth in the Utility Fund Debt Service of the FY 2023-2024 budget document, the amount of \$358,386 is appropriated for the purpose of debt service and that this amount is sufficient for the complete and proper payment of all bond principal, bond interest and commissions on the outstanding debt of the town relating thereto for the fiscal year beginning July 1, 2023, and ending June 30, 2024.

Section 5: As set forth in the General Fund Debt Service Section of the FY 2023-2024 budget document, the amount of \$260,244 is appropriated for the purpose of debt service and that this amount is sufficient for the complete and proper payment of all bond principal, bond interest and commissions on the outstanding debt of the town relating thereto for the fiscal year beginning July 1, 2023, and ending June 30, 2024.

Section 6: The operating funds encumbered on the financial records of June 30, 2023 are hereby reappropriated into this budget.

Section 7: The corresponding "Fiscal Year 2023-2024 Rate and Fee Schedule" is approved with the adoption of this Annual Budget Ordinance.

Section 8: The Budget Officer is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- a. He may transfer amounts between line-item expenditures within a department without limitation and without a report being required.
- b. He may transfer amounts of \$10,000 between departments of the same fund without a report being required.
- c. He may not transfer any amounts between funds or from any fund balance appropriation within any fund without approval of the Town Council.

Section 9: The Budget Officer is hereby authorized to execute agreements, within funds included in the Budget Ordinance or other actions by the Governing Body, for the following purposes:

- a. Form grant agreements to public and non-profit organizations
- b. Leases of routine business equipment
- c. Consultant, professional, or maintenance service agreements
- d. Purchase of supplies, materials, or equipment where formal bids are not required by law
- e. Applications for and agreements for acceptance of grant funds from federal, state, public, and non-profit organizations, and other funds from other governmental units, for services to be rendered which have been previously approved by the Governing Body
- f. Construction or repair projects
- g. Liability, health, life, disability, casualty, property, or other insurance or performance bonds
- h. Other administrative contracts which include agreements adopted in accordance with the directives of the Governing Body.

TOWN OF VALDESE BUDGET ORDINANCE FISCAL YEAR 2023-2024

Section 10: Copies of this budget ordinance and accompanying documents shall be furnished to the finance office, budget officer, and other department heads of the Town of Valdese to be kept on file by them for their direction in the disbursement of funds.

Upon introduction by Town Manager Seth B. Eckard, motion to adopt by

Council _____, and seconded by Council _____, the vote was _____.

This ordinance is adopted on this the 5th day June, 2023.

Charles Watts, Mayor

Attest: _____
Jessica Lail, Town Clerk

PUBLIC NOTICE TOWN OF VALDESE	
Public notice is hereby given that a public hearing will be held on Monday, June 5, 2023, at 6:00 p.m., Valdese Town Hall, Town Council Chambers, 102 Massel Avenue SW, Valdese, North Carolina, to receive public comments and input concerning the Fiscal Year 2023 - 2024 proposed budget. The budget has been submitted to the Governing Board and is available for public inspection in the Office of Town Clerk.	
SUMMARY OF FISCAL YEAR 2023 - 2024 PROPOSED BUDGET	
Section I: The following amounts are hereby appropriated to the fund set forth for the operation of the Town Government and its activities for the fiscal year beginning July 1, 2023, and ending June 30, 2024, in accordance with the Chart of Accounts heretofore established for this Town:	
GENERAL FUND - OPERATIONS	\$7,219,809
Governing Body	\$76,989
Administration	1,199,605
Public Works	195,689
Maintenance & Grounds	283,573
Planning	127,144
Police	1,295,208
Fire	1,211,715
Street	643,820
Powell Bill	146,300
Sanitation	368,199
Recreation	981,680
Tourism/Community Affairs	689,887
GENERAL FUND - CAPITAL OUTLAY	\$ 473,800
Governing Body	\$
Administration	20,000
Public Works	41,000
Maintenance & Grounds	-
Planning	3,000
Police	45,000
Fire	-
Street	-
Powell Bill	-
Sanitation	165,000
Recreation	104,800
Tourism/Community Affairs	95,000
WATER SEWER FUND - OPERATIONS	\$ 5,178,298
Water	\$ 2,107,750
Wastewater	1,751,881
Water & Sewer Construction	1,332,366
WATER SEWER FUND - CAPITAL OUTLAY	\$ 503,700
Water	\$ 76,000
Wastewater	175,000
Water & Sewer Construction	252,700
TOTAL BUDGET	\$ 13,375,607
Section II: It is estimated, and therefore appropriated, that the following revenues will be made available to the respective funds for the fiscal year beginning July 1, 2023 as follows:	
GENERAL FUND	\$ 7,693,609
UTILITY FUND	5,681,998
TOTAL REVENUES	\$ 13,375,607
Jessica Lail, Clerk	
PUBLISH: May 24, 2023	

Councilman Barus made a motion to adopt the FY 2023-2024 Fee Schedules, FY 2023-2024 General Fund Capital Improvement Plan, FY 2023-2024 Utility Capital Improvements Plan, and the FY 2023-2024 Budget Ordinance, seconded by Councilwoman Lowman. The vote was unanimous.

ADOPTED REVISED POSITION CLASSIFICATION AND PAY PLAN Town Manager Seth Eckard explained that this request had two parts: one for the pay plan and one to add a position. Mr. Eckard shared that during the budgeting process, staff worked on recruitment and retention ideas, and out of that was to have a more competitive starting pay for potential hires. Mr. Eckard shared that staff recommended increasing the pay plan by 10% across the board, and any current employee that was paid below the minimum would be brought up to the new minimum and would still qualify for the COLA.

Fire Chief Truman Walton explained that he would like to reclassify one of the positions. Chief Walton explained that currently, there is a Chief, Assistant Chief, and Fire Marshal position. Chief Walton shared that the Fire Marshal was promoted to the Assistant Chief position, and he does an excellent job in the Fire Marshal position and feels it would best serve the Town to leave him doing the Fire Marshal duties in the Assistant Chief position and then reclassify the Fire Marshal position to a Fire Captain position. This Fire Captain position would have a more supervisor role and take over training and maintenance. Mr. Eckard stated that we were not adding any new net by adding this position to the Town or filling the Fire Marshal position; the Assistant Fire Chief would absorb it.

Councilman Mears made a motion to adopt the revised Position Classification and Pay Plan, seconded by Councilman Barus. The vote was unanimous.

APPROVED RESOLUTION FOR AMENDMENTS TO THE PERSONNEL POLICY Town Manager Seth Eckard shared that a part of the recruitment and retention discussions during the budget season was to increase the Longevity cap from \$1,500 to \$2,000. Mr. Eckard explained that this would reward the employees that have been with the Town the longest. Mr. Eckard shared that, in addition, staff recommends reinstating the Retiree Health Insurance benefit that was previously ended in 2015 by Mr. Eckard's direction, but he would like to bring it back. Mr. Eckard explained that if an employee has been with the Town for 25 years and is not eligible for Medicare, the retiree has the option to take the Town health insurance and pay their cost. Mr. Eckard said this benefit would sunset; anyone hired after June 30, 2026, would not qualify. Councilman Mears asked if we knew how many employees this would potentially involve and what percentage they would be required to pay. Mr. Eckard shared that the premium for retirees is \$150.00 per month, and we are not sure how many employees will make it to 25 years.

Fire Chief Truman Walton updated the Alcohol and Drug-Free Work Place Policy. Chief Walton explained The Counseling Group that handles our EAP program and the Federal Motor Carrier and Standard Act recommended the updates.

**TOWN OF VALDESE
PERSONNEL POLICY MANUAL UPDATE
RESOLUTION**

WHEREAS, the Town of Valdese adopted a revised Personnel Policy Manual in May of 2020; and

WHEREAS, it is necessary to amend the Town of Valdese Personnel Policy Manual from time-to-time, to clarify and modify Personnel Policy Articles; and

WHEREAS, the Town of Valdese believes these changes to the Personnel Policy Manual are in the best interest of the employees of the Town of Valdese; and

WHEREAS, the following Articles and Sections of the Town of Valdese Personnel Policy Manual are being modified, deleted or added:

- Article III, Section 16 – Longevity
- Article VI, Section 5 – Retiree Insurance Coverage
- Appendix A: Alcohol and Drug Free Work Place Policy

NOW, THEREFORE, BE IT RESOLVED by the Town of Valdese Town Council that the Council adopts the updated Personnel Policy Manual.

PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF VALDESE, NORTH CAROLINA, on this, the ____ day of June, 2023.

TOWN OF VALDESE

/s/ Charles Watts, Mayor

ATTEST:

/s/ Town Clerk

Councilman Mears made a motion to approve the Resolution for Amendments to the Personnel Policy, seconded by Councilwoman Lowman. The vote was unanimous.

APPROVED WITHDRAWAL FROM DEDICATION OF UNOPENED ROADWAY Town Attorney Tim Swanson shared that his firm was asked to complete some title work in connection with a loan application on the 650 Pineburr Ave SW property. Mr. Swanson explained that he discovered two Plats showing an unopened portion of Ribet Ave running directly across the center of 650 Pineburr. Mr. Swanson shared that because it shows on a Plat, there is always a concern that someone could argue that we are entitled to open it in the future. If it has not been opened and used within fifteen years after its dedication, it is presumed to be abandoned. Mr. Swanson shared that we need to file a Withdrawal From Dedication of Unopened Roadway and record with the Registry of Deeds.

PREPARED BY AND RETURN TO:

Terry M. Taylor, Esq.
Young, Morphis, Bach & Taylor, LLP
Post Office Drawer 2428
Hickory, North Carolina 28603

STATE OF NORTH CAROLINA
COUNTY OF BURKE

**WITHDRAWAL FROM DEDICATION
OF UNOPENED ROADWAY**

THIS WITHDRAWAL FROM DEDICATION OF UNOPENED ROADWAY, made this ____ day of June, 2023 by **TOWN OF VALDESE**, a North Carolina Municipal Corporation, of an unopened roadway located in Burke County, North Carolina, hereinafter described:

WITNESSETH:

WHEREAS, on a Plat entitled "Recombination Plat For: Town of Valdese" recorded in Plat Book 60, Page 61, Burke County Registry, and also on a Plat recorded in Plat Book 5, Page 95, Burke County Registry, there was located and identified a seventy-five (75) foot right-of-way (an unopened portion of RIBET AVE.), a "roadway";

WHEREAS, the Town of Valdese is the owner of the entire parcel of land upon which this roadway exists which land was acquired by Deed recorded in Book 2540, Page 371, Burke County Registry (see also Deed Book 2681, Page 919, Burke County Registry), and therefore is the proper party to withdraw said unopened portion of roadway from dedication as it has never been opened; and

WHEREAS, the Town of Valdese has never accepted said dedication or accepted said portion of unopened roadway for maintenance.

282738-1

NOW, THEREFORE, pursuant to the foregoing and North Carolina General Statute 136-96, the Town of Valdese hereby withdraws from any dedication for roadway purposes, that tract or parcel of land designated as "roadway," that is unopened and being the unopened portion of RIBET AVE. located in Burke County, North Carolina, and said parcel being more particularly described as follows:

See attached Exhibit "A" Description.

AND THE UNDERSIGNED, do hereby certify that none of the described portion of road or street have actually been used or opened by the public at any time following the recordation of the plat in Plat Book 5, Page 95, Burke County Registry, and the undersigned are the parties who own any and all rights in such roads and own the fee simple embraced within the boundaries thereof and it being further certified by the undersigned that the continued use of no portion of said street is necessary to afford convenient ingress or egress to any lot or parcel of land and due hereby certify that the dedication has not been accepted by any governmental entity and therefore any and all street and roadways and any portion thereof are hereby withdrawn from public use and any other dedication.

IN WITNESS WHEREOF, each party on behalf of said company sets their hand and seal the day and year first above written.

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

ATTEST: _____ (Seal)
CHARLES WATTS, Mayor

JESSICA LAIL, Town Clerk

STATE OF NORTH CAROLINA
COUNTY OF BURKE

I, _____ a Notary Public of said county and state, certify that Jessica Lail personally came before me this day and acknowledged that she is Town Clerk of the Town of Valdese, a North Carolina municipal corporation, and that by authority duly given and as the act of the Town Council of the Town of Valdese, the foregoing instrument was signed in its name and by its Mayor, CHARLES WATTS, sealed with its corporate seal and attested by her as its Town Clerk.

Witness my hand and notarial stamp or seal, this ____ day of _____, 2023.

Notary Public
[AFFIX NOTARIAL SEAL]

My Commission Expires: _____.

282738-1

Exhibit "A"

BEING an undeveloped and unopened 75 foot roadway as shown on Plat Book 5, Page 95 and Plat Book 60, Page 61, Burke County Registry, and being that portion of an unopened roadway that crosses the property of the Town of Valdese and being more particularly described shown on said Plats.

Councilman Barus made a motion to approve the Withdrawal From Dedication of Unopened Roadway, seconded by Councilwoman Lowman. The vote was unanimous.

APPROVED MASTER ENCROACHMENT AGREEMENT TOWN RIGHT OF WAY WITH FOOTHILLS BROADBAND, LLC Planning Director Larry Johnson shared a Master Encroachment Agreement between Foothills Broadband, LLC and the Town of Valdese. Mr. Johnson explained that this would allow Foothills Broadband to encroach on our street right-of-way for installing fiber optic. Town Attorney Tim Swanson prepared the agreement.

PREPARED BY AND RETURN TO:

Timothy D. Swanson, Attorney
Post Office Drawer 2428, Hickory, North Carolina 28603

**STATE OF NORTH CAROLINA
BURKE COUNTY**

**MASTER ENCROACHMENT AGREEMENT
TOWN RIGHT OF WAY**

This **MASTER ENCROACHMENT AGREEMENT** ("Agreement") is made and entered into this the _____ day of _____, 2023, by and between the **Town of Valdese**, a North Carolina municipal corporation (the "Town"), and **Foothills Broadband, LLC**, a North Carolina limited liability company (the "Grantee").

WITNESSETH:

WHEREAS, the Grantee desires to encroach on certain public streets and/or street right of ways (hereinafter collectively "ROW") under the Town's jurisdiction for the purposes of constructing and installing a fiber-to-the premises infrastructure network (hereinafter "FTTP Network") and the parties wish to memorialize any such permission and conditions through this Agreement rather than individual permits or approvals; and

WHEREAS, the Town is willing to exercise its authority in accordance with N.C.G.S. § 160A-296 to grant the Grantee a non-exclusive, revocable (subject to applicable law) permission to encroach on the ROW in locations approved by the Town pursuant to plans approved for the purposes described in this Agreement.

NOW, THEREFORE, IT IS AGREED that the Town grants to the Grantee, its successors, and assigns, the right and privilege to make this encroachment as shown on the attached plans, upon the following conditions:

1. Permission to Encroach. Upon the approval of specific construction plans by the Town, the Town hereby grants the Grantee permission to encroach at the locations described in construction plans in accordance with this Agreement. Encroachments are for the purpose of constructing and/or erecting, installing, maintaining, operating and if necessary removing an FTTP Network and related facilities. The FTTP Network may consist of aerial or underground fiber optic cables, lines, or strands; underground conduits, vaults, access manholes and handholes; electronic equipment; power generators; batteries; pedestals; boxes; cabinets; huts; and other similar facilities (hereinafter "Network Facilities"). A general route and proposed design of Grantee's FTTP Network is attached as **Exhibit A**. Grantee understands and agrees that, notwithstanding any language in this Agreement to the contrary, the Town grants permission only to the extent authorized by law and the terms of the conveyance of the right of way, fee, easement, or other property interest to the Town in the ROW or public street. Nothing in this Agreement shall constitute or create an assignment to Grantee by the Town of any easement or license held by the Town or of any rights under any easement or license held by the Town. Nothing herein contained shall be construed to confer on Grantee an exclusive right to encroach on ROW or public streets or confer any rights to any third party. This Agreement also does not grant usage of Town poles or conduits by the Grantee.

Construction plans that are approved by the Town and show an encroachment shall be added as exhibits to this Agreement and shall be governed by the terms and conditions of this Agreement. Each such approved plan shall have a sequential Exhibit number included on the plan. All such construction plans that show an encroachment shall reference this Agreement and provide that any such installation, operation, or maintenance shall be governed by and incorporated into this Agreement.

2. Pre-Existing Interests. This Agreement and the rights granted hereto are subordinate and subject to the Town's continuing right to use and control the ROW in accordance with North Carolina law. Nothing in this Agreement shall be interpreted to restrict, impair, or affect the Town's right to construct, install, operate, maintain, repair, or remove roadways, sewers, water pipes, storm drains, gas pipes, utility poles, overhead and underground electric lines, and any other associated facilities or utility and municipal uses.

Grantee's rights are subject to all pre-existing easements, restrictions, conditions, covenants, claims of title and other property interests in the ROW. Grantee shall obtain any permission or rights necessary to accommodate such pre-existing property interests.

3. Grantee's Obligations. The Grantee, its contractors, employees, agents, successors, and assigns shall:

(a) take all necessary steps, including but not limited to, contacting North Carolina 811 at least three (3) days prior to any digging or excavation to ensure that any activity or operation by Grantee will not interfere with, damage, disrupt, or interrupt any utility located in the ROW, above or below ground;

(b) notify the Town at least five (5) business days before commencing work at a Town ROW location and at least three (3) days before work begins, take reasonable steps to notify residents of buildings in the area of the affected ROW that work will be performed. Failure to provide the notifications outlined in this Agreement may, in the Town's discretion, result in suspension or termination of this Agreement. Grantee shall not begin work until approval to proceed has been provided by the Town. Approval may be provided through electronic mail and shall not be unreasonably withheld. Approvals will be provided by a representative designated by the Town. Approval or objections will be provided by the Town within two (2) business days of receipt of Notice

(c) in the event Grantee will be placing Network Facilities in the ROW within the tolerance zone (as defined in Section 87-117 of the North Carolina Underground Utility Safety and Damage Prevention Act) (hereinafter "NC811 Law") of a town water or sewer

line or any other town-owned utility line, Grantee shall follow NC811 Law requirements for excavating within that tolerance zone;

(d) provide proper traffic control devices in conformance with the latest Manual on Uniform Traffic Control Devices for Streets and Highways ("MUTCD"), including but not limited to signs, signal lights, and flagmen for the protection of traffic and amendments or supplements thereto during any installation or maintenance of the Network Facilities pursuant to this Agreement; Grantee shall provide at least five (5) business days' notice to the Town of any work which will require lane closure or traffic control measures lasting more than twenty-four hours; Grantee shall follow all federal, state, and local accessibility regulations, including the MUTCD and the Americans with Disabilities Act;

(e) install, operate, repair and maintain the Network Facilities at Grantee's sole cost and expense and in accordance with federal, state, and local law, and any other regulations, ordinances and standards imposed by the Town, as may be amended from time to time. Construction, installation, operation, and maintenance of Network Facilities shall not endanger, inhibit, prevent, or interfere (i) with use of a ROW as a way of passage except in conformance with paragraph 3(d) above, (ii) with traffic on any ROW except in conformance with paragraph 3(d) above, (iii) with the maintenance of any ROW, (iv) with operation or maintenance of any Town-owned infrastructure located within or adjacent to the ROW, including but not limited to electric lines or poles, underground fiber, and water or sewer lines, or (v) with operation or maintenance of any other infrastructure or equipment lawfully located within the ROW;

(f) in the event Grantee damages any existing gas, electric, communications, water, sewer, or other utility facilities, Grantee shall immediately cease work and notify the Town and the affected utility company of the damage. Grantee will not resume work where damage has occurred until the Town determines that the danger to the public and the utility facilities has been eliminated;

(g) promptly repair any damage to the ROW, all Town-owned infrastructure, and all other areas disturbed during installation, operation, repair and maintenance of the Network Facilities, including but not limited to pavement, sidewalk, curb and gutter, drainage systems, signs, pavement markings, underground fiber, utility poles, electric lines, and water or sewer lines, and shall restore same to the condition existing prior to Grantee's disturbance, re-establishing grass cover with seeding and spreading of straw for finishing, all to the Town's satisfaction which shall be based on the industry standards for such activity;

(h) comply with all Town ordinances, rules, and regulations regarding stormwater discharge and soil erosion and sedimentation control as well as the Town's regulations, ordinances, standards and specifications for roadway and utility construction;

(i) reimburse Town for any reasonable costs or expenses of Town for any repairs or maintenance to the ROW, any Town-owned infrastructure, or other Town-owned structures resulting from or related to Grantee's negligence or willful misconduct in performing the installation, operation, maintenance, repair, or existence of the Network Facilities following receipt of invoices from the Town detailing those costs and/or expenses, including supporting documentation evidencing them, if requested and available;

(j) in the event that Town, its employees, agents, or contractors, in Town's sole discretion, need to conduct work in the ROW for a legitimate governmental purpose that will conflict with the Network Facilities, Grantee shall within a commercially reasonable time, remove or alter the Network Facilities at its cost, unless applicable law provides otherwise. The Town will use due diligence when approving Grantee's construction plans to avoid a potential foreseeable conflict between the proposed Network Facilities and the

need for work in the ROW by the Town. In the event of a public emergency that creates an imminent threat to the health, safety, or property of the Town or its residents, the Town may remove or relocate any applicable Network Facilities without notice to Grantee, provided, however, that Town will make best efforts to provide prior notice to Grantee before making an emergency removal or relocation. Town will provide Grantee a detailed description of any emergency removals or relocations of Network Facilities. If Grantee abandons any portion of its Network Facilities, Grantee shall notify the Town and remove the Network Facilities at Grantee's expense, provided, however, that Town and Grantee shall discuss whether underground facilities may be abandoned in place or transferred to Town at the mutual agreement of Grantee and Town;

(k) understand and agree that damage or destruction may occur to Network Facilities and other property of Grantee in the course of Town's operations and that Town has no obligation to take extraordinary measures to protect Grantee, Grantee's property, or Network Facilities or to minimize, mitigate, or avoid any such damage; and release, waive, and discharge any legal rights or claims to seek payment or relief of any kind from the Town, its elected officials, boards, commissions, and employees, for any damages resulting from Town's operations, maintenance, or other use of the ROW under its prior and continuing right to use the ROW;

(l) understand and agree that permission provided by this Agreement is non-exclusive, that additional encroachments by others may currently exist and be permitted in the future in the ROW ("Third Party Encroachments"), and that Town is not liable for any damage to Network Facilities that arise from the installation, operation, maintenance, or existence of Third Party Encroachments; and that any recourse for such damage must be from the Third Party Encroacher;

(m) release, waive, and discharge any legal rights to seek payment or relief of any kind from the Town, its elected officials, boards, commissions, and employees, for any damages due to or resulting from Third Party Encroachments;

(n) hold the Town, its officers, employees, and elected officials harmless from any and all liability arising out of the construction, installation, maintenance, repair, or existence of the Network Facilities and associated restoration activities in the ROW; that it will defend the Town, its officers, employees, and elected officials, and pay reasonable attorney fees in any and all actions brought as a result of such; and that it will indemnify the Town, its officers, employees, and elected officials against any and all loss sustained by reason of negligence, recklessness, or intentional wrongful conduct of Grantee arising out of the installation, maintenance, operation, repair, removal, location, or existence of Network Facilities, provided, however, that indemnification relating to personal injury of employees will not apply to any claims made by Town's employees that are covered under applicable workers' compensation laws, and provided, further, that Grantee's indemnification and defense obligations shall not extend to liability to the extent caused by the negligence or willful misconduct of any indemnitee or Grantor;

(o) comply with all applicable Federal, State, and local laws and regulations. Grantee, and all subcontractors, shall comply with Article 2, Chapter 64, of the North Carolina General Statutes; and

(p) maintain valid general liability insurance in the combined single limit (bodily injury and property damage) amount of \$5,000,000 general aggregate, commercial automobile liability insurance in the minimum amount of \$2,000,000, and provide certificates of such insurance naming the Town as an additional insured by endorsement to the policies. Grantee shall maintain an umbrella excess policy in the minimum amount of \$3,000,000 over primary insurance. Additionally, Grantee shall maintain and show proof of workers' compensation within the NC statutory limits and employer's liability insurance in the

minimum amount of \$1,000,000. Grantee shall provide notice of cancellation, non-renewal or material change in coverage to the Town within 10 days of their receipt of notice from the insurance company. All required certificates of insurance, endorsements, and blanket additional insured policy provisions are attached and considered part of this document. Notwithstanding the foregoing, neither the requirement of Grantee to have sufficient insurance nor the requirement that the Town is named as an additional insured, shall constitute waiver of the Town's governmental immunity in any respect, under North Carolina law. All insurance certificates, endorsements, coverage verifications and any other items required pursuant to this Agreement will be mailed directly to:

Town of Valdese
Attn: Seth Eckard, Town Manager
Post Office Box 339
Valdese, North Carolina 28690
seckard@valdesenc.gov

4. Microtrenching. Installation of Network Facilities through the use of microtrenching (installing conduits within the edges of sidewalk or roads) that in any way impacts any Town-owned street, road, sidewalk, curb, gutter, or infrastructure of any kind is prohibited under this Agreement unless first approved in writing by the Town. Approval may be provided through electronic mail.

5. As-Built Maps. Grantee will maintain accurate as-built drawings and maps of its Network Facilities located in the Town and provide them to the Town upon request and subject to applicable confidentiality protections under North Carolina law.

6. Required Relocation. In the event Grantee's Network Facilities would interfere with the Town's use of the ROW for a legitimate governmental purpose, including but not limited to, construction or installation of water, sewer, or electric lines, or construction/relocation of a public road, Grantee will, upon written notice from the Town, relocate its Network Facilities at Grantee's expense to another location in the public ROW as may be agreed upon by the Parties. Relocation shall occur within a commercially reasonable time period after receiving notice from the Town, taking into account the urgency of the need for relocation, the difficulty of the relocation, and other relevant facts and circumstances.

7. Contractors and Subcontractors. Grantee may retain contractors and subcontractors to perform the work contemplated by this Agreement on behalf of Grantee. Grantee will notify the Town in writing of the identity of and contact information for each contractor and subcontractor performing any work for the Grantee in the Town prior to commencement of the work by the contractor or subcontractor. The contact information to be provided to the Town shall include the contractor's state license information and the name and telephone number of the contractor/subcontractor representative with supervisory authority of the work.

8. Term. This Agreement is effective on the date the last party to sign executes this Agreement ("Effective Date"). The initial term will be twenty (20) years from the Effective Date. At the end of the initial term, the Agreement shall automatically renew for successive five-year terms unless terminated by either party in accordance with this Agreement or unless superseded by a new or amended agreement. Either party may terminate this Agreement without cause upon one hundred eighty (180) days written notice to the other party. In the event of termination of this Agreement, the Agreement will nevertheless continue to govern any construction plans approved by the Town and that are Exhibits to this Agreement prior to the effective date of termination. All provisions contained in Section 3 of this Agreement shall survive termination.

Notwithstanding the foregoing, a grant of permission to encroach shall become void, and this Agreement terminated, as to any individual Town approved construction plans if the Grantee does not begin installation of the Facilities covered by that permit application in the relevant ROW within one (1) year of the date the plans are approved, unless the approval is updated in writing by the Town, and thereafter diligently pursue installation to completion.

9. Notice. Notices related to this Agreement shall be sent to Grantee at the following email address: zchiz@foothillsbroadband.net, with a copy to thlabse@ramseurmaultsby.com. Mailed notices, if required, shall be sent to Grantee at:

Foothills Broadband, LLC
223 Greenfield Pl
Brandon, Mississippi 30947
Attention: Zachary and Jodi Chiz

With a copy to:
Tina Hlabse, Esq.
Ramseur Maultsby LLP
1150 N. Revolution Mill Drive, Suite 3
Greensboro, NC 27405

Notices related to this Agreement shall be sent to the Town at the following email address: seckard@valdesenc.gov, with a copy to, timothys@hickorylaw.com. Mailed notices, if required, shall be sent to the Town at:

Town of Valdese
Post Office Box 339
Valdese, North Carolina 28690
Attention: Seth Eckard, Town Manager

With a copy to:
Timothy D. Swanson, Esq.
Young, Morphis, Bach & Taylor, LLP
Post Office Drawer 2428
Hickory, North Carolina 28603

Notices are effective when delivered in person, upon confirmation of receipt when sent by electronic mail, on the next business day if transmitted by registered or certified mail, postage prepaid (with confirmation of delivery), on the next business day if transmitted by overnight courier (with confirmation of delivery), or three (3) days after the date of mailing, whichever is earlier.

10. Recitals. The Recitals are incorporated herein.

11. Governing Law. This Agreement shall be governed by the laws of the State of North Carolina and the parties agree that the proper venue for all suits or actions related to Agreement shall be in Burke County, North Carolina.

12. Miscellaneous.

(a) Neither party waives any rights it may have under applicable law with respect to the subject matter in this Agreement, and no breach or non-performance of this Agreement shall be deemed to be waived by either party unless said breach or non-performance is waived in writing and signed by the parties.

(b) There are no third party beneficiaries to this Agreement.

(c) The individual signing this Agreement warrants that he/she has the authority to do so and binds the Grantee to the obligations set forth herein.

(d) Grantee acknowledges that records in the custody of Town are public records and subject to public records requests unless such records are exempt from disclosures under North Carolina

law. The burden of claiming an exemption from disclosure shall rest solely with Grantee and Grantee shall comply with North Carolina law in asserting any such exemption. Town shall make reasonable efforts to notify Grantee of any requests made for disclosure of documents submitted under any claim of exemption from public records requests, and Grantee may take any appropriate actions, at its own expense, to prevent disclosure of such material.

(e) Nothing contained in this Agreement shall be deemed or construed so as to restrict or inhibit the Town's police powers or regulatory authority.

(f) No elected official, agent, or employee of the Town shall be subject to any personal liability by reason of the execution of this Agreement. Such elected officials, agents, or employees shall be deemed to execute this Agreement in their official capacities only, and not in their individual capacities.

(g) Should any portion of this Agreement require judicial interpretation, it is agreed that the court construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against any one party by reason of the rule of construction that a document is to be more strictly construed against the party who prepared the documents.

(h) This Agreement represents the entire agreement between the Parties with regard to the subject matter hereof and supersedes all prior negotiations, representations, or agreements, either written or oral, and may only be amended only by written amendment in a writing signed by the both parties.

(i) In the event of conflict between the requirements of this Agreement, the Town's ordinances, or the terms of any applicable construction plans, the more restrictive requirement shall apply.

(j) The Encroachment shall not be enlarged or increased beyond that shown in any individual approved construction plans.

(k) Grantee binds itself, its successors, permitted assigns and legal representatives to the terms of this Agreement. This Agreement may not be assigned without the prior written consent of the Town. In the event Grantee retains subcontractors to perform any activities covered by this Agreement, Grantee shall be and remain responsible for all activities and all required insurance. All entities performing the work must be North Carolina licensed and bonded contractors.

This Space was Intentionally Left Blank. Signatures and Acknowledgments Appear on the Following Pages.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed effective as of the day and year written below.

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

ATTEST:

CHARLES WATTS, Mayor (Seal)

JESSICA LAIL, Town Clerk

**STATE OF NORTH CAROLINA
COUNTY OF BURKE**

I, _____ a Notary Public of said county and state, certify that Jessica Lail personally came before me this day and acknowledged that she is Town Clerk of the Town of Valdese, a North Carolina municipal corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name and by its Mayor, sealed with its corporate seal and attested by her as its Town Clerk.

Witness my hand and notarial stamp or seal, this _____ day of _____, 2023.

Notary Public

[AFFIX NOTARIAL SEAL]

My Commission Expires: _____.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed effective as of the day and year written below.

FOOTHILLS BROADBAND, LLC

By: _____
ZACHARY CHIZ, Chief Operating Officer

By: _____
JODI CHIZ, Chief Executive Officer

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that Zachary Chiz and Jodi Chiz personally appeared before me this day and acknowledged that they are the Chief Operating Officer and the Chief Executive Officer of Foothills Broadband, LLC, a North Carolina limited liability company, and being duly authorized to do so, voluntarily executed the foregoing instrument for the purposes stated therein on behalf of said limited liability company.

Witness my hand and official stamp or seal this ____ day of _____, 2023.

[NOTARIAL SEAL]

Notary Public

My commission expires: _____

Councilwoman Lowman made a motion to approve the Master Encroachment Agreement with Foothills Broadband LLC, seconded by Councilman Barus. The vote was unanimous.

APPROVED FAÇADE GRANT REQUEST – BURKE ONSITE COMPUTER SOLUTIONS Community Affairs Director Morrissa Angi presented a request from Burke Onsite Computer Solutions for a Façade Grant in the amount of \$2,500. Grant funds will help offset the cost of the recently restored original decorative clock on the front of the building. The estimated cost of the total project is \$5,280. Councilwoman Hildebran asked how much money we have in the Façade Grant fund. Ms. Angi shared that we have \$5,000 annually, and this grant would be funded in next year's budget.

Councilwoman Hildebran made a motion to approve the aforementioned Façade Grant in the amount of \$2,500, seconded by Councilman Mears. The vote was unanimous.

APPROVED FAÇADE GRANT REQUEST – HIGHLANDS FAMILY FARM Community Affairs Director Morrissa Angi presented a request from Highlands Family Farm for a Façade Grant in the amount of \$2,500. Grant funds will be used to assist with replacing five existing windows, constructing a portico over the main entrance door, and installing a new glass entrance door.

Councilwoman Lowman made a motion to approve the aforementioned Façade Grant in the amount of \$2,500, seconded by Councilman Barus. The vote was unanimous.

RESOLUTION AWARDED TOWN-ISSUED SERVICE SIDE ARM AND BADGE FOR RETIRING

POLICE OFFICER Police Chief Jack Moss requested that Council allow retiree Sgt Carson Dean Berry to purchase his Town-Issued Service Side Arm and Badge pursuant to N.C.G.S. 20-187.2A.

Town of Valdese
North Carolina

Resolution Awarding Town-Issued Service Side Arm and Badge Pursuant to North Carolina General Statute 20-187.2 A

WHEREAS, Sgt Carson Dean Berry retired from the Valdese Police Department on May 31st, 2023; and

WHEREAS, Sgt. Carson Dean Berry was a dedicated law enforcement officer to the citizens of North Carolina and Town of Valdese since May 16, 1992; and

WHEREAS, North Carolina General Statute 20-187.2 (a), permits The Town of Valdese to donate the badge worn at no cost, and to the sell service-issued side arm to retiring law enforcement officers, at a price determined by the Town Council Members; and

THEREFORE, THE TOWN COUNCIL OF THE TOWN OF VALDESE RESOLVES THAT: 1. Sgt. Carson Dean Berry service weapon and badge be declared surplus property; and 2. The Valdese Chief of Police, Jack Moss, is authorized to present Sgt. Carson Dean Berry his Town of Valdese Police Department issued badge at no cost, upon his retirement; and 3. The Valdese Police Chief, Jack Moss, is also authorized to sell a Glock, Model 21 Gen 4, Serial Number AHBL-223 pistol at a set price of \$1.00 to Sgt. Carson Dean Berry upon his retirement.

Adopted this 5th day of June 2023.

/s/ Charles Watts, Mayor

ATTEST:

/s/ Town Clerk

Councilman Barus made a motion to approve the Resolution Awarding Town-Issued Service Side Arm and Badge for retiring police officer, seconded by Councilwoman Hildebran. The vote was unanimous.

Mayor Watts shared that he spoke with one of our Reserve Officers, Paul Phillips, who proposed naming the new fitness room when we build the new Public Safety Building after Sgt Carson Dean Berry. Mayor Watts would like to see that happen in the future.

MANAGER'S REPORT: Town Manager Seth Eckard made the following announcements:

Mr. Eckard congratulated Town Clerk/HR Director Jessica Lail for earning her North Carolina Municipal Clerk certification.

Mr. Eckard shared that our Valdese Police Department/Fire Department arm patch was spotted on the Dan Patrick show.

Family Friday Nights, 7:00 p.m. – 10:00 p.m., at the Temple Field. Concerts will continue every Friday through September 1, 2023. Band schedule available at visitvaldese.com.

Valdese Independence Day Celebration, Friday, June 30, 2023, 6:00 p.m., Main Street

Town Offices Closed on Tuesday, July 4, 2023, in Observance of Independence Day

MAYOR AND COUNCIL COMMENTS: Councilman Barus shared that he and Seth walked around Main Street a few weeks ago and heard many positive comments from the merchants. Councilman Barus asked the staff to start thinking about a good plan for adding Food Trucks to some of our Town sponsored events. Councilman Barus would like to ask our local businesses first to see if they would like to put a Food Truck out at an event.

Councilwoman Hildebran shared that becoming a certified Clerk takes a lot of work. Councilwoman Hildebran congratulated Town Clerk Jessica Lail on earning her certification and thanked her for the great job she does for the Town. Councilwoman Hildebran feels she has the highest integrity in everything she does in her job. Councilwoman Hildebran also thanked the Police Department for continuing to do a great job with the Boots on the Ground initiative.

ADJOURNMENT: At 6:57 p.m., there being no further business to come before Council, Councilman Mears made a motion to adjourn, seconded by Councilman Barus. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, July 10, 2023, at 6:00 p.m., Valdese Town Hall.

Town Clerk
jl

Mayor

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
July 10, 2023**

The Town of Valdese Town Council met on Monday, July 10, 2023, 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 Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent: Town Manager Seth Eckard

A quorum was present.

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

OPEN FORUM/PUBLIC COMMENT: Mayor Pro Tem Frances Hildebran read the Rules & Procedures for Public Comment:

Rule 5. Public Comment

Any individual or group who wishes to address the council shall inform the town clerk, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Comments should be limited to five minutes per speaker. If the speakers' comments need to be addressed upon the direction of this Council, someone from the management team will be in touch with you later.

RECOGNITION OF THE DRAUGHN HIGH SCHOOL BASEBALL TEAM Moved to August

PUBLIC APATHY & A PRAISE– JEAN MARIE COLE, 705 BERTIS ST., VALDESE: Ms. Cole shared that the News Herald stated that no one showed up for this year's Budget meetings. Ms. Cole wanted to make sure that Council did not share that same view because Ms. Cole did express her opinion at a Council meeting, and felt there was no point in re-sharing again. Ms. Cole believes that is why some people did not show up. Ms. Cole also said that she loves the pool and hopes it stays. Ms. Cole thanked the Water Department for implementing the program that detects leaks. Ms. Cole had a leak that was found by Public Works and felt the program was a great investment.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF JUNE 5, 2023

APPROVED DATE FOR PUBLIC HEARING FOR RE-ZONING OF BURKE COUNTY/BURKE COUNTY BOARD OF EDUCATION, MONDAY, AUGUST 7, 2023

Councilwoman Hildebran made a motion to approve the aforementioned items on the Consent Agenda, seconded by Councilman Mears. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

INTRODUCTION OF NEW EMPLOYEE: Water Resources Director Greg Padgett introduced Wastewater Superintendent Stacy Rowe. Ms. Rowe took Chris Bortnick's position, who retired from the Town with 26 years of service.

APPROVED ADOPTION OF CREATING OUTDOOR RECREATION ECONOMY (CORE) STRATEGIC PLAN: Parks and Recreation Director David Andersen reintroduced Kyle Case with the Department of Commerce, who presented the following presentation of the conclusion of the Creating Outdoor Recreation Economy (CORE) plan.



CREATING OUTDOOR RECREATION ECONOMIES



Technical Assistance – Outdoor Recreation Economy Strategic Planning and Asset Development

Our goal is to help rural communities leverage natural assets to increase economic opportunity through the outdoor recreation economic sector.

Planning Process

Town of Valdese



Work Group Meetings

- **10 individuals** representing town staff, business owners, economic development professionals, and outdoor enthusiasts
- **4 meetings** between February and May 2023
- Shared input, reviewed community input data, and developed the vision and workplan

Community Input

- **Community Survey** – Conducted a community-wide survey and received 114 responses
- **Stakeholder Interviews** – Conducted 6 interviews with local business owners, outdoor enthusiasts, faith leaders, and others

VISION STATEMENT

Town of Valdese



Vision Statement

Situated along the Catawba River valley, the Town of Valdese offers true small-town charm while highlighting the rich culture of its Waldensian heritage. The community blends traditional and nature-based recreation in a unique way and makes available a wide range of activities and experiences. By leveraging its recreation assets, the Town strives to provide a strong sense of community and quality of life amenities for residents and visitors that help to attract, retain, and bolster local businesses and generate positive economic impacts.

WORKPLAN

Town of Valdese



Parks, Trails, and Facilities

Goal 1: To provide and maintain a variety of recreation amenities that improve quality of life and encourage a sense of community for residents and visitors.

Objective 1.1: Update the Town's Parks & Recreation Comprehensive Plan.

Objective 1.2: Complete the relevant actions for the Valdese Lakeside Park Masterplan.

Objective 1.3: Advocate for and facilitate progress of state and regional trail projects.

Communication and Activation

Goal 2: Promote and educate residents and visitors about the community's recreation amenities.

Objective 2.1: Develop a marketing plan for the Parks & Recreation Department.

Objective 2.2: Encourage new and repeat participants at Parks and Recreation facilities.

Objective 2.3: Develop a community culture that supports the outdoor recreation economy.



Economic Impacts

Goal 3: Utilize the community's outdoor assets to improve the downtown, local, and regional economies.

Objective 3.1: Connect the town parks and outdoor assets to the downtown commercial district via sidewalks, greenways, and other methods.

Objective 3.2: Capture and analyze the economic impacts of current and future recreation assets.

Objective 3.3: Utilize the Town's quality of life amenities and economic impact data for business recruitment efforts.



Kyle J. Case

ARC Community Economic Development Planner, NW
984.275.5209
kyle.case@commerce.nc.gov

720 E. Union Street
Morganton, NC 28655

Councilman Mears encouraged all the citizens to read the report because of all the detailed information.

Councilwoman Hildebran appreciates the Friends of the Valdese Rec and all they do for the parks.

Mayor Watts shared that people want to live in a place like Valdese because of our amenities.

Councilman Barus thanked everyone involved in this plan. Councilman Barus shared that generations of children were raised at the Recreation Center, and now generations will be raised by Lakeside Park.

A copy of the CORE Strategic Plan can be found at www.townofvaldese.com/recreation-1/ or by contacting the Town Clerks office.

Councilwoman Lowman made a motion to adopt the Creating Outdoor Recreation Economy Strategic Plan, seconded by Councilman Barus. The vote was unanimous.

APPROVED AGREEMENT FOR AUTOMATIC AID FOR FIRE PROTECTION: Fire Chief Truman Walton explained that this contract is needed to service The Settings because it is located more than five miles from the Valdese Fire Department and less than five miles from Triple Fire Department. Chief Walton shared that this would allow The Settings to have the same fire insurance rate as the Valdese citizens. Chief Walton also noted that instead of paying Triple Community Fire Department, we would exchange services for automatic aid.

Mayor Watts said this is a benefit that does not cost us anything. Chief Walton shared that if we did not make this contract, The Settings fire rate would go to a 10, the same as not having any fire protection. Councilman Mears elaborated on that and agreed it would be difficult for the citizens at The Settings. Councilman Mears asked if we respond to mutual aid, would our citizens be left uncovered? Chief Walton shared that our additional personnel would respond to the call and that our on-duty personnel would stay in the Town. Councilman Barus said thank God for our Fire Department.

STATE OF NORTH CAROLINA
COUNTY OF BURKE

AGREEMENT FOR AUTOMATIC
AID FOR FIRE PROTECTION

This Agreement for Automatic Aid for Fire Protection (hereinafter "Agreement") is made as of the ____ day of _____, 2023, by and between the Town of Valdese, a body politic and corporate of the State of North Carolina (hereinafter the "Town"), and Triple Community Fire Department, a rural fire department of Burke County, North Carolina (hereinafter "Triple Community") (the Town and Triple Community are hereinafter sometimes referred to individually as "Party" and collectively as "Parties").

WHEREAS, the General Assembly of North Carolina has enacted legislation authorizing automatic aid assistance between fire departments whereby full authority may be exercised by fire departments to send personnel and apparatus beyond the territorial limits which they normally serve, said act having been codified as Chapter 58, Section 83-1, of the General Statutes of North Carolina; and

WHEREAS, it is deemed to be in the public interest for the Town and Triple Community to enter into the Agreement in order to increase fire defenses, to assure proper fire control, and to provide reserves needed to assure the community of adequate protection; and

WHEREAS, this Agreement is to provide each of the parties hereto, through their mutual cooperation, a pre-determined plan for a standard of cover in the Town of Valdese for that area bounded in yellow as

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shown on the attached EXHIBIT "A" prepared by M. Truman Walton, June 8, 2023, said area including the Settings Subdivision (Hereinafter the "Town Territory") and cover in Triple Community for that area bounded in red as show on attached EXHIBIT "B" prepared by M. Truman Walton, June 7, 2023, said area including all of Triple Community's fire district that is west of Drexel Rd and south of the Catawba River (hereinafter the "Triple Community Territory"), as agreed upon in dispatch protocol with said aid being provided 24 hours a day, 365 days a year.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree to the following terms and conditions:

1. TERM.

The Term of this Agreement shall be for a period of one (1) year commencing on the date first written above; provided, however, that this Agreement will then automatically renew from year-to-year unless terminated as hereinafter provided.

2. RESPONSIBILITY FOR ENGAGING AUTOMATIC AID PROCESS.

A. Upon notification that an emergency is occurring and aid is needed in connection with a residential structure fire in the Town Territory or the Triple Community Territory, the Burke County 911 Communications Center (hereinafter the "Communications Center") will simultaneously dispatch the Town and Triple Community Fire Departments.

B. Upon being dispatched by the Communications Center, the Town and Triple Community shall each respond with the following resources:

i. If dispatched to the Town Territory, the Town will respond with all available resources and Triple Community will respond with one (1) engine capable of carrying a minimum of 500 gallons of water with a pump capacity of 1000 gallons per minute, a minimum of one (1) driver/operator with three (3) additional personnel in support of automatic aid for a reported structure fire, one (1) tanker capable of carrying a minimum of 1000 gallons of water with a pump capacity of 500 gallons per minute, and (1) driver/operator and one additional personnel in support of automatic aid to designated areas for water supply.

ii. If dispatched to the Triple Community Territory, Triple Community shall respond with all available resources and the Town shall respond with one (1) engine capable of carrying a minimum of 500 gallons of water, with a pump capacity of 1000 gallons per minute, a minimum of one (1) driver/operator with three (3) additional personnel in support of automatic aid for a reported structure fire.

3. MUTUAL OBLIGATIONS AND RESPONSIBILITIES

A. Triple Community shall assume all liability and responsibility for any injuries incurred by Triple Community personnel, damage to its own apparatus and/or equipment and for any and all damage caused by its own apparatus while responding to or returning from an automatic aid response.

B. The Town shall assume all liability and responsibility for any injuries incurred by Town personnel, damage to its own apparatus and/or equipment, and for any and all damage caused by its own apparatus while responding to or returning from an automatic aid response.

C. The Town and Triple Community shall assume all costs of salaries, wages, bonuses or other compensation for their own personnel that respond for duty under the terms of the Agreement and all costs associated with their apparatus, equipment, and tools used specifically in response to the request for aid.

D. The Town and Triple Community shall operate under the National Incident Management System (NIMS) incorporating the Incident Management System (ICS) during emergency operations.

i. The department to arrive first shall initiate command along with size up and situation awareness to direct the level of continued response to the incident or the need for an additional alarm.

ii. A unified command shall be established with oversight by the Town's Officer-In-Charge (OIC) for all incidents in the Town's Territory and with oversight by Triple Community's OIC for all incidents in the Triple Community Territory.

iii. Sustained firefighting operations including fire suppression, engagement in search and rescue, forcible entry, ventilation, and preservation of property; accountability of personnel; deployment of a dedicated rapid intervention crew (RIC); and provision of support activities for those situations that are beyond the capability of the initial attack/first alarm assignment; and calling for additional personnel and equipment as necessary.

E. The Town and Triple Community shall maintain a standardized records management system by utilizing the National Fire Incident Reporting System (NFIRS) to track and collect specific information on each incident.

F. The Town and Triple Community shall have common mobile and portable communication capability on the NC Viper Network to conduct fire ground incident communications.

4. RELATION OF THE PARTIES.

Nothing in this Agreement or otherwise creates or shall be construed such that an employment agency, subcontractor, joint venture, or partnership relationship exists between the Town and Triple Community

5. TERMINATION

Notwithstanding anything in this Agreement to the contrary, either party may terminate this Agreement, including all rights and obligations set forth herein, if the other party fails to cure a material breach within thirty (30) days receipt of a written notice of such breach from the non-breaching party or without cause upon sixty (60) days written notice to the other party.

6. MISCELLANEOUS PROVISIONS

A. Governing Law. This Agreement shall be controlled by the laws of the State of North Carolina and proper venue for any claim hereunder shall be Superior Court, Burke County.

B. Amendment. This Agreement may only be modified or amended if the modification is made in writing and signed by both parties.

C. Entire Agreement. This Agreement supersedes and replaces the Agreement for Automatic Aid for Fire Protection between the Town and Triple Community dated November 1, 2018.

D. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforcement with full effect.

E. Authority. Each Party hereby represents and warrants to the other Party that its has obtained any and all consents or approvals necessary for it to enter into this Agreement, and that the individual(s) executing this Agreement on such Party's behalf are authorized to do so and to bind such Party to the terms and conditions hereof.

F. Successors. This Agreement shall be binding upon the successors and/or assigns of the Parties until this Agreement is terminated pursuant to its terms.

G. Notices. Any notice submittal or communication required or permitted to be served on a party to this Agreement shall be in writing and shall be deemed given if delivered in person or mailed by certified mail addressed as follows:

To the Town:

Town of Valdese
Attn: Town Manager
P.O. Box 339
Valdese, NC 28690

To Triple Community:

Triple Community Fire Department
Attn: Fire Chief
505 Mountain View Dr.
Morganton, NC 28655

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H. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on the date first written above.

Signatures appear on the following pages.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on the date first written above.

THE TOWN OF VALDESE

A North Carolina Municipal Corporation

ATTEST:

Mayor

(SEAL)

Jessica Lail, Town Clerk

STATE OF NORTH CAROLINA
COUNTY OF BURKE

I, _____, a Notary Public of said county and state, certify that Jessica Lail personally came before me this day and acknowledged that she is the Town Clerk of the Town of Valdese, a North Carolina municipal corporation, and that by authority duly given and as the act of the Town Council of the Town of Valdese, the foregoing instrument was signed in its name and by its Mayor, Charles Watts, sealed with its corporate seal and attested by her as its Town Clerk.

_____ day of _____, 2023.

WITNESS my hand and Notarial Seal, this

Notary Public

Print Name: _____

My Commission expires: _____

NOTARY SEAL

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on the date first written above.

TRIPLE COMMUNITY FIRE DEPARTMENT

Fire Chief

Chairman of the Board of Directors

STATE OF NORTH CAROLINA
COUNTY OF BURKE

I, _____, a Notary Public of said county and state, certify that _____ personally came before me this day and acknowledged that he is the Fire Chief for Triple Community Fire Department and that by authority duly given and as the act of Triple Community Fire Department, the foregoing instrument was signed in its name and by him as Fire Chief.

_____ day of _____, 2023.

WITNESS my hand and Notarial Seal, this

Notary Public

Print Name: _____

My Commission expires: _____

NOTARY SEAL

STATE OF NORTH CAROLINA
COUNTY OF BURKE

I, _____, a Notary Public of said county and state, certify that _____ personally came before me this day and acknowledged that he is the Chairman of the Board of Directors for Triple Community Fire Department and that by authority duly given and as the act of Triple Community Fire Department, the foregoing instrument was signed in its name and by him as Chairman of the Board of Directors.

_____ day of _____, 2023.

WITNESS my hand and Notarial Seal, this

Notary Public

Print Name: _____

My Commission expires: _____

NOTARY SEAL

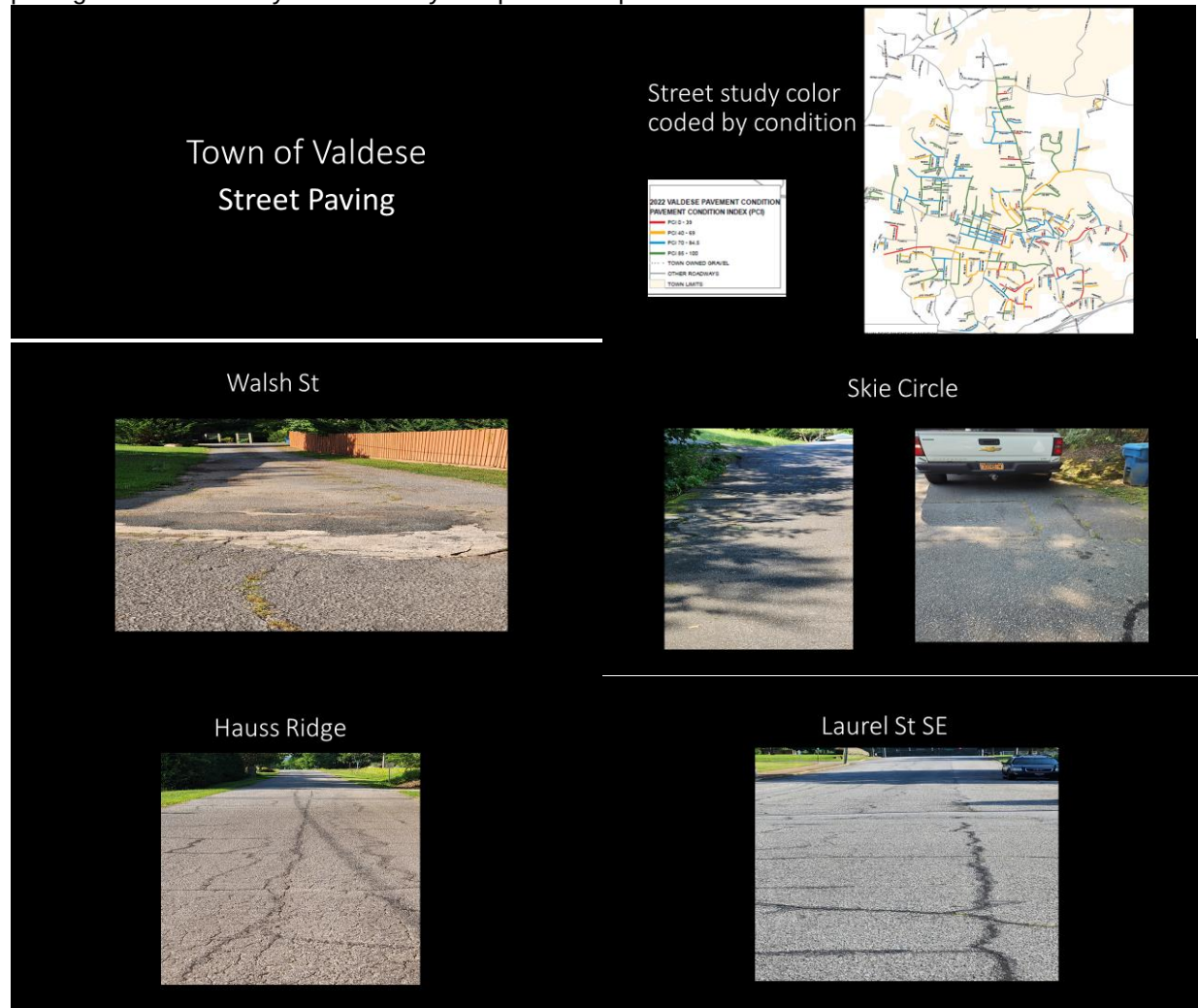
Councilman Barus made a motion to approve the Agreement for Automatic Aid for Fire Protection with Triple Community Fire Department, seconded by Councilman Mears. The vote was unanimous.

APPROVED ENGINEERING SERVICES FOR STREET IMPROVEMENTS Assistant Town Manager/CFO Bo Weichel explained to Council that this proposed contract with McGill Associates for engineering services is for planning, designing, bidding, and construction phases of the street paving plan. Mr. Weichel shared that the Town recently had a paving assessment, and McGill Associates and the Street Paving committee devised a plan based on the assessment. Mr. Weichel showed a flyover map of the proposed streets to be paved that includes Laurel St SE, Micol Ave. NE, Walsh Dr. NE, Colombo St., Skie Circle, Hauss Ridge Road SE (two sections), Rostan St. SE, and Flora Ln. Mr. Weichel said that this is what McGill Associates believes we can fit into the budget. Councilwoman Hildebran asked if these streets were prioritized according to need. Mr. Weichel said yes, this comes from the needs according to the Street Paving Study. Councilwoman Hildebran stated that the Council had no choice over these streets; they were picked from the outside study. Councilwoman Lowman asked if Mr. Weichel could remind the citizens which roads were State maintained. Mr. Weichel said that Mr. Hudson would go over that. Mayor Watts shared that we

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budgeted \$350,000 out of the proposed tax rate, but we also allocated another \$150,000 to go with that, which equals \$500,000 total. Mayor Watts explained that the \$350,000 would be a revolving amount available each year for paving. Councilman Barus thanked Mayor Watts for clarifying that and shared that that is what Council voted on and approved. Councilwoman Hildebran shared that this has been a request from citizens for years to repave roads.

Public Works Director Allen Hudson shared pictures of the roads to be paved and noted which roads are State maintained. Councilman Skidmore asked why Rostan Street had a gap. Mr. Hudson shared that part of Rostan Street had been repaved in the past, and it did not need it. Mr. Hudson identified streets that are maintained by NCDOT such as, Praley, Church, Carolina, Hwy 70, parts of Hauss Ridge, Perkins, Meytre, Lovelady, and a few others in grey on the color-coded map. Councilman Barus asked if this also includes replacing waterlines, and Mr. Hudson said no. Councilwoman Hildebran shared that she was a member of the Street Paving Committee, they took a tour of the roads and took this seriously, and they felt like the engineers did their job. Councilwoman Hildebran noted that one street not on this list is the road in front of the new apartments, Pineburr, that needs some repairs. Mr. Hudson said that we could look at paving that street next year once they complete the apartments.



Colombo St SW



Rostan St



Rostan St SE



Flora Lane NE



Micol Ave NE





Shaping Communities Together

June 30, 2023

Mr. Seth Eckard, Manager
Town of Valdese
Post Office Box 339
Valdese, North Carolina 28690

RE: Engineering Services
2023 Paving Projects

Dear Mr. Eckard,

In response to your request, McGill Associates (McGill) is pleased to provide Engineering services required to assist in the Town of Valdese's (Town) 2023 Paving Projects. McGill will serve as an extension of the Town's Staff help plan, prepare opinions of probable cost, prepare bidding and construction documents, and provide construction administration services through project completion and closeout documentation.

Therefore, we are pleased to provide you with this Proposal for Consulting Services for the subject project.

The anticipated **Scope of Services** for the project is as follows:

Planning and Design Phase

1. Consult with the Town to fully determine the Town's requirements for the project and to discuss approvals and other preliminary matters.
2. Coordinate and conduct initial coordination meeting with the Town as needed to establish communication lines, meet with project team members, define project schedules and gather initial data and information from the Town.
3. Field verify previous determinations for proposed street improvements with Town staff, marking areas for work to be accomplished.
4. Utilizing GIS information, prepare a plan of the proposed improvements for the various work elements, delineating the general location of each, showing their relationship.
5. Review the preliminary plan with Town for concurrence and acceptance.
6. Prepare complete bid documents, contract documents, technical specifications, and construction drawings to detail the character and scope of the work.
7. Review design documents with the Town for comments and approval prior to bidding.
8. Perform an internal quality control and constructability review of the project.
9. Furnish up to two (2) hard copies of the final design documents to the Town.

Bidding and Award Phase

1. Assist the Town in soliciting, receiving, opening and evaluating informal bids.

Mr. Seth Eckard
June 30, 2023
Page 2 of 4

2. Consult with and advise the Town as to the acceptability of contractors and subcontractors and make recommendations as to the lowest, responsive, responsible bidder.
3. Assist the Town in the final preparation and execution of construction contracts and in checking Performance and Payment Bonds and Insurance Certificates for compliance.

Construction Phase

1. Schedule a Pre-Construction Conference with the Town, Contractor, McGill and all other applicable parties to assure discussion of all matters related to the Project. Prepare and distribute minutes of the Pre-Construction Conference to all parties.
2. Provide General Administration of Construction Contract. Consult with Town and act as Town's representative as provided in the General Conditions. The extent and limitations of the duties, responsibilities, and authority of McGill as assigned in the General Conditions shall not be modified, except as McGill may otherwise agree in writing. All of Town's instructions to Contractor will be issued through McGill, which shall have authority to act on behalf of Town in dealings with Contractor to the extent provided in this Agreement and the General Conditions except as otherwise provided in writing. McGill shall not be responsible for the acts or omissions of any Contractor, or of any subcontractors, suppliers, or other individuals or entities performing or furnishing any of the Work. McGill shall not be responsible for the failure of any Contractor to perform or furnish the Work in accordance with the Contract Documents.
3. Provide a Construction Field Representative (CFR) to periodically observe the progress and quality of the executed work and to determine in general if the work is proceeding in accordance with the Contract Documents. During such visits and on the basis of on-site observations as an experienced and qualified design professional, keep the Town informed of the progress of the work, and endeavor to guard the Town against defects and deficiencies in the work of the Contractor.
4. The total construction contract time is assumed to be two (2) months. As part of this contract, field observation will be provided by a CFR on a part-time basis during active work. Additional CFR time or construction services will involve an increase in the payments to McGill as Additional Services to this Agreement.
5. The purpose of McGill's visits and the representation by the Construction Field Representative, (CFR) at the Site, will be to enable McGill to better carry out the duties and responsibilities assigned to and undertaken by McGill during the Construction Phase, and, in addition, by the exercise of McGill's efforts as an experienced and qualified design professional, to provide for Town a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents.
6. Based on McGill's observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:
7. Assist the Town in the selection and coordination of an independent geotechnical and materials testing laboratory, if required, to be provided at the Town's expense.

Mr. Seth Eckard
June 30, 2023
Page 3 of 4

8. Review and take action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design Review of Shop Drawings and Samples identified as frivolous in the General Conditions of the construction contract documents, or review of substitute materials as defined in the same, shall be deemed as Additional Services.
9. Issue instructions to the Contractor from the Town as to interpretations and clarifications to the project design plans, specifications and contract documents.
10. Prepare information required to resolve problems due to actual field conditions and to respond to Requests for Information (RFI) from the Contractor.
11. Recommend to Town that Contractor's Work be rejected while it is in progress if, on the basis of McGill's observations, McGill believes that such Work will not produce a completed Project that conforms generally to the Contract Documents or that it will threaten the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents.
12. Recommend Change Orders and Work Change Directives to Town, as appropriate, and prepare Change Orders and Work Change Directives as required.
13. Review the Contractor's final application for payment and make recommendation as to approval once all issues with the project final observation site visit have been completed and resolved.
14. In company with Town's representatives, conduct a final observation site visit to determine if the Project has been completed in accordance with the Contract Documents and if the Contractor has fulfilled all of his obligations thereunder so that McGill may approve to the Town final payment to the Contractor.
15. Provide or make available all Project files and information to effect project closeout.

Mr. Seth Eckard
June 30, 2023
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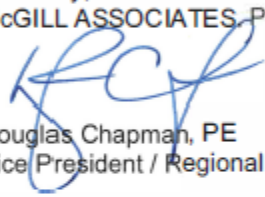
BASIS OF COMPENSATION

McGill Associates proposes to provide the proposed scope of services for the following Lump Sum Amount of **\$45,100.00**.

We appreciate the opportunity to provide this proposal and look forward to assisting the Town of Valdese with this important effort. We are prepared to begin work immediately upon your authorization and complete the planning and design phases of work by July 31, and to transition to the bidding phase immediately following.

If this proposal is acceptable to the Town, please execute below and return one (1) digital copy for our records.

Sincerely,
McGILL ASSOCIATES, P.A.



Douglas Chapman, PE
Vice President / Regional Manager

cc: Mr. RJ Mozeley, PE, McGill Associates, P.A.

ACCEPTED:

Seth Eckard

Town Manager
TITLE

DATE

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act, this the ____ day of _____, 2023 by Finance Officer, _____, Town of Valdese, North Carolina.

CONSULTING SERVICES AGREEMENT

This contract entered into this _____ day of _____, 2023 by and between the Town of Valdese hereinafter called the Client, and McGill Associates, P.A.;

Witnesseth that:

Whereas, the Client desires to engage McGill Associates to provide consulting services; and,

Whereas, the Client finds that the attached Scope of Services and terms of this agreement are acceptable; and,

Whereas, McGill Associates desires to provide said services and agrees to do so for the compensation and upon the terms and conditions as hereinafter set forth,

Now, therefore, the parties hereto do mutually agree as follows:

1. Scope of Services: McGill Associates shall provide the services attached hereto in the Exhibit "Scope of Services" to this Agreement, hereinafter called services. Additional services will be invoiced in accordance with the attached rate and fee schedule.

2. Standard of Care: McGill Associates will perform its services using that degree of skill and diligence normally employed by professional engineers or consultants performing the same services at the time these services are rendered.

3. Authorization to Proceed: Execution of this Consulting Services Agreement will be considered authorization for McGill Associates to proceed unless otherwise provided for in this Agreement.

4. Changes in Scope: The Client may request changes in the Scope of Services provided in this Agreement. If such changes affect McGill Associates cost of or time required for performance of the services, an equitable adjustment will be made through an amendment to this Agreement.

5. Compensation: The Client shall pay the compensation to McGill Associates set forth in the Exhibit "Basis for Compensation" attached hereto. Unless otherwise provided in the Basis for Compensation, McGill Associates shall submit invoices to the Client monthly for work accomplished under this agreement and the Client agrees to make payment to McGill Associates within thirty (30) days of receipt of the invoices. Client further agrees to pay interest on all accounts invoiced and not paid or objected to for a valid cause in writing within said thirty (30) days at a rate of 1-1/2 percent per month (18 percent per annum), until paid. Client agrees to pay McGill Associates' cost of collection of the amounts due and unpaid after sixty (60) days, including but not limited to, court costs and attorney's fees. McGill Associates shall not be bound by any provision such as contained in a purchase order or wherein McGill Associates waives any rights to a mechanic's lien or any provision conditioning McGill Associates' right to receive payment for its work upon payment to the Client by any third party. These general conditions are notice, where required, that McGill Associates shall file a lien whenever necessary to collect past due amounts. The Client agrees that failure to make payment in full within thirty (30) days of receipt of the invoice shall constitute a release of McGill Associates from any and all claims of negligence which Client may have. It is also mutually agreed that should the Client fail to make prompt payments as described herein, McGill Associates reserves the right to immediately stop all work under this agreement until disputed amounts are resolved.

6. Personnel: McGill Associates represents that it has, or will secure at their own expense, all personnel required to perform the services under this agreement and that such personnel will be fully qualified and adequately supervised to perform such services. It is mutually understood that should the scope of services require outside subcontracted services, McGill Associates may do so at their discretion.

7. Opinions or Estimates of Cost: Any costs estimates provided by McGill Associates shall be considered opinions of probable costs. These along with project economic evaluations provided by McGill Associates will be on a basis of experience and judgment, but, since McGill Associates has no control over market conditions or bidding procedures, McGill Associates cannot warrant that bids, ultimate construction cost, or project economics will not vary from these opinions.

8. Termination: This Agreement may be terminated for convenience by either the Client or McGill Associates with 15 days written notice or if either party fails substantially to perform through no fault of the other and does not commence correction of such non-performance within 5 days of written notice and diligently complete the correction thereafter. On termination,

Client: Town of Valdese
Authorized Signature: _____

Print Name: Seth Eckard
Town Manager
102 Massel Avenue SW
Valdese, North Carolina 28690

McGill Associates will be paid for all authorized work performed up to the termination date plus reasonable project closeout costs.

9. Limitation of Liability: McGill Associates liability for Client's damages will, in aggregate, not to exceed \$50,000. This provision takes precedence over any conflicting provision of this Agreement or any documents incorporated into it or referenced by it. This limitation of liability will apply whether McGill Associates liability arises under breach of contract or warranty; tort, including negligence; strict liability; statutory liability; or any other cause of action, and shall include McGill Associates' directors, officers, employees and subcontractors. At additional cost, Client may obtain a higher limit prior to commencement of services.

10. Assignability: This agreement shall not be assigned or otherwise transferred by either McGill Associates or the Client without the prior written consent of the other.

11. Severability: The provisions of this Consulting Services Agreement shall be deemed severable, and the invalidity or enforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this consulting services agreement is deemed unenforceable for any reason whatsoever, such provision shall be appropriately limited, and given effect to the extent that it may be enforceable.

12. Ownership of Documents: All documents, calculations, drawings, maps and other items generated during the performance of services shall be considered intellectual property and remain the property of McGill Associates. Client agrees that the deliverables are intended for the exclusive use and benefit of, and may be relied upon for this project only by the Client and will not be used otherwise. Client agrees that any prospective lender, buyer, seller or third party who wishes to rely on any deliverable must first sign McGill Associates' Secondary Client Agreement.

13. Excusable Delay: If performance of service is affected by causes beyond McGill Associates control, project schedule and compensation shall be equitably adjusted.

14. Indemnification: Client agrees to indemnify, defend and hold McGill Associates, its agents, employees, officers, directors and subcontractors harmless from any and all claims to the extent permitted by law and not inconsistent with G.S. 22B-1, and costs brought against McGill Associates which arise in whole or in part out of the failure by the Client to promptly and completely perform its obligations under this agreement, and as assigned in the Exhibit "Scope of Services" or from the inaccuracy or incompleteness of information supplied by the Client and reasonably relied upon by McGill Associates in performing its duties or for unauthorized use of the deliverables generated by McGill Associates.

15. Choice of Law: This Agreement shall be governed by the internal laws of the State of North Carolina.

16. Entire Agreement: This Agreement contains all of the agreements, representations and understandings of the parties hereto and supersedes any previous understandings, commitments, proposals, or agreements, whether oral or written, and may only be modified or amended as herein provided; and as mutually agreed.

17. Attachments to this document:

1. Proposal including Scope of Services and Basis of Compensation
2. Fee Schedule

McGill Associates, P.A.

Print Name: Douglas Chapman, PE
Vice President / Regional Manager
1240 19th Street Lane, NW
Hickory, North Carolina 28601



STANDARD HOURLY RATE AND FEE SCHEDULE

January 2023

PROFESSIONAL FEES	I	II	III	IV
Senior Principal	\$270			
Principal – Regional Manager – Director	\$230	\$235	\$250	\$260
Practice Area Lead	\$200	\$215	\$230	\$240
Senior Project Manager	\$210	\$225	\$230	\$235
Project Manager	\$180	\$195	\$200	\$205
Project Engineer	\$140	\$150	\$165	\$175
Engineering Associate	\$120	\$125	\$130	\$135
Planner- Consultant – Designer	\$125	\$140	\$160	\$175
Engineering Technician	\$115	\$125	\$135	\$145
CAD Operator – GIS Analyst	\$90	\$100	\$110	\$115
Construction Services Manager	\$150	\$160	\$175	\$195
Construction Administrator	\$110	\$125	\$135	\$145
Financial Services Manager	\$135	\$145	\$155	\$165
Grant Administrator	\$120	\$135	\$145	\$155
Construction Field Representative	\$95	\$110	\$115	\$125
Environmental Specialist	\$95	\$105	\$110	\$115
Administrative Assistant	\$80	\$85	\$95	\$110

EXPENSES

- a. Mileage - \$0.70/mile
- b. Flow Monitoring Equipment: Pressure Flow Meter- \$400/wk.; Gravity Flow Meter - \$1,000/deployment
- c. Telephone, reproduction, postage, lodging, and other incidentals shall be a direct charge per receipt.

2. ASSOCIATED SERVICES -

- a. Associated services required by the project such as soil analysis, materials testing, etc., shall be at cost plus fifteen (15) percent.

Councilwoman Hildebran made a motion to approve the contract with McGill Associates for Street Improvements for FY 23-24, in the amount of \$45,000, seconded by Councilman Skidmore. The vote was unanimous.

MANAGER'S REPORT: Assistant Town Manager/CFO Bo Weichel made the following announcements:

Family Friday Nights, 7:00 p.m. – 10:00 p.m., at the Temple Field. Concerts will continue every Friday until September 1, 2023. Band schedule available at visitvaldese.com.

Old Colony Players Presents: 55th Anniversary Production of From This Day Forward, July 14-August 12, Fridays and Saturdays, 8:00 p.m. at the Fred B. Cranford Amphitheatre

July 10, 2023, MB#32

MAYOR AND COUNCIL COMMENTS: Councilwoman Hildebran congratulated our Town Manager, Seth Eckard, on the birth of his baby boy Ezra.

Councilman Barus congratulated Morrissa, Annie, and Allen for all their hard work on the Family Fun Nights. Councilman Barus has received tremendous feedback, and families love the location.

Councilman Mears enjoyed the July 4th celebration and appreciated the Town for putting on a great event.

Councilman Skidmore said to watch for PBS; they visited Morrissa at the Old Rock School for the 100th anniversary.

Mayor Watts thanked the Fire and Police Department for keeping us safe at the July 4th celebration.

ADJOURNMENT: At 6:49 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilman Barus.

The next meeting is a regularly scheduled meeting on Monday, August 7, 2023, 6:00 p.m.

jl Town Clerk

Mayor

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
AUGUST 7, 2023**

The Town of Valdese Town Council met on Monday, August 7, 2023, 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 Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent:

A quorum was present.

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

OPEN FORUM/PUBLIC COMMENT: Mayor Pro Tem Frances Hildebran read the Rules & Procedures for Public Comment:

Rule 5. Public Comment

Any individual or group who wishes to address the council shall inform the town clerk, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Comments should be limited to five minutes per speaker. If the speakers' comments need to be addressed upon the direction of this Council, someone from the management team will be in touch with you later.

PUBLIC SAFETY BUILDING – VICTORIA CARTER, 404 LOUISE AVE. NE, VALDESE: Ms. Carter has concerns about the upcoming Town elections in regards to the Public Safety Building. Ms. Carter looked at the Public Safety Building and is hearing two different sides, which is conflicting information. Ms. Carter suggested that the Town Council host a debate/forum for the candidates to speak about their feelings for this Town.

PRAISE OF COUNCIL – EMILY CHAPMAN, 204 BLEYNAT AVE., VALDESE: Ms. Chapman said she wanted to come before the Town Council to hand some praise. Ms. Chapman thanked the Council for what they are doing for this Town and the time they put into it. Ms. Chapman believes that each person on the Council has the best interest of the Town at heart. Ms. Chapman shared her experience running for different offices where she was running against something. Ms. Chapman has been asked why she has not run for the Valdese Town Council, and she said she has no complaints and sees no reason to go against what we currently have. Ms. Chapman stated if it is not broken, then it should not be fixed. Ms. Chapman appreciates the Council for what they are doing.

PAVING PLAN – GLENN HARVEY, 801 MICOL AVE. NE, VALDESE: Mr. Harvey asked Mr. Mayor to share who was on the paving committee. Mayor Watts said it was himself, Frances, the Public Works Director, and the Finance Director. Mr. Harvey was excited to see the Town finally use Powell Bill funds to pave some roads. Mr. Harvey has four concerns. Mr. Harvey looked at the budget and saw that the Powell Bill funds last year and this year are slated for payment of debt service, which is troubling. Mr. Harvey shared that he had heard that the tax increase would be used for paving and saw that Micol Ave, his street, is the most expensive on the list. Mr. Harvey stated that he will have trouble sleeping at night, knowing that others on the west side of Town are stretched with their budgets and are getting taxed hundreds of dollars on top of their bills. Mr. Harvey is concerned about that, and he cannot speak for the people who live on his street, but Mr. Harvey does not want his street repaved. Mr. Harvey noted that the water bill newsletter says that reevaluation revenues will be used for paving streets annually. Still, we must come up with \$407,000 to pay for the Public Safety Building. Mr. Harvey does not feel like that is right.

RESPONSE TO FALSE SOCIAL MEDIA POST - MAYOR WATTS COMMENTS: Mayor Watts read, "I would like to take a few minutes to correct some false statements and misleading information that has been posted on social media. Those statements which would lead someone to believe that the Valdese Police Department only operates during the hours of 8am – 5pm. Unlike Barney in the Town of Mayberry, our Officers do not sit on the Town square with their one bullet in their shirt pocket, talking with local barber

about the weather. Out Officers patrol the Town and respond to calls for service 24 hours a day, 7 days a week. Our Animal Control Officer works 40 hours a week and is on call when he is off duty, requiring him to return to work if needed. The Animal Control Officer also serves as the Town's Code Enforcement Officer and is a sworn Police Officer with the powers to arrest. Last year the PD handles 18,100 CAD Logs, meaning that some type of action was taken by one or more of our Officers. Whether it was checking the Main Street business doors at night, issuing a speeding citation, assisting the Fire Department on an emergency incident or an animal complaint. For the first 7 months of 2023, the PD has already had 14,932 CAD Logs; which indicate an increase for calls of service by years end. In closing, my recommendation to our citizens is that if you have a question or concern, regarding Town services or operations and you want an honest and fact based answer; call the Mayor or your Council representative. Thank you."

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF JULY 7, 2023

APPROVED RESOLUTION AMENDING 2023 TOWN COUNCIL MEETINGS CALENDAR The October Council meeting was amended.

TOWN OF VALDESE

RESOLUTION ADOPTING 2023 TOWN COUNCIL MEETING SCHEDULE

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

NOW, THEREFORE, BE IT RESOLVED that the Town of Valdese Town Council adopts the following Meeting Schedule for 2023:

January 9, 2023	
February 6, 2023	
March 6, 2023	
March 23, 2023	Annual Budget Retreat - Old Rock School - Waldensian Room Day 1: 9:00 a.m.
March 24, 2023	Annual Budget Retreat - Old Rock School - Waldensian Room Day 2: 9:00 a.m.
April 3, 2023	
April 6, 2023	Council Budget Workshop 1 Dinner Town Hall – Community Room, 6:00 p.m.
April 18, 2023	Council Budget Workshop 2 (If needed) Town Hall – Community Room, 6:00 p.m.
May 1, 2023	
June 5, 2023	Budget Public Hearing
July 10, 2023	
August 7, 2023	
September 5, 2023	Tuesday, due to Labor Day Holiday
October 9, 2023	
November 6, 2023	
November 14, 2023	Tuesday, Annual Dinner Meeting with Valdese Merchants Association
December 4, 2023	

This 7th day of August, 2023.

/s/ Charles Watts, Mayor

Councilwoman Hildebran made a motion to approve the aforementioned items on the Consent Agenda, seconded by Councilman Barus. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

RESOLUTION ADOPTING COUNCIL CODE OF CONDUCT: Mayor Watts suggested to move this item to the November Council meeting so that the Mayor and Council could review it more.

Councilman Barus made a motion to remove the Resolution Adopting Code of Conduct, seconded by Councilwoman Lowman. The vote was unanimous.

ADOPTED BURKE TRAIL FEASIBILITY STUDY: Parks & Recreation Director David Andersen shared the Burke Trail Feasibility Study was created by the WPCOG, and they are requesting that each municipality involved with the river trail adopt this study. Mr. Andersen explained that this would allow the WPCOG to seek funds through NCDOT to provide for a greater trail access. Mr. Andersen shared that adopting this plan does not commit the Town to any financial obligation; it simply means we endorse it. Councilwoman Hildebran asked if there was a timeline. Mr. Andersen shared that the proposed timeline is about three to five years and will be completed as funds are available.

Councilman Barus made a motion to adopt the Burke Trail Feasibility Study, seconded by Councilwoman Lowman. The vote was unanimous.

APPROVED PUBLIC HEARING FOR RE-ZONING OF BURKE COUNTY/BURKE COUNTY BOARD OF EDUCATION: Mayor Watts declared the public hearing open at 6:22 p.m.

Planning Director Larry Johnson briefly reviewed highlights of the following report:

Rezoning Application 1-3-23
Town of Valdese

Property Location: 0 Lake Rhodhiss Drive NE, 709 Lake Rhodhiss Drive NE, and Lovelady Road NE

Record Numbers: 59763, 58624, and 60948

PIN Numbers: 2744557428, 2744544380, and 2744621058

ACREAGE: 97.09 acres

Requested Action: Rezone properties from M-1 Manufacturing District to R-12A Residential District

BACKGROUND: In 2006, The Valdese Town Council approved a text amendment allowing Secondary Schools in the M-1 Manufacturing District after learning of the acquisition of property by Burke County for the location of a high school. The parcels now comprise vacant land and a secondary school (Draughn High School). The Valdese Planning Board currently recommends a more appropriate zoning designation for the Burke County/Burke County Public School BOE property. A rezoning to R-12A Residential from M-1 Manufacturing will continue to permit secondary school uses.

REVIEW CRITERIA:

1. Existing land uses in the general vicinity of the subject's property;

- **North:** The property is zoned M-1 Manufacturing District and is the location of the Town of Valdese Waste Water Treatment Facility.

- **South:** The property is zone M-1 Manufacturing and contains a manufacturing facility.
- **East:** The properties to the East are zoned R-8 Residential District and Burke County R-2 Residential. These properties are mostly vacant, with two single-family residences.
- **West:** The property to the West is zoned R-12A Residential District and is currently being developed for outdoor recreation.

To the extent to which zoning will detrimentally affect properties in the general vicinity of the properties, the requested R-12A Residential District permit uses are similar to other uses in the area, except for manufacturing.

2. **Traffic;**
Valdese Park Road NE is the primary entrance for two of the parcels. It is considered a local or minor street. The street provides ingress and egress for school attendees and the manufacturing facility.

No Traffic Study was conducted because school is out for the Summer, which would not reveal meaningful results.

3. **Public Services;**
The proposed amendment will not cause public services to fall below acceptable levels. Public services are in place to service the parcels. These public services include water and sewer, police, and fire protection.
4. **Consistency;**
The proposed zoning of R-12A Residential is *inconsistent* with the Valdese Vision: A Land Use Plan for the Future. The proposed zoning designation of R-12A Residential is also inconsistent with the future " **Social** " land use designation in the Valdese Vision Land Use Plan and map.

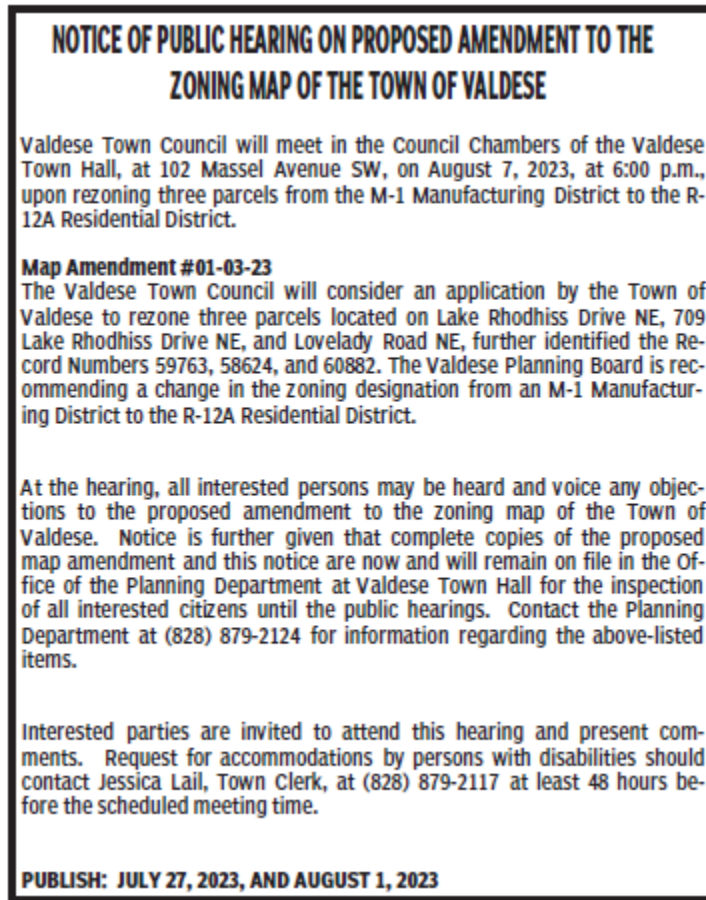
RECOMMENDED ACTION:

The Valdese Planning Board finds Rezoning Petition 1-3-23 to be considered **inconsistent** with the Valdese Vision: A Land Use Action Plan for the Future; however, the Planning Board recommends the following:

1. The Valdese Town Council adopts a statement affirming the consistency or inconsistency with the Valdese Vision;
2. Adoption of a Reasonableness Statement analyzing the reasonableness of the proposed rezoning amendment; and
3. Approve the recommended zoning designation to R-12A Residential.

CITIZEN INPUT

A Notice of Public Hearing appeared in the News-Herald on July 27, 2023, and August 1, 2023. All adjoining property owners received notices of the hearing. A Notice of Public Hearing was also posted at the properties. No comments were received before the submission of this memorandum.



VALDESE TOWN COUNCIL ZONING MAP AMENDMENT CONSISTENCY AND REASONABLENESS STATEMENT

On August 7, 2023, the Valdese Town Council met to consider Rezoning Petition 1-3-23 and received a recommendation from the Valdese Planning Board. After considering the Plan (defined below), ordinances, maps, recommendations, and other materials presented, the Valdese Town Council makes the following findings and conclusions:

1. In 2014 the Town of Valdese adopted a comprehensive land use plan entitled "The Valdese Vision: A Land Use Action Plan for the Future" (hereinafter the "Plan").
2. The Town of Valdese submitted a Rezoning Petition recommended by the Town of Valdese Planning Board requesting to rezone the following three properties from M-1 Manufacturing to R-12A Residential District: (i) 0 Lake Rhodhiss Drive NE, Connelly Springs, North Carolina, PIN: 2744557428; (ii) 709 Lovelady Rd NE, Connelly Springs, North Carolina, PIN: 2744544380; and (iii) 0 Lovelady Rd, Connelly Springs, North Carolina, PIN: 2744621058 (the "Properties").
3. The Properties are comprised of vacant land and a secondary school, Draughn High School. A rezoning of the Properties to R-12A Residential will continue to permit secondary school uses.
4. North Carolina General Statute 160D-605(a) provides, in pertinent part, as follows:

When adopting or rejecting any zoning text or map amendment, the governing board shall approve a brief statement describing whether its action is consistent or inconsistent with an adopted comprehensive or land-use plan. The requirement for a plan consistency statement may also be met by a clear indication in the minutes of the governing board that at the time of action on the amendment the governing board was aware of and considered the planning board's recommendations and any relevant portions of an adopted comprehensive or land-use plan. If a zoning map amendment is adopted and the action was deemed inconsistent with the adopted plan, the zoning amendment has the effect of also amending any future

land-use map in the approved plan, and no additional request or application for a plan amendment is required. A plan amendment and a zoning amendment may be considered concurrently.

5. The Town of Valdese's request for amendment was duly considered at a meeting of the Town of Valdese Planning Board. The Planning Board found the Town of Valdese's request to amend the Town's Zoning Map around the Properties from their currently designated zoning to Zone R-12A Residential District to be *inconsistent* with the Plan.
6. The Planning Board voted five to zero to recommend that Town Council amend the Town's Zoning Map regarding the Properties from M-1 Manufacturing to R-12A Residential.
7. The Valdese Town Council hereby finds Rezoning Petition 1-3-23 in regards to rezoning the Properties from their currently designated zoning to Zone R-12A Residential to be *inconsistent* with the Plan.
8. North Carolina General Statute 160D-605(b) provides, in pertinent part, as follows:

When adopting or rejecting any petition for a zoning map amendment, a statement analyzing the reasonableness of the proposed rezoning shall be approved by the governing board. This statement of reasonableness may consider, among other factors, (i) the size, physical conditions, and other attributes of the area proposed to be rezoned, (ii) the benefits and detriments to the landowners, the neighbors, and the surrounding community, (iii) the relationship between the current actual and permissible development on the tract and adjoining areas and the development that would be permissible under the proposed amendment; (iv) why the action taken is in the public interest; and (v) any changed conditions warranting the amendment.

9. The Town Council finds that the zoning amendment is reasonable and in the public interest based on the following:
 - a. The total acreage of the Properties is of sufficient size so as not to be construed as "spot" zoning.
 - b. The surrounding zoning designations are M-1 Manufacturing to the North (location of the Town of Valdese Waste Water Treatment Facility), M-1 Manufacturing to the South (contains a manufacturing facility), R-8 Residential and Burke County R-2 Residential to the East (mostly vacant, but with two single-family residences), and M-1 Manufacturing to the west (outdoor recreation).
 - c. Rezoning the Properties to R-12A Residential District will permit uses similar to those in the area, with the exception of manufacturing.
 - d. The R-12A Residential District is intended to be a moderately quiet, medium-high-density residential living area with many types of residential development, home occupations, and limited private and public community uses.
 - e. R-12A Residential District development will not harm the surrounding land uses in that the permitted uses of the district consist of moderately quiet, medium-high density, residential living, and private and public community use. A rezoning of the Properties to R-12A Residential will continue to permit secondary school uses.
 - f. The proposed amendment will not cause public services to fall below acceptable levels. Public services are in place to service the parcel. These public services include water and sewer, police, and fire protection.
 - g. Town Council finds that conditions have changed since adopting the Plan, warranting this zoning amendment.

Based upon the recommendation of the Valdese Planning Board and the findings from the public hearing, the Valdese Town Council, having found Rezoning Petition 1-3-23 in regards to rezoning the Properties from their currently designated zoning to Zone R-12A Residential District to be **inconsistent** with the Plan and approves Rezoning Petition 1-3-23 and the recommendation from the Valdese Planning Board to amend the Town's Zoning Map regarding the Properties from M-1 Manufacturing to R-12A Residential District.

Based on those above and the findings from the public hearing, the Valdese Town Council further finds Rezoning Petition 1-3-23 reasonable and approves Rezoning Petition 1-3-23.

The Town Council therefore approves Rezoning Petition 1-3-23.

/s/ Charles Watts, Mayor

ATTEST:
/s/ Town Clerk

Councilman Mears asked if there were any issues with the land owner, and Mr. Johnson said no. Councilwoman Lowman asked if the Planning Board had any problems with this, and Mr. Johnson said no.

Mayor Watts asked if anyone wished to speak either for or against the re-zoning. There being no one wishing to speak, Mayor Watts closed the public hearing at 6:35 p.m. by a motion from Councilwoman Lowman, seconded by Councilman Barus.

Councilman Mears made a motion to approve the re-zoning petition #1-3-23 and adopt the proposed consistency and reasonableness statement contained in the agenda materials, this approval deems this amendment to the Valdese Vision: A Land Use Action Plan for the Future Land Use Map, seconded by Councilman Skidmore. The vote was unanimous.

APPROVED AWARD OF BID FOR STREET PAVING: Assistant Town Manager/CFO Bo Weichel shared that the Town received four bids for the street paving project, and the lowest responsible bidder is JT Russell and Sons, Inc., in the amount of \$444,225. Mr. Weichel explained that we would add a contingency and the engineering contract amount, making the total amount for the project \$500,000.

Councilwoman Hildebran stated that as a member of the Street resurfacing committee that she has proudly served, the citizens of the Valdese group have been requesting for the past five years for the Council to put money in the budget for street resurfacing. Councilwoman Hildebran shared that we have answered and honored their request. Councilwoman Hildebran shared that if the citizen who lives on Micol Street thinks we are paying too much for that street, she apologizes because the price for repaving is very expensive. Councilwoman Hildebran feels that other citizens on that street will love having their street resurfaced. Councilwoman Hildebran is proud that we can honor the request to have streets repaved. Mayor Watts seconds that.

Councilman Barus shared that the two biggest items he has received calls about were Christmas lights and street repaving, and he is glad that we can pave every year.

Councilman Mears asked if Micol Street was more expensive to pave because it is longer. Mr. Weichel explained that Micol is more because two culverts under the road will need to be replaced due to stormwater issues. Town Manager Seth Eckard shared that the length of all the streets being paved is 7,000 ft.

Item No.	Description	Bid Price
1	Laurel Street SE	\$ 55,500
2	Micol Avenue NE	98,550
3	Walsh Drive SE	26,300
4	Columbo Street NW	55,500
5	Skie Circle SE	52,550
6	Hauss Ridge Road SE - Section 1	29,225
7	Hauss Ridge Road SE - Section 2	56,000
8	Rostan Street SE - Section 1	14,600
9	Rostan Street SE - Section 2	25,000
10	Flora Lane NE	31,000

J.T. Russell (streets listed above)	444,225
McGill Associates (engineering)	45,100
Contingency	10,675
Total	\$ 500,000

CERTIFIED BID TABULATION**2023 Roadway Paving Project****TOWN OF VALDESE, NORTH CAROLINA**

Wednesday, August 2, 2023; 2:00 pm

Valdese Town Hall, 102 Massel Avenue SW, Valdese, North Carolina 28690

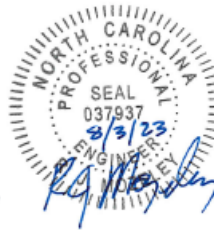
No.	Street Section	Evans Construction	JT Russell and Sons	M&K Enterprises	Midstate Contractors
1	Laurel St SE	\$86,632.00	\$55,500.00	\$78,984.76	\$74,187.30
2	Micol Avenue NE	\$90,373.73	\$98,550.00	\$150,452.47	\$63,822.90
3	Walsh Drive SE	\$34,299.00	\$26,300.00	\$28,242.02	\$30,496.50
4	Columbo Street NW	\$43,835.00	\$55,500.00	\$47,460.47	\$41,784.45
5	Skie Circle SE	\$77,987.00	\$52,550.00	\$87,194.52	\$71,304.70
6	Hauss Ridge Rd SE - 1	\$42,101.00	\$29,225.00	\$36,840.61	\$29,124.30
7	Hauss Ridge Rd SE - 2	\$64,056.00	\$56,000.00	\$72,094.76	\$53,985.70
8	Rostan St SE - 1	\$24,460.00	\$14,600.00	\$28,462.06	\$21,060.70
9	Rostan St SE - 2	\$34,038.00	\$25,000.00	\$34,187.09	\$37,143.30
10	Flora Lane NE	\$35,415.00	\$31,000.00	\$37,771.54	\$28,804.30
TOTAL		\$533,196.73	\$444,225.00	\$601,690.30	\$451,714.15

This is to certify that bids tabulated herein were accompanied by a 5% bid bond or certified check and were received and read aloud at 2:00pm local time on the 2nd day of August, 2023, in the Valdese Town Hall, located at 102 Massel Avenue SW, Valdese, North Carolina 28690

RJ MOZELEY, PE



1240 19th Street Lane NW
Hickory, North Carolina 28601
License No. C-0459





Shaping Communities Together

August 3, 2023

Mr. Seth Eckard, Town Manager
Town of Valdese
102 Massel Avenue SW
Valdese, NC 28690

RE: Award Recommendation
2023 Roadway Paving Project
Town of Valdese, North Carolina

Dear Mr. Eckard:

Informal bids were received and reviewed for the Town's 2023 Roadway Paving Project on August 2, 2023. A total of eight (8) bidding document packages were delivered to interested parties, and the Town received four (4) bids.

J.T. Russell & Sons, Inc., of Conover, North Carolina, was the lowest responsive, responsible bidder, with a total base bid amount of \$444,225.00, inclusive of all ten (10) street segments included in the bid package.

We recommend awarding this project to J.T. Russell & Sons, Inc., with a total contract amount of \$444,225.00 based on the following information:

- J.T. Russell & Sons, Inc., is appropriately licensed with the North Carolina Licensing Board for General Contractors
- J.T. Russell & Sons, Inc., has successfully completed similar municipal projects in the past

We also recommend establishing a project contingency fund in the amount of \$10,675.00 for any necessary construction materials testing or unforeseen project conditions encountered during construction.

Enclosed for your use is the Certified Bid Tabulation. Please do not hesitate to contact us if you have any questions.

Sincerely,
McGILL ASSOCIATES, P.A.

A handwritten signature in blue ink, appearing to read 'R.J. Mozeley'.

R.J. MOZELEY, PE
Senior Project Manager

RJM:jcw

Enclosures: Certified Bid Tabulation

Councilman Mears made a motion to award the bid for Street Improvements to JT Russell and Sons, Inc., seconded by Councilman Barus. The vote was unanimous.

UPDATE ON LAKESIDE PARK KAYAK & FISHING PIER: Mayor Watts asked Parks & Recreation Director David Andersen to give an update on the new Kayak & Fishing Pier at Valdese Lakeside Park. Mr. Andersen shared that the pier is completed, and they are working on the stairway and ADA ramp down to the pier and a slide to put the kayaks on. Mr. Andersen said the completion should be by the end of this month.

APPROVED AGREEMENT WITH WPCOG FOR GRANT ADMINISTRATIVE ASSISTANCE – ORS RENOVATIONS: Community Affairs Director Morrissa Angi shared that this agreement with WPCOG is to oversee the administration of the Rural Transformation Grant and the Appalachian Regional Commission Grant for the renovations at the Old Rock School.

**AGREEMENT BETWEEN THE
WESTERN PIEDMONT COUNCIL OF GOVERNMENTS AND THE TOWN OF VALDESE
FOR THE PROVISION OF ADMINISTRATIVE ASSISTANCE
NORTH CAROLINA DEPARTMENT OF COMMERCE RURAL TRANSFORMATION GRANT
OLD ROCK SCHOOL ENTREPRENEURIAL CENTER
AUGUST 7, 2023 – DECEMBER 31, 2026**

This AGREEMENT, entered into on this the 7th day of AUGUST 2023 by and between the Western Piedmont Council of Governments (hereinafter referred to as the "Planning Agency") and the Town of Valdese, North Carolina (hereinafter referred to as the "Local Government"); WITNESSETH THAT:

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

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

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

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

1. Personnel. That during the period of this Contract, the Planning Agency will furnish the necessary trained personnel to the Local Government.
2. Travel/Printing. The Local Government will pay for expenses related to conferences, conventions, seminars, local travel, etc. of the personnel when the Local Government requests or approves travel related to the Local Government's planning program, or if it is beneficial to both parties, the costs will be shared on an agreed-upon ratio. The Local Government will also pay for expenses related to printing of report(s), mailings to advisory boards, and other costs not related to normal travel and staffing costs associated with personnel furnished by the Planning Agency.
3. Compensation. The Local Government will pay the Planning Agency an amount of \$25,000 (twenty-five thousand dollars) for the satisfactory performance of all services related to administration of the project as defined in the attached Scope of Services. It is expressly understood and agreed that total compensation shall not exceed the sum specified without prior approval of both agencies.
4. Termination/Modifications. The Local Government may terminate this Contract by giving the Planning Agency a thirty-day written notice. Furthermore, if there is a need to amend the proposal outlined in Attachment A, either party may do so with the written approval of the other.
5. Time of Performance. The Planning Agency shall ensure that all services required herein should be completed and all required reports, maps, and documents submitted during the period beginning August 7, 2023, and ending December 31, 2026.
6. Interest of Members, Officers, or Employees of the Planning Agency, Members of the Local Government, or Other Public Officials. No member, officer, or employee of the Planning Agency or its agents; no member of the governing body of the locality in which the program is situated; and no other public official of such locality or localities who exercise any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any financial interest, either direct or indirect,

in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The Planning Agency shall incorporate, or cause to be incorporated, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.

7. Nondiscrimination Clause. No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination with any program or activity funded.

8. Age Discrimination Act of 1975, as amended. No qualified person shall on the basis of age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

9. Section 504, Rehabilitation Act of 1973, as amended. No qualified disabled person shall, on the basis of handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

10. Access to Records and Record Retainage. All official project records and documents must be maintained during the operation of this project and for a period of three years following closeout.

11. Liquidated Damages Clause. If the project fails to be carried out within the time

frame outlined in the administrative proposal due to activities attributed to the Planning Agency, the Local Government may assess the Planning Agency a sum in the amount of \$100 per week for any subsequent weeks until completion.

12. Termination of Agreement for Cause. If, through any cause, the Planning Agency shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or violate any of the covenants, conditions, or stipulations of this Agreement, the Local Government shall thereupon have the right to terminate this Agreement by giving written notice of such termination and specifying the effective date thereof. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared under this Agreement shall, at the option of the Local Government,

becomes its property, and the Planning Agency shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials in direct proportion to the extent of services actually completed.

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

LOCAL GOVERNMENT: PLANNING AGENCY:
TOWN OF VALDESE WESTERN PIEDMONT COUNCIL OF GOV'TS.

By:

By:

Manager Executive Director

LOCAL GOVERNMENT: PLANNING AGENCY:

By:

By:

Mayor Chair

Pre-audit statement:

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

By: Local Government Finance Officer

ATTACHMENT A SCOPE OF SERVICES

TOWN OF VALDESE
NORTH CAROLINA DEPARTMENT OF COMMERCE RURAL TRANSFORMATION GRANT
WORK PROGRAM/BUDGET
AUGUST 7, 2023 – DECEMBER 31, 2026

Introduction

The Western Piedmont Council of Governments (WPCOG) has worked with the Town of Valdese on the NC Department of Commerce Rural Economic Development Division Rural Transformation Grant for the revitalization of the Old Rock School into a business incubation center. The town intends to upfit the Old Rock School at 400 Main Street, Valdese, NC.

The Scope of Services proposal is intended to describe the various administrative activities the WPCOG will provide as related to the NC Department of Commerce Rural Economic Development Division Rural Transformation Grant funds.

WPCOG Services

Ben Willis will serve as Project Administrator and will provide the following specific activities:

- Assistance with development of the Town of Valdese's Award Package.
- Development and management of the overall project filing system.
- Preparation of all pay request recommendations for the Town.
- Assistance with procurement compliance.
- Requisition of the grant funds.
- Monitor project progress by the Town.
- Preparation of all reports required by the Department of Commerce.
- Update Manager on status of project.

The Town will be responsible for the following:

- Adequate office space including utilities.
 - Direct payment of legal and audit services and general administrative costs.
 - All administrative costs not specifically identified as WPCOG responsibilities. Administrative Fee
- The WPCOG proposes to provide the above-described services for a fee not to exceed contract of \$25,000.

Amendments and Termination

The Town of Valdese can terminate this contract by giving a one-month written notice. Should there be the need to amend this proposal during the term of the project, either party may do so with the approval of the other.

ASSURANCES OF COMPLIANCE ATTACHMENT B Executive Order 11246

During the performance of this Contract, the contractor agrees as follows:

1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, or national origin. Such action shall include, but not be limited to the following: recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, or national origin.

3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, notice advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965 and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies involved as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of

the Secretary of Labor, or as otherwise provided by law.

7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting

agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

ATTACHMENT C

Section 3 Clause

"Section 3" Compliance in the Provision of Training, Employment, and Business Opportunities

a. The work to be performed under this contract is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.

b. The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

c. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment and training.

d. The contractor will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135. The contractor will not subcontract with any subcontractor where it has notice of knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

e. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued hereunder prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors or assigns to those sanctions specified by the grant or loan agreement of contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

ATTACHMENT D

Lobbying Clause

No Federal appropriated funds have been paid or will be paid, by or on behalf of the Planning Agency or the Local Government, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative, agreement, and the extension,

continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Planning Agency and/or the Local Government shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Councilwoman Lowman made a motion to adopt the Agreement with WPCOG for the Old Rock School renovations, seconded by Councilman Skidmore. The vote was unanimous.

APPROVED CAPITAL PROJECT ORDINANCE AMENDMENT – ORS GRANT ADMINISTRATION:
Assistant Town Manager/CFO Bo Weichel presented the following Capital Project Ordinance Amendment for the Old Rock School Renovations:

Valdese Town Council Meeting

Monday, August 7, 2023

Capital Project Ordinance Amendment # 1-38

Subject: WPCOG grant administration

Description: For administration and oversight of the Rural Transformation grant and the ARC grant at the Old Rock School renovations project which was approved at the December 2022 meeting. Total project budget is \$850,000 all funded by grants. This WPCOG contract be paid using town funds.

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the capital project ordinance for various capital projects funded from a variety of sources is hereby amended as follows.

Section I:

Revenues available to the Town to complete the projects are hereby amended as follows:

Account	Description	Decrease/ Debit	Increase/ Credit
38.3970.001	Transfer from General Fund Balance		25,000
Total		\$0	\$25,000

Amounts appropriated for capital projects are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
38.6250.450	Grant Administration	25,000	
Total		\$25,000	\$0

Section II:

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

Councilwoman Hildebran made a motion to adopt the Capital Project Ordinance Amendment with the WPCOG in the amount of \$25,000, seconded by Councilwoman Lowman. The vote was unanimous.

APPROVED CAPITAL PROJECT ORDINANCE AMENDMENT – STREET IMPROVEMENTS: Assistant Town Manager/CFO Bo Weichel presented the following Capital Project Ordinance Amendment for Street Improvements:

Valdese Town Council Meeting

Monday, August 7, 2023

Capital Project Ordinance Amendment # 1-76

Subject: Street Improvements

Description: To transfer general fund budget for street paving into the capital project for street improvements. This is in addition to the original \$350,000 transferred in June.

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the capital project ordinance for various capital projects funded from a variety of sources is hereby amended as follows.

Section I:

Revenues available to the Town to complete the projects are hereby amended as follows:

Account	Description	Decrease/ Debit	Increase/ Credit
38.3970.001	Transfer from General Fund		150,000
Total		\$0	\$150,000

Amounts appropriated for capital projects are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
76.5600.040	Engineering Services	45,100	
76.5600.450	2024 Street Improvements	94,225	
76.5600.900	Contingency	10,675	
Total		\$150,000	\$0

Section II:

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

Councilman Mears made a motion to approve the Capital Project Ordinance Amendment for Street Improvements in the amount of \$150,000, seconded by Councilman Skidmore. The vote was unanimous.

MANAGER'S REPORT: Town Manager Seth Eckard made the following announcements:

Old Colony Players Presents: From This Day Forward, August 4-August 12, Fridays and Saturdays, 8:00 p.m. at the Fred B. Cranford Amphitheatre.

48th Annual Waldensian Festival and Footrace – August 11 & 12, 2023, we will have fireworks for the first time on Friday night.

Family Friday Nights Summer Concert Series Finale is scheduled for Friday, September 1, 2023, at 7:00 p.m.

Town Offices Closed on Monday, September 4, 2023, in Observance of Labor Day

MAYOR AND COUNCIL COMMENTS: Councilwoman Lowman shared that she went to see *From This Day Forward* and gave the Old Colony Players a shout-out. Councilwoman Lowman appreciates that we can share the history of this Town.

Councilman Barus gave a shout-out to our Police Chief Jack Moss and Sgt. Beck who took care of two people sleeping on a bench at Temple Field. Councilman Barus called Chief Moss, who came out at 7:30 a.m. with Sgt. Beck and worked diligently to get the people where they needed to go. Councilman Barus thanked Chief Moss for not just being an 8:00-5:00 employee but for being a 24/7 employee.

Councilman Mears shared a similar experience with stray cats. Councilman Mears called Chief Moss, and within less than an hour Officer Hicks went out to retrieve the cats, and within two hours the cats were at Cats Cradle Shelter.

Mayor Watts welcomed the new restaurant in Town, Highlands Butchery. Councilman Barus shared that within the last two to three months, four businesses have come to Valdese.

ADJOURNMENT: At 6:55 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilwoman Lowman.

The next regular Council meeting is scheduled for Tuesday, September 5, 2023, at 6:00 p.m., due to the Labor Day Holiday.

Town Clerk
jl

Mayor

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
SEPTEMBER 5, 2023**

The Town of Valdese Town Council met on Tuesday, September 5, 2023, 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 Charles Watts, Mayor Pro Tem Frances Hildebran, Councilman Tim Skidmore, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent: Councilwoman Rexanna Lowman, Town Attorney Tim Swanson

A quorum was present.

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

OPEN FORUM/PUBLIC COMMENT: Mayor Pro Tem Frances Hildebran read the Rules & Procedures for Public Comment: Rule 5. Public Comment - Any individual or group who wishes to address the council shall inform the town clerk, Ms. Lail, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Persons must be present if they wish to address the Council. Comments should be limited to five minutes per speaker. If the speaker's comments needs to be addressed, upon the direction of the Council, someone from the management team will be in touch with you later. Please silence your cell phones.

ELECTION RUMORS – RICK MCCLURD, 408 GARROU AVE SE, VALDESE: Mr. McClurd expressed his concern with the election and all the lying that is going on with the people he supports about how they will close the Fire/Police Department and Community Center. Mr. McClurd stated that a gentleman was degrading an 83-year-old man, saying he was from Pennsylvania and had no reason to run in Valdese. Mr. McClurd asked how long the Council have lived in Valdese. Mr. McClurd does not think it matters if someone is running from Pennsylvania and feels it is the dirtiest race he has ever seen in Valdese with all the rumors. Mr. McClurd does not understand why people are spreading rumors and feels it is not good for Valdese.

ROAD PAVING – CARLTON CARUSO, 805 MICOL AVE, VALDESE: Mr. Caruso shared that he has lived on Micol Ave. for almost 34 years and appreciates that his road is on the list to be paved. Mr. Caruso said that the neighbors he has spoken to appreciate it as well. Mr. Caruso believes his road does need paving.

OPERATIONS & PAVING – GLENN HARVEY, 801 MICOL AVE, VALDESE: Mr. Harvey asked how he and a couple of the citizens could visit some of the Town facilities, like the Water Plant and Wastewater Plant for a tour. Mayor Watts said to contact the Town Manager. Mr. Harvey noted that the minutes from the last meeting recorded his sentiments, except that the staff had found \$470,000 for future debt payments, which was not included in the minutes. Mr. Harvey thought it was interesting because if staff found \$470,000 for future debt payments but they had to raise taxes \$400,000 for paving. Mr. Harvey asked if the Council got a copy of the street evaluation report from J.M. Teague from the April 2022 Council meeting and requested a copy of the report and contract. Mayor Watts said yes they got a copy and that he would be in touch. Mr. Harvey asked at the July meeting when the Council approved a proposal from McGill Associates if it was a contract that was put up for competitive bidding or if McGill Associates was chosen without submitting bids. (No answer) Mr. Harvey referred to the August 2020 minutes where the Council approved a paving bid for almost \$432,000 that was completed without tax dollars or a tax increase. Mr. Harvey asked why the paving project did not have an engineering firm hired to supervise the project but was instead supervised by staff. Mr. Harvey asked if the \$45,000 we are paying this year for the supervision of paving was because we lost staff management capabilities.

ELECTION – VICTORIA CARTER, 404 LOUISE AVE NE, VALDESE: Ms. Carter is deeply concerned about what is being said about the people that she knows well during this election cycle. Ms. Carter knows Heather Ward, Glenn Harvey, and Gary Ogle, and they support the Police/Fire Department, Pool, and Library. Ms. Carter shared that Glenn Harvey has ideas for kids who cannot afford to go to the pool to get vouchers/stipends with transportation to and from. Ms. Carter supports the Pool, Library, Police, and Fire Department. Ms. Carter has been to the building, and to her untrained eye it looks bad, and has not heard

any open or fair communication from Council about the building. Ms. Carter does not want the employees to work in a dangerous environment but have a nice place to work and wants us to do that by being transparent to the voters. Ms. Carter is concerned that people's reputations are being devalued. Ms. Carter referred to a post and is concerned that some of her posts are being deleted and wants to know if they do not know the truth about the candidates and what they want for Valdese or if the truth is irrelevant.

HOMES AVAILABLE – JEAN-MARIE COLE, 705 BERTIS ST SW, VALDESE: Ms. Cole noticed there were applications/information for the new Pine Crossing Apartments, which looks to be very affordable. Ms. Cole knows we are building apartments, but she has found many people are looking for homes. Ms. Cole believes that we should look at more town/condominium housing.

CAMPAIGN – HEATHER WARD, 400 BASS ST NW, VALDESE: Ms. Ward said she does not want to defund the Police, Firefighters, Pool, Library, or anything in Valdese. Ms. Ward wants to see our Police and Fire Departments get a raise and is tired of this Town being a stepping-stone. Ms. Ward has had the Police respond three times in the past two weeks. Ms. Ward has three drug houses in her neighborhood and does not feel safe in her neighborhood anymore. Ms. Ward shared that this is why she ran because something needs to be done. Her children are afraid to go outside at night. Ms. Ward shared that she loves this Town and is thankful for Jack Moss and that he hires people who watch out for our Town and thankful for the Police Officers who work for him.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF AUGUST 7, 2023

APPROVED LEASE AGREEMENT AT OLD ROCK SCHOOL WITH DAVID HARMON STUDIOS, LLC: Annual Lease Agreement at the Old Rock School with David Harmon Studios, LLC, in the amount of \$368 per month.

APPROVED LEASE AGREEMENT AT OLD ROCK SCHOOL WITH TRANQUILITY DAY SPA: Annual Lease Agreement at the Old Rock School with David Harmon Studios, LLC, in the amount of \$368 per month.

APPROVED ORDINANCE DECLARING ROAD CLOSURE FOR TOWN OF VALDESE SPECIAL EVENT:

AN ORDINANCE DECLARING ROAD CLOSURE FOR TOWN OF VALDESE SPECIAL EVENTS

WHEREAS, for many years the Town of Valdese has sponsored the Draughn High School Homecoming Parade; and

WHEREAS, the Town of Valdese desires to schedule the Draughn High School Parade on Tuesday, October 3, 2023; and

WHEREAS, part of US 70/Main Street in Valdese will need to be closed for the parade; and

WHEREAS, G.S. 20-169 provides that local authorities shall have power to provide by ordinance for the regulation of the use of highways by processions or assemblages;

NOW, THEREFORE, be it ordained by the Town Council of the Town of Valdese pursuant to G.S. 20-169 that the following portion of the State Highway System be closed during the times set forth below:

DRAUGHN HIGH SCHOOL HOMECOMING PARADE
Date: October 3, 2023 Time: 5:30pm to 7:00pm
Route: Main Street (US 70) from Hoyle Street to Eldred Street

Signs shall be erected giving notice of the limits and times of these street closures as required by G.S. 20-169.

This ordinance shall take effect upon adoption. THIS, the 5th day of September 2023.

/s/ Charles Watts, Mayor

APPROVED ADOPTION OF UPDATED FY 23-24 WATER/SEWER UTILITY FUND CAPITAL IMPROVEMENTS PLAN:

**Town of Valdese Water and Sewer Utility Fund
10-YEAR Capital Improvements Plan
UPDATED FISCAL YEAR 2024**

Water Distribution / Wastewater Collection													
Project Number	Project Description	10-Yr CIP Cost	Year	FY 1	FY 2	FY 3	FY 4	FY 5	FY 6	FY 7	FY 8	FY 9	FY 10
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Vehicles and Equipment													
1	2022 Chevy 2500 Crew Cab	-											
2	2016 Cat 965 Tractor	90,000		90,000									
3	2000 Ford F150 Super Duty	48,000				48,000							
4	2019 Ford F150 Super Duty	40,000						40,000					
5	Truck	18,750					18,750						
6	2021 Chevy 4x4	40,000								40,000			
7	2011 Ford 4x4 F250	42,000			42,000								
8	2006 Chevy Silverado 1500	30,000			30,000								
9	2017 Ford F250 4x4	40,000						40,000					
10	2018 Ford F150 4x4	30,000				30,000							
Subtotal Vehicles and Equipment		460,250		212,000		78,000	71,000	40,000			40,000		76,100
Infrastructure Improvements													
11	Adams St. Tank and Storage Station	-											
12	State Water Tank	20,750		20,750									
13	Large Water Replacement	72,750					72,750						
14	Water Distribution Study	7,500			7,500								
15	Water Distribution Study	-											
16	Water Distribution Study	3,000,000			3,000,000								
17	Water Distribution Study	-											
18	Water Distribution Study	907,200			907,200								
19	Water Distribution Study	1,764,100						1,764,100					
20	Water Distribution Study	-											
21	Water Distribution Study	1,188,200				1,188,200							
22	Water Distribution Study	750,000											
23	Water Distribution Study	1,200,000											
Subtotal Infrastructure Improvements		10,827,000		20,750	3,007,500	2,095,200	72,750	1,764,100			1,764,100	750,000	14,181,420
10-Yr CIP: Water Distribution / Wastewater Collection FY 23-24		11,287,250		212,750	3,015,500	2,173,200	143,750	1,804,100			1,804,100	790,000	14,257,520

**Town of Valdese Water and Sewer Utility Fund
10-YEAR Capital Improvements Plan
UPDATED FISCAL YEAR 2024**

Water Treatment Division														
Project Number	Project Description	10-Yr CIP Cost	Test Year	FY 1	FY 2	FY 3	FY 4	FY 5	FY 6	FY 7	FY 8	FY 9	FY 10	Years 11+
Vehicles and Equipment														
1	2018 Explorer	40,000				40,000								
2	2017 Ford F-150	44,000					44,000							
3	2004 Ford F-150	40,000		40,000										
4	2004 Chevrolet Silverado	17,900				17,900								
Subtotal Vehicles and Equipment		141,900		40,000		57,900	44,000							
Plant Upgrades and Improvements														
5	Roof Replacement - Finned Water PS	21,000		21,000										
6	Chemical Feed Pump	17,900			5,000	5,000	5,000							
7	Power Treatment Plant Upgrade	4,760,000			4,760,000									
8	New Water Pump, piping and valve replacement	5,610,000									5,610,000			
9	New Raw Water PS Access Road	236,000										236,000		
10	Review Artificial Shrub	37,000			15,000						21,000			
11	SCADA Upgrades (add #2 and #3 PUMP)	28,000					12,000			14,000				
12	Misc #2 and #3 Pumps to new location	-											240,000	
13	Truck Maintenance	30,000			5,000	30,000								
14	WTP Equipment Repair & Replacement	125,000								125,000				
15	WTP Security System	15,000		15,000										
Subtotal: Plant Upgrades and Improvements		10,841,000		31,000	4,790,000	37,000	5,000			139,000	21,000	5,610,700	236,000	240,000
10-Yr CIP: Water Treatment FY24-33		11,000,000		71,000	4,795,000	74,900	5,000			158,000	21,000	5,631,700	236,000	240,000
Capital Project funded or partially funded using external resources: ATPA, State Allocation, etc. Capital Project funded or partially funded using local sources														

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**Town of Valdese Water and Sewer Utility Fund
10-YEAR Capital Improvements Plan
UPDATED FISCAL YEAR 2024**

Wastewater Treatment Division														
Project Number	Project Description	10-Yr CIP Cost	Test Year	FY 1	FY 2	FY 3	FY 4	FY 5	FY 6	FY 7	FY 8	FY 9	FY 10	Years 11+
Vehicles and Equipment														
1	1940 Elantra Truck	35,000		35,000										
2	2014 Elantra Truck	50,000		50,000										
3	2014 Elantra Truck	42,000				42,000								
4	2017 Elantra Truck	45,000						45,000						
5	2017 Elantra Truck	45,000							45,000					
6	2017 Elantra Truck	15,000							15,000					
Subtotal Vehicles and Equipment		232,000		135,000		42,000		45,000	15,000	45,000				15,000
Plant Upgrades and Improvements														
7	Roof Replacement for Influent Pump 1&2	7,400						7,400						
8	Roof Replacement for Influent Pump 3&4	35,000										35,000		
9	Roof Replacement for Sludge Receiver Pumps	11,000			11,000									
10	Centrifuge #2 Overhaul	70,000								70,000				
11	Centrifuge #1 Overhaul	141,000		70,000							71,000			
12	Admin Building Roof	70,000				70,000								
13	Sanitary Building Roof	80,000												
14	Sludge Receiver PS Building Roof	96,000						96,000						
15	Sludge Receiver #1	15,000							15,000					
16	Sludge Receiver #2	15,000								15,000				
17	Sanitary Basin	5,104,000					5,104,000							
18	Sludge Pump Drive Shaft	5,000		5,000										
19	Sludge Pump Motor	1,480,000			1,480,000									
20	Sludge Pump Motor	7,000			7,000									
21	Sludge Pump Motor	7,000			7,000									
22	Sludge Pump Motor	7,000			7,000									
23	Sludge Pump Motor	100,000												
24	Sludge Pump Motor	42,000							42,000					
25	SCADA	31,100				14,000					17,100			
26	Review Artificial Shrub	32,100			14,100			18,000						
27	IT Computer from Motor	-												
28	Sludge Drying Equipment	-											10,000,000	
29	Alternative Collection	100,000			100,000									
30	Concrete Work at Compost Pad	30,000			30,000									
31	WWTTP Equipment Repair & Replacement	225,000						225,000						
32	WWTTP Security System	15,000		15,000					15,000					
Subtotal Plant Upgrades and Improvements		8,271,300		90,000	2,209,100	140,000	5,104,000	131,400	142,000	107,000	134,100	152,000		11,020,400
10-Yr CIP: Wastewater Treatment FY24-33		8,523,300		175,000	2,216,100	142,000	5,109,000	176,400	157,000	122,000	154,100	162,000		11,230,800
Total System Capital Improvements Plan														
10-Yr CIP: Total Water and Wastewater FY24-33		31,001,100		608,700	10,864,000	5,052,700	6,384,500	1,884,500	167,000	2,061,000	816,100	6,762,700	236,000	26,638,200

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RESOLUTION BY THE VALDESE TOWN COUNCIL

WHEREAS, The Town of Valdese has committed to developing and maintaining an up-to-date 10-year Water and Sewer Capital Improvements Plan (CIP) and associated financial analysis of user rates and charges, and

WHEREAS, McGill Associates prepared the Town's regular annual update for the CIP and presented the updated CIP to the Town Council of the Town of Valdese on the 23rd day of March 2023 during the Town's annual budget retreat, and

WHEREAS, The Town has further amended the CIP projects list and priorities through the months of April-August 2023.

NOW THEREFORE BE IT RESOLVED, BY THE TOWN COUNCIL OF THE TOWN OF VALDESE:

That Town of Valdese, does hereby adopt and enact the aforementioned updated CIP effective the 5th day of September, 2023.

Adopted this the 5th day of September, 2023, at The Town of Valdese, North Carolina.

Charles Watts

Mayor

CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting Town Clerk of the Town of Valdese does hereby certify: That the above/attached resolution is a true and correct copy of the resolution adopting the updated 10-year Water and Sewer CIP, as regularly adopted at a legally convened meeting of the Valdese Town Council duly held on the 5th day of September, 2023; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____, 2023.

Jessica Lail

Town Clerk

Councilwoman Hildebran made a motion to approve the aforementioned items on the Consent Agenda, seconded by Councilman Mears. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

NEW EMPLOYEE INTRODUCTION: Fire Chief Truman Walton introduced new Fire Captain Steve McVay. Mr. McVay shared that many emergency services workers do not take the job for the money but because they want to. Mr. McVay encouraged people to check out the Town's benefits package. Mr. McVay shared that Sherrill's Ford paid well, but the benefits were not as good. Mr. McVay looks forward to retiring here.

APPROVED REQUEST FOR RECUSAL – COUNCILMAN SKIDMORE: Mayor Watts shared that Councilman Skidmore would need to be recused due to the upcoming action on Item C due to being the President of the Club.

Councilwoman Hildebran made a motion to recuse Councilman Skidmore from the action item, seconded by Councilman Barus. The vote was unanimous.

Councilman Skidmore left the Council Chambers.

APPROVED LEASE AGREEMENT AT OLD ROCK SCHOOL WITH P&W RAILROAD CLUB: Community Affairs Director Morrissa Angi shared the Annual Lease Agreement at the Old Rock School with P & W Railroad Club in the amount of \$230 per month.

Councilman Mears asked why the lease agreement did not go up in cost like the other agreements. Ms. Angi explained that typically, with non-profits that pay lease rates, there is an adjustment/review every five to ten years, and for for-profit businesses that have a space at the Rock School reviews every three to five years. Councilwoman Hildebran shared that we have some non-profit organizations that are not charged a rate. Ms. Angi said that was correct; that is how it has been since it was made back in the 80s.

Councilman Mears made a motion to approve the Lease Agreement at the Old Rock School with P&W Railroad Club, seconded by Councilwoman Hildebran. The vote was unanimous.

Councilman Skidmore returned to the dais.

PUBLIC HEARING FOR CDBG WATER PROJECT: The Town Council for the Town of Valdese held a public hearing, for providing explanation and description of the FY 2023 North Carolina Department of Environmental Quality (DEQ) Community Development Block – Infrastructure Grant (CDBG-I).

Mayor Watts opened the Public Hearing at 6:26 p.m.

Sherry Long, Assistant Executive Director of Western Piedmont Council of Governments was present to discuss the purpose of the public hearing for the Town of Valdese's CDBG-I funding application. Ms. Long stated that the purpose of the public hearing was to obtain citizen's views and to respond to funding proposals and answer any questions posed by citizens. Ms. Long also stated that the public hearing must cover the Town's community development needs, development of the proposed activities, and a review of program compliance before the submission of the Town's CDBG-I funding application to the state of the North Carolina.

The Town proposes requesting funding from NCDEQ'S CDBG-I program for the Berrytown Waterline Project. The proposed project will meet the following community and housing needs of the Town by replacing aging and undersized water lines, replacing water service lines, and installing fire hydrants and other appurtenances along Berry School Avenue, Berrytown Avenue, Berrytown Street, Bost Johnson Avenue, Bost Johnson Avenue Extension, and CV Johnson Drive.

The purpose of the CDBG-I grant program is to improve the quality of life for low to moderate income people by providing a safe, clean environment and clean drinking water through water and sewer infrastructure improvements and extensions of service.

- To benefit a residential area where at least 51% of the beneficiaries are low to moderate income as defined by the United States Department of Housing and Urban Development.

- To perform eligible activities.
- To minimize displacement, and
- Provide displacement assistance as necessary.

For the fiscal year of 2023 the CDBG-I funding available is expected to be \$18 Million, and each the maximum available grant \$3.0 million over a 3-year period. Applications for funding are received by October 2, 2023.

The CDBG program is able to fund a wide variety of community development activities. The State of North Carolina has chosen to fund several activities: water and sewer infrastructure, neighborhood revitalization, COVID-19 related projects, and economic development projects that lead to job creation or retention. The infrastructure program, or CDBG-I program can fund a range of water and sewer infrastructure and economic development activities, including, but not limited to the, following:

Water:

- Projects that resolve water loss in distribution systems.
- Projects that extend public water to areas with contaminated wells.
- Projects that extend water lines to areas with dry wells.
- Projects that assist with low water pressure in public water systems.
- Projects that regionalize two or more water systems.
- Project that rehabilitate or replace a water treatment plant.

Wastewater:

- Projects that resolve inflow and infiltration to collection systems and surcharges from pumps stations and manholes.
- Projects that extend public sewer to areas with failed septic tanks.
- Projects that rehabilitate a wastewater treatment plant to allow for greater efficiency/compliance with regulations.

The Town is seeking an amount in CDBG-I funds not to exceed \$3 Million for the Berrytown Waterline Project. The purpose of the Town's request is to replace approximately 8,215 LF of aging and undersized water lines, replace water service lines, and install fire hydrants and other appurtenances along Berry School Avenue, Berrytown Avenue, Berrytown Street, Bost Johnson Avenue, Bost Johnson Avenue Extension, and CV Johnson Drive. The project will assist with low water pressure in the service area.

The project proposed by the Town of Valdese was identified in the Town's 10-year Capital Improvement Plan, updated and adopted in September 2023. Informal community meetings were held in the project area to inform citizens of the potential project, and get feedback from the residents.

A total of 100% of the CDBG- I funding will be used to benefit Low to Moderate Income (LMI) people. The project area in the Town of Valdese has been determined to have an income survey area LMI rate of 70.262%. The project area includes all homes located along Berry School Avenue, Berrytown Avenue, Berrytown Street, Bost Johnson Avenue, Bost Johnson Avenue Extension, and CV Johnson Drive.

The range of activities covered by the CDBG-I funds for the Berrytown Waterline Project includes:

- Construction.
- Environmental Review
- Engineering Design

- Construction Administration and observation.
- Legal activities.
- Surveying.
- Grant Administration.

If Town of Valdese is awarded a CDBG-I grant, the town is required to adhere to federal procurement requirements and other federal regulations which include:

- American with Disabilities Act/Section 504 Survey
- Davis-Bacon & Related Labor Acts
- Adoption/Submittal of a Citizen's Participation Plan
- Adoption/Submittal of an Equal Opportunity Plan
- Adoption/Submittal of a Fair Housing Plan
- Adoption/Submittal of a Language Access Plan
- Adoption/Submittal of a Relocation Assistance Plan
- Adoption/Submittal of a Section 3 Plan
- Excess Force Provision

The State of North Carolina requires that if the Town of Valdese receives CDBG grant funding that the town will certify that they will comply with the requirements of the general displacement and relocation policy for CDBG grant funding. This policy assists low to moderate income people with costs associated with relocation or displacement, should such relocation become necessary due to the project activities. CDBG funds can be used for those costs, if necessary. If no displacement and relocation will occur as a result of the proposed CDBG grant activity, then the Town of Valdese confirms that during this public hearing.

In the past, the Town has applied for and received for the following completed CDBG project:

Meridian Yarns CDBG-ED Water Project – installed a generator, valve, and associated appurtenances at Valdese Water Treatment Plant

Valdese CDBG-NR Scattered Sites Housing Project – rehabilitated 12 homes for low-moderate-income residents

The Town will submit its CDBG-I application for the Berrytown Waterline Project on October 2, 2023. The CDBG-I application will be available for review during normal business hours in the Planning Department at Town Hall at 102 Massel Avenue SW in Valdese. Additional information is available from ljohnson@valdesenc.gov or 828-879-2124.

Should you have any complaints or grievances regarding the subject public hearing, they should be addressed to the addressee mentioned above within fifteen (15) business days or by September 26, 2023, and a written response to the written complaints and/or grievances will be sent by the Town within fifteen (15) business days, where practicable. We open the floor for comments about the CDBG proposed project.

Mayor Watts asked if Council had any questions.

Councilwoman Hildebran asked how we discovered the need for this project since it was outside of the Town's city limits. Ms. Long shared that Berrytown had been a paying water customer since the merger with Triple Community. Ms. Long shared that the 2-inch waterline results in low pressure, and the homes on the end of the line have very little pressure, and there is no fire protection. Ms. Long explained that they did a survey, knocked on every door, and got a 70.62% response rate. Councilman Mears asked how many households this would serve. Planning Director Larry Johnson said that it is around 70-72 homes. Ms. Long shared that this grant would also allow the replacement of the waterlines between the meter and the house. Councilwoman Hildebran asked if the Town would be obligated to assist with this program. Ms. Long said

the Town would require no match. Town Manager Seth Eckard shared that in the past, we have looked at different areas within the Town limits for CDBG projects, but after doing the surveys, the residents are usually over-income, so we do not score enough points to receive funding. Ms. Long stated that the Town has standard waterlines, not 2-inch.

Mayor Watts asked if anyone wished to speak. Hearing none, Mayor Watts closed the Public Hearing at 6:40 p.m.

Ms. Long said the Town should know by the first of the year if the grant will be received, and funding would be a year from now.

APPROVED AUTHORIZING RESOLUTION TO SUBMIT AN APPLICATION FOR CDBG FUNDING FOR BERRYTOWN WATER PROJECT: Sherry Long, Assistant Executive Director of Western Piedmont Council of Governments presented the following Resolution:

RESOLUTION BY GOVERNING BODY OF APPLICANT

WHEREAS, Title I of the Federal Housing and Community Development Act of 1974, as amended, has established the U.S. Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program, and has authorized the making of grants to aid eligible units of government in funding the cost of construction, replacement, or rehabilitation of water and wastewater infrastructure, and that the North Carolina Department of Environmental Quality (NCDEQ) Division of Water Infrastructure (DWI) was delegated the authority by the state legislature to administer the water and wastewater infrastructure portion of the state grant monies received from the U.S. HUD Small Cities (States) CDBG program by Session Law 2013-360, Section 15.15(a) as amended by Section 5.3 of Session Law 2013-363, and

WHEREAS, The Town of Valdese has need for and intends to implement a construction project described as the replacement of aging and undersized water lines, replacement of water service lines, and installation of fire hydrants and other appurtenances along Berry School Avenue, Berrytown Avenue, Berrytown Street, Bost Johnson Avenue, Bost Johnson Avenue Extension, and CV Johnson Drive; and

WHEREAS, The Town of Valdese intends to request State grant assistance for the project,

NOW THEREFORE BE IT RESOLVED, BY THE TOWN COUNCIL OF THE TOWN OF VALDESE:

That Town of Valdese, the **Applicant**, will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system.

That the **Applicant** will provide for efficient operation and maintenance of the project on completion of construction thereof.

That Larry Johnson, Planning Director, and Allen Hudson, Public Works Director, the **Authorized Officials**, and successors so titled, are hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a grant to aid in the construction of the project described above.

That the **Authorized Officials**, and successors so titled, are hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the 5th of September, 2023, at Valdese Town Hall, North Carolina.

(Signature of Chief Executive Officer)

(Title)

CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting Town Clerk of the Town of Valdese does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the Town Council duly held on the 5th day of September, 2023; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of September 2023.

(Signature of Recording Officer)

(Title of Recording Officer)

Councilman Mears made a motion authorizing Resolution to submit an application for CDBG funding for Berrytown Water project, seconded by Councilman Barus. The vote was unanimous.

MANAGER'S REPORT: Town Manager Seth Eckard made the following announcements:

Mr. Eckard addressed Mr. Harvey and said that he and Bo would be in touch with him on the engineering services contract and explain why they are in compliance with the law. Mr. Eckard shared that West Consultants was the engineer who oversaw the project in the previous paving contract.

The Street Resurfacing Project will begin on September 18, 2023, and should be done by the beginning of October. We have a new Street Paving section on the Town's website with various information, including Powell Bill funding.

Mr. Eckard announced that if the State budget passes as presented in the next week or two, we would have funding for the new Valdese/Lenoir Waterline Interconnections Project. We will have a presentation on this at the October meeting. Mr. Eckard shared that this will increase the sales of our daily water and build resiliency to the system.

Old Colony Players Presents: Psych, September 7 - 9, 2023, 6:30 p.m. dinner theatre and September 10, 2023, 2:30 p.m. no dinner, at the Old Rock School.

NC State Bocce Tournament, Saturday, September 9, 2023, 8:00 a.m. at the LPDA

Valdese Plein Air Fest will run from September 9-16, 2023, with different events throughout the week. The Reception will be held on Saturday, September 16, 2023, 4:00–6:00 p.m. at the Old Rock School. For more information, visit rockschoolartgalleries.com/plein-air-fest.

Kayak Launch & Fishing Pier Ribbon Cutting, Thursday, September 28, 2023, 1:00 p.m. at Valdese Lakeside Park

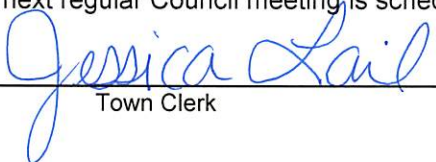
The Town Council will hold a Special Council meeting to approve the September minutes for the CDBG on Monday, September 18, 2023, at noon in the Town Council Chambers.

MAYOR AND COUNCIL COMMENTS: Councilwoman Hildebran shared that she was reading about the Plein Air Fest and all the activities included and thinks it is so exciting. The Community Affairs Director Morrissa Angi shared that it is a partnership with Friends of the Valdese Rec, Valdese Arts Foundation, herself, and Parks & Rec Director David Andersen. Ms. Angi shared that it has expanded to a weeklong festival with around 30 artists participating this year.

Mayor Watts thanked the Town departments for their hard work on the Waldensian Festival. Mayor Watts appreciates the partnership formed by the Town Council and their willingness to dedicate their time and effort to special projects. Mayor Watts is honored to serve with individuals who value integrity and hard work with their only agenda to do what is best for the citizens and the Town of Valdese.

ADJOURNMENT: At 6:47 p.m., there being no further business to come before Council, Councilman Barus made a motion to adjourn, seconded by Councilwoman Hildebran.

The next regular Council meeting is scheduled for Monday, October 9, 2023, at 6:00 p.m.



Town Clerk

jl



Mayor

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

The Town of Valdese Town Council met on Monday, September 18, 2023, at noon, in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The following were present: Mayor Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Manager Seth Eckard, Town Clerk Jessica Lail, and Planning Director Larry Johnson.

Absent: Town Attorney Tim Swanson, Councilman Tim Skidmore

A quorum was present.

Mayor Watts called the meeting to order at 12:00 noon. He offered the invocation and led the Pledge of Allegiance to the Flag.

APPROVED REGULAR MEETING MINUTES OF SEPTEMBER 5, 2023 The Town Council held a Special Council meeting to approve the September 5, 2023, minutes for the submission of the CDBG application for the Berrytown Project.

Councilwoman Hildebran made a motion to approve the September 5, 2023, minutes, seconded by Councilman Mears. The vote was unanimous.

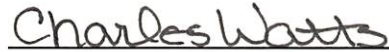
ADJOURNMENT: At 12:02 p.m., there being no further business to come before Council, Councilwoman Lowman made a motion to adjourn, seconded by Councilman Mears. The vote was unanimous.

The next regular Council meeting is scheduled for Monday, October 9, 2023, at 6:00 p.m.



Town Clerk

jl



Mayor

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
OCTOBER 9, 2023**

The Town of Valdese Town Council met on Monday, October 9, 2023, 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 Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, and Councilman Tim Barus. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent: Councilman Paul Mears

A quorum was present.

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

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

Mayor Watts read Open Forum Guidelines: 1. Open Forum is not intended to require the Council or Staff to answer any impromptu questions. Speakers will address all comments to the entire Council as a whole and not one individual member. Discussions between speakers and members of the audience will not be permitted. 2. Speakers will maintain decorum at all times. Speakers are expected to be courteous and respectful at all times, regardless of who occupies Council chairs. These guidelines will help to ensure that a safe and productive meeting is held and that all those wishing to address Council will be afforded the opportunity.

VALDESE CONCERNS – SUSAN STEVENSON, 1009 CREEKSIDE DR. NE, VALDESE: Ms. Stevenson thanked the Council for their hard work and dedication to the Town. Ms. Stevenson feels confident that the Council makes decisions that are in the best interest of our Town and citizens. Ms. Stevenson stated that she is aware that some unkind accusations have been made to the Council and family members, as well as being accused of presenting false information during this election period. Ms. Stevenson shared that candidates who have pledged to reduce taxes are running, and she does not think it is possible to lower taxes without cutting services. Ms. Stevenson shared an email that was sent to her and others during the previous Town budget period from one of the candidates running, who shared suggestions such as do we need a police force, fire department, recreation department, and maintenance department, do we need more than one administrator, and can we negotiate with surrounding towns to merge services. Ms. Stevenson felt it was important to bring that information out. Ms. Stevenson shared that this was for the previous budget suggestions but was very applicable for reducing taxes for now. Ms. Stevenson said this would reduce taxes, but it could control most of our valuable services that would no longer be a part of our Town; they would be outsourced, which scares her.

SCHEDULE OF FUTURE CONTRACTS – GLENN HARVEY, 801 MICOL AVE NE, VALDESE: Mr. Harvey shared that in September 2020, the Council voted to hire an architect for \$445,000 to design a new Public Safety building. Mr. Harvey also shared that in October 2021, in preparation for the election, Mayor Black hosted orientation sessions for the candidates, where they received a great deal of information on the details of the design of the Public Safety building. Mr. Harvey noted that 19 months ago, three of the Council voted to proceed with the architect's contract to stage the construction documents and go out to bid in about six months. Mr. Harvey shared that seven months after the six-month estimate, there are still no bids. Mr. Harvey noted that ten months ago, he asked the Mayor then what the project's status was, and Mayor Watts answered that we were waiting on construction documents. Mr. Harvey said that on March 16, 2023, the Council met for 24 minutes and approved complex conditions for a USDA loan. Mr. Harvey said that tonight, one month before the election, three candidates and 4,900 residents of Valdese are completely in the dark on the status of the largest project this Town has ever considered. Mr. Harvey

shared that three Council members have publically pledged to proceed with the construction and feel that those Council members know something the rest do not. Mr. Harvey asked Mayor Watts if he would share tonight with the public what the Council knows about the largest proposal ever to come before this Town, which the citizens have to vote on four weeks from tomorrow. Mayor Watts said no, no comments are made during the open forum.

BUDGET – RICK MCCLURD, 408 GARROU AVE SE, VALDESE: Mr. McClurd shared he has been going through the budget and had two questions. Mr. McClurd is aware that we now outsource the tax collection; prior to that, we were running about 96-97% in tax collection. Mr. McClurd understands that we contract with Burke County to collect our taxes, and they guarantee 99%. Mr. McClurd asked if we are still going after the people who fail to pay taxes. Mr. McClurd noted that we pay the County around \$30,000 to collect taxes, but we still have a Tax Collector employed at Valdese. Mr. McClurd understands that the employee got a raise after the job was taken from her, and now she does payroll. Mr. McClurd thinks it is unusual that if you take that kind of job away from a person, you still keep them and give them a raise. Mr. McClurd would like to have the salary for that employee. Mr. McClurd said that seven years ago, we outsourced the trash pickup to save some money, and as he was looking through the budget for 2023-2024, he saw that the Town was buying a trash truck and asked if we were planning on doing the trash again. Mr. McClurd asked what kind of trash truck it would be, if we would have to hire more people and go back into the trash business and if we would have recycling.

WATER EXPANSION – JIM JACUMIN, 3690 MILLER BRIDGE CREEK RD, CONNELLY SPRINGS: Mr. Jacumin expressed his excitement to hear that we are looking at expanding our water. Mr. Jacumin shared that after listening to the first speaker talk about things he had never heard of; he cautioned the voters to examine each candidate. What they stand for, so they are voting for good information and not lies. Mr. Jacumin believes it will be a good opportunity for Valdese to extend our water system, which has been a burden for citizens with the water going up every year. Mr. Jacumin feels we should come up with ideas to reduce the water rates. Mr. Jacumin read in the paper that this could reduce our water rates. Mr. Jacumin shared to do this, you have to come together with a good business approach and is concerned with some of the things he read in the itinerary for tonight. Mr. Jacumin referred to the million-dollar contract with no bidding on that contract. Mr. Jacumin said that was a lot of money, and as County Commission of Burke County, he would never let that happen. Mr. Jacumin said you had to get at least three bids and said he would project that you would save \$200,000 if you did. Mr. Jacumin questioned when we would receive the 7 million dollars and wondered how they came up with the \$953,000.

GENERAL & FIRST AMENDMENT – VICTORIA CARTER, 404 LOUISE AVE NE, VALDESE: Ms. Carter asked if there were any written guidelines regarding the public comments. Ms. Carter shared that two years ago, she sought out Valdese among the entire State of NC as a place to move her family. Ms. Carter thought Valdese was a small, sweet southern town, but she has been disillusioned. Ms. Carter stated that she has been appalled and astonished by what she has heard from people she trusts and has seen with her own eyes in just the last few months. Ms. Carter feels the explanation of what she is witnessing is that this local government is as crooked and corrupt as everybody else. Ms. Carter asked why the incumbents put up signs before the described date, why is a certain lawn being mowed so that signs can be placed in a prominent position, why is the x-mayor's lawn being mowed by the city that fills the signs for the incumbents and asked to see the contract of that and the terms. Ms. Carter asked why a contractor was paid over \$50,000 to oversee a contractor. Ms. Carter asked why the incumbents were lying about the goals and positions of their opponents. Ms. Carter said they could say whatever they want about Mr. Glenn Harvey, but WHO is three people and challenges anyone in the room to show one tiny piece of evidence suggesting they want to close any Town service. Ms. Carter asked why John Baker praised the incumbents so vigorously and asked if he exists and why Rachel Davenport defends them. Ms. Carter asked why there was a coordinated campaign to restrict WHO supporters' ability to reach Valdese voters on important issues. Ms. Carter read a quote from Benjamin Franklin and asked why dozens of people have been banned from the Valdese Strong page, comments deleted as well as Ms. Carter's comment on the Town of Valdese website. Ms. Carter was told that no political speech was allowed on the page. Ms. Carter asked for her comment to be reinstated and wants to be allowed to comment on a public forum.

RECOGNITION & CONGRATULATIONS – ALLEN KING, 929 MAIN ST W, VALDESE: Mr. King said he has served as lead pastor of the River of Life Church in Valdese for 21 years. Mr. King prefaced his remarks by stating that Heather Ward did not know he was going to speak. In his statement, Mr. King read an acknowledgment of Heather Ward. He began by recognizing Heather Ward as one of the hardest-working and most diligent citizens. A first for Burke County, she was recently selected to serve on the North Carolina

PTA Board of Directors. Heather Ward is the first Valdese citizen and the first from Burke County to be chosen to serve in this capacity. Mr. King said there are 11 board members across the State, and Heather Ward is now a member. Mr. King continued by stating that the National PTA is one of the largest volunteer child advocacy organizations in the United States. The North Carolina PTA is North Carolina's oldest and largest volunteer organization, advocating for the education, health, safety, and success of all children and youth while building strong families and communities. He further stated that the mission of the PTA is to make every child's potential a reality by engaging in the power of families and communities that advocate for all children. Mr. King stated that Heather Ward will serve on the Advocacy Committee, whose primary role is to assist in developing, implementing, and evaluating programs, initiatives, and activities that enhance local, State, and national levels. Mr. King noted the importance of this advocacy work because a United States Department of Education survey revealed that schools with strong family and community involvement lower dropout rates and improve school attendance. Mr. King stated that Heather's selection is a big deal. She will be able to play a major role in advocating for our school-age children across the State and the children of Valdese and Burke County. Heather's trademarks are her energy and work ethic. Heather has been a faithful wife to Michael for 17 years. She has two incredible sons, Dakota and Elijah. Heather is also a youth minister, effective outreach coordinator, and community volunteer. He also noted that she calls a pretty mean game of bingo for the senior citizens of Valdese. Mr. King said that Heather Ward has worked tirelessly to rejuvenate Jethro's Community Center, which was closed during the pandemic. Jethro's now serve the need of teens and seniors alike with almost daily outreach mentoring in discipleship. Heather cares deeply about the citizens of Valdese, and she is a current candidate for the Valdese Town Council. He concluded his remarks by saying he was most proud to say Heather Ward was his daughter. Mr. King congratulated Heather on her selection to the North Carolina PTA Board of Directors and said Valdese should be proud of her achievement.

TAX CUTS? – AZZAM KAMAL, 329 N RODORET ST, VALDESE: Mr. Kamal shared that he has lived in this Town for 37 years, and he loves this Town. Mr. Kamal shared that he is an informed voter and is trying to do research. Mr. Kamal asked the Council several rhetorical questions. What happens if the Police/Fire do move? Who is paying for it? Nothing is free. Would the County do it for free, and would our County taxes go up? Mr. Kamal asked if his home insurance would be impacted if we no longer had a Fire Department. Mr. Kamal cannot find any information that discusses this. Mr. Kamal said he assumed we would end up paying the same taxes for poor service. Mr. Kamal asked what happens to the people who work for this Town. Mr. Kamal would like to make an informed decision but cannot find the answers.

FAKE FB ACCOUNT – BLENDA ICARD, 409 PINEBURR AVE SW, VALDESE: Ms. Icard shared that she has lived in the Town for 45 years. Ms. Icard was in the hospital recovering from life-threatening surgery on Friday night. Ms. Icard shared that she opened her Facebook to find that someone had hacked her account and shared family pictures, including loved ones who had passed. Ms. Icard shared a Bible verse, is concerned with the fake Facebook accounts, and feels they are hurtful. Ms. Icard stated that they all think they know who the author is of the fake Facebook account, but it did not matter because God knew.

CONSENT AGENDA: (enacted by one motion)

APPROVED SPECIAL MEETING MINUTES OF SEPTEMBER 18, 2023

APPROVED APPOINTMENTS TO VALDESE HOUSING AUTHORITY Ms. Faith Kaplan was appointed to a five-year term. The term will expire on October 31, 2028. Ms. Kaplan is replacing Mr. Willie Pascal, whose term will expire on October 31, 2023.

APPROVED RESOLUTION FOR WATER SHORTAGE RESPONSE PLAN

RESOLUTION FOR APPROVING WATER SHORTAGE RESPONSE PLAN

WHEREAS, North Carolina General Statute 143-355 (l) requires that each unit of local government that provides public water service and each large community water system shall develop and implement water conservation measures to respond to drought or other water shortage conditions as set out in a Water Shortage Response Plan and submitted to the Department for review and approval; and

WHEREAS, as required by the statute and in the interests of sound local planning, a Water Shortage Response Plan for the Town of Valdese, has been developed and submitted to the Valdese Town Council for approval; and

WHEREAS, the Valdese Town Council finds that the Water Shortage Response Plan is in accordance with the provisions of North Carolina General Statute 143-355 (l) and that it will provide appropriate guidance for the future management of water supplies for the Town of Valdese, as well as useful information to the Department of Environment and Natural Resources for the development of a state water supply plan as required by statute;

NOW, THEREFORE, BE IT RESOLVED by the Valdese Town Council of the Town of Valdese that the Water Shortage Response Plan entitled, Valdese Water Shortage Response Plan dated August 29, 2023, is hereby approved and shall be submitted to the Department of Environment and Natural Resources, Division of Water Resources; and

BE IT FURTHER RESOLVED that the Valdese Town Council intends that this plan shall be revised to reflect changes in relevant data and projections at least once every five years or as otherwise requested by the Department, in accordance with the statute and sound planning practice.

This the 9th day of October, 2023.

/s/ Charles Watts, Mayor

APPROVED RESOLUTION FOR CONVEYANCE OF PERSONAL PROPERTY TO A NONPROFIT ORGANIZATION – REACT

A RESOLUTION APPROVING CONVEYANCE OF PERSONAL PROPERTY TO A NONPROFIT ORGANIZATION PURSUANT TO THE PROVISIONS OF N.C.G.S. 160A-279

WHEREAS, the Town of Valdese owns twenty (20) Motorola IMPRES Adaptive Chargers, twenty-eight (28) Motorola IMPRES 2 batteries, twenty-eight (28) Motorola 700-800 MHz antennas, twenty-two (22) Motorola plastic belt clip holsters, twenty-seven (27) leather holsters, twenty-five (25) Motorola XE-RSM lapel microphones, and twenty-eight (28) Motorola APX 6000 Radios with the following serial numbers: 755CNR0656, 755CNR0657, 755CNR0658, 755CNR0659, 755CNR0660, 755CNR0661, 755CNR0662, 755CNR0663, 755CNR0664, 755CNR0665, 755CNR0666, 755CNR0667, 755CNR0668, 755CNR0669, 755CNR0670, 755CNR0671, 755CNR0672, 755CNR0673, 755CNR0674, 755CNR0675, 755CNR0676, 755CNR0677, 755CNR0678, 755CNR0679, 755CNR0680, 755CNR0681, 755CNR0682, and 755CNR0683 (the "Equipment"); and

WHEREAS, North Carolina General Statute § 160A-280 authorizes a city or county to convey personal property for nonmonetary consideration to any governmental unit within the United States, a sister city, or a nonprofit organization incorporated by (i) the United States, (ii) the District of Columbia, or (iii) one of the United States, any personal property, including supplies, materials, and equipment, that the governing board deems to be surplus, obsolete, or unused; and

WHEREAS, the Town has determined that the Equipment to be surplus, obsolete, or unused; and

WHEREAS, the Town intends to convey the Equipment to REACT International, Inc., a 501(c)(3) nonprofit organization consisting of communications volunteers who monitor airwaves and provide a wide range of radio related services to the public in times of emergency or disaster; and

WHEREAS, REACT will use the Equipment to monitor the airwaves and assist communities, including the Town of Valdese, in times of emergency or disaster; and

WHEREAS, REACT's continued public use of the Equipment will benefit all citizens of the Town of Valdese.

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

1. The Mayor is authorized to execute all documents necessary to convey title to the Equipment to REACT.

October 9, 2023, MB#32

2. The consideration for the conveyance is a benefit the public will receive by REACT's continued monitoring of the airwaves and provision of radio related services to the public, including the Town of Valdese, in times of emergency or disaster.
3. In accordance with the notice requirements of N.C.G.S. § 160A-280, public notice of this resolution was posted on the official website for the Town of Valdese at <https://www.townofvaldese.com/> on Friday, September 29, 2023.

THIS RESOLUTION IS ADOPTED this ____ day of _____, 2023.

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

/s/ Charles Watts, Mayor

ATTEST: /s/ Town Clerk

APPROVED REQUEST TO SELL WINE AT TOWN EVENT Request from Waldensian Style Wines to sell wine at the Christmas in November Craft & Gift Show event on Friday, November 10, 2023, from 4:00 p.m. to 8:00 p.m. and Saturday, November 11, 2023, from 9:00 a.m. to 2:00 p.m., Waldensian Room at the Old Rock School.

APPROVED RESOLUTION FOR FUNDING TO RE-ESTABLISH PASSENGER RAIL SERVICE FOR WESTERN NC

RESOLUTION

IN SUPPORT OF FUNDING TO RE-ESTABLISH PASSENGER RAIL SERVICE FOR WESTERN NORTH CAROLINA

WHEREAS, rail service is an integral part of a comprehensive transportation system for the State of North Carolina; and,

WHEREAS, the Western North Carolina Rail Committee, Inc. has supported improved rail service and connectivity since 1989. These local communities, Asheville, Old Fort, Marion, Morganton, Valdese, Hickory, Conover, Statesville, and Salisbury, would thus benefit from AMTRAK-operated and NC DOT Rail Division administered passenger rail service with three round trips daily between Salisbury and Asheville and,

WHEREAS, economic development, tourism, and job creation will benefit through the enhancement of a passenger rail system that serves the citizens of North Carolina and visitors to our state with 100,000 local trips that could be generated, with an additional 150,000 to 290,000 passengers (connections) by 2045 per the Western North Carolina Passenger Rail Feasibility Study, June 2023, prepared by NC DOT Rail Division; and,

WHEREAS, Congress has passed the Infrastructure Investment and Jobs Act (Bipartisan Infrastructure Law), which allocated 80% of the funding with a state/local match of 20% with an estimated construction cost of \$665 million and annual operating cost of \$7.3 to \$10 million; and

WHEREAS, we applaud the State of North Carolina for the development of comprehensive intercity rail and transportation services in urban jurisdictions throughout the state, and recognize that Asheville and Western North Carolina have been without a passenger rail connection since 1975 and,

WHEREAS, there is a vital need to provide a robust and balanced transportation system that promotes freight and passenger service and,

WHEREAS, an increase in state funding for passenger rail service in North Carolina is necessary to connect our small urban and rural areas of the state with the urbanized centers of our state and,

WHEREAS, support by local and state elected officials is essential for the future of alternative transportation in Western North Carolina, as identified as one of the twelve rail corridors by NC DOT for inclusion in the Federal Railroad Administration (FRA) Railroad Identification Program and

WHEREAS, support and utilization of transportation improvements, which is funded by FRA to speed the creation of additional rail passenger routes across the country and is supported by business and commercial interests as essential for the successful deployment of alternative transportation modes in North Carolina, especially in Western North Carolina; and,

WHEREAS, this resolution expresses the thirty-plus years of unified support of communities and chambers of commerce throughout Western North Carolina for increased statewide funding for bus-rail service and,

WHEREAS, rail linkages between communities and regions within North Carolina establish and strengthen social, historical, commercial, and cultural bonds; and,

WHEREAS, the average return on investment for the surrounding community for station revitalizations throughout North Carolina is more than one dollar for every dollar invested, as demonstrated in Salisbury, Morganton, Marion, Old Fort, and Asheville (with the purchase of land) and,

WHEREAS the associated improvements to rail facilities have increased the efficiency and safety of rail service, helped attract new freight traffic, and provided environmental benefits by reducing the impact of traffic congestion on North Carolina's highways, particularly Interstate 40 and,

WHEREAS, a rail system will enhance accessibility and reliability for citizens, tourists, and businesses in Western North Carolina, and by extension to the entire State of North Carolina; and,

WHEREAS, North Carolina Department of Transportation's Rail Division has agreed to manage, subject to NC Legislative appropriation, contract development and implementation of Amtrak service between Salisbury and Asheville and

WHEREAS, the WNC Rail Committee is committed to working with the local communities to effectively market passenger rail service in WNC and provide other local assistance/services as appropriate to help ensure the connection service's long-term success and,

NOW, THEREFORE, BE IT RESOLVED that the Town of Valdese, through the adoption of this resolution, fully supports the creation of an attractive, marketable, and cost-effective rail connection service for Western North Carolina that includes funding by the FRA and the North Carolina General Assembly with financial participation from local governments and economic entities for the proposed Amtrak rail service between Asheville and Salisbury.

Adopted this 9th day of October 2023

/s/ Charles Watts, Mayor

Councilwoman Hildebran made a motion to approve the aforementioned items on the Consent Agenda, seconded by Councilman Skidmore. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

INTRODUCTION OF NEW EMPLOYEES: Police Chief Jack Moss introduced new Police Officer Adam Marlowe. Water Resources Director Greg Padgett introduced new Water Plant Operator Gary Greene and new Waste Water Treatment Plant Superintendent Lonnie Laird.

STATE TRAIL/STREAM RESTORATION UPDATE: Parks & Recreation Director David Andersen gave an update about a State Trail/Stream restoration that was provided with the passing of the NC State budget previously. Mr. Andersen shared that the Town of Valdese, with the help of Representative Blackwell, was the direct recipient of \$2.2 million to go towards stream restoration and resiliency at Hoyle Creek, which will

also allow for a side path to be created along Lake Rhodhiss Drive. Mr. Andersen shared that this could help us with a future PARTF grant for additional funds for a trailhead at Lovelady Road.

LENOIR/VALDESE WATERLINE INTERCONNECTIONS PROJECT: RJ Mozeley, PE with McGill Associates, presented a PowerPoint presentation on the Lenoir/Valdese Waterline Interconnection Project.



Valdese-Lenoir Interconnect

Town Council Update
9-October-2023

RJ Mozeley, PE
mcgill

Capital Improvements Planning

- The Town Council has enacted a Capital Improvements Plan (CIP)
- CIP Updated Annually
- "Make the Cut":
 - Assure Infrastructure Viability
 - Improve Infrastructure Efficiency
 - Satisfy Regulatory Requirements
 - System Growth

120 MGD Town of Valdese WTP

- Originally Constructed in the 1950's
- Upgrades & Expansions Over the Years
 - No Significant Changes since 1990's
- Rated for 120 MGD
- Textile Migration Led to Excess Capacity
- Current Demands ~3.5 MGD for Valdese System
 - Leaving ~8.5 MGD in Capacity Available



120 MGD Town of Valdese WTP



120 MGD Town of Valdese WTP

Previous Funding Application Submitted to NCDEQ

- The Town Applied for ARPA Funding in 2022
- Aimed at Long-Term Viability of WTP Processes
 - Sought to Capitalize on Grant Funds
- ARPA Funds Were Highly Competitive
 - The Valdese WTP Upgrade Project was Not Funded by DWI



12.0 MGD City of Lenoir WTP

- Lenoir is a Regional Water Provider
- No Significant Interconnect Exists



State Budget Appropriation

- \$7.0M to Town of Valdese
 - Upgrades for Viability Assuming Higher Production Rates
 - Potential to Produce Up to 4.0MGD for Wholesale to Lenoir
- \$17.0M to City of Lenoir
 - Transmission Main Across/Under Lake Rhodhiss
 - Booster Station Rated for 4.0 MGD

North Carolina General Assembly
Joint Conference Committee Report on the
Current Operations Appropriations Act of 2023

House Bill 259

September 20, 2023

Funding Process

- Funds will Pass Through NCDEQ – DWI
- Not a Competitive Application Process
- Notice of Intent to Fund Likely in Next 30-60 Days
- Some "Funding Request" Documentation to Be Prepared

Project Schedule

- Overall Schedule Will be Lengthy
 - Still Largely Undefined
- Extensive Permitting Necessary for Interconnect Portion
- State Regulatory Approvals Required
- Construction Start Likely 24+ Months Out

Councilwoman Hildebran asked how the process of selecting an engineer was to answer one of the public comment questions. Water Resources Director Greg Padgett shared that we made a Request for Qualifications (RFQ) for general services in February 2022. Mr. Padgett shared that we sent it to five local firms, and only two responded. Mr. Padgett noted out of the two that were submitted, one was chosen. Councilwoman Hildebran understands that this is based on qualifications, not on price. Mr. Padgett stated that the RFQ is based on qualifications, and you cannot ask for a price on the front end by State law. Councilwoman Hildebran wanted the citizens to know that we are looking for qualified engineers who will

take care of our Water and Wastewater, which is one of the most important things we produce for our citizens. Mr. Padgett said that we have to follow the Mini-Brooks Act, which is the process of sending out RFQs in any professional service over \$50,000. Councilman Skidmore asked what the firms submit. Mr. Padgett shared what they have to provide us for consideration:

Tab One: Information about the Team

Please provide the following information in the following order under Tab One:

- **Firm Profile** – Identify the legal entity that would enter into the contract with the Town and include location of company headquarters, location of local office, type of business (sole proprietorship, partnership, corporation), state of incorporation or organization, Federal Employer Identification Number, and the name and title of the person authorized to enter into an agreement. For proposed sub-consultants, please provide the name of each firm, the office location, contact name and telephone number, and the services to be provided.
 - **Brief, general description of the services provided by the engineering firm** which should cover all specialties that are available. Firms may submit on specific specialties but are not required to submit on all project types mentioned in this RFQ.
 - **Organizational Chart** – A list of staff available to work on the Town's projects with their qualifications (including sub-consultants). Please include their current licenses and certifications. The chart should clearly define the roles and responsibilities of the various team members. Even though this is a request for qualifications, please supply the desired billing rate for each individual that may do work on Town of Valdese projects.
 - Please indicate if the company has NC licensed surveyors on its staff or demonstrate the ability to coordinate provision of survey services.
 - **Provide overall references for the team.**
 - **Representative Contracts** – A list of representative contracts over the last five years and at least five (5) of the most recently completed municipal engineering projects with a brief description of the project as a whole as well as a description of the firm's involvement on the project. Ideally, at least one of these would be with a government agency regarding a recent water, sewer or storm water project and all should include date services were performed, contact name and phone number of individual representative possessing knowledge of the firm's work and total time period involved.
 - **Provide a statement regarding the firm's possible conflicts of interest for the work.**
-

TAB TWO: INFORMATION REGARDING THE SERVICES

Please provide the following information in the following order under Tab Two:

- Indicate the number of professional staff available and qualified to perform services. Include detailed background information for each key member of the team including:
 - Job classification;
 - Roles and responsibilities;
 - Professional registrations and certifications listing applicable state(s);
 - Location;
 - Role in past projects; and
 - Present and anticipated workload and ability to handle additional projects.
- Describe the proposed project team's experience and capability in the areas named above and as associated with the Town's description of services provided.
- Description of the firm's procedures, processes for performance and past involvement of this type of service:
 - Project management;
 - Backup and support personnel, specialty experts, and other resources and their locations;
 - Quality assurance and quality control;
 - Specialized equipment and services; and
 - Meeting schedules and budgets
- Provide a sample of the firm's work represented by a Preliminary Engineering Report or other similar report (not included in the page count).

Mr. Padgett said anything we do with DEQ has to have an engineer stamp, and since we do not have an engineer on staff, we have to hire an engineer. Councilman Barus asked, once the project begins, will we have a person doing the work and then a project manager over that person. Mr. Padgett said yes.

Councilwoman Hildebran asked the Town Manager if we were within budget on the cost of this project. Town Manager Seth Eckard said these contracts are percentages based on the project's total cost, and all those expenses are paid with State funds.

APPROVED CONTRACT WITH MCGILL ASSOCIATES FOR ENGINEERING SERVICES FOR WATER TREATMENT PLANT UPGRADES: Water Resources Director Greg Padgett shared the contract for engineering services with McGill Associates for the Water Treatment Plant upgrades but noted that the Town Attorney found a few grammatical errors and asked that Council approve it contingent upon the Town Attorney's changes.

ORIGINAL AGREEMENT SHARED WITH COUNCIL:

AGREEMENT FOR ENGINEERING SERVICES

This AGREEMENT, made and entered into this the ____ day of ____ 2023, by and between Town of Valdese (OWNER) and McGill Associates, P.A. (ENGINEER).

WHEREAS, the OWNER proposes to do certain work toward the accomplishment of the Project entitled Water Treatment Plant Upgrades as generally described in Attachment "A", and

WHEREAS, the ENGINEER desires to render professional services in accordance with this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and benefits contained herein, it is hereby mutually understood and agreed as follows:

SECTION 1 - GENERAL SERVICES

The ENGINEER shall:

1.1 The ENGINEER shall, as directed by the OWNER, provide professional engineering services for the OWNER in all phases of the Project; serve as OWNER's professional engineering representative for the Project; and shall provide professional consultation and advice to OWNER during the performance of the services hereunder.

1.2 The ENGINEER shall provide all personnel required in performing the Project unless otherwise provided herein. Such personnel shall not be employees of or have any contractual relationship with the OWNER. All services rendered hereunder shall be performed by the ENGINEER or under his supervision and all personnel engaged in the Project shall be fully qualified under North Carolina law to perform such services.

1.3 The ENGINEER shall assist in the pursuit of obtaining, approvals and permits from all governmental authorities having jurisdiction over the Project, unless otherwise agreed to herein.

1.4 The ENGINEER shall seek and obtain authorization from the OWNER or the OWNER's assignee before proceeding with the Project, or before performing any Additional Services as described in Section 3, or before performing any other services which would not be included in the fee for Basic Services set forth in Section 6 hereof, subject to OWNER's right to terminate as herein provided.

1.5 The ENGINEER shall comply with applicable federal, state and local laws and regulations regarding equal employment opportunity. The ENGINEER is further obligated to include all requirements hereunder in any subcontract written by him in association with this Agreement.

SECTION 2 - BASIC SERVICES

2.1 DESIGN PHASE

2.1.1 Consult with the OWNER to fully determine the OWNER's requirements for the project and to discuss project schedules, gather initial data, coordination, approvals and other preliminary matters.

2.1.2 Conduct a topographical survey of the project area to develop construction documents.

2.1.3 Coordinate the provision of subsurface investigation by others, if any, including assisting with solicitations and preparing site maps identifying locations for testing.

2.1.4 Prepare preliminary design, equipment selections, and design calculations.

2.1.5 Review preliminary design with OWNER for concurrence and acceptance.

2.1.6 Prepare complete bid documents, contract documents, technical specifications and construction drawings to detail the character and scope of the work of the Project.

2.1.7 Review design documents described above with the OWNER for comments and approval.

2.1.8 Prepare and submit plans and specifications to NCDEQ Division of Water Infrastructure to assist in obtaining approval.

2.1.9 Prepare and submit permit application and supporting documents to NCDEQ Division of Water Resources (Public Water Supply Section) to assist in obtaining the construction approval.

2.1.10 Perform an internal quality control and constructability review of the project.

2.1.11 Prepare an updated opinion of probable cost upon completion of the final design plans, and advise the OWNER of any adjustment of the Project cost caused by changes in scope, design requirements or construction costs.

2.1.12 Furnish one (1) hard copy and an electronic PDF copy of the final design documents to the OWNER.

2.2 BIDDING AND AWARD PHASE

2.2.1 Assist the OWNER with outreach to Disadvantaged Business Enterprise (DBE) contractors in accordance with SB 914.

2.2.2 Assist the OWNER in advertising, receiving, opening and evaluating bids.

2.2.3 Schedule a Pre-Bid Conference with prospective bidders and the OWNER to address the project requirements and receive any bidding questions.

2.2.4 Consult with, and advise the OWNER as to the acceptability of contractors and subcontractors and make recommendations as to the lowest, responsive, responsible bidder.

- 2.2.5 Coordinate funding, DBE, and award documentation with DWI.
- 2.2.6 Assist the OWNER in the final preparation and execution of construction contracts and in checking Performance and Payment Bonds and Insurance Certificates for compliance.
- 2.2.7 Schedule a Pre-Construction Conference with the OWNER, Contractor, ENGINEER and all other applicable parties to assure discussion of all matters related to the Project. Prepare and distribute minutes of the Pre-Construction Conference to all parties.

2.3 FUNDING ADMINISTRATION

- 2.3.1 Review Contractor and OWNER documentation of DBE solicitations and Good Faith Efforts for completeness and submit to the funding agency for approval.
- 2.3.2 Prepare Project Bid documentation and coordinate with funding agency to secure approval of the funding contract.
- 2.3.3 Review all documentation submitted by the Contractor for reporting of compliance with funding requirements.
- 2.3.4 Review pay applications for approval and release of funds by the funding agency.

2.4 CONSTRUCTION PHASE

Upon successful completion of the Bidding and Award Phase, and upon written authorization from OWNER, ENGINEER shall:

- 2.4.1 Provide General Administration of Construction Contract. Consult with OWNER and act as OWNER's representative as provided in the General Conditions. The extent and limitations of the duties, responsibilities, and authority of ENGINEER as assigned in the General Conditions shall not be modified, except as ENGINEER may otherwise agree in writing. All of OWNER's instructions to Contractor will be issued through ENGINEER, which shall have authority to act on behalf of OWNER in dealings with Contractor to the extent provided in this Agreement and the General Conditions except as otherwise provided in writing. ENGINEER shall not be responsible for the acts or omissions of any Contractor, or of any subcontractors, suppliers, or other individuals or entities performing or furnishing any of the Work. ENGINEER shall not be responsible for the failure of any Contractor to perform or furnish the Work in accordance with the Contract Documents.
- 2.4.2 Provide a Construction Field Representative (CFR) to periodically observe the progress and quality of the executed work and to determine in general if the work is proceeding in accordance with the Contract Documents. During such visits and on the basis of on-site observations as an experienced and qualified design professional, keep the OWNER informed of the progress of the work, and endeavor to guard the OWNER against defects and deficiencies in the work of the Contractor.
- 2.4.3 The purpose of ENGINEER's visits and the representation by the Construction Field Representative, (CFR), will be to enable ENGINEER to better carry out the duties and responsibilities assigned to and undertaken by ENGINEER during the Construction Phase, and, in addition, by the exercise of ENGINEER's efforts as an

experienced and qualified design professional, to provide for OWNER a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. ENGINEER shall not, during such visits or as a result of such observations of Contractor's Work in progress, supervise, direct, or have control over Contractor's Work, nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by Contractor, for security or safety, for safety precautions and programs incident to Contractor's Work, nor for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's furnishing and performing the Work. Accordingly, ENGINEER neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform the Work in accordance with the Contract Documents. However, ENGINEER shall give prompt notice to the OWNER whenever ENGINEER observes or otherwise becomes aware of any defect in the Project or of any material deviation of Contractor's work from the Contract Documents.

- 2.4.4 Based on ENGINEER's observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:

- a. Determine the amounts that ENGINEER recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute ENGINEER's representation to OWNER, based on such observations and review, that, to the best of ENGINEER's knowledge, information and belief, Contractor's Work has progressed to the point indicated, the quality of such Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon

Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is ENGINEER's responsibility to observe Contractor's Work. In the case of unit price work, ENGINEER's recommendations of payment will include final determinations of quantities and classifications of Contractor's Work (subject to any subsequent adjustments allowed by the Contract Documents).

b. By recommending any payment, ENGINEER shall not thereby be deemed to have represented that observations made by ENGINEER to check the quality or quantity of Contractor's Work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to ENGINEER in this Agreement and the Contract Documents. Neither ENGINEER's review of Contractor's Work for the purposes of recommending payments nor ENGINEER's recommendation of any payment including final payment will impose on ENGINEER responsibility to supervise, direct, or control Contractor's Work in progress or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on ENGINEER to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any portion of the Work in progress, materials, or equipment has passed to OWNER free and clear of any liens, claims, security interests, or encumbrances, or that there may not be other matters at issue between OWNER and Contractor that might affect the amount that should be paid.

2.4.5 Recommend to OWNER that Contractor's Work be rejected while it is in progress if, on the basis of ENGINEER's observations, ENGINEER believes that such Work will not produce a completed Project that conforms generally to the Contract Documents or that it will threaten the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents.

2.4.6 The total construction contract time is assumed to be eighteen (18) months. As part of this contract, field observation will be provided by a CFR on a part-time basis during active work. Additional requested CFR time will be considered Additional Services under Section 3 of this Agreement.

2.4.7 Recommend Change Orders and Work Change Directives to Owner, as appropriate, and prepare Change Orders and Work Change Directives as required.

2.4.8 Review and take action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such reviews and any approvals or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Review of Shop Drawings and Samples identified as frivolous in the General Conditions of the construction contract documents, or review of substitute materials as defined in the same, shall be deemed as Additional Services.

2.4.9 Promptly after notice that Contractor considers the entire Work ready for its intended use, in company with OWNER and Contractor, conduct a pre-final observation visit to determine if the Work is substantially complete. If after considering any objections of OWNER, ENGINEER considers the Work substantially complete, ENGINEER shall deliver a certificate of Substantial Completion to OWNER, DWI, and Contractor.

2.4.10 In company with OWNER's representative, conduct a final observation visit to determine if the completed Work of Contractor is acceptable so that ENGINEER may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, ENGINEER shall also provide a notice that the Work is acceptable to the best of ENGINEER's knowledge, information, and belief and based on the extent of the services provided by ENGINEER under this Agreement.

2.4.11 Schedule construction progress meetings as needed during active work periods with the OWNER, DWI, ENGINEER and all other applicable parties discuss matters related to the Project. Prepare and distribute minutes of the meeting to all parties.

2.4.12 Issue instructions to the Contractor from the OWNER as to interpretations and clarifications to the project design plans, specifications and contract documents.

2.4.13 Render formal written decisions on all duly submitted issues relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the execution, performance, or progress of Contractor's Work; review each duly submitted Claim by OWNER or Contractor, and in writing either deny such Claim in whole or in part, approve such Claim, or decline to resolve such Claim if ENGINEER in its discretion concludes that to do so would be inappropriate. In rendering such decisions, ENGINEER shall be fair and not show partiality to OWNER or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.

- 2.4.14 Prepare information required to resolve problems due to actual field conditions and to respond to Requests for Information (RFI) from the Contractor.
- 2.4.15 Coordinate and track the testing of infrastructure and placing same into service for the project. Additional visits required due to work not being ready for testing, retesting, or Contractor scheduling conflicts shall be considered Additional Services.
- 2.4.16 Review the Contractor's final application for payment and make recommendation as to approval once all issues with the project final observation site visit have been completed and resolved.
- 2.4.17 Require such testing of Contractor's work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents. ENGINEER's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. ENGINEER shall be entitled to rely on the results of such tests.
- 2.4.18 Review and determine the acceptability of any schedules that Contractor is required to submit to ENGINEER, including Progress Schedule, Schedule of Submittals and Schedule of Values.
- 2.4.19 Prepare for the OWNER a set of record drawings showing those changes made during the construction process, based on the marked-up prints, drawings and other data furnished. Two (2) hard copies and an electronic PDF copy of the record drawings will be furnished to the OWNER.
- 2.4.20 Provide or make available all Project files and information to effect project closeout.

2.5 POST CONSTRUCTION PHASE

- 2.4.1 Assist the OWNER in assuring that the warranty period for the construction work is complied with.
- 2.4.2 Schedule and conduct a one (1) year warranty review with the OWNER and Contractor following the start-up and commissioning of the wastewater treatment plant project. This warranty review will be conducted during the 11th month of operation and will produce a complete listing of findings and required corrections.

SECTION 3 - ADDITIONAL SERVICES

If authorized by the OWNER, the ENGINEER will furnish or obtain from others additional services of the following types, which are not considered Basic Services under this Agreement.

- 3.1 Additional services resulting from significant changes in general scope of the Project or its design including, but not limited to, changes in size, complexity, OWNER's schedule, or character of construction. The ENGINEER and OWNER agree that time is of the essence in order to meet funding deadlines. As such, the OWNER may initiate minor changes in the project scope to be incorporated by the ENGINEER, subsequent to the permit submittals, as not to impede progress toward the funding application deadlines. No work on any such changes shall occur by the ENGINEER unless preapproved by the OWNER.
- 3.2 Revising previously approved studies, reports, design documents, drawings or specifications, when such revisions are due to causes beyond the control of the ENGINEER.
- 3.3 Preparing and submitting permit applications or other documents to any agency or entity except for NCDWR as listed in Section 2.
- 3.4 Preparing documents for alternate bids, phasing of construction, or multiple contracts requested by the OWNER for work, which is not executed, or documents for out-of-sequence work other than agreed upon in the Design Phase.
- 3.5 Additional or extended services during construction made necessary by prolongation of the construction contract, award of multiple contracts, or default by the Contractor under any prime construction contract if such construction contract is delayed beyond the original completion date.
- 3.6 Providing geotechnical and subsurface investigations, archeological surveys and any other environmental site surveys necessary for the construction of the project.
- 3.7 Evaluation of unsuitable subgrade materials during construction.
- 3.8 Review of Shop Drawings and Samples identified as frivolous in the General Conditions of the construction contract documents, or review of substitute materials as defined in the same General Conditions.
- 3.9 Preparing to serve or serving as a witness for the OWNER in any litigation, condemnation or other legal or administrative proceeding involving the Project.
- 3.10 Additional services in connection with the Project, including services normally furnished by OWNER and services not otherwise included in this Agreement.
- 3.11 Additional services in connection with administering project funding, beyond those listed in Section 2.3.

The OWNER shall:

SECTION 4 - OWNERS RESPONSIBILITIES

- 4.1 Provide full information as to the requirements for the Project. Assist the ENGINEER by placing at his disposal in a timely manner all available information pertinent to the Project including previous documents, plans, and any other data relative to the evaluation, design, and construction of the Project. Subject to the generally accepted standard of care, ENGINEER and its consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to the OWNER.
- 4.2 Designate a person to act as OWNER's representative with respect to the work to be performed under this Agreement; and such person shall have complete authority to transmit instructions, receive information, interpret and define OWNER's policies and decisions pertinent to the services in this Agreement.
- 4.3 Guarantee access to and make all provisions for the ENGINEER to enter upon public and private property as required for the ENGINEER to perform his services under this Agreement.
- 4.4 Examine all studies, reports, sketches, estimates, specifications, drawings, proposals and other documents presented by the ENGINEER and render decisions and comments pertaining thereto within a reasonable time so as not to delay the services of the ENGINEER.
- 4.5 Obtain any right-of-way easements from public bodies, entities or persons necessary for satisfactory construction of the Project.
- 4.6 Obtain any subsurface geotechnical investigations or other types of testing and analysis needed for the Project.
- 4.7 Pay for permit fees, and all costs incidental to advertising for bids, and receiving bids or proposals from licensed Contractors.
- 4.8 Provide such legal, accounting and insurance counseling services as may be required for the Project, and such auditing services as may be required to ascertain how or for what purpose any Contractor will or has used the monies paid to him under the construction contract.
- 4.9 Give prompt notice to the ENGINEER whenever the OWNER observes or otherwise becomes aware of any defect in the Project.
- 4.10 Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project, subject to the obligations of the ENGINEER outlined in this Agreement.
- 4.11 Furnish, or direct the ENGINEER to provide necessary Additional Services as stipulated in Section 3 of this Agreement or other services as required.
- 4.12 Bear all costs incident to compliance with the requirements of this Section 4, except where Contractor will assume responsibility for the same.

SECTION 5 - PERIOD OF SERVICES

- 5.1 Unless this Agreement has been terminated as provided in paragraph 7.1, the ENGINEER will be obligated to render services hereunder for a period, which may reasonably be required for the services described herein. The ENGINEER may decline to render further services hereunder if the OWNER fails to give prompt approval of the various phases as outlined. Upon receiving a written authorization to proceed, the ENGINEER shall endeavor to achieve the milestones issued by the Division of Water Infrastructure .
- 5.2 If the Project is delayed significantly for reasons beyond the ENGINEER's control, the various rates of compensation provided for elsewhere in this Agreement shall be subject to renegotiation.

SECTION 6 - PAYMENT TO THE ENGINEER

6.1 PAYMENT FOR BASIC SERVICES

- 6.1.1 The OWNER agrees to pay the ENGINEER for Basic Services as outlined in Section 2 the following lump sum fees, inclusive of all reimbursable expenditures.

Design Phase Services	\$488,000
Bidding and Award Phase Services	\$28,000
Funding Administration Services	\$40,000
Construction Phase Services	\$397,000
Total Lump Sum Fee	\$953,000

Post Construction Phase Services	Hourly Basis
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6.2 PAYMENT FOR ADDITIONAL SERVICES

6.2.1 The OWNER will pay the ENGINEER for Additional Services as outlined in Section 3 an amount based on actual time spent and expenses incurred by principals and employees of the ENGINEER assigned to the Project in accordance with the attached ENGINEER's standard rate and fee schedule Attachment "B", which is subject to update on an annual basis.

6.3 TIMES OF PAYMENT

6.3.1 The OWNER will make prompt monthly payments in response to the ENGINEER's monthly statements for services rendered under this Agreement.

6.4 GENERAL

6.4.1 If the OWNER fails to make any payment due the ENGINEER on account of his services and expenses within sixty days after receipt of the ENGINEER's bill therefor, the ENGINEER may, after giving seven days written notice to the OWNER, suspend services under this Agreement until he has been paid in full all amounts due him on account of his services and expenses.

6.4.2 If the Agreement is terminated at the completion of any phase of the Basic Services called for under Section 2, progress payment to be made to the ENGINEER on account of services rendered shall constitute total payment for services rendered. If this Agreement is terminated during any phase of the Basic Services, the ENGINEER shall be paid for services rendered on the basis of a reasonable estimate of the portion of such phase completed prior to termination. In the event of any termination, the ENGINEER will be paid for all his reasonable expenses resulting from such termination, and for any unpaid reimbursable expenses.

6.4.3 If, prior to termination of this Agreement, any work performed by the ENGINEER, under Section 2, is suspended in whole or in part for more than three months or is abandoned, after written notice from the OWNER, the ENGINEER shall be paid for services performed prior to receipt of such notice from the OWNER as provided in paragraph 6.4.2 for termination during any phase of service.

SECTION 7 - GENERAL CONDITIONS

7.1 TERMINATION

7.1.1 In the event that the OWNER finds that it is inadvisable or impossible to continue the execution of the Project; or if the ENGINEER shall fail to fulfill in a timely and proper manner his obligations under this Agreement; or, if the ENGINEER shall violate any of the covenants, agreements, or stipulations of this Agreement; or if the services called for in this Agreement are not completed within the time period specified under Section 5, or if the ENGINEER becomes subject to a voluntary or involuntary adjudication of bankruptcy or makes a general assignment for the benefit of creditors; then the OWNER has the right to terminate at any time this Agreement or any task or phase of work being performed herein by providing fifteen

(15) days written notice to the ENGINEER of such termination and specifying the effective date of such termination; provided, however, that during such period of fifteen (15) days the ENGINEER shall have the opportunity to remedy such failures or violations to avoid such termination.

7.1.2 In the event of termination, as provided herein, the ENGINEER shall be paid for all services performed and actual expenses incurred up to the date of termination pursuant to Section 6.4.2 herein.

7.2 OWNERSHIP OF DOCUMENTS

7.2.1 All documents, including original drawings, estimates, specifications, field notes and data are and remain the property of the ENGINEER as instruments of service. After the ENGINEER has been paid in full, the OWNER shall be provided a set of reproducible record prints of drawings, and copies of other documents, in consideration of which the OWNER will use them solely in connection with the Project, and not for resale. Re-use for extension of the Project, or for new projects shall require written permission of the ENGINEER, which permission shall not be unreasonably withheld, and shall entitle him to further reasonable compensation at a rate to be agreed upon by OWNER and ENGINEER at the time of such re-use.

7.3 OPINIONS OF PROBABLE COSTS

7.3.1 Since the ENGINEER has no control over the cost of labor, materials, or equipment, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions, the opinions of probable costs for the Project provided for herein are to be made on the basis of his experience and

qualifications and represent his best judgment as a design professional familiar with the construction industry, but the ENGINEER cannot and does not guarantee that proposals, bids or the Project construction cost will not vary from opinions of probable costs prepared by him.

7.3.2 If the lowest bona fide proposal or bid exceeds the established Project construction cost limit, the OWNER will (1) give written approval to increase such cost limit, or (2) authorize negotiating or rebidding the project within a reasonable time. The providing of such service shall be the limit of the ENGINEER's responsibility in this regard and having done so, the ENGINEER shall be entitled to payment for his services in accordance with this Agreement.

7.4 INSURANCE AND CLAIMS

7.4.1 The ENGINEER shall provide and maintain, at its own expense, during the term of this Agreement the following insurance covering its operations. Such insurance shall be provided by Insurer(s) satisfactory to the OWNER, and evidence of such insurance in the form of an industry-standard ACORD Certificate of Insurance satisfactory to the OWNER shall be delivered to the OWNER on or before the effective date of this Agreement. Such evidence shall specifically identify this Agreement and shall require that the OWNER be given written notice at least thirty (30) days in advance of any modification or termination of any insurance coverage.

7.4.2 AUTOMOBILE LIABILITY – Bodily injury and property damage liability insurance shall be carried covering all owned, non-owned, and hired automobiles for a limit of not less than \$1,000,000 Combined Single Limit for bodily injury and property damage in any one occurrence.

7.4.3 COMMERCIAL GENERAL LIABILITY – Bodily injury and property damage liability shall be carried to protect the ENGINEER performing work under this Agreement from claims of bodily injury or property damage which arise from operation of this agreement, whether such operations are performed by ENGINEER or anyone directly or indirectly working for or on ENGINEER'S behalf. The amounts of such insurance shall not be less than \$1,000,000 Combined Single Limit for bodily injury and property damage in any one occurrence with an aggregate limit of \$2,000,000. This insurance shall include coverage for product / completed operations liability, personal and advertising injury liability, and contractual liability.

7.4.4 PROFESSIONAL LIABILITY – Insuring against professional negligence / errors and omissions on a claims-made basis with policy limits of \$2,000,000 per claim / \$2,000,000 annual aggregate.

7.4.5 WORKERS' COMPENSATION – Workers' Compensation Insurance coverage shall be carried meeting the statutory requirements of the State of North Carolina, even if the ENGINEER is not required by law to maintain such insurance. Said Workers' Compensation Insurance coverage shall have at least the following limits of Employer's Liability coverage - \$500,000 per accident limit, \$500,000 disease per policy limit, \$500,000 disease each employee limit.

7.4.6 EXCESS / UMBRELLA LIABILITY – Excess or Umbrella Liability coverage shall be carried providing coverage above the above stated limits of Automobile Liability, Commercial General Liability, and Workers' Compensation (Employer's Liability) in an amount of not less than \$3,000,000 Combined Single Limit for bodily injury and property damage in any one occurrence with an aggregate limit of \$3,000,000.

7.4.7 ENGINEER's total liability, in the aggregate, of ENGINEER and ENGINEER's officers, directors, members, partners, agents, employees, and sub-consultants, to the OWNER and to anyone claiming by, through, or under OWNER for any and all claims, losses, cost, or damages whatsoever arising out of, resulting from, or in any way related to the Project, this Agreement, or ENGINEER's performance, from any cause including but not limited to negligence, professional errors or omissions, strict liability, breach of contract, or indemnity, shall not

exceed the total insurance proceeds paid on behalf of or to ENGINEER by ENGINEER's insurers in settlement or satisfaction of claims under the terms and conditions of ENGINEER's insurance policies applicable thereto.

7.5 SUCCESSORS AND ASSIGNS

The OWNER and the ENGINEER each binds himself and his partners, successors, executors, administrators and assigns to the other party of this Agreement and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement; except as above, neither the OWNER nor the ENGINEER will assign, sublet or transfer his interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the OWNER and the ENGINEER.

7.6 INDEMNIFICATION

October 9, 2023, MB#32

OWNER agrees to indemnify, defend and hold ENGINEER, its owners, agents, employees, officers, directors and subcontractors harmless from any and all claims, and costs brought against ENGINEER which arise in whole or in part out of the failure by the OWNER to promptly and completely perform its obligations under this agreement, and as assigned in the Exhibit "Scope of Services" and any Additional Services or from the inaccuracy or incompleteness of information supplied by the OWNER and reasonably relied upon by ENGINEER in performing its duties or for unauthorized use of the deliverables generated by ENGINEER.

7.6 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the OWNER and ENGINEER and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented or modified by a duly executed written instrument.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first written above.

McGILL ASSOCIATES, P.A.

By: _____
Douglas Chapman, PE
Vice President – Regional Manager

(SEAL)

TOWN OF VALDESE

ATTEST: _____
Jessica Lail
Town Clerk

By: _____
Seth Eckard
Town Manager

PRE-AUDIT CERTIFICATION:

THIS INSTRUMENT has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act as amended.

By: _____
Bo Weichel
Finance Director

ATTACHMENT "A" PROJECT UNDERSTANDING
WATER TREATMENT PLANT UPGRADES

The Water Treatment Plan Upgrades project generally consists of the construction or alteration and improvement of raw water pumps, raw water piping and control valves, modification of the flash-mix basins and replacement of the flash mixers, replacing the existing flocculators, modification of the existing chemical feed systems, adding tube settlers to the sedimentation basins, rehabilitation of the existing filters, adding an air- scour system to the existing filters, process and sample line piping, miscellaneous site work and all related appurtenances.

The project is funded through a North Carolina State budget appropriation of \$7,000,000 to be administered by the Division of Water Infrastructure. This project's scope of work is intended to improve the viability of aged existing treatment facilities and in conjunction with a corresponding project for a water line interconnect with the City of Lenoir.

ATTACHMENT "B" STANDARD RATE AND FEE SCHEDULE

PROFESSIONAL FEES

Senior Principal I

\$255	II	III	IV				
Principal – Regional Manager – Director	\$210	\$220	\$235	\$245			
Practice Area Lead	\$180	\$200	\$215	\$225			
Senior Project Manager	\$190	\$210	\$215	\$220			
Project Manager	\$165	\$180	\$185	\$190			
Project Engineer	\$130	\$140	\$150	\$160			
Engineering Associate	\$110	\$115	\$120	\$125			
Planner- Consultant – Designer	\$110	\$125	\$145	\$160			
Engineering Technician	\$100	\$115	\$125	\$135			
CAD Operator – GIS Analyst	\$85	\$90	\$100	\$105			
Construction Services Manager	\$140	\$155	\$165	\$180			
Construction Administrator	\$105	\$120	\$130	\$135			
Financial Services Manager	\$135	\$145	\$155	\$165			
Grant Administrator	\$115	\$130	\$145	\$155			
Construction Field Representative		\$90	\$100	\$105	\$110		
Environmental Specialist	\$90	\$100	\$105	\$110			
Surveyor	\$95	\$110	\$120	\$125			
Surveying Associate	\$75	\$80	\$85	\$90			
Survey Technician	\$80	\$85	\$90	\$95			
Survey Field Technician	\$70	\$75	\$80	\$85			
Administrative Assistant	\$75	\$80	\$90	\$100			

1. EXPENSES

- a. Mileage - \$0.65/mile
- b. Robotics/GPS Equipment - \$25/hr.
- c. Survey Drone - \$100/hr.
- d. Telephone, reproduction, postage, lodging, and other incidentals shall be a direct charge per receipt.

2. ASSOCIATED SERVICES -

- a. Associated services required by the project such as soil analysis, materials testing, etc., shall be at cost plus fifteen (15) percent.

Councilwoman Hildebran made a motion to approve the Engineering Services Agreement for the Water Treatment Plant upgrades contingent upon the approval of the Town Attorney, seconded by Councilman Barus. The vote was unanimous.

FINAL VERSION PROVIDED TO THE CLERK THAT WAS APPROVED WITH TOWN ATTORNEY'S EDITS:

AGREEMENT FOR ENGINEERING SERVICES

This AGREEMENT, made and entered into this the 9th day of October 2023, by and between Town of Valdese (OWNER) and McGill Associates, P.A. (ENGINEER).

WHEREAS, the OWNER proposes to do certain work toward the accomplishment of the Project entitled Water Treatment Plant Upgrades as generally described in Attachment "A" (The "Project"), and

WHEREAS, the ENGINEER desires to render professional services in accordance with this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and benefits contained herein, it is hereby mutually understood and agreed as follows:

SECTION 1 - GENERAL SERVICES

The ENGINEER shall:

1.1 The ENGINEER shall, as directed by the OWNER, provide professional engineering services for the OWNER in all phases of the Project; serve as OWNER's professional engineering representative for the Project; and shall provide professional consultation and advice to OWNER during the performance of the services hereunder.

1.2 The ENGINEER shall provide all personnel required in performing the Project unless otherwise provided herein. Such personnel shall not be employees of or have any contractual relationship with the OWNER. All services rendered hereunder shall be performed by the ENGINEER or under its supervision and all personnel engaged in the Project shall be fully qualified under North Carolina law to perform such services.

1.3 The ENGINEER shall assist in the pursuit of obtaining, approvals and permits from all governmental authorities having jurisdiction over the Project, unless otherwise agreed to herein.

1.4 The ENGINEER shall seek and obtain authorization from the OWNER or the OWNER's assignee before proceeding with the Project, or before performing any Additional Services as described in Section 3, or before performing any other services which would not be included in the fee for Basic Services set forth in Section 6 hereof, subject to OWNER's right to terminate as herein provided.

1.5 The ENGINEER shall comply with applicable federal, state and local laws and regulations regarding equal employment opportunity. The ENGINEER is further obligated to include all requirements hereunder in any subcontract written by it in association with this Agreement.

SECTION 2 - BASIC SERVICES

2.1 DESIGN PHASE

2.1.1 Consult with the OWNER to fully determine the OWNER's requirements for the Project and to discuss project schedules, gather initial data, coordination, approvals and other preliminary matters.

2.1.2 Conduct a topographical survey of the project area to develop construction documents.

2.1.3 Coordinate the provision of subsurface investigation by others, if any, including assisting with solicitations and preparing site maps identifying locations for testing.

2.1.4 Prepare preliminary design, equipment selections, and design calculations.

2.1.5 Review preliminary design with OWNER for concurrence and acceptance.

2.1.6 Prepare complete bid documents, contract documents, technical specifications and construction drawings to detail the character and scope of the work of the Project.

2.1.7 Review design documents described above with the OWNER for comments and approval.

2.1.8 Prepare and submit plans and specifications to NCDEQ Division of Water Infrastructure (DWI) to assist in obtaining approval.

2.1.9 Prepare and submit permit application and supporting documents to NCDEQ Division of Water Resources Public Water Supply Section (NCDWR) to assist in obtaining the construction approval.

2.1.10 Perform an internal quality control and constructability review of the project.

2.1.11 Prepare an updated opinion of probable cost upon completion of the final design plans, and advise the OWNER of any adjustment of the Project cost caused by changes in scope, design requirements or construction costs.

2.1.12 Furnish one (1) hard copy and an electronic PDF copy of the final design documents to the OWNER.

2.2 BIDDING AND AWARD PHASE

2.2.1 Assist the OWNER with outreach to Disadvantaged Business Enterprise (DBE) contractors in accordance with SB 914.

2.2.2 Assist the OWNER in advertising, receiving, opening and evaluating bids. The evaluation of bids will determine whether bids meet the requirements of the bidding documents and are eligible for award. This evaluation of bids will also serve as a means to advise the OWNER of any material variance from the bidding documents, or if any bids fail to satisfy all statutory requirements.

2.2.3 Schedule a Pre-Bid Conference with prospective bidders and the OWNER to address the project requirements and receive any bidding questions.

2.2.4 Consult with, and advise the OWNER as to the acceptability of contractors and subcontractors and make recommendations as to the lowest, responsive, responsible bidder, taking into consideration quality, performance and the time specified in the bidding documents for the construction contract.

2.2.5 Coordinate funding, DBE, and award documentation with DWI and assure that all bids are accompanied by a bid deposit or bid bond of at least 5-percent of the bid amount.

2.2.6 Assist the OWNER in the final preparation and execution of construction contracts and in checking Performance and Payment Bonds and Insurance Certificates for compliance.

2.2.7 Schedule a Pre-Construction Conference with the OWNER, Contractor, ENGINEER and all other applicable parties to assure discussion of all matters related to the Project. Prepare and distribute minutes of the Pre-Construction Conference to all parties.

2.3 FUNDING ADMINISTRATION

2.3.1 Review Contractor and OWNER documentation of DBE solicitations and Good Faith Efforts for completeness and submit to the funding agency for approval.

2.3.2 Prepare Project Bid documentation and coordinate with funding agency to secure approval of the funding contract.

2.3.3 Review all documentation submitted by the Contractor for reporting of compliance with funding requirements.

2.3.4 Review pay applications for approval and release of funds by the funding agency.

2.4 CONSTRUCTION PHASE

Upon successful completion of the Bidding and Award Phase, and upon written authorization from OWNER, ENGINEER shall:

2.4.1 Provide General Administration of Construction Contract. Consult with OWNER and act as OWNER's representative as provided in the General Conditions. The extent and limitations of the duties, responsibilities, and authority of ENGINEER as assigned in the General Conditions shall not be modified, except as ENGINEER may otherwise agree in writing. All of OWNER's instructions to Contractor will be issued through ENGINEER, which shall have authority to act on behalf of OWNER in dealings with Contractor to the extent provided in this Agreement and the General Conditions except as otherwise provided in writing. ENGINEER shall not be responsible for the acts or omissions of any Contractor, or of any subcontractors, suppliers, or other individuals or entities performing or furnishing any of the Work. ENGINEER shall not be responsible for the failure of any Contractor to perform or furnish the Work in accordance with the Contract Documents.

2.4.2 Provide a Construction Field Representative (CFR) to periodically observe the progress and quality of the executed work and to determine in general if the work is proceeding in accordance with the Contract Documents. During such visits and on the basis of on-site observations as an experienced and qualified design

professional, keep the OWNER informed of the progress of the work, and endeavor to guard the OWNER against defects and deficiencies in the work of the Contractor.

2.4.3 The purpose of ENGINEER's visits and the representation by the CFR will be to enable ENGINEER to better carry out the duties and responsibilities assigned to and undertaken by ENGINEER during the Construction Phase, and, in addition, by the exercise of ENGINEER's efforts as an experienced and qualified design professional, to provide for OWNER a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. ENGINEER shall not, during such visits or as a result of such observations of

Contractor's work in progress, supervise, direct, or have control over Contractor's work, nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by Contractor, for security or safety, for safety precautions and programs incident to Contractor's Work, nor for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's furnishing and performing the Work. Accordingly, ENGINEER neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform the Work in accordance with the Contract Documents. However, ENGINEER shall give prompt notice to the OWNER whenever ENGINEER observes or otherwise becomes aware of any defect in the Project or of any material deviation of Contractor's work from the Contract Documents.

2.4.4 Based on ENGINEER's observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:

a. Determine the amounts that ENGINEER recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute ENGINEER's representation to OWNER, based on such observations and review, that, to the best of ENGINEER's knowledge, information and belief, Contractor's Work has progressed to the point indicated, the quality of such Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is ENGINEER's responsibility to observe Contractor's Work. In the case of unit price work, ENGINEER's recommendations of payment will include final determinations of quantities and classifications of Contractor's Work (subject to any subsequent adjustments allowed by the Contract Documents).

b. By recommending any payment, ENGINEER shall not thereby be deemed to have represented that observations made by ENGINEER to check the quality or quantity of Contractor's Work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to ENGINEER in this Agreement and the Contract

Documents. Neither ENGINEER's review of Contractor's Work for the purposes of recommending payments nor ENGINEER's recommendation of any payment including final payment will impose on ENGINEER responsibility to supervise, direct, or control Contractor's Work in progress or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on ENGINEER to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any portion of the Work in progress, materials, or equipment has passed to OWNER free and clear of any liens, claims, security interests, or encumbrances, or that there may not be other matters at issue between OWNER and Contractor that might affect the amount that should be paid.

2.4.5 Recommend to OWNER that Contractor's Work be rejected while it is in progress if, on the basis of ENGINEER's observations, ENGINEER believes that such Work will not produce a completed Project that conforms generally to the Contract Documents or that it will threaten the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents.

2.4.6 The total construction contract time is assumed to be eighteen (18) months. As part of this contract, field observation will be provided by the ENGINEER's CFR on a part-time basis during active work. Additional requested CFR time will be considered Additional Services under Section 3 of this Agreement.

2.4.7 Review, evaluate, and where appropriate, recommend Change Orders and Work Change Directives to Owner, and prepare Change Orders and Work Change Directives as required.

2.4.8 Review and take action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such reviews and any approvals or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Review of Shop Drawings and Samples identified as frivolous in the General Conditions of the construction contract documents, or review of substitute materials as defined in the same, shall be deemed as Additional Services.

2.4.9 Promptly after notice that Contractor considers the entire Work ready for its intended use, in company with OWNER and Contractor, ENGINEER shall conduct a pre-final observation visit to determine if the Work is substantially complete. If after considering any objections of OWNER and after the Contractor has remedied any objections of OWNER, ENGINEER shall deliver a certificate of Substantial Completion to OWNER, DWI, and Contractor.

2.4.10 In company with OWNER's representative, conduct a final observation visit to determine if the completed Work of Contractor is acceptable so that ENGINEER may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, ENGINEER shall also provide a notice that the

Work is acceptable to the best of ENGINEER's knowledge, information, and belief and based on the extent of the services provided by ENGINEER under this Agreement.

2.4.11 Schedule construction progress meetings as needed during active work periods with the OWNER, DWI, ENGINEER and all other applicable parties discuss matters related to the Project. Prepare and distribute minutes of the meeting to all parties.

2.4.12 Issue instructions to the Contractor from the OWNER as to interpretations and clarifications to the project design plans, specifications and contract documents.

2.4.13 Render formal written decisions on all duly submitted issues relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the execution, performance, or progress of Contractor's Work; review each duly submitted Claim by OWNER or Contractor, and in writing either deny such Claim in whole or in part, approve such Claim, or decline to resolve such Claim if ENGINEER in its discretion concludes that to do so would be inappropriate. In rendering such decisions, ENGINEER shall be fair and not show partiality to OWNER or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.

2.4.14 Prepare information required to resolve problems due to actual field conditions and to respond to Requests for Information (RFI) from the Contractor.

2.4.15 Coordinate and track the testing of infrastructure and placing same into service for the Project. Additional visits required due to work not being ready for testing, retesting, or Contractor scheduling conflicts shall be considered Additional Services.

2.4.16 Review the Contractor's final application for payment and make recommendation as to approval once all issues with the project final observation site visit have been completed and resolved.

2.4.17 Require such testing of Contractor's work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents. ENGINEER's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. ENGINEER shall be entitled to rely on the results of such tests.

2.4.18 Review and determine the acceptability of any schedules that Contractor is required to submit to ENGINEER, including Progress Schedule, Schedule of Submittals and Schedule of Values. Review of the Contractor's Progress Schedule and Schedule of Submittals shall be intended to support and comply with the overall contract duration as agreed upon by the OWNER and Contractor in the executed construction Contract Documents.

2.4.19 Prepare for the OWNER a set of record drawings showing those changes made during the construction process, based on the marked-up prints, drawings and

other data furnished. Two (2) hard copies and an electronic PDF copy of the record drawings will be furnished to the OWNER.

2.4.20 Provide or make available all Project files and information to effect project closeout.

2.5 POST CONSTRUCTION PHASE

2.5.1 Assist the OWNER in assuring that the warranty period for the construction work is complied with.

2.5.2 Schedule and conduct a one (1) year warranty review with the OWNER and Contractor following the start-up and commissioning of the wastewater treatment plant project. This warranty review will be conducted during the 11th month of operation and will produce a complete listing of findings and required corrections.

SECTION 3 - ADDITIONAL SERVICES

If authorized by the OWNER, the ENGINEER will furnish or obtain from others additional services of the following types, which are not considered Basic Services under this Agreement.

3.1 Additional services resulting from significant changes in general scope of the Project or its design including, but not limited to, changes in size, complexity, OWNER's schedule, or character of construction. The ENGINEER and OWNER agree that time is of the essence in order to meet funding deadlines. As such, the OWNER may initiate minor changes in the project scope to be incorporated by the ENGINEER, subsequent to the permit submittals, as not to impede progress toward the funding application deadlines. No work on any such changes shall occur by the ENGINEER unless preapproved by the OWNER.

- 3.2 Revising previously approved studies, reports, design documents, drawings or specifications, when such revisions are due to causes beyond the control of the ENGINEER.
- 3.3 Preparing and submitting permit applications or other documents to any agency or entity except for NCDWR as listed in Section 2.
- 3.4 Preparing documents for alternate bids, phasing of construction, or multiple contracts requested by the OWNER for work, which is not executed, or documents for out-of-sequence work other than agreed upon in the Design Phase.
- 3.5 Additional or extended services during construction made necessary by prolongation of the construction contract, award of multiple contracts, or default by the Contractor under any prime construction contract if such construction contract is delayed beyond the original completion date.
- 3.6 Providing geotechnical and subsurface investigations, archeological surveys and any other environmental site surveys necessary for the construction of the project.
- 3.7 Evaluation of unsuitable subgrade materials during construction.
- 3.8 Review of Shop Drawings and Samples identified as frivolous in the General Conditions of the construction contract documents, or review of substitute materials as defined in the same General Conditions.
- 3.9 Preparing to serve or serving as a witness for the OWNER in any litigation, condemnation or other legal or administrative proceeding involving the Project.
- 3.10 Additional services in connection with the Project, including services normally furnished by OWNER and services not otherwise included in this Agreement.
- 3.11 Additional services in connection with administering project funding, beyond those listed in Section 2.3.

The OWNER shall:

SECTION 4 - OWNERS RESPONSIBILITIES

- 4.1 Provide full information as to the requirements for the Project. Assist the ENGINEER by placing at its disposal in a timely manner all available information pertinent to the Project including previous documents, plans, and any other data relative to the evaluation, design, and construction of the Project. Subject to the generally accepted standard of care, ENGINEER and its consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to the OWNER.
- 4.2 Designate a person to act as OWNER's representative with respect to the work to be performed under this Agreement; and such person shall have complete authority to transmit instructions, receive information, interpret and define OWNER's policies and decisions pertinent to the services in this Agreement.
- 4.3 Guarantee access to and make all provisions for the ENGINEER to enter upon public and private property as required for the ENGINEER to perform its services under this Agreement.
- 4.4 Examine all studies, reports, sketches, estimates, specifications, drawings, proposals and other documents presented by the ENGINEER and render decisions and comments pertaining thereto within a reasonable time so as not to delay the services of the ENGINEER.
- 4.5 Obtain any right-of-way easements from public bodies, entities or persons necessary for satisfactory construction of the Project.
- 4.6 Obtain any subsurface geotechnical investigations or other types of testing and analysis needed for the Project.
- 4.7 Pay for permit fees, and all costs incidental to advertising for bids, and receiving bids or proposals from licensed Contractors.
- 4.8 Provide such legal, accounting and insurance counseling services as may be required for the Project, and such auditing services as may be required to ascertain how or for what purpose any Contractor will or has used the monies paid to him under the construction contract.
- 4.9 Give prompt notice to the ENGINEER whenever the OWNER observes or otherwise becomes aware of any defect in the Project.
- 4.10 Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project, subject to the obligations of the ENGINEER outlined in this Agreement.
- 4.11 Furnish, or direct the ENGINEER to provide necessary Additional Services as stipulated in Section 3 of this Agreement or other services as required.
- 4.12 Bear all costs incident to compliance with the requirements of this Section 4, except where Contractor will assume responsibility for the same.

SECTION 5 - PERIOD OF SERVICES

5.1 Unless this Agreement has been terminated as provided in paragraph 7.1, the ENGINEER will be obligated to render services hereunder for a period, which may reasonably be required for the services described herein. The ENGINEER may decline to render further services hereunder if the OWNER fails to give prompt approval of the various phases as outlined. Upon receiving a written authorization to proceed, the ENGINEER shall endeavor to achieve the milestones issued by the Division of Water Infrastructure .

5.2 If the Project is delayed significantly for reasons beyond the ENGINEER's control, the various rates of compensation provided for elsewhere in this Agreement shall be subject to renegotiation.

SECTION 6 - PAYMENT TO THE ENGINEER

6.1 PAYMENT FOR BASIC SERVICES

6.1.1 The OWNER agrees to pay the ENGINEER for Basic Services as outlined in Section 2 the following lump sum fees, inclusive of all reimbursable expenditures.

Design Phase Services	\$488,000
Bidding and Award Phase Services	\$28,000
Funding Administration Services	\$40,000
Construction Phase Services	\$397,000
Total Lump Sum Fee	\$953,000

Post Construction Phase Services Hourly Basis

6.2 PAYMENT FOR ADDITIONAL SERVICES

6.2.1 The OWNER will pay the ENGINEER for Additional Services as outlined in Section 3 an amount based on actual time spent and expenses incurred by principals and employees of the ENGINEER assigned to the Project in accordance with the attached ENGINEER's standard rate and fee schedule Attachment "B", which is subject to update on an annual basis.

6.3 TIMES OF PAYMENT

6.3.1 The OWNER will make prompt monthly payments in response to the ENGINEER's monthly statements for services rendered under this Agreement.

6.4 GENERAL

6.4.1 If the OWNER fails to make any payment due the ENGINEER on account of his services and expenses within sixty days after receipt of the ENGINEER's bill therefor, the ENGINEER may, after giving seven days written notice to the OWNER, suspend services under this Agreement until he has been paid in full all amounts due him on account of his services and expenses.

6.4.2 If the Agreement is terminated at the completion of any phase of the Basic Services called for under Section 2, progress payment to be made to the ENGINEER on account of services rendered shall constitute total payment for services rendered. If this Agreement is terminated during any phase of the Basic Services, the ENGINEER shall be paid for services rendered on the basis of a reasonable estimate of the portion of such phase completed prior to termination. In the event of any termination, the ENGINEER will be paid for all his reasonable expenses resulting from such termination, and for any unpaid reimbursable expenses.

6.4.3 If, prior to termination of this Agreement, any work performed by the ENGINEER, under Section 2, is suspended in whole or in part for more than three months or is abandoned, after written notice from the OWNER, the ENGINEER shall be paid for services performed prior to receipt of such notice from the OWNER as provided in paragraph 6.4.2 for termination during any phase of service.

SECTION 7 - GENERAL CONDITIONS

7.1 TERMINATION

7.1.1 In the event that the OWNER finds that it is inadvisable or impossible to continue the execution of the Project; or if the ENGINEER shall fail to fulfill in a timely and proper manner its obligations under this Agreement; or, if the ENGINEER shall violate any of the covenants, agreements, or stipulations of this Agreement; or if the services called for in this Agreement are not completed within the time period specified

under Section 5, or if the ENGINEER becomes subject to a voluntary or involuntary adjudication of bankruptcy or makes a general assignment for the benefit of creditors; then the OWNER has the right to terminate at any time this Agreement or any task or phase of work being performed herein by providing fifteen

(15) days written notice to the ENGINEER of such termination and specifying the effective date of such termination; provided, however, that during such period of fifteen (15) days the ENGINEER shall have the opportunity to remedy such failures or violations to avoid such termination.

7.1.2 In the event of termination, as provided herein, the ENGINEER shall be paid for all services performed and actual expenses incurred up to the date of termination pursuant to Section 6.4.2 herein.

7.2 OWNERSHIP OF DOCUMENTS

7.2.1 All documents, including original drawings, estimates, specifications, field notes and data are and remain the property of the ENGINEER as instruments of service. After the ENGINEER has been paid in full, the OWNER shall be provided a set of reproducible record prints of drawings, and copies of other documents, in consideration of which the OWNER will use them solely in connection with the Project, and not for resale. Re-use for extension of the Project, or for new projects shall require written permission of the ENGINEER, which permission shall not be unreasonably withheld, and shall entitle him to further reasonable compensation at a rate to be agreed upon by OWNER and ENGINEER at the time of such re-use.

7.3 OPINIONS OF PROBABLE COSTS

7.3.1 Since the ENGINEER has no control over the cost of labor, materials, or equipment, or over the Contractor(s)' methods of determining prices, or over competitive bidding or market conditions, the opinions of probable costs for the Project provided for herein are to be made on the basis of his experience and qualifications and represent his best judgment as a design professional familiar with the construction industry, but the ENGINEER cannot and does not guarantee that proposals, bids or the Project construction cost will not vary from opinions of probable costs prepared by him.

7.3.2 If the lowest bona fide proposal or bid exceeds the established Project construction cost limit, the OWNER will (1) give written approval to increase such cost limit, or

(2) authorize negotiating or rebidding the project within a reasonable time. The providing of such service shall be the limit of the ENGINEER's responsibility in this regard and having done so, the ENGINEER shall be entitled to payment for his services in accordance with this Agreement.

7.4 INSURANCE AND CLAIMS

7.4.1 The ENGINEER shall provide and maintain, at its own expense, during the term of this Agreement the following insurance covering its operations. Such insurance shall be provided by Insurer(s) satisfactory to the OWNER, and evidence of such insurance in the form of an industry-standard ACORD Certificate of Insurance satisfactory to the OWNER shall be delivered to the OWNER on or before the effective date of this Agreement. Such evidence shall specifically identify this Agreement and shall require that the OWNER be given written notice at least thirty (30) days in advance of any modification or termination of any insurance coverage.

7.4.2 AUTOMOBILE LIABILITY – Bodily injury and property damage liability insurance shall be carried covering all owned, non-owned, and hired automobiles for a limit of not less than \$1,000,000 Combined Single Limit for bodily injury and property damage in any one occurrence.

7.4.3 COMMERCIAL GENERAL LIABILITY – Bodily injury and property damage liability shall be carried to protect the ENGINEER performing work under this Agreement from claims of bodily injury or property damage which arise from operation of this agreement, whether such operations are performed by ENGINEER or anyone directly or indirectly working for or on ENGINEER'S behalf. The amounts of such insurance shall not be less than \$1,000,000 Combined Single Limit for bodily injury and property damage in any one occurrence with an aggregate limit of \$2,000,000. This insurance shall include coverage for product / completed operations liability, personal and advertising injury liability, and contractual liability.

7.4.4 PROFESSIONAL LIABILITY – Insuring against professional negligence / errors and omissions on a claims-made basis with policy limits of \$2,000,000 per claim / \$2,000,000 annual aggregate.

7.4.5 WORKERS' COMPENSATION – Workers' Compensation Insurance coverage shall be carried meeting the statutory requirements of the State of North Carolina, even if the ENGINEER is not required by law to maintain such insurance. Said Workers' Compensation Insurance coverage shall have at least the following limits of Employer's Liability coverage - \$500,000 per accident limit, \$500,000 disease per policy limit, \$500,000 disease each employee limit.

7.4.6 EXCESS / UMBRELLA LIABILITY – Excess or Umbrella Liability coverage shall be carried providing coverage above the above stated limits of Automobile Liability, Commercial General Liability, and Workers' Compensation (Employer's Liability) in an amount of not less than \$3,000,000 Combined Single Limit for bodily injury and property damage in any one occurrence with an aggregate limit of \$3,000,000.

7.4.7 ENGINEER's total liability, in the aggregate, of ENGINEER and ENGINEER's officers, directors, members, partners, agents, employees, and sub-consultants, to the OWNER and to anyone claiming by, through, or under OWNER for any and all claims, losses, cost, or damages whatsoever arising out of, resulting from, or in any way related to the Project, this Agreement, or ENGINEER's performance, from any cause including but not limited to negligence, professional errors or omissions, strict liability, breach of contract, or indemnity, shall not

exceed the total insurance proceeds paid on behalf of or to ENGINEER by ENGINEER's insurers in settlement or satisfaction of claims under the terms and conditions of ENGINEER's insurance policies applicable thereto.

7.5 SUCCESSORS AND ASSIGNS

The OWNER and the ENGINEER each binds itself and its partners, successors, executors, administrators and assigns to the other party of this Agreement and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Agreement; except as above, neither the OWNER nor the ENGINEER will assign, sublet or transfer his interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the OWNER and the ENGINEER.

7.6 INDEMNIFICATION

OWNER agrees to indemnify, defend and hold ENGINEER, its owners, agents, employees, officers, directors and subcontractors harmless from any and all claims, and costs brought against ENGINEER which arise in whole or in part out of the failure by the OWNER to promptly and completely perform its obligations under this agreement, and as assigned in the Exhibit "Scope of Services" and any Additional Services or from the inaccuracy or incompleteness of information supplied by the OWNER and reasonably relied upon by ENGINEER in performing its duties or for unauthorized use of the deliverables generated by ENGINEER.

ENGINEER agrees to indemnify, defend and hold OWNER harmless from any and all claims, and costs brought against OWNER which arises in whole or in part out of the failure by the ENGINEER to promptly and completely perform the ENGINEER'S obligations under this agreement.

7.7 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the OWNER and ENGINEER and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented or modified by a duly executed written instrument.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first written above.

McGILL ASSOCIATES, P.A.

By: _____
Douglas Chapman, PE
Vice President – Regional Manager

(SEAL)

TOWN OF VALDESE

ATTEST: _____
Jessica Lail
Town Clerk

By: _____
Seth Eckard
Town Manager

PRE-AUDIT CERTIFICATION:

THIS INSTRUMENT has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act as amended.

By: _____
Bo Weichel
Finance Director

The Water Treatment Plan Upgrades project generally consists of the construction or alteration and improvement of raw water pumps, raw water piping and control valves, modification of the flash-mix basins and replacement of the flash mixers, replacing the existing flocculators, modification of the existing chemical feed systems, adding tube settlers to the sedimentation basins, rehabilitation of the existing filters, adding an air- scour system to the existing filters, process and sample line piping, miscellaneous site work and all related appurtenances.

The project is funded through a North Carolina State budget appropriation of \$7,000,000 to be administered by the Division of Water Infrastructure. This project's scope of work is intended to improve the viability of aged existing treatment facilities and in conjunction with a corresponding project for a water line interconnect with the City of Lenoir.

ATTACHMENT "B" STANDARD RATE AND FEE SCHEDULE

PROFESSIONAL FEES

Senior Principal I

\$255	II	III	IV				
Principal – Regional Manager – Director	\$210	\$220	\$235	\$245			
Practice Area Lead	\$180	\$200	\$215	\$225			
Senior Project Manager	\$190	\$210	\$215	\$220			

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Project Manager	\$165	\$180	\$185	\$190	
Project Engineer	\$130	\$140	\$150	\$160	
Engineering Associate	\$110	\$115	\$120	\$125	
Planner- Consultant – Designer	\$110	\$125	\$145	\$160	
Engineering Technician	\$100	\$115	\$125	\$135	
CAD Operator – GIS Analyst	\$85	\$90	\$100	\$105	
Construction Services Manager	\$140	\$155	\$165	\$180	
Construction Administrator	\$105	\$120	\$130	\$135	
Financial Services Manager	\$135	\$145	\$155	\$165	
Grant Administrator	\$115	\$130	\$145	\$155	
Construction Field Representative		\$90	\$100	\$105	\$110
Environmental Specialist	\$90	\$100	\$105	\$110	
Surveyor	\$95	\$110	\$120	\$125	
Surveying Associate	\$75	\$80	\$85	\$90	
Survey Technician	\$80	\$85	\$90	\$95	
Survey Field Technician	\$70	\$75	\$80	\$85	
Administrative Assistant	\$75	\$80	\$90	\$100	

1. EXPENSES

- a. Mileage - \$0.65/mile
- b. Robotics/GPS Equipment - \$25/hr.
- c. Survey Drone - \$100/hr.
- d. Telephone, reproduction, postage, lodging, and other incidentals shall be a direct charge per receipt.

2. ASSOCIATED SERVICES -

- a. Associated services required by the project such as soil analysis, materials testing, etc., shall be at cost plus fifteen (15) percent.

APPROVED CAPITAL PROJECT ORDINANCE AMENDMENT: Assistant Town Manager/CFO Bo Weichel presented the following Capital Project Ordinance Amendment:

Valdese Town Council Meeting

Monday, October 9, 2023

Capital Project Ordinance Amendment # 2-38

Subject: ARC Grant

Description: As part of the Old Rock School Renovation project, this grant requires a match which has been gifted to the Town as a private donation. This amends the Capital Project Budget to account for the donation and the grant income with future expense.

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the capital project ordinance for various capital projects funded from a variety of sources is hereby amended as follows.

Section I:

Revenues available to the Town to complete the projects are hereby amended as follows:

Account	Description	Decrease/ Debit	Increase/ Credit
38.3970.002	Donations		60,000
38.3970.003	ARC Grant		60,000
Total		\$0	\$120,000

Amounts appropriated for capital projects are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
38.6250.151	ARC Grant	120,000	
Total		\$120,000	\$0

Section II:

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

Councilwoman Hildebran asked what this money would be used for. Community Affairs Director Morrisa Angi shared that it will be used for equipment such as IT and projector screen upgrades.

Councilwoman Hildebran made a motion to approve the aforementioned Capital Project Ordinance Amendment, seconded by Councilman Barus. The vote was unanimous.

APPROVED BUDGET AMENDMENT: Assistant Town Manager/CFO Bo Weichel presented the following Budget Amendment for the replacement of the Community Center Fitness Room HVAC system:

Valdese Town Council Meeting

Monday, October 9, 2023

Budget Amendment #

1-10

Subject:

Recreation Fitness Center HVAC repair

Description:

For the past several weeks the HVAC unit for the fitness areas has been non functional. Several licensed companies came to diagnose and provide a quote. Based on the age and extensive repairs needed, the work includes a 10 ton unit, ducting, line sets, t-stat, gas piping, crane, permits and labor.

Proposed Action:

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

Section I:

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
10.3990.000	General Fund Balance Appr.		25,950
Total		\$0	\$25,950

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.6200.150	Maintenance & Repairs	25,950	
Total		\$25,950	\$0

Section II:

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

Councilwoman Hildebran asked if we were replacing the whole unit or just repairing it. Mr. Weichel shared that the unit was over 23 years old, and we were replacing the entire unit. Mr. Weichel noted that this was on the CIP in upcoming years, but we cannot wait that long. Councilman Barus said he is all for it because it is an investment in Valdese and many people enjoy and use the Recreation Center.

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

MANAGER'S REPORT: Town Manager Seth Eckard made the following announcements:

Old Colony Players Presents: The Mel Brooks Musical, YOUNG FRANKENSTEIN, October 13-14, 19-21, 26-28, 2023, 7:30 p.m. at the Fred B. Cranford Amphitheatre

Bluegrass at the Rock: The Malpass Brothers, November 4, 2023, at 7:30 p.m. Visit www.townofvaldese.com for ticket information.

Pumpkin Decorating Contest, Thursday, October 26, 2023, Old Rock School Steps

Treats in the Streets, Tuesday, October 31, 2023, 4:00-6:00 p.m.

MAYOR AND COUNCIL COMMENTS: Councilwoman Hildebran stated that according to our reports, Valdese is the 19th safest Town out of over 300 towns and cities in NC. Councilwoman Hildebran shared

that she is concerned with the comments being stated about drugs and homeless problems in Valdese. Councilwoman Hildebran asked the Police Chief to investigate the accusations and shared some facts: It's not a crime to be homeless; however, when they set up camp in prohibited areas, it becomes an issue, and when the Police are informed, they respond and take care of the problem. Councilwoman Hildebran said that our Officers try to assist with information, but mostly, it is not accepted. Councilwoman Hildebran encouraged citizens to contact the Police Department if they have someone on their property without permission. Councilwoman Hildebran talked about the drug house rumors and has been informed by the PD that there are not that many. The PD is actively working on a couple of rental houses they suspect are drug users. Councilwoman Hildebran personally received an email several months ago from someone complaining about their neighbor's home. The email shared that he witnessed a SWAT team invasion with AR-15s, complete with drug dealers being forced to the ground, due to the illegal activities of one of the occupants. Councilwoman Hildebran was concerned and contacted the PD; they were unaware of this and investigated it further. The investigation determined that there was never a SWAT team with AR-15s or a drug bust at that residence. Councilwoman Hildebran stated that we, as a Council, want to assure the citizens of Valdese that their PD is at work day and night, keeping them safe.

Councilwoman Lowman thanked Hugh Blackwell for his efforts and hard work to get this Valdese/Lenoir Water Project going.

Mayor Watts congratulated Karen Caruso on her retirement from the Valdese ABC Store. Mayor Watts thanked Hugh Blackwell, Beth Heile, and the Town's Recreation Department for their work on the Kayak/Fishing Pier. Mayor Watts shared that the Town has received close to 10 million dollars in grants from the State in the last eight months. Mayor Watts said we get those grants because there are requirements we have to meet; the Town is doing well with businesses and on the up and up. Mayor Watts thinks that this Council is one of the best we have had, and this Council seeks God's guidance. Mayor Watts said that the State of NC has the tightest restrictions on local government of any State in the US.

Councilman Barus noted that every project we budget is sent to the Local Government Commission, and if there is an issue, you will know it.

ADJOURNMENT: At 7:22 p.m., there being no further business to come before Council, Councilman Barus made a motion to adjourn, seconded by Councilwoman Lowman. The vote was unanimous.

The next regular Council meeting is scheduled for Monday, November 6, 2023.

Town Clerk
jl

Mayor

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
NOVEMBER 6, 2023**

The Town of Valdese Town Council met on Monday, November 6, 2023, 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 Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent: None

A quorum was present.

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

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

Mayor Watts read Open Forum Guidelines: 1. Open Forum is not intended to require the Council or Staff to answer any impromptu questions. Speakers will address all comments to the entire Council as a whole and not one individual member. Discussions between speakers and members of the audience will not be permitted. 2. Speakers will maintain decorum at all times. Speakers are expected to be courteous and respectful at all times, regardless of who occupies Council chairs. These guidelines will help to ensure that a safe and productive meeting is held and that all those wishing to address Council will be afforded the opportunity.

LIFE IN VALDESE – JEANINE BARUS, 111 & 113 BARUS AVE., VALDESE: Ms. Barus shared that she is a second-generation Waldensian and has lived in this location her entire life. Ms. Barus shared stories of her father and uncle digging a waterline and installing a pipe when their well went dry one summer. Ms. Barus said that at that time, they were annexed into the town limits to tap into the main waterline and began paying for water. Ms. Barus shared all the services they started receiving over time that they had to pay for. Ms. Barus remembers her family cleaning the road after Hurricane Hugo and scraping the streets during snowstorms. Ms. Barus said that she lived for 52 years on a gravel street until she and her mother asked the Town to pave their road. They still had to pay for a third of the cost. Ms. Barus said that the property owners had to pay for all additional services during a time of revenue-neutral property tax in Valdese and stated that revenue-neutral will bring us back to the old ways. Ms. Barus feels that this election has pitted family against family, divided friends and neighbors, high school classmates, and even tried to divide the two sides of Town. Ms. Barus stated that the current Council is being blamed for the decisions made by the previous Council members. Ms. Barus feels that the Public Safety Building is a big project and does not agree with the placement and feels the Council should look at that again. Ms. Barus said it wasn't fair for those currently seated to be blamed for the past hold-up of the economy and COVID and feels strategic planning has taken place. Ms. Barus stated that one group wants more control of this project, for our Town to be run by a small group of consultants instead of elected officials, and for us to vote with the ringleader. Ms. Barus believes in a democratic process and that we can survive again.

ART EXHIBIT – ROSE MUELLER, 610 DIXIE AVE. NW, VALDESE: Ms. Mueller shared that she lives in the West part of the Town and wants the people who think that part of the Town is not beautiful to look around. Ms. Mueller shared that she is an artist inspired by what she sees in the Town. Ms. Mueller invited everyone to stop and see her artwork displayed in the Play It Again Records window at 150 West Main Street. Ms. Mueller asked that everyone take the time to look at the sunrises and sunsets in this beautiful Town and hoped that people would find inspiration.

WATER PIPES – JEAN MARIE COLE, 705 BERTIS ST., VALDESE: Ms. Cole has been reading the newspaper about the old lead pipes in many places in the country. Ms. Cole is curious if we are repaving streets, will we replace waterlines. Ms. Cole lives in the old part of the Town and wants to know if the Town has lead pipes and if there is a plan to replace them. Ms. Cole understands that she has to replace the line from her house to the meter, but what about the line in the street. Ms. Cole is concerned about her great-grandchildren living in her home. Ms. Cole would like to know what the plan is.

VALDESE – LINDA CABOT, 822 GARDIOL AVE., VALDESE: Ms. Cabot thanked the current Council and the past Council for their selfless service in providing all the amenities we enjoy by living in Valdese. Ms. Cabot feels that we think that all small towns are similar, and they are not. Ms. Cabot said that we have an exceptional small Town. We have superior employees, and our Officials are here for only one reason: to make our Town better. Ms. Cabot shared that she was taken care of with excellence whenever she had a request. Ms. Cabot said we have always been the beneficiaries of excellence, which shows. Ms. Cabot thanked our dedicated staff and elected Officials.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF OCTOBER 9, 2023

Councilman Barus made a motion to approve the aforementioned item on the Consent Agenda, seconded by Councilman Mears. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

INTRODUCTION OF NEW EMPLOYEES: Public Works Director Allen Hudson introduced new Utility Field Technicians Dustin Hyler and Austin Sigmon.

RESOLUTION OF APPRECIATION FOR KAREN CLARK-CARUSO: Mayor Watts presented the following Resolution of Appreciation for retiring ABC Store Manager Karen Clark-Caruso:

WHEREAS, Karen Clark-Caruso for the past 13 years has served the Town of Valdese with distinction as a committed and dedicated General Manager with the Valdese ABC Board; and

WHEREAS, Karen's 13 years of service have been marked by exemplary dedication, integrity, and professionalism to serve the best interests of the community, our citizens, and the Valdese ABC Board; and

WHEREAS, Karen has earned the admiration and high regard of those with whom she has worked with and the members of the public with whom she has served these past 13 years; and

WHEREAS, Karen has served the Valdese ABC Board as General Manager; being appointed at the inception of the Board and serving in that capacity for the entirety of her tenure, establishing herself as a proven leader; and

WHEREAS, Karen has been instrumental as an advocate for the Town of Valdese in the adoption of a referendum allowing for the opening of a retail spiritous liquor establishment within town limits; and

WHEREAS, Karen has been instrumental as an advocate for the Town of Valdese in the adoption of a referendum allowing for "liquor by the drink" permittees to sell spiritous liquor in the Town of Valdese; and

WHEREAS, Karen has served as a true ambassador for North Carolina's alcohol control system, acting as a catalyst for the dissemination of information related to the benefits to our community and the public that it serves; and

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Valdese as we take this occasion to express honor, respect, and admiration to **Karen Clark-Caruso** for her outstanding contributions to the Valdese ABC Board and the Town of Valdese.

BE IT FURTHER RESOLVED, that the Town Council of the Town of Valdese, North Carolina, hereby expresses its sincere appreciation and gratitude to Karen Clark-Caruso for her service and leadership to

the Valdese ABC Board and the Town of Valdese during the past 13 years and extends congratulations and best wishes upon her retirement.

Adopted this the 6th day of November, 2023.

PROCLAMATION FOR NATIONAL APPRENTICESHIP WEEK: Mayor Watts presented the following Proclamation for National Apprenticeship Week:

**Valdese Town Council
Burke County, North Carolina**

WHEREAS, apprenticeships have been a cornerstone of skill development and workforce enrichment, contributing significantly to the growth and prosperity of our nation, state, and community; and

WHEREAS, the spirit of innovation and dedication exhibited by apprentices enhances the economic competitiveness of our town and state by fostering excellence and promoting continuous learning; and

WHEREAS, the collaboration between businesses, trade organizations, and educational partners highlights the power of partnerships in advancing workforce development; and

WHEREAS, apprenticeships are a strategy to ensure that opportunities are accessible to individuals from all walks of life; and

WHEREAS, Western Piedmont Community College's PACE program, in collaboration with numerous Burke County employers, has afforded our citizens opportunities to develop skills that lead to high wage jobs; and

WHEREAS, National Apprenticeship Week provides an opportunity to recognize apprentices, employers, colleges, and partners for contributing to a skilled workforce; and

WHEREAS, the celebrations during this week not only honor the achievements of apprentices but also inspire new generations to pursue vocational education and apprenticeship opportunities, bolstering our nation's workforce for the future; and

WHEREAS, the commitment to apprenticeship aligns with the Town of Valdese's mission of enhancing economic growth;

THEREFORE, we, the Valdese Town Council, do hereby proclaim November 13-19, 2023, as

NATIONAL APPRENTICESHIP WEEK

in the Town of Valdese, we encourage all citizens, businesses, educational institutions, and community organizations to join in celebrating apprenticeship programs and their positive impact on our town.

In witness whereof, we have hereunto set our hand and caused the seal of the Town of Valdese to be affixed this 6th day of November in the year 2023.

/s/ Charles Watts, Mayor

The President of Western Piedmont Community College, Dr. Joel Welch, and representatives from Meridian and Valdese Weavers, which participate in the program, were at the meeting to accept the Proclamation.

Mayor Watts thanked Dr. Welch for providing this program and feels it will be a wonderful asset to our community.

PROCLAMATION FOR BURKE COUNTY, NC NONPROFIT DAY (AKA 1BURKEGIVES): Katherine Christie, director of sales and marketing for Burke County Tourism Development and member of the 1BurkeGives planning team, shared that BC United Way hosts 1BurkeGives. Ms. Christie said that last year, 39 non-profits participated and raised \$100,000 in one day. She encouraged everyone to follow BC United Way on Facebook and contact BC United Way with questions.

Mayor Watts presented the following Proclamation:

**November 6, 2023, MB#32
Proclamation
Burke County, NC Nonprofit Day
(aka 1BurkeGives)**

Whereas, charitable nonprofit organizations throughout Burke County save taxpayers thousands of dollars through their services and contribute significantly to the high quality of life for all citizens; and

Whereas, these organizations are committed to serving the educational, cultural, civic, health, religious, human and animal services, recreational, philanthropic, environmental, and other diverse needs of Burke County; and

Whereas, the staff and volunteers of all Burke County nonprofit organizations are dedicated to upholding the highest standards of community service, donating their time and effort to making a difference in the lives of others; and

Whereas, Tuesday, November 28, 2023 observance of "Burke County, NC Nonprofit Day" (aka 1BurkeGives) provides a unique opportunity for the citizens of Burke County to join together in appreciation and support of the many contributions made by nonprofit organizations to our continued wellbeing while boosting awareness for continued growth.

Now, therefore, I, Charles Watts, Mayor of The Town of Valdese, do hereby proclaim Tuesday, November 28, 2023, as Burke County, NC Nonprofit Day (aka 1BurkeGives) and encourage all citizens to recognize the positive impact nonprofit organizations have on the quality of life of the citizens of Burke County.

/s/ Charles Watts, Mayor

APPROVED RESOLUTION AWARDING TOWN-ISSUED SERVICE SIDE ARM AND BADGE FOR RETIRING POLICE CHIEF: Mayor Watts asked the Council if they had any questions on this item and noted that we would recognize retiring Police Chief Jack Moss at the Council meeting on December 4, 2023, closer to his retirement.

**Town of Valdese
North Carolina**

Resolution Awarding City-Issued Service Side Arm and Badge Pursuant to North Carolina General Statute 20-187.2 A

WHEREAS, Chief Jack W. Moss will retire from the Valdese Police Department on Dec 31st, 2023; and

WHEREAS, Chief Jack W. Moss was a dedicated law enforcement officer to the citizens of North Carolina and Town of Valdese since Aug 10th 1994; and

WHEREAS, North Carolina General Statute 20-187.2 (a), permits The Town of Valdese to donate the badge worn at no cost, and to the sell service-issued side arm to retiring law enforcement officers, at a price determined by the Town Council Members; and

THEREFORE, THE TOWN COUNCIL OF THE TOWN OF VALDESE RESOLVES THAT:

1. Chief Jack W. Moss service weapon and badge be declared surplus property; and 2. The Mayor of Valdese, Charles Watts, is authorized to present Chief Jack W. Moss his Town of Valdese Police Department issued badge at no cost, upon his retirement; and 3. The Mayor of Valdese Charles Watts, is also authorized to sell a Glock, Model 21 Gen 4, Serial Number AHBL-235 pistol at a set price of \$1.00 to Chief Jack W. Moss upon his retirement.

Adopted this 6th day of November 2023.

/s/ Charles Watts, Mayor

ATTEST:
/s/ Town Clerk

Councilman Barus made a motion to accept the Resolution Awarding Town-Issued Service Side Arm and Badge for the Police Chief upon his Retirement, seconded by Councilwoman Lowman. The vote was unanimous.

APPROVED BUDGET AMENDMENT: Public Works Director Allen Hudson shared that we had some issues with the storm drain on Micol Ave., requiring a budget amendment. Councilman Mears asked if we were on target with the paving project, and Mr. Hudson said we were finished. Councilwoman Hildebran asked if this was our only overage, and Mr. Hudson said yes.

Valdese Town Council Meeting

Monday, November 6, 2023

Budget Amendment

2-10

Subject:

2023 Street Paving change order

Description:

Changes for work not included in contract scope:
 Driveway add and credit on Skie Circle: \$(3,718.53)
 Mill/patching on Columbo St: \$5,975.00
 Waterline relocation for proper storm drainage on Micol Ave: \$10,971.75
 POWELL BILL FUND BALANCE WILL BE USED

Proposed Action:

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

Section I:

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
10.3991.000	Powell Bill Fund Balance		2,554
Total		\$0	\$2,554

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.5700.154	Drainage and Storm Sewer	2,554	
Total		\$2,554	\$0

Section II:

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

Councilwoman Hildebran made a motion to approve the Budget Amendment in the amount of \$2,554 for the Micol Street paving project, seconded by Councilman Barus. The vote was unanimous.

MANAGER'S REPORT: Town Manager Seth Eckard asked Fire Chief Truman Walton to talk about the recent burn ban. Chief Walton shared that yesterday at 5 pm, we went under two separate burn bans. Chief Walton shared that one is from the NC Forest Service covering any burning outside 100 feet from any resident. The second is from the BC Fire Marshal's office, covering anything within 100 feet of an occupied dwelling. Chief Walton said we would be under a burn ban until we get considerable rain. Chief Walton said the only outdoor legal burning would be inside an enclosed BBQ grill.

Town Manger Seth Eckard asked Water Resources Director Greg Padgett to talk about the drought status. Mr. Padgett shared the following information: The Catawba-Wateree Drought Management Advisory Group (CW-DMAG) announced yesterday, Nov. 1, that warm and dry weather conditions have placed the Catawba-Wateree River Basin in Stage 1 of the group's Low Inflow Protocol (LIP). Stage 1 is a drought stage that requires the first phase of operational adjustments at Duke Energy's hydroelectric facilities. Voluntary water conservation by all water users is strongly encouraged including Valdese.

Due to warm temperatures and below average rainfall since earlier this year, water storage in the 11 reservoirs in the Catawba-Wataeree River Basin has decreased and stream flows that feed the reservoirs are well below normal.

The LIP is the drought management protocol major users of the water from the Catawba- Wataeree River Basin use to share responsibility and set priorities to conserve the limited water supply during drought conditions. Stage 1 is the second of five drought stages outlined in the protocol and it requests voluntary water conservation by water users across the basin. Residents using water from a Duke Energy lake for landscape irrigation are asked to limit watering to Tuesdays and Saturdays.

During drought conditions, Duke Energy's hydroelectric plants continue to operate but at reduced levels to progressively decrease downstream flows and preserve water storage in the lakes.

At Stage 1, Duke Energy will increase surveillance of its public boating access areas along the lakes. To ensure the safety of boaters and protect property, some boat ramps will close temporarily due to declining lake levels. Any closures will be listed on the Duke Energy Lakeview app and Duke-Energy.com/Lakes.

CW-DMAG was established in 2006 to monitor drought status and to recommend coordinated actions for CW-DMAG members. CW-DMAG members include the area's public water suppliers and several large industrial users withdrawing water from the river and lake system, North Carolina and South Carolina resource agencies, other federal agencies and Duke Energy.

CW-DMAG and the LIP resulted from Duke Energy's relicensing process for the Catawba- Wataeree Hydroelectric Project. The LIP is part of Duke Energy's federal operating license issued by the Federal Energy Regulatory Commission (FERC). CW-DMAG meets at least monthly when conditions reach Stage 0 or greater of the LIP. For more information about CW-DMAG and the LIP, visit duke-energy.com/community/lakes/drought-management-advisory/catawba-wataeree-dmag.

Mr. Padgett said that hopefully everyone has received a Code Red alert today from the Town about the current drought situation. Mr. Padgett encouraged citizens to sign up for Code Red and look at the information that is on our Town's website. Mr. Padgett shared what it means for us to be in Stage 1. In Stage 1, Voluntary Reductions, all water users will be asked to reduce their normal water use by 5%. Customer education and outreach programs will encourage water conservation and efficiency measures including: irrigating landscapes at a maximum of two days per week, a maximum of one inch per week; preventing water waste, runoff and watering impervious surfaces; reduction of residential vehicle washing; washing only full loads in clothes and dishwashers; using spring-loaded nozzles on garden hoses; and identifying and repairing all water leaks. Mr. Padgett feels that we will be entering into Stage 2 in a few months and said there are five stages. Mr. Padgett read this was the first time in 17 years that skipped Stage 0 and went straight to Stage 1.

Town Manager Seth Eckard shared:

Christmas in November Craft & Gift Show at the Old Rock School is scheduled Friday, November 10, 2023, 4:00 pm – 8:00 pm & Saturday, November 11, 2023, 9:00 am – 2:00 pm

Annual Town Council/Valdese Merchants Association Dinner, Tuesday, November 14, 2023, 6:30 pm at the Old Rock School, Waldensian Room

Town Offices Closed on November 10 in Observance of Veterans Day & November 23 & 24, 2023 in Observance of Thanksgiving

Valdese Christmas Parade, Saturday, December 2, 2023, 10:00 a.m., Honoring Grand Marshal Bruce Hawkins

Bluegrass at the Rock: Appalachian Road Show, December 2, 2023, at 7:30 p.m. Visit www.townofvaldese.com for ticket information.

MAYOR AND COUNCIL COMMENTS: Councilwoman Hildebran complimented Karen Caruso on her management of the Valdese ABC Store. She said she has been involved with it throughout her term on the council, and Ms. Caruso has presented before the Council with professionalism, expertise, and grace. She thanked her.

November 6, 2023, MB#32

Councilwoman Hildebran has had several people tell her that there is a lot of speeding on Lake Rhodhiss Drive going to Lakeside Park. She wants to bring this to Police Chief Jack Moss's attention.

Councilman Barus shared that he had gone to the Pine Crossing Apartments for a walk-through and that it looked beautiful. Town Manager Seth Eckard said they are expected to have their first resident in January 2024. Councilman Barus also shared that we got confirmation that Tron Place was a go. Mr. Eckard shared that grading should happen in the next six months.

Mayor Watts shared that this year's Treat in the Streets attracted the biggest crowd and thanked the Town employees and businesses for their work and resources. He stated that Valdese is such a success because we all work together, which is what it takes.

Mayor Watts personally thanked each Veteran who is here tonight and all the Veterans who live in Town.

ADJOURNMENT: At 6:47 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilwoman Lowman. The vote was unanimous.

The next regular Council meeting is scheduled for Monday, December 4, 2023.

Town Clerk

Mayor

jl

**TOWN OF VALDESE
TOWN COUNCIL ANNUAL JOINT DINNER MEETING WITH VALDESE MERCHANTS
NOVEMBER 14, 2023**

The Town of Valdese Town Council met jointly with the Valdese Merchants for the Annual Dinner Meeting on Tuesday, November 14, 2023, at 6:00 p.m., at the Old Rock School, Waldensian Room.

The following were present: Mayor Charles Watts, Councilwoman Rexanna Lowman, and Councilman Paul Mears. Also present were Town Clerk Jessica Lail and Community Affairs Director Morrissa Angi.

Absent: Mayor Pro Tem Frances Hildebran, Councilman Tim Barus, Councilman Tim Skidmore, Town Manager Seth Eckard, and Assistant Town Manager/CFO Bo Weichel

A quorum was not present; however, no action was planned.

At 6:30 p.m., Mayor Watts called the meeting to order and welcomed everyone. Mayor Watts expressed his appreciation for the Valdese Merchants. Rev. Dr. Josh Lail, Pastor of Valdese First Baptist Church, offered the invocation.

RECOGNITION OF MEMBERS OF THE VALDESE TOWN COUNCIL: Mayor Watts introduced our current Council present, Councilman Paul Mears and Councilwoman Rexanna Lowman. Mayor Watts also introduced the Council Elect, Glenn Harvey – Ward 1, Gary Ogle – Ward 4, and Heather Ward – Ward 5.

MERCHANT INTRODUCTIONS: Mayor Watts asked the Merchants present to introduce themselves and explain what they do. There were approximately 30 Merchants in attendance.

COMMUNITY AFFAIRS MERCHANT ASSISTANCE PROGRAM: Community Affairs Director Morrissa Angi reviewed the following handout, which offers ways for the Community Affairs Department to help support the Merchants, for free.

The Town of Valdese Community Affairs Department offers a variety of ways to market your business, showcase your events and partner with the Town for special projects. Below you will see a variety of ways to promote your business and get support completely for FREE. The Town of Valdese Community Affairs Department will be happy to help offer advice for the best ways to get involved with the community.

Advertising opportunities FREE for business owners:

- *E-Newsletter*

This electronic newsletter is sent to over 6,000 subscribers each month. Businesses can send any image they wish to include. This can be as simple as a business card or as elaborate as an event flyer. Look for email invites or see notification on the Downtown Valdese Businesses Facebook Page.

Email Campaign average open rate = 17-28% - Our open rate is 36%

- *Website Listing*

The Town of Valdese has 2 websites. One for government information and one for tourism. On the tourism site, visitvaldese.com you will find listings for businesses of all sorts downtown. Search for your business – if it needs edits, new images, links etc. please let us know. If your business is not listed, we will be happy to add it.

The visitvaldese.com site receives on average 2,000+ views per week. In peak event times, such as the Waldensian Festival, as many as 9,000+.

- *Business Spotlight*

The Town of Valdese has a large following on Facebook of 17,500+. The Community Affairs Office posts weekly “Business Spotlights” features. These features showcase businesses in Valdese – what they offer and where they are located.

The average feature receives the following scores: Engagement 180+ & Post Reach 2,668+

- *Social Media Groups*

What is there to do in Valdese? – Facebook Group – Anyone can post events happening in Valdese.

Downtown Valdese Businesses – Use this group to share issues between business owners. Announcements are also shared here such as road closures, event dates, and invitations.

- *Event Collaboration*

The Community Affairs Office enjoys partnering with local businesses for special events. If you have an idea to promote your business with, contact us. Examples of current collaborations include – Furrocious Pet Costume Contest with Barkside Pet Grooming, Grateful Gobbler Coloring Contest with Farris Insurance, and Rock N' Bowl with Valdese Rec & WSVM.

Contacts for building issues and improvements:

- Façade Grants – townofvaldese.com – Valdese Main Street Program - \$2,500 match program for building façade improvements – lighting, awnings, windows, doors, signage.
Contact: Morrissa Angi – mangi@valdesenc.gov – 828-874-6773
- Inspections – Safety Concerns
Contact: Valdese Fire Marshal – Levi Henry – lhenry@valdesenc.gov – 828-879-2111

Contacts for concerns, complaints, suggestions:

Mayor, Charlie Watts – mayor@valdesenc.gov – 828-879-2125

Town Council – Contact Information at townofvaldese.com

Town Manager, Seth Eckard – seckard@valdesenc.gov – 828-879-2116

Where can you find updates?

Website: visitvaldese.com | townofvaldese.com

Social: Facebook.com/valdesenc | Instagram.com/valdesenc

Monthly E-Newsletter: signup at townofvaldese.com

Emergency Updates: CodeRED – signup at townofvaldese.com

Mailing: Signup for mailed newsletters – quarterly & by special announcement – Inserted in water bills

Mayor Watts invited everyone to enjoy dinner that was catered by Timberwoods.

At 7:37 p.m., Mayor Watts adjourned the meeting.

The next meeting is a regularly scheduled Council Meeting on Monday, December 4, 2023, 6:00 p.m.

Town Clerk

Mayor

jl

**TOWN OF VALDESE
TOWN COUNCIL SPECIAL MEETING
NOVEMBER 20, 2023**

The Town of Valdese Town Council met on Monday, November 20, 2023, 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 Charles Watts, Mayor Pro Tem Frances Hildebran, Councilman Tim Skidmore, Councilwoman Rexanna Lowman, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent: None

A quorum was present.

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

RESOLUTIONS OF APPRECIATION Mayor Watts presented the following Resolutions to the outgoing Councilmembers.

Resolution of Appreciation for Frances Hildebran

WHEREAS, Frances Hildebran embarked on her dedicated service to the Town of Valdese on January 7, 1980, as the Administrative Assistant and Town Clerk, diligently serving for 24 years until her retirement on June 1, 2004; and

WHEREAS, Frances Hildebran resumed her devoted commitment to the Town of Valdese as Councilwoman for Ward 4 on December 5, 2011; and

WHEREAS, Frances Hildebran has exemplified unwavering dedication over the past 12 years as a conscientious and devoted Councilmember, consistently advocating for the betterment of the community and staff; and

WHEREAS, her 12 years of service have been characterized by an outstanding commitment to the welfare of the community, tirelessly working towards its cultural and aesthetic advancement by serving on the Library Board of Trustees and Citizens for Affordable Housing; and

WHEREAS, Frances Hildebran contributed significantly to various boards and commissions, including serving as United Way Campaign Chairman, United Way Board of Directors – Past President, Burke County Chamber Leadership Burke, Burke Women's Fund, Community Foundation of Burke County Committees, Habitat for Humanity Board of Directors, and the Street Paving Committee, showcasing her commitment to diverse community causes; and

WHEREAS, her tenure as Mayor Pro Tem showcased Frances Hildebran's steadfast dedication and leadership; and

WHEREAS, Frances Hildebran played an integral role in the planning and development of key projects, including the New Town Hall building, Valdese Family Splash Park, Valdese Lakeside Park, and renovations of the Community Center & gymnasium; and

WHEREAS, Frances Hildebran has earned the admiration and high regard of those with whom she has encountered, and she also earned the affection of her fellow public servants.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Valdese that this occasion is embraced to express the upmost honor, respect, and deep admiration to **Frances Hildebran** for her exceptional and enduring contributions to the Council, Staff, and Citizens of Valdese.

BE IT FURTHER RESOLVED, that the Town Council of the Town of Valdese, North Carolina, extends its heartfelt appreciation and gratitude to **Frances Hildebran** for her exemplary leadership and guidance to the Town of Valdese during her remarkable 36 years of service as Town Clerk and Ward 4 Councilmember and extends congratulations and best wishes as she embarks on a new chapter in her life.

Adopted this 20th day of November, 2023.

/s/ Charles Watts, Mayor

Resolution of Appreciation for Timothy Skidmore

WHEREAS, Timothy Skidmore began his service as Councilman for Ward 5 on October 3rd, 2022; and

WHEREAS, Timothy Skidmore has admirably served the Town of Valdese for the past year, demonstrating unwavering commitment and dedication as a Councilmember; and

WHEREAS, Timothy Skidmore, for the past 24 years, has notably presided as the President of the Piedmont & Western Railroad Club, actively fostering the talents and enthusiasm of local railroad enthusiasts in Western North Carolina; and

WHEREAS, under Timothy's steadfast leadership, the club flourished, providing a vibrant and inclusive platform for individuals passionate about the rich history and innovation within the realm of railroads; and

WHEREAS, Timothy Skidmore served on numerous boards and commissions, including the Parks & Recreation Commission, Railroad Committee, and Valdese Housing Authority; and

WHEREAS, Timothy Skidmore played an integral role in the development and planning phases of key community projects, including the Valdese Lakeside Park fishing pier and kayak launch, as well as the renovation of the Valdese Community Center and gymnasium; and

WHEREAS, Timothy Skidmore effectively advocated for and secured a substantial \$7 million grant from the NC General Assembly, enhancing the Valdese Water Plant; and

WHEREAS, Timothy Skidmore has garnered widespread admiration, earning respect not only from his peers but also from all he has encountered during his tenure.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Valdese as we take this occasion to express honor, respect, and admiration to **Timothy Skidmore** for his outstanding contributions to the Council, Staff, and Citizens of Valdese.

BE IT FURTHER RESOLVED, that the Town Council of the Town of Valdese, North Carolina, hereby expresses its appreciation and deep gratitude to **Timothy Skidmore** for his leadership and guidance to the Town of Valdese as its Ward 5 Councilmember and extends congratulations and best wishes as he begins a new chapter in his life.

Adopted this 20th day of November, 2023.

/s/ Charles Watts, Mayor

Resolution of Appreciation for Timothy Barus

WHEREAS, Timothy Barus began his service as Councilman for Ward 1 on January 9th, 2023; and

WHEREAS, Timothy Barus has admirably served the Town of Valdese during the past year, demonstrating unwavering commitment and dedication as a Councilmember; and

WHEREAS, Timothy Barus, a proud 5th Generation Waldensian, has displayed a profound love for the Town of Valdese, reflected in his steadfast commitment to its betterment; and

WHEREAS, Timothy Barus has demonstrated exceptional leadership by actively participating in numerous boards and commissions, including VEDIC, Old Rock School Board of Advisors, and Old Colony Players; and

WHEREAS, Timothy Barus played an integral role in the development and planning phases of key community projects, including the Valdese Lakeside Park fishing pier and kayak launch, as well as the renovation of the Valdese Community Center and gymnasium; and

WHEREAS, Timothy Barus effectively advocated for and secured a substantial \$7 million grant from the NC General Assembly, enhancing the Valdese Water Plant; and

WHEREAS, Timothy Barus's service extends beyond the local level, having served our country with honor in the United States Army's 25th Infantry.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Valdese as we take this occasion to express honor, respect, and admiration to **Timothy Barus** for his outstanding contributions to the Council, Staff, and Citizens of Valdese.

BE IT FURTHER RESOLVED, that the Town Council of the Town of Valdese, North Carolina, hereby expresses its appreciation and deep gratitude to **Timothy Barus** for his leadership and guidance to the Town of Valdese as its Ward 1 Councilmember and extends congratulations and best wishes as he begins a new chapter in his life.

Adopted this 20th day of November, 2023.

/s/ Charles Watts, Mayor

CLOSED SESSION: Mayor Watts called for a motion to recess into Closed Session pursuant to NC General Statute 143-318.11 (a) (6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee. At 6:09 p.m., Councilwoman Hildebran made a motion to recess into Closed Session, Councilman Mears seconded the motion. The vote was unanimous.

At 6:29 p.m., Councilwoman Lowman made a motion to return to Open Session, seconded by Councilwoman Hildebran. The vote was unanimous.

CONSIDERATION OF TOWN MANAGER CONTRACT:

Councilman Mears made a motion to terminate without cause the employment contract of our Town Manager Seth Eckard, effective 5:00 p.m., Friday, December 1, 2023, seconded by Councilman Barus. The vote was unanimous.

BUDGET AMENDMENT: Assistant Town Manager/CFO Bo Weichel explained that this budget amendment was needed because Mr. Eckard's accrued vacation payout was not anticipated during the budget planning.

Valdese Town Council Meeting

Monday, November 20, 2023

Budget Amendment #

3-10

Subject:

Special Council Meeting

Description:

Accrued vacation

Proposed Action:

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

Section I:

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
10.3990.000	General Fund Balance Appr.		12,500
Total		\$0	\$12,500

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.4200.020	Salaries & Wages	11,610	
10.4200.050	FICA Tax	890	
Total		\$12,500	\$0

Section II:

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

Councilman Skidmore made a motion to amend the budget to reflect accrued vacation time as presented by the Finance Director, seconded by Councilwoman Hildebran. The vote was unanimous.

ADJOURNMENT: At 6:30 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilman Barus. The vote was unanimous.

The next regular Council meeting is scheduled for Monday, December 4, 2023, at 6:00 p.m.

 Town Clerk

 Mayor

jl

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

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

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

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

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

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

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

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

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

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

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

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF NOVEMBER 6, 2023

APPROVED SPECIAL MEETING MINUTES OF NOVEMBER 14, 2023

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

End Consent Agenda

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

APPROVED SPECIAL MEETING MINUTES OF NOVEMBER 20, 2023

December 4, 2023, MB#32

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

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

VOTE: The vote was unanimous.

APPROVED CLOSED SESSION MINUTES OF NOVEMBER 20, 2023

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

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

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

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

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

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

November 30, 2023

Valdese Public Safety Status Report

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

Drawing Completion for Agency Review

Based upon restart - resume work mid-December.

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

Drawings prepared for review end of January.

USDA

NCDOI

NCDEQ

Town of Valdese Zoning

Burke County Building Inspection

Modify drawings based upon drawing review comments.

Receive Bids in April/May

Why Delay

Consultant groups experience heavy workloads.

Labor shortage

Replace production staff.

Lengthy Replacement Search - Delay

Replaced with Inexperience Staff - Delay

Training Curve - Delay

Construction Cost Update

\$9,200,000

Renderings

Base Bid

Alternate Bids

Stone Base

Bi-parting (Stacking) Equipment Bay Doors

Trench Drain in Equipment Bays / Sallyport

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

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



BASE BID – VIEW 1



BASE BID – VIEW 2



BASE BID – VIEW 3



ALTERNATE BID – VIEW 1



ALTERNATE BID – VIEW 2



ALTERNATE BID – VIEW 3

December 4, 2023, MB#32

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

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

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

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

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

December 4, 2023, MB#32

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

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

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

VOTE: The vote was unanimous.

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

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

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

Councilmembers discussed more concerns.

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

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

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

Valdese Town Council Meeting

Monday, December 4, 2023

Budget Amendment #

5-10

Subject:

Contract with WPCOG for Town Manager Search

Description:

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

Proposed Action:

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

Section I:

The following revenues available to the Town will be increased:

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

Amounts appropriated for expenditure are hereby amended as follows:

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

Section II:

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

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

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

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

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

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

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

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

Valdese Town Council Meeting

Monday, December 4, 2023

Budget Amendment #

4-10

Subject:

Unified Development Ordinance

Description:

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

Proposed Action:

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

Section I:

The following revenues available to the Town will be increased:

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

Amounts appropriated for expenditure are hereby amended as follows:

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

Section II:

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

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

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

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

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

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

December 4, 2023, MB#32

MAYOR'S REPORT: Mayor Watts made the following announcements:

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

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

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

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

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

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

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

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

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

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

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

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

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

Town Clerk

Mayor

jl

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

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

Absent:

A quorum was present.

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

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

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

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

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

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

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

Dear Mr. Lattanzi and USDA staff:

December 18, 2023, MB#32

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

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

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

Sincerely,
Town of Valdese Council

Edward Perrou, Interim Manager

Councilwoman Heather Ward

Councilman Paul Mears

Councilman Gary Ogle

Councilman Glenn Harvey

Councilwoman Rexanna Lowman

Mayor Charles Watts

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

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

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

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

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

This 18th day of December, 2023.

/s/ Charles Watts, Mayor

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

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

2024 Board and Commission Appointments/Reappointments

Parks and Recreation Commission (3-year terms)

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

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

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

December 18, 2023, MB#32

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

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

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

Respectfully,
Shannon Radabaugh, CEO
Veteran Owned and Operated us

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

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

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

2024 Council Board and Commission Council Appointments

NEW APPOINTMENTS:

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

Ward 4 Councilman Gary Ogle:
Parks & Recreation Commission

Ward 5 Councilwoman Heather Ward:
Main Street Committee

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

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

PROPOSED NEW TOWN OF VALDESE AD HOC COMMITTEES

For Consideration by the Town Council on December 18, 2023

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

Efficiency Task Force

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

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

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

Drug and Homeless Advisory Task Force

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

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

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

Facilities Review Board

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

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

No vote was needed.

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

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

**BURKE COUNTY
NORTH CAROLINA**

AGREEMENT FOR EMPLOYMENT AS INTERIM TOWN MANAGER

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

WITNESSETH:

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

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

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

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

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

Section 1. Duties and Authority

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

Section 2. Term

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

Section 3. Salary and Benefits

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

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

Section 4. Automobile and Mileage

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

Section 5. Indemnification

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

Section 6. Hours of Work and Time Off

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

Section 7. General Provisions

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

E. Resignation or Termination.

- (1) Notwithstanding anything herein to the contrary, the Manager serves at the pleasure of the Council and this Agreement may be terminated by Council, with or without cause, at any time and without recourse from the Manager. Provided, however, that the Town will undertake reasonable best efforts to give the Manager a 24-hour prior notice to the extent permitted by law and in the absence of circumstances that would justify immediate termination.
- (2) The Manager may resign at any time upon thirty (30) days advance written notice to the Town of his intention to resign. The Town retains the right in any such case to terminate the Manager's employment pursuant to the terms of the preceding Paragraph 7(E)(1) prior to the end of the 30-day notice period.

F. Bonding. The Town shall bear the full cost of any fidelity or other bonds required of the Manager under any law or ordinance.

G. Other Terms and Conditions of Employment. The Town, by and through Town Council, shall fix any such other terms and conditions of employment as it determines from time to time, relating to the performance of the Manager, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Town Charter, or any other law or ordinance.

H. Notices. Any notice, demand, request, or any other communication required, permitted, or desired to be given under this Agreement (collectively, "Notice") shall be in writing and sent via national overnight courier company (such as UPS or FedEx) or by depositing the Notice with the United States Postal Service, certified or registered mail, return receipt requested, with adequate postage prepaid, addressed to the appropriate party (and marked to a particular individual's or department's attention if so indicated) as hereinafter provided. Each Notice shall be effective upon being delivered to the national overnight courier company or being deposited with the United States Postal Service, as the case may be, but the time period in which a response to any Notice must be given or any action taken with respect thereto shall commence to run from the date of receipt of the Notice by the addressee thereof, as evidenced by the national overnight courier company's records or by the return receipt of the United States Postal Service, as the case may be. Rejection or other refusal by the addressee to accept or the inability of the national overnight courier company or the United States Postal Service to deliver because of a changed address of which no Notice was given shall be deemed to be the receipt of the Notice sent. The addresses of the Parties shall be as follows:

If to Town: Town of Valdese
Attn: Charlie Watts, Mayor
P.O. Box 339
Valdese, NC 28690

With a copy to: Timothy D. Swanson, Esq.
Young, Morphis, Bach & Taylor, LLP
P.O. Drawer 2428
Hickory, NC 28603

If to Manager: _____

Any Party shall have the right from time to time to change the Party's own address or individual or department's attention to which Notices shall be sent or the address to which copies of Notices shall be sent and to specify up to two additional addresses to which copies of Notices shall be sent by giving the other Party at least ten (10) days' prior written Notice thereof.

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

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

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

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

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

PRE-AUDIT CERTIFICATE

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

BO WEICHEL, Chief Financial Officer

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

TIMOTHY D. SWANSON, Attorney

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

(SEAL)

ATTEST:

Jessica Lail, Town Clerk

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

By: _____
CHARLES WATTS, Mayor

KENNETH B. STEEN, Interim Town Manager
Town of Valdese

Councilman Harvey made the following comments:

December 18, 2023, MB#32

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

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

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

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

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

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

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

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

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

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

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

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

VOTE: The vote was unanimous.

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

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

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

Rule 4. Agenda

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

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

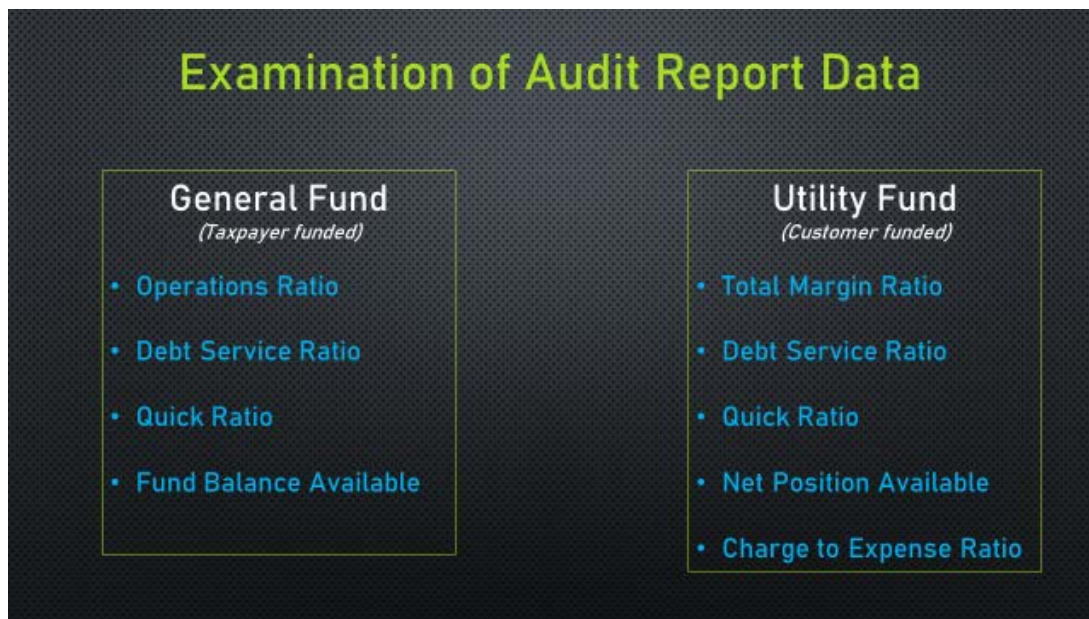
2) MOTION to amend “Rule 4. Agenda” of the Valdese Town Council – Rules of Procedures by striking section “Rule 4. (b) Consent Agenda” and to amend “Rule 6. Order of Business” Accordingly.

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

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

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

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



General Fund : Operations Ratio

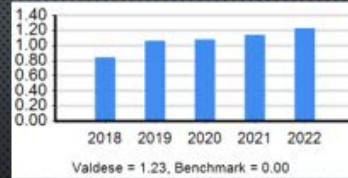
(total revenues / total expenditures & transfers out)

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

p.18 Statement of Rev & Exp.

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
Revenues				
Ad valorem taxes	\$ 2,480,981	\$ 2,380,302	\$ 2,478,817	\$ 98,515
Other taxes and licenses	1,463,839	1,463,838	1,837,714	373,875
Restricted intergovernmental revenues	589,808	586,721	603,216	16,495
Restricted intergovernmental revenues	146,308	146,308	161,696	15,388
Sales and services	558,454	683,344	748,232	64,888
Investment earnings	77,833	(26,158)	418,578	444,736
Other revenues	-	-	152,235	152,235
Total revenues	5,257,007	5,253,516	6,398,047	1,144,531
Expenditures				
Current:				
General government	1,081,794	1,088,981	895,158	173,833
Public safety	2,186,156	2,211,948	2,147,118	-64,830
Transportation	532,598	564,129	619,668	55,539
Environmental protection	367,472	379,513	342,643	-36,870
Cultural and recreational	1,201,096	1,320,121	1,278,819	-41,302
Debt service	-	-	-	-
Principal	162,519	162,519	162,519	-
Interest and other charges	97,021	97,021	97,021	-
Total expenditures	5,245,246	5,365,092	5,185,089	(200,003)
Revenues over (under) expenditures	(247,633)	(108,385)	1,212,958	1,321,343
Other Financing Sources (Uses)				
Appropriated fund balance	138,633	443,383	-	(443,380)
Operating transfers - in (out)	97,860	97,860	43,821	(53,939)
Total other financing sources (uses)	247,633	549,392	43,821	(495,569)
Net change in fund balance	\$ -	\$ -	\$ 1,049,927	\$ 1,049,927

Prior Five Years:



2023: 1.19

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

General Fund: Debt Service Ratio

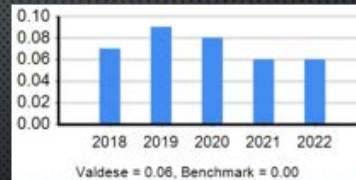
(total service / total expenditures & transfers in debt service fund)

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

p.18 Statement of Rev & Exp.

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget - Positive (Negative)
Revenues				
Ad valorem taxes	\$ 2,480,981	\$ 2,380,302	\$ 2,478,817	\$ 98,515
Other taxes and licenses	1,463,839	1,463,838	1,837,714	373,875
Restricted intergovernmental revenues	589,808	586,721	603,216	16,495
Restricted intergovernmental revenues	146,308	146,308	161,696	15,388
Sales and services	558,454	683,344	748,232	64,888
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Other revenues	-	-	152,235	152,235
Total revenues	5,257,007	5,253,516	6,398,047	1,144,531
Expenditures				
Current:				
General government	1,081,794	1,088,981	895,158	173,833
Public safety	2,186,156	2,211,948	2,147,118	-64,830
Transportation	532,598	564,129	619,668	55,539
Environmental protection	367,472	379,513	342,643	-36,870
Cultural and recreational	1,201,096	1,320,121	1,278,819	-41,302
Debt service	-	-	-	-
Principal	162,519	162,519	162,519	-
Interest and other charges	97,021	97,021	97,021	-
Total expenditures	5,245,246	5,365,092	5,185,089	(200,003)
Revenues over (under) expenditures	(247,633)	(108,385)	1,212,958	1,321,343
Other Financing Sources (Uses)				
Appropriated fund balance	138,633	443,383	-	(443,380)
Operating transfers - in (out)	97,860	97,860	43,821	(53,939)
Total other financing sources (uses)	247,633	549,392	43,821	(495,569)
Net change in fund balance	\$ -	\$ -	\$ 1,049,927	\$ 1,049,927

Prior Five Years:



2023: 0.05

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

General Fund: Quick Ratio

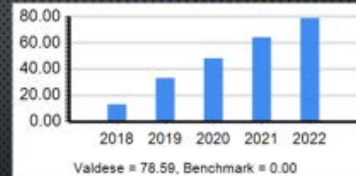
(cash & investments / current liabilities)

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

p.14 Balance Sheet

Assets	
Cash and investments	\$ 7,258,901
Restricted cash and investments	221,062
Taxes receivable, net	99,861
Accounts receivable, net	60,584
Due from other funds	52,770
Due from other governmental agencies	486,813
Prepaid expenses	28,023
Inventory	163,872
Total assets	\$ 8,171,905
Liabilities and Fund Balance	
Liabilities:	
Accounts payable and other current liabilities	\$ 135,545
Due to other funds	-
Total liabilities	135,545

Prior Five Years:



2023: 53.55

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

General Fund: Fund Balance "Available"

(unassigned funds / total expenditures & transfers out)

\$6,587,565

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

Total expenditures	\$355,041	
Revenues over (under) expenditures	1,855,106	
p.16 Statement of Rev & Exp.		
Other Financing Sources (Uses):		
Operating transfers - in	925,321	28,023
Operating transfers - out	(881,700)	163,872
Restricted:		
Stabilization by State Statute		748,932
Encumbrances		148,766
Town revitalization		-
Streets		68,154
Committed:		
USDA reserve		152,968
Assigned:		
Capital projects		-
Subsequent year's expenditures		238,279
Unassigned		\$6,587,565

p.14 Balance Sheet

Prior Five Years:



2023: 105.62%

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

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

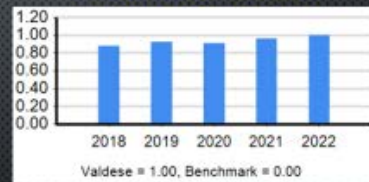
Water/Sewer Fund: Total Margin Ratio

(total revenue interest / total revenue outflow)

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

p.20	
Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Fund For the Year Ended June 30, 2023	
	Interest Paid
	Less:
Operating Revenues:	
Charges for services	\$ 1,081,818
Other operating revenues	100,000
Total operating revenues	1,181,818
Operating Expenses:	
Administration	1,112,534
Water supply and treatment	1,188,249
Wastewater treatment	1,071,303
Water and sewer maintenance	911,676
Depreciation	1,371,371
Total operating expenses	5,655,033
Operating income (loss)	(1,172,803)
Nonoperating Revenues (Expenses):	
Gain	608
Investment earnings	31,284
Interest expense	(48,143)
Other	345,435
Nonoperating revenues (expenses), net	299,184
Income (loss) before operating transfers and capital contributions	86,789
Capital contributions	27,882
Transfer from other funds	1,058,990
Change in fund balance	1,163,661

Prior Five Years:



2023: 1.08

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

Water/Sewer Fund: Debt Service Ratio

(debt service / total expenditures & other financing sources net of transfers)

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

p.20 Statement of Rev & Exp.	
Operating Expenses:	
Administration	1,112,534
Water supply and treatment	1,188,249
Wastewater treatment	1,071,303
Water and sewer maintenance	911,676
Depreciation	1,371,371
Total operating expenses	5,655,033
Operating income (loss)	(1,172,803)
Nonoperating Revenues (Expenses):	
Gain	608
Investment earnings	31,284
Interest expense	(48,143)
Other	345,435
Nonoperating revenues (expenses), net	299,184
p.91	
Utility Fund Statement of Expenditures - Budget and Actual (Non-GAAP) For the Year Ended June 30, 2023	
	Budget
Expenditures (Continued):	Actual
Payment on debt principal	310,448
Interest and fees	50,290

Prior Five Years:



2023: 0.06

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

Water/Sewer Fund: Quick Ratio

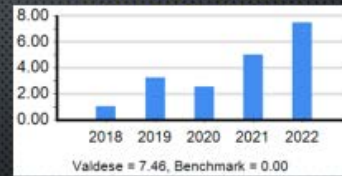
Also known as liquidity, this ratio assesses the ability to meet short-term obligations.

p.19 TOWN OF VALDESE, NORTH CAROLINA Exhibit 8

Statement of Fund Net Position
Proprietary Fund
June 30, 2023

	Valdese Fund - Water
Assets	
Current assets:	
Cash and investments	\$ 10,000,000
Accounts receivable, net	45,185
Inventory	108,465
Prepaid expenses	5,176
Material and work-in-progress	90,000
Total current assets	10,248,826
Noncurrent assets:	
Capital assets:	
Land and improvements	3,000,000
Buildings and improvements	30,500,000
Infrastructure systems	20,000,000
Particular and maintenance equipment	80,000
Vehicle	70,000
Construction in progress	40,000
Long-term investments	10,000,000
Capital assets, net	103,310,000
Total noncurrent assets	103,310,000
Total assets	205,558,826
Deferred Outflow of Resources	(85,172)
Liabilities	
Current liabilities:	
Accounts payable and other current liabilities	40,000
Current portion of long-term debt	10,000
Current portion of long-term debt - current	10,000
Long-term debt - current	10,000
Total current liabilities	70,000

Prior Five Years:



2023: 10.84

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

Water/Sewer Fund: Net Position Ratio

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

p.19 TOWN OF VALDESE, NORTH CAROLINA Exhibit 8

Statement of Fund Net Position
Proprietary Fund
June 30, 2023

Total liabilities	6,970,000
Deferred Outflow of Resources	70,000
Net Position	
Due investments in capital assets	10,000,000
Unrestricted	10,000,000
Total net position	20,000,000

Prior Five Years:



2023: 69.24%

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

8 % = 1 month of expenses

69 % = 8.6 months of expenses

Water/Sewer Fund: Charge to Expense Ratio

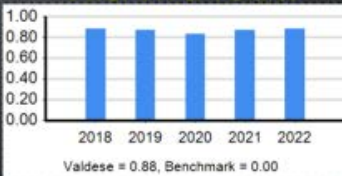
Measures self-sufficiency of the fund by comparing the extent to which charges for services covered total expenses.

REVENUES:	REVENUES	REVENUES
p.88 Statement of Rev		
Operating revenues:		
Charges for services:		
Water charges	\$ 2,712,000	\$ 2,986,812
Wastewater charges	1,199,950	1,117,156
Contract sales	730,780	929,596
Total charges for services	4,642,730	5,033,564

Operating Expenses:		
Administration		1,100,000
Water supply and treatment		1,300,000
Wastewater treatment		1,000,000
Water and sewer maintenance		91,176
Depreciation		1,171,171
Total operating expenses		5,662,247
Operating income (loss)		(1,019,487)

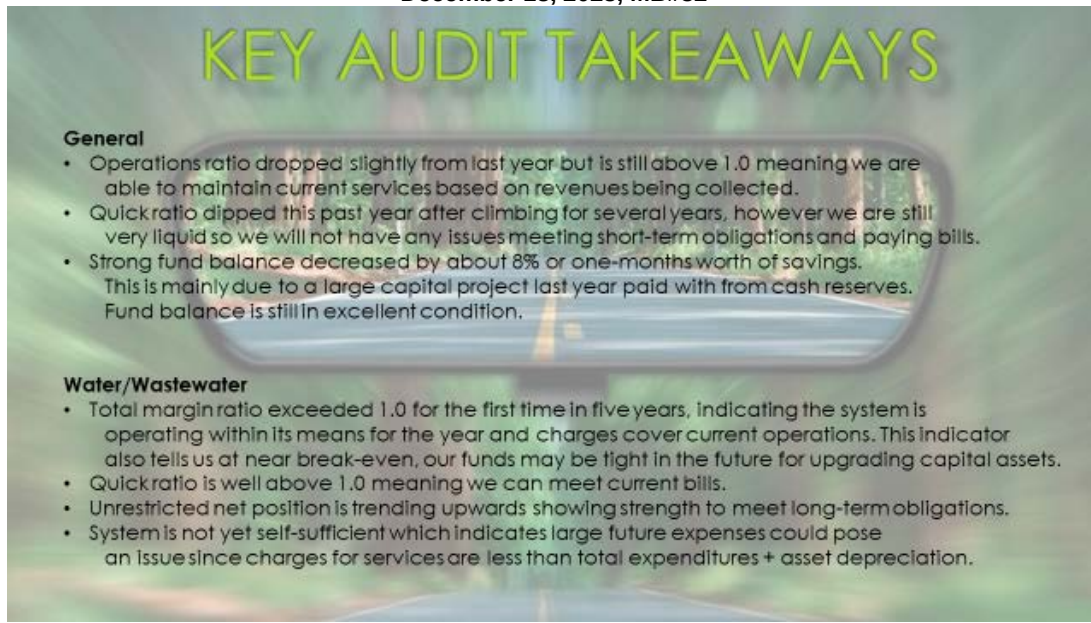
Nonoperating Revenue (Expense):		
Grant		600
Investment earnings		31,284
Interest expense		(48,143)
Other		3,474,478
Nonoperating revenue (expense), net		3,457,939

Prior Five Years:



2023: 0.89

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



KEY AUDIT TAKEAWAYS

General

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

Water/Wastewater

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

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

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

Valdese Town Council Meeting

Monday, December 18, 2023

Budget Amendment #

7-10

Subject:

Contract with WPCOG for Strategic Planning

Description:

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

Proposed Action:

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

Section I:

The following revenues available to the Town will be increased:

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

Amounts appropriated for expenditure are hereby amended as follows:

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

Section II:

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

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

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

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

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

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

 Town Clerk

 Mayor

jl