

AGENDA
www.townofvaldese.com

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

Monday, June 2, 2025
6:00 p.m., Valdese Town Hall, Council Chambers

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

1. **Call Meeting to Order**
2. **Invocation** (*Led by the Valdese PD Volunteer Chaplains*)
3. **Pledge of Allegiance**

4. **Informational Items**
 - A. Reading Material

5. **Open Forum/Public Comment**
 - A. Resolution of Appreciation Recognition for Bo Weichel (*Presented by Mayor Watts*)

6. **Consent Agenda**

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

 - A. Approval of Budget Review #1 Minutes of April 15 & 16, 2025
 - B. Approval of Special Called Meeting Minutes of April 25, 2025
 - C. Approval of Closed Session Minutes of April 25, 2025
 - D. Approval of Agenda Review Meeting Minutes of April 28, 2025
 - E. Approval of Closed Session Minutes of April 28, 2025
 - F. Approval of Regular Meeting Minutes of May 5, 2025
 - G. Approval of Budget Review #2 Meeting Minutes of May 12, 2025
 - H. Approval of Council Contractors Meeting Minutes of May 22, 2025
 - I. Approval of Valdese ABC Board Travel Policy
 - J. Approval of Lease Agreement at the Old Rock School with Dream Connections
 - K. Approval of Resolution for Sale of Town-Owned Property - 800 Pineburr AVE SW

7. **New Business**
 - A. Presentation of 2024 North Carolina Department of Labor Safety Awards (*Presented by Bo Weichel*)

- B. FY 25-26 Proposed Budget and Scheduling of Public Hearing for Monday, June 23, 2025
(Presented by Bo Weichel)
- C. Approval of Resolution for Massel Ave SE Sidewalk Project *(Presented by Bo Weichel)*
- D. Approval of Capital Project Ordinance Amendment – Pool Structure *(Presented by Bo Weichel)*
- E. Approval of Design-Build Contractor for Public Safety Buildings *(Council Discussion)*
- F. Prudent Use of Town Rolling Stock Assets *(Council Discussion)*
- G. Consideration of Resolution on Civility and Protocol for the 2025 Municipal Election
(Council Discussion)
- H. Consideration of Citizen Communication *(Council Discussion)*
- I. Consideration of Resolution Regarding Appointments to Town Boards, Panels, and Committees
(Council Discussion)
- J. Appointments to Boards/Commissions/Committees *(Presented by Todd Herms)*
 - Town Board Discussion
 - Non-Town Board Appointments
 - i. VEDIC – Town Manager and other Appointments/Reappointments
 - ii. BDI – Town Manager Appointment
- K. Consideration of Policy Guidelines for Citizens and Public Access to Community Center Facilities Discussion *(Presented by Todd Herms)*
- L. Status of Ongoing or Approved Projects *(Presented by Todd Herms)*
 - i. Public Safety Buildings Update
 - ii. Water Plant Upgrade Project/Lenoir Interconnect Project
 - iii. Recreation Center ADA and Pool Cover

8. Manager's Report

- A. Family Friday Nights Kickoff Celebration is scheduled for Friday, June 6, 2025, 7:00 p.m. – 10:00 p.m., with The Tonez, at the Temple Field. Concerts will continue every Friday until August 29, 2025.
- B. Next Regular Council meeting scheduled for Monday, June 23, 2025, 6:00 p.m.

9. Mayor and Council Comments

10. Adjournment

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

READING MATERIAL

Community Affairs & Tourism Monthly Stats

May 2025

Tourism Statistics

visitvaldese.com views (April 28-May 25) 7,519

townofvaldese.com views (April 28-May 25) 7,687

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

Facebook

of followers 20,445

Page Views (last 28 days) 410,357

Post Reach (last 28 days) 97,016

Facebook Reactions/Feedback (last 28 days)

Interactions: 3,864 Link Clicks: 1,652

TOP FIVE AUDIENCE LOCATIONS (Cities): Morganton, Valdese, Lenoir, Hickory, Drexel

Approximate # of Visitors to the Tourism/CA Office 596

Community Affairs Stats

Old Rock School Rental Breakdown

AUDITORIUM	2
TEACHER'S COTTAGE	10
WALDENSIAN ROOM	19
CLASSROOMS	2
MAJOR EVENT (ENTIRE SCHOOL)	6
Major Events Held at the Old Rock School	Average Number of Attendees
Hearts Recital, Southern Regal, BMC Grad, Learning Center Grad, Morganton Day, Sport HOF	307
Monthly Old Rock School Rentals	39
Old Rock School Total Attendance	6,483

CA Summary for May 2025

May was an incredibly busy month with Summer event preparation/promotion and facility rentals. The rental calendar stayed consistently booked with graduation ceremonies, parties, and a wide range of other major events: Learning Center Graduation, BMC Graduation, Valdese Sports Hall of Fame Banquet, Western NC Southern Regal Pageant, Hearts Group End of Year Recital, and the Morganton Day School drama production. The Old Rock School also hosted several events for VES, including two award shows and 2 field days on Temple Field. The Main Street committee met on May 21st for a presentation of Summer business promotional opportunities and a review of upcoming events/current visitation statistics. The Waldensian Festival vendor applications have begun review and booth assignments are currently being mailed. The FFN Summer concerts begin next month and the department has been heavily promoting the lineup and getting press releases ready. Concessions will be ordered and the department will do a pre-season clean out of the field house shortly.

**TOWN OF VALDESE
ANNUAL COUNCIL BUDGET REVIEW
TUESDAY, APRIL 15, 2025 & WEDNESDAY, APRIL 16, 2025**

The Town of Valdese Town Council met on April 15 & 16, 2025, at 9:00 a.m., for the Annual Budget Review, in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The Council meeting was live-streamed on YouTube @townofvaldese. The following were present: Mayor Charles Watts, Mayor Pro Tem Gary Ogle, Councilwoman Rexanna Lowman, Councilwoman Heather Ward, Councilman Glenn Harvey, and Councilwoman Melinda Zimmerman. Also present were: Interim Town Manager Bo Weichel, Town Clerk Jessica Lail, and Department Heads.

Absent: None

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

DAY 1 – APRIL 15, 2025

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 to the Budget Retreat.

BUDGET PROCESS Interim Town Manager Bo Weichel provided an overview of the two key annual financial processes: the budget and the audit. The budget process spans from January to June and the audit runs from July through December. While they are separate tools with different objectives—budget planning looks ahead and the audit looks back—they are closely related.

Mr. Weichel outlined the budget development process, beginning with a mid-year departmental review in January. Departments receive worksheets, including salary and tax information, and build their budgets from zero. These were submitted to the Interim Manager in mid-February, who met with departments and made adjustments. The proposed budget presented at this meeting is balanced, with revenues matching expenditures—unlike last year, which began with a deficit.

Mr. Weichel noted, looking ahead, a second budget review is tentatively scheduled for May 12 if needed. The Manager's Budget Message will be completed by the end of May, and the goal is to finalize all documents by May 28. The budget will be officially presented to Council on June 2, with a public hearing scheduled for June 23.

Mr. Weichel encouraged an open, conversational format and invited questions throughout the presentation.

GENERAL FUND OVERVIEW Mr. Weichel provided a financial overview focused on the General Fund. He explained the differences between the General Fund (taxpayer-driven), the Utility Fund (consumer-driven), and Capital Project Funds (multi-year and roll over annually). He highlighted the purpose of fund balance, which includes emergency reserves, investment income, and avoiding Local Government Commission (LGC) scrutiny.

As of June 30, the Town's unassigned fund balance was \$6.9 million, equivalent to 102% of annual expenditures, indicating a strong financial position. This is a significant improvement from the 18% level noted in 2018. He reminded Council that while there is no official state minimum, the LGC monitors fund balance trends relative to peer groups and can issue warnings if reserves decline significantly.

Mr. Weichel also reviewed current-year fund balance appropriations totaling \$879,464, including major expenses such as the pool dome. A pending grant may reimburse a portion of this. Offsetting revenues and unspent funds are expected to balance these appropriations, likely maintaining the fund balance around 100% at year-end.

On debt service, he reported four outstanding obligations in the General Fund, totaling \$214,865 in FY25, which is just 2.92% of total expenditures—a low debt ratio. Notable items include the Town Hall and Splash Pad, both financed by 40-year USDA loans. He noted the cost of borrowing over long terms significantly increases total project costs but is sometimes necessary due to upfront funding limitations. Early payoff is possible and may be considered in the future, though it would reduce the fund balance. Mr. Weichel provided Council with a debt amortization schedule over the next 34 years.

April 15 & 16, 2025, MB#33

Mr. Weichel outlined several budget challenges affecting the General Fund. These include a state-mandated 0.75% increase in retirement contributions, bringing the Town's rate to 14.41%, with law enforcement rates rising to 16.08%. Additional operating pressures stem from cost-of-living adjustments for employees, rising insurance and benefits costs, and a 5.2% increase in the Republic sanitation and recycling contract. Further details on sanitation and recycling will be presented separately. Other challenges include general inflation-related increases in equipment, materials, and services, along with aging facilities and the need for equipment replacement, as many town buildings are over 50 years old.

GENERAL FUND OPERATING & CAPITAL SUMMARY Mr. Weichel presented the General Fund budget summary, noting the proposed expenditures total \$7.9 million, with \$7.354 million for operating and \$546,000 for capital, balanced by an equal amount of projected revenue. A small surplus of \$2,392 is projected to be returned to fund balance, meaning no fund balance is used to balance the budget, which is a positive financial indicator.

He commended department heads for holding their operating requests nearly flat compared to the previous year (a difference of approximately \$16,000), despite various financial pressures. Key revenue sources include ad valorem (property) taxes and unrestricted sales tax, with the latter held flat due to cautious state forecasts. The appropriated fund balance line shows a negative number, indicating funds are being added back into savings, not drawn.

In a comparison of taxable values from FY2024 to FY2025, the Town saw an increase from \$538 million to \$557 million, driven largely by business investments and new equipment. However, residential taxable values declined by \$6.5 million due to damage reappraisals following Hurricane Helene. The Town's property tax revenue projection of \$2.287 million is based on a proposed tax rate of 41.5 cents and a collection rate of 98.89%, with additional expected revenues from public utilities, which are accounted for separately.

Rates & Fee Schedule:

During the budget discussion on rates and fees, Mr. Weichel noted that no increases are proposed for the Old Rock School in the upcoming fiscal year. Although a separate document outlining potential fee adjustments exists, those increases would not impact revenue until the following budget year, as events are already booked through 2026 based on current rates. Council was informed that fee adjustments could still be considered, especially in light of recent renovations to the facility. It was clarified that the Town does not set ticket prices for performances; those are determined by the artists or their promotion companies. However, the Town does sell tickets and receives revenue through ticketing fees and promotional packages. Depending on the act and agreement structure, some events have generated up to \$12,000 in revenue.

Concerns were raised by Council regarding the legality and risk management of signing event contracts prior to the adoption of a new budget. While staff indicated that these are revenue-based contracts and not direct expenditures, questions were asked about whether this practice is permissible and whether the Town Attorney reviews each contract. Staff noted that a standard contract template is used and has previously been reviewed by legal counsel, but individual agreements are not submitted for review. Councilman Harvey expressed concern over a past event at the Rock School where no contract was in place and emphasized the potential liability of such arrangements. Council requested that the Town Attorney be involved to review the contractual process and provide guidance.

For the Recreation Center, staff recommended keeping fees flat for the coming year. A comparison with similar regional facilities showed that Valdese is already at the higher end of the pricing scale. With the installation of the pool dome expected to be complete by fall, staff anticipate increased usage and revenue, which was factored into the budget.

In Public Works, a single fee increase was proposed for construction debris dumpster rentals. The current rate of \$75 would be raised to \$100. The dumpster, which replaced the old truck service, is typically used for a couple of days and remains a popular offering. There are no additional landfill fees, as residents already pay those through county taxes.

Significant changes were proposed to the Planning Department's fee schedule. Existing fees were minimal and not reflective of the department's work. Staff conducted a comparison with similarly sized municipalities and proposed new fees that better align with standard practices. These changes, set to take effect July 1, are intended to help offset departmental costs and encourage applicants to be more serious and prepared when submitting development requests.

Finally, the Fire Department proposed increases to certain inspection-related fees. A reinspection after an initial non-compliance notice would now cost \$100, and second or subsequent reinspections would increase to \$200. Additionally, the fire code fee schedule was streamlined, condensing two pages of itemized rates into a single page categorized by relevant fire code chapters. Although annual revenue from these fees remains low—less than \$500—they serve an important role in enforcing compliance and reducing liability.

April 15 & 16, 2025, MB#33

In summary, Council expressed interest in reviewing the Rock School's rental rates and the broader contract process for event bookings. Legal review by the Town Attorney was requested to ensure proper procedures and liability protections are in place moving forward.

GENERAL FUND REVENUE & GENERAL FUND DEPARTMENT OPERATING & CAPITAL:

GOVERNING BODY Mr. Weichel reported that the Governing Body/Council budget showed an overall decrease, primarily due to the Council's decision to remove themselves from the group insurance program. This change significantly impacted the budget by reducing expenditures. Councilman Harvey noted that the cost to the Town for Council salaries, wages, and group insurance was \$72,000 in FY 2023-2024. For FY 2025-2026, that cost is reduced to \$42,000, reflecting a \$30,000 savings despite a small increase in salaries.

ADMINISTRATION Mr. Weichel noted approximately \$16,000 in salary savings for FY 2024-2025 and clarified that the FY 2025-2026 budget does not include a salary for a permanent town manager due to the uncertainty of hiring. The interim manager's salary is included, and adjustments will be made when a transition occurs. Attorney fees remain budgeted at \$80,000.

Capital outlay for FY 2025-2026 totals \$60,000 and includes:

- Replacement of one HVAC unit at Town Hall,
- A potential \$25,000 pay study, and
- Up to \$25,000 for financial planning and debt management services through First Tryon Advisors, who will present more details later.

PUBLIC WORKS ADMINISTRATION/GARAGE FACILITIES Mr. Weichel explained that Public Works encompasses several separate departmental budgets—Public Works Administration (facility and admin staff), Streets, Sanitation, and Grounds—in order to more accurately track service-related costs.

For the Public Works Administration budget, \$7,000 is proposed under capital outlay to replace an HVAC unit at the facility. No other significant changes were noted. He reminded Council that only the first column of the 10-year Capital Improvement Plan (CIP) reflects items included in the upcoming budget, while years two through ten are projections.

PUBLIC WORKS GROUNDS & MAINTENANCE Mr. Weichel explained for the Grounds and Maintenance department, the budget remains flat compared to the prior year, with no capital outlay proposed for this cycle. No significant changes or issues were identified.

PLANNING DEPARTMENT Mr. Weichel reviewed the Planning Department budget, noting that no salary is budgeted for a Planning Director. Instead, contracted services have increased to cover a proposed two-day-per-week agreement with the Western Piedmont Council of Governments (COG). The contract is for two years but includes a 30-day termination clause in case the Town hires its own Planning Director.

Council expressed concerns about the ongoing vacancy and the limited capacity of COG to handle both zoning and economic development. Suggestions were made to consider hiring a recent planning or public administration graduate, possibly with continued part-time COG support. Mr. Weichel stated the job posting remains open and broadly defined and said the Town may consider reaching out to universities for potential candidates after budget season.

POLICE DEPARTMENT Mr. Weichel explained the Police Department budget includes one capital item: the replacement of a patrol vehicle as part of the regular vehicle rotation plan. Leasing was previously considered but found to be more expensive long-term. Council discussed future staffing needs due to community growth and the potential role of a pay and organizational study in planning for those needs. Support was expressed for the study, with the note that funding its recommendations would be essential.

FIRE DEPARTMENT Mr. Weichel explained the Fire Department budget includes no capital outlay items for the upcoming year. Two positions—engineer and captain—remain vacant, resulting in some savings, though some of that is offset by current staff covering additional duties. These positions are still budgeted for the upcoming year. No major changes were reported.

PUBLIC WORKS STREETS Mr. Weichel explained the Street Department budget includes a \$65,000 capital outlay to purchase a new tractor-mower combination, replacing an older mid-1980s model. This item was previously removed from last year's budget per the Efficiency Committee's recommendation but has been re-included this year. The new equipment improves safety with an enclosed cab and is essential for maintaining road shoulders.

Discussion followed regarding the broader issue of whether it is cost-effective for the Town to continue handling all street and grounds work in-house versus contracting out services. Councilmembers expressed concerns about equipment costs, underused assets, and workforce efficiency. A study was previously conducted to explore outsourcing mowing and snow removal, but results showed limited contractor availability and high costs—approximately \$130,000 annually for mowing Town facilities alone, excluding mulch and fertilization. Snow plowing options were also limited due to contractors being tied up with NCDOT contracts.

Several members suggested that a management consulting firm could provide a deeper financial and operational analysis to inform future decisions. It was confirmed that the tractor-mower purchase is already included in the balanced proposed budget and would not require use of fund balance.

Mr. Weichel confirmed that the balanced budget includes funds for paving, with approximately \$325,000–\$350,000 allocated for FY 24–25. These funds will be transferred to the capital paving project fund, adding to the \$500,000 previously committed, resulting in a total of around \$850,000–\$900,000 available once a contract is in place. No current paving contract exists, as NCDOT is focused on other regions and has not renewed a Burke County contract. Additionally, Council requested a summary of all major and minor funds, including committed and restricted fund balances, to better understand the Town's overall financial position. Staff will aim to present this information in June.

POWELL BILL Mr. Weichel explained the Powell Bill budget, funded by state revenues based on street mileage, is projected to be higher this year due to recent trends. Since there is no current paving contract, \$125,000 remains allocated for future paving, while increased funding has been directed toward street patching and sidewalk repairs—raising the sidewalk budget from \$8,000 to \$25,000. This allows staff to address potholes and broken sidewalks throughout town. In total, \$325,000 from street and Powell Bill funds is being transferred to the paving fund.

PUBLIC WORKS SANITATION Mr. Weichel explained the sanitation budget includes a significant capital item of \$230,000 to purchase new carts, as Republic Services, the town's current provider since 2017, has not been responsive to service concerns. Republic has proposed a 5% rate increase, which would raise the cost to \$15.02 per customer. In comparison, a local company, Simply Green Recycling, has offered a lower rate of \$13.50 per customer, which could save approximately \$28,000 in the first year. However, transitioning to Simply Green would require purchasing new carts, which would cost \$230,000, though a \$30,000 grant from DEQ would reduce this cost to \$200,000.

Simply Green's service includes a 12-year warranty on the carts, which would be amortized over 15 years. While the transition would lead to cost savings and better service, Republic's carts would need to be returned, as they own them. The town would also need to buy trucks if it were to bring sanitation services in-house, but even with this, Simply Green remains the most cost-effective option.

Isaac Crouch, owner of Simply Green Recycling, introduced himself and provided background on his company, which he has owned since 2019. He explained the transition from manually sorted recycling to the current single-stream system and noted that materials are transported to GFL in Wilkesboro. He expressed interest in expanding into municipal trash service and explained that operationally, it is similar to recycling but with shorter travel distances to the Burke County landfill.

He confirmed that the current pickup schedule (trash on Mondays and Tuesdays; recycling every other Wednesday, with some Friday pickups) would remain the same if Simply Green were selected for municipal service. He also emphasized the company's focus on customer service, communication, and responsiveness.

During the discussion, Council members and staff considered the frequency of recycling collection. While some residents may not need biweekly pickups, others—especially families and frequent online shoppers—regularly fill their carts. The idea of offering monthly service or extra carts for an additional fee was mentioned, but Mr. Crouch cautioned that it could complicate administration. Staff suggested that any potential changes to pickup frequency be considered for a future budget year due to the current timeline.

PARKS & RECREATION During the Recreation Department's budget discussion, staff explained that the "Part-Time Pay" line item includes compensation for a variety of roles such as lifeguards, concession workers, fitness counter staff, park maintenance workers, custodians, sports officials, fitness instructors, and the swim team coach. Although the pool has not been operational during the winter in recent years, the part-time pay budget remained flat, as it was initially anticipated that the pool would reopen. Staff confirmed that the budgeted amount includes winter lifeguards, but actual expenditures will be reviewed to determine whether lifeguards were paid during closures.

An increase in the “Contracted Services” line was attributed to costs associated with the dome. Regarding salaries, the proposed budget includes a 5% Cost of Living Adjustment (COLA), consistent with the prior year’s planning.

Capital items totaling \$70,000 were also reviewed. This includes \$10,000 for replacing aging fitness equipment, specifically a treadmill and stepper. At Fletcher Ball Field, \$30,000 is budgeted for new scoreboards and the installation of metal support poles to replace deteriorating wooden ones. Additional capital needs include replacing the HVAC system in the men’s locker room, which was originally installed in 1998 and is now experiencing significant issues.

Tiger Gym was also discussed, with planned improvements to address facility wear and safety. Budgeted updates include fascia gutters to help mitigate moisture problems and replacement of the lobby’s stick-on tile flooring with a permanent textured coating to eliminate tripping hazards. While Tiger Gym is not used as frequently as other recreation facilities, it remains active seasonally and hosts youth basketball, volleyball, and indoor soccer. Staff noted that previously installed fans have significantly improved conditions, and further improvements aim to address ongoing moisture concerns.

COMMUNITY AFFAIRS The Community Affairs Capital Improvement Plan includes two projects for the Old Rock School this year. First, \$30,000 is budgeted to repair rotting wood on the second and third floors. This will include replacing the damaged wood, sealing, and painting to protect the building. The work will be done in phases over two years. Second, \$17,000 is budgeted to install a drop ceiling in the second floor west hallway to match the rest of the building and improve fire safety.

There was also discussion about the need to replace all the old windows in the building. This would improve energy efficiency, reduce maintenance, and extend the life of the building by decades. The current plan spreads this project over five years at \$100,000 per year, but staff and council agreed it would be better to find grants or fundraising support to complete it sooner.

Lastly, the budget includes funding for the 2026 Fourth of July celebration to be held on Saturday, as requested by residents in a recent survey.

At 12:00 noon, Council broke for lunch and returned at approximately 1:00 pm.

DWAYNE WILSON INSURANCE PRESENTATION Mr. Weichel explained that the Town currently offers only an HSA health insurance plan, but employees have requested additional options such as a PPO plan. During this year’s budget process, staff worked with the benefits consultant, Dwayne Wilson, to explore alternative plans. Mr. Weichel stated that offering more choices would support employee recruitment and retention, and the proposed changes are expected to save the Town money.

Mr. Wilson reported that the Town’s health insurance renewal with Aetna originally came in at a 7% increase but was negotiated down to a 1.3% increase. He presented a comparison between the current Aetna HSA plan and a new proposed PPO plan through Blue Cross Blue Shield, which offers lower out-of-pocket costs (\$6,000 vs. \$7,500) and co-pays for doctor visits, urgent care, and ER visits—beneficial for families with children. He recommended keeping the current HSA plan and adding the new PPO plan to give employees a choice based on their individual needs. Employees would not receive the \$1,000 HSA contribution if they opt for the PPO plan, creating some savings for the Town.

Open enrollment sessions will be offered to educate employees and assist them in selecting the best plan. Mr. Wilson emphasized their ongoing service and support to employees throughout the year.

Regarding dental coverage, the rate will increase from \$37 to \$41 per month, attributed to higher usage after benefit enhancements last year. If the Town switches medical coverage to Blue Cross, there is potential to reduce this increase through package negotiations. Vision coverage rates will remain flat, and the life, accidental death, and long-term disability coverage rates are locked through 2025.

Council gave Mr. Weichel the go ahead to move forward with open enrollment plans since June 1 is the renewal date.

FIRST TRYON FINANCIAL ADVISORS’ PRESENTATION Andy Smith and Chazzo Habliston (First Tryon Advisors) presented an overview of their firm’s services, specializing in municipal financial advisory, particularly for cities, counties, and towns. Their role is to provide independent advice related to capital planning, debt management, and funding strategies.

Mr. Smith's Key points included:

- First Tryon is not affiliated with a bank and does not sell financial products—they strictly offer advisory services.
- Their services are driven by long-term financial planning, not just individual project funding.
- They work with over 450 clients, including large and small municipalities across North and South Carolina.
- Emphasis was placed on comprehensive capital planning models, which analyze current financial conditions, forecast revenues and expenses, and help prioritize and structure funding for upcoming capital projects.
- They use detailed financial modeling to assist with determining debt capacity, affordability, and timing of projects, ensuring municipalities remain within state requirements and internal policy guidelines.
- The firm offers ongoing support before, during, and after debt issuance and capital project implementation.

Mr. Habliston demonstrated their custom-built capital planning tool, which consolidates past financial performance, budget projections, and anticipated capital needs to help towns make informed and sustainable financial decisions. He provided a detailed walkthrough of the Town's customized capital and financial modeling tool. The Excel-based model includes historical financial data, current budget information, existing debt schedules, and the Town's Capital Improvement Plan. It is designed to be flexible, allowing for real-time scenario adjustments such as toggling capital projects on/off or evaluating different funding sources. Key features include property tax impact analysis, fund balance tracking, compliance monitoring with internal policies, peer comparisons across North Carolina, and long-term revenue/expenditure forecasting. The model helps the Town evaluate debt capacity, assess impacts on fund balance, and make data-driven decisions for capital planning. Visual outputs and red-flag indicators are incorporated for easy policymaker interpretation.

The Town's total outstanding long-term debt as of the end of FY 2024 was just under \$10 million. Of that, about \$2.7 million is tied to governmental activities (like general fund projects), and \$7.2 million is related to utility services. Most utility debt consists of state revolving loans, while governmental debt includes several installment financing loans. Because the Town has a relatively low debt burden, it has the capacity to take on additional debt under state rules. However, since current debt payments are fairly flat through 2040 with little "rolloff," any new projects will likely require additional revenues (e.g., higher taxes or rates) to fund new debt.

Types of Debt Available:

1. **General Obligation Bonds (GO Bonds)** – Require voter approval and are backed by the Town's taxing authority. These have the lowest interest rates but must go on the ballot.
2. **Limited Obligation Bonds / Installment Financing** – Backed by the asset being financed (like a building or vehicle). No referendum is needed, but a public hearing is required.
3. **Revenue Bonds** – Used for utility projects and paid back through utility revenues. No voter approval needed.
4. **Special Obligation Bonds** – Rarely used; repaid from non-local revenue streams like sales tax.

Financing Sources:

- **Banks** – Most common method, simple and competitive.
- **Public Sale** – Less likely for the Town due to complexity and cost.
- **State Revolving Fund (SRF)** – Great for utility projects, low cost, but competitive and process-heavy.
- **USDA Loans** – Low interest and long terms (30–40 years), but strict requirements and lengthy process.

Discussion Point:

- While the Town's financial advisors do not assist with grant applications, they can suggest possible programs. Council noted the challenges of timing grants with capital planning—specifically, needing cost estimates before applying, but not having funding committed. Council also referenced a past situation where a \$500,000 grant was lost due to an expected partnership falling through.

DISCUSSION AND RECAP

Council discussed a \$25,000 budget item for financial advisory services. This amount is already included in the proposed budget and would fund a custom financial model to help plan for future capital projects. The advisors will compile and analyze the Town's financial data and build an interactive Excel-based tool. Once the model is complete, they can assist the Town on an as-needed basis with financing options, including securing competitive interest rates. The cost is a one-time expense, with future services used only if needed.

The financial model will help Council evaluate upcoming projects, including those for public safety, and understand how they fit into the Town's overall capital improvement plan (CIP). Council also noted the long-term value of having a consistent planning tool that future boards can use to track project priorities and funding strategies.

Budget Adjustments:

- Recycling carts will be purchased for \$30,000, reducing the original \$230,000 figure and returning \$30,000 to fund balance.
- Health insurance costs will be updated to reflect Blue Cross rates, adding more savings.
- These changes will increase the projected fund balance by approximately \$40,000 to \$50,000.
- Overall, the budget remains balanced, and all department needs are being met.

At 2:31 p.m., Mayor Watts closed the meeting and continued it to Day 2. Councilwoman Ward made a motion to recess the meeting to April 16, 2025 at 9:00am, seconded Councilwoman Lowman. The vote was unanimous.

DAY 2 CONTINUED – APRIL 16, 2025

CALL TO ORDER At 9:00 a.m., Mayor Watts continued the meeting.

UTILITY FUND OVERVIEW Interim Town Manager Bo Weichel explained that the Water & Sewer Fund operates as a business-type activity, providing both service and product to customers, and is reported as such in the audit. As of June 30, the unrestricted fund balance was just under \$5 million (79%). Recent fund balance impacts include \$162,380 in expenses for water plant projects and regulatory requirements, but these were offset by roughly \$300,000 in unanticipated revenue and unspent funds, resulting in a projected increase in fund balance.

The utility fund carries more debt than the general fund. Debt service for FY25 is projected at \$490,635. Some loans, particularly SRF (State Revolving Fund) loans, carry 0% interest, offering significant savings. However, Mr. Weichel and council members discussed concerns about past decisions, particularly related to debt incurred for the Settings development, which has yielded limited tax base returns. Despite challenges, the Town has made use of favorable financing when available.

UTILITY FUND DEPARTMENT OPERATING & CAPITAL Mr. Weichel presented a balanced utility fund budget totaling \$9.67 million, covering both operating and capital expenses. Operating costs increased by approximately \$245,000, primarily due to new debt service from the Lead Service Line Inventory and Cline Pump Station projects. Capital expenses rose significantly due to two major infrastructure projects: the Rodoret Street sewer line replacement (\$1.36 million) and the Water Plant electrical substation upgrade (\$1.4 million), totaling \$2.77 million.

To help fund these projects, the budget proposes borrowing \$1.9 million. Without these projects, projected revenues would have exceeded expenditures by \$829,000. That surplus will be used as cash toward the projects, with the remaining \$1.9 million proposed as a loan. Mr. Weichel outlined borrowing options, including 7- or 15-year loans, or funding the full amount from the fund balance, which would reduce the utility fund balance from roughly \$5 million (79%) to about \$3.1 million (47–50%). He emphasized that while this is still a healthy level, dipping lower could become a concern.

Mr. Weichel stated that his recommendation would follow the 10-year Capital Improvement Plan (CIP) presentation to help evaluate the long-term impact before deciding on financing methods. He also noted First Tryon could assist with commercial lending options if needed.

WATER TREATMENT PLANT Mr. Weichel provided an overview of the Water Plant budget, noting a \$14,000 increase in chemical costs due to rising overseas tariffs. He clarified that salaries in the Water Plant budget are limited strictly to plant personnel and do not include Public Works employees, who handle tasks such as water line repairs. He then reviewed the Water Plant's portion of the Capital Improvement Plan (CIP), which totals \$1.681 million for FY25. Projects include the phased replacement of air actuated filter valves, tank maintenance, roof replacement, booster pump station equipment rehabilitation, and the continuation of a three-year valve operator replacement program. The largest item is the replacement of the electrical substation, which is over 70 years old and no longer has manufactured replacement parts available. Water Plant Superintendent Eric Wilson emphasized the urgency of the substation replacement, noting its age and critical role in plant operations. Failure of the unit would require the plant to rely on generator power, which would significantly increase fuel costs. The estimated lead time for this project is approximately two years from approval, and if financed through a loan, the first payment would likely be due in about three years. The project will require approval from the Local Government Commission (LGC).

WASTEWATER TREATMENT PLANT Mr. Weichel reviewed the Wastewater Plant budget and explained that the significant drop in capital expenses compared to the previous year is due to the \$900,000 aerator project, which is already funded and currently underway. Since those funds were previously appropriated, they do not appear in this

April 15 & 16, 2025, MB#33

year's budget. He emphasized that while the focus last year was on major improvements at the Wastewater Plant, this year's capital efforts are primarily concentrated on the Water Plant.

On the operating side, he noted slight increases in supply and material costs due to ongoing tariffs, particularly for products used in treatment and compost operations. The FY25 capital budget for the Wastewater Plant totals \$154,200 and includes several smaller maintenance projects: \$70,000 for centrifuge overhauls, \$3,000 for secondary clarifier rehab and painting, \$43,300 for primary clarifier rust removal and paint, \$11,900 for seal bearing replacement in centrifuge pumps, \$15,200 for spare pumps at Morgan Trace and High Meadows, and \$10,800 for concrete repairs at the compost pad. Mr. Weichel noted the concrete work is necessary to prevent equipment damage caused by broken slab edges.

PUBLIC WORKS WATER/SEWER CONSTRUCTION Mr. Weichel presented the Water and Sewer Construction budget, noting this department handles infrastructure issues such as water leaks and sewer line failures. He highlighted an increase in the debt service line from \$326,815 to \$419,311 due to two new loans for the Client Avenue project and the Lead Service Line Replacement Project, the latter being a 0% interest SRF loan.

He also addressed a \$25,000 increase under meter expenses, raising the line from \$30,000 to \$55,000. This is due to the expiration of the 5-year warranty on meters installed during the 2020 AMI meter replacement project. The Town has approximately 5,500 meters, and while most are performing well, an estimated 25–30 units must be replaced annually at a cost of around \$600 each.

The department's capital budget includes three major infrastructure projects totaling \$2,054,000:

- **Curville Street Water Line Replacement (\$470,000, cash-funded):** Replaces an aging 2-inch galvanized line with poor flow, addressing chronic maintenance issues and improving water service to residents.
- **Jefferson Avenue Sewer Line Replacement (\$219,000):** Replaces a problematic 4-inch sewer line with an 8-inch line to prevent clogs and backups. The upgrade includes installing dedicated taps and cleanouts for better maintenance access.
- **Rodoret Street North and South Sewer Line Replacement (\$1,365,000):** Replaces severely undersized and deteriorated 4-inch lines, originally installed in the 1950s without access points or updated records. The proposed 8-inch lines will serve approximately 20 homes, prevent recurring backups, and provide proper individual taps.

Public Works Director Allen Hudson provided detailed context for the Rodoret project, explaining that frequent maintenance is required to prevent backups due to the deteriorated and improperly sized lines, some of which run under private structures. The improvements are designed to modernize the system and improve long-term service reliability for affected residents.

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.

The CIP is paired with a financial analysis to ensure long-term sustainability. This includes reviewing revenue trends, expenses, and key performance indicators (KPIs) like operating ratios, debt service coverage, and the capital asset condition ratio—a metric now flagged by the state's Local Government Commission (LGC). Valdese's current ratio is slightly below the LGC's benchmark, highlighting the need to reinvest in infrastructure. Mr. Mozeley noted that fund balance targets vary by utility size, and financial planning must account for inflation, modest customer growth, and maintaining a healthy balance to fund future needs.

Mr. Mozeley emphasized the importance of ensuring rate plans remain relevant to the market, noting that it's not enough to calculate needs and costs without considering customer impact—both in-town and out-of-town. He presented a regional rate comparison from the NC League of Municipalities, showing Valdese's combined residential water/sewer rate at \$49.30, which is lower than most neighboring systems and well below the statewide median of \$68.78. He explained that Morganton's lower rates are partly due to its larger system size and the support of an electric enterprise fund. He also noted that Valdese has a unique challenge in that only in-town customers pay for sewer service—many out-of-town customers only pay for water, limiting revenue potential and complicating rate equity, especially in comparison to areas served by Morganton.

April 15 & 16, 2025, MB#33

Mr. Mozeley presented an updated financial model and Capital Improvements Plan (CIP) for the Town's utility system. The model projects revenues, expenses, and rate impacts through FY2035. It shows modest annual surpluses that will help build fund balance for future reinvestment in the water and sewer system.

Staff reviewed the current utility rate plan, noting that last year Council adopted the first step of moving Triple Community (outside) water customers from the in-town rate toward an industry-standard 2x outside rate. This year's budget includes the second step of that transition, moving from 1.5x to 2x. The proposed increase accounts for a significant portion of the projected 24.4% revenue adjustment in FY2026. Council members expressed concern about the steep increase, particularly its impact on outside customers, suggesting alternatives such as phasing in the outside rate increase more gradually or maintaining the 1.5x rate. Staff confirmed this is possible and would affect revenue projections and potentially delay some capital improvements.

Discussion included the \$1.9 million Rodoret Street sewer project. Council suggested splitting the project into phases over multiple years to reduce financial impact, noting potential community feedback based on which areas receive upgrades first. Staff advised this could be done, though bundling the project may offer economies of scale.

Council also discussed the potential to adjust sewer rates upward more aggressively. Staff noted the Town's sewer rates are currently among the lowest in the region and do not fully cover costs, while water rates are higher comparatively. A more balanced rate structure could improve long-term sustainability. Council members stressed the importance of being cautious about burdening outside customers with steep rate increases and requested staff evaluate alternatives. Council also acknowledged the value of McGill Associates' engineering and planning services and expressed interest in exploring additional financial planning support from Tyron Financial Services.

DISCUSSION AND RECAP

Councilman Harvey discussed the need to prioritize the replacement of windows at the Old Rock School, a historic building with sentimental value to the community. Over \$1.28 million is allocated for window replacements in the Capital Improvement Plan over the next nine years, but it was suggested that a one-time, grant-funded project—similar to the 2024 renovations—could be more efficient and cost-effective. Staff was commended for their previous success in securing grant funding and encouraged to explore similar opportunities for this project.

Council also discussed the justification for third-floor classroom renovations at the Old Rock School, intended to generate rental revenue and support economic development. There was concern that projected revenues from classroom rentals may not be adequately reflected in the budget, and the current rental rates and potential increases were reviewed. The topic shifted to tourism spending, noting that approximately \$85,000 in occupancy tax revenue is spent annually on advertising to attract visitors. Councilman Harvey questioned why town tourism offices and attractions are closed on Saturdays—the peak tourism day—despite efforts to bring visitors in. It was suggested that adjusting staff schedules to include Saturdays might improve visitor experience and reduce event-related overtime costs. A differing viewpoint was expressed, noting this is a managerial decision, not a council policy issue.

ADJOURNMENT At 12:09 p.m., Councilwoman Lowman made a motion to adjourn, seconded by Councilwoman Zimmerman. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, May 5, 2025, 6:00 p.m., Valdese Town Hall.

 Town Clerk

 Mayor

jl

**TOWN OF VALDESE
TOWN COUNCIL SPECIAL CALLED MEETING
APRIL 25, 2025**

The Town of Valdese Town Council met on Friday, April 25, 2025, at 8:30 a.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 Gary Ogle, Councilwoman Rexanna Lowman, Councilwoman Heather Ward, Councilwoman Melinda Zimmerman, and Councilman Glenn Harvey. Also present were: Interim Town Manager Bo Weichel, Town Attorney Tim Swanson, and Town Clerk Jessica Lail.

Absent:

A quorum was present.

CLOSED SESSION: At 8:30 a.m., Councilman Ogle made a motion to go 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, seconded by Councilwoman Lowman. The vote was unanimous.

At 9:17 a.m., Councilwoman Lowman made a motion to return to open session, seconded by Councilwoman Zimmerman. The vote was unanimous.

CONSIDERATION OF APPOINTMENT OF TOWN MANAGER: Councilman Harvey made a motion to approve the contract to hire Mr. Herms as the Town Manager, seconded by Councilwoman Zimmerman.

ADJOURNMENT: At 9:19 a.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

April 28, 2025, MB#33

**TOWN OF VALDESE
TOWN COUNCIL PRE - AGENDA MEETING
APRIL 28, 2025**

The Town of Valdese Town Council met on Monday, April 28, 2025, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The Council meeting was live-streamed on YouTube @Townofvaldese. The following were present: Mayor Charles Watts, Mayor Pro Tem Gary Ogle, Councilwoman Rexanna Lowman, Councilwoman Melinda Zimmerman, and Councilman Glenn Harvey. Also present were: Interim Town Manager Bo Weichel, Town Attorney Tim Swanson, Town Clerk Jessica Lail, and various Department Heads.

Absent: Councilwoman Heather Ward

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.

CONSIDERATION OF REVISION TO INTERIM TOWN MANAGER CONTRACT: Councilman Harvey made a motion to defer this item until after the Closed Session at the end of the meeting, seconded by Councilwoman Zimmerman. The vote was unanimous and motion carried.

REVIEW AND DISCUSSION OF MAY 5, 2025, PRELIMINARY AGENDA:

CONSENT AGENDA: Mayor Watts noted the items on the Consent Agenda.

APPROVAL OF PRE-AGENDA MEETING MINUTES OF MARCH 31, 2025

APPROVAL OF CLOSED SESSION MINUTES OF MARCH 31, 2025

APPROVAL OF REGULAR MEETING MINUTES OF APRIL 7, 2025

APPROVAL OF CLOSED SESSION MINUTES OF APRIL 7, 2025

APPROVAL OF RECESSED MEETING MINUTES OF APRIL 21, 2025

APPROVAL OF CLOSED SESSION MINUTES OF APRIL 21, 2025

NEW BUSINESS:

APPROVAL OF AWARD OF BID – AERATORS AT WWTP Mr. Weichel reminded Council that funding for replacing three aerators at the Wastewater Treatment Plant was included in the current budget as a CIP item. Although they intended to present bid results at this meeting, only one bidder responded to the initial advertisement, requiring a re-bid. The project will be re-advertised, with bid results expected by the next Council meeting. No budget amendment is needed, as funding is already allocated.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON MAY 5, 2025, AT 6:00 P.M.

VALDESE BLUFF'S SEWER LINE BID RESULTS AND DISCUSSION Mr. Weichel provided an update on the Valdese Bluff's subdivision sewer line project, which has been in development for several years. The Town was awarded \$801,983 in ARPA funds for the project during COVID, but recent bids came in at approximately \$1.57 million—nearly double the original estimate—leaving a funding gap of about \$770,000. Burke County, while initially considered a potential partner, has expressed limited interest due to minimal return on investment. Discussions with the developer have not yielded significant financial commitments beyond a security offer of 20 homes over four years, which Council considered insufficient. Concerns were raised about investing heavily in infrastructure without stronger guarantees of development, especially given the Town's prior experience with the Settings subdivision. No action is needed right now, but Council agreed to continue discussions at the next meeting.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON MAY 5, 2025, AT 6:00 P.M.

April 28, 2025, MB#33

APPROVAL OF RESOLUTION SALE OF TOWN-OWNED PROPERTY – 341 RODORET ST N Mr. Weichel reported that the property at 341 Rodoret Street North went through the upset bid process following last month's approval, with no additional bids received. The original bid was \$7,500, and the resolution to finalize the sale will be presented for approval at the next Council meeting.

RESULT: PLACED ON THE CONSENT AGENDA AT THE NEXT MEETING ON MAY 5, 2025, AT 6:00 P.M.

APPROVAL OF AMENDMENT TO THE VALDESE TOWN COUNCIL RULES OF PROCEDURES Council discussed proposed amendments to its Rules and Procedures, including a reduction in public comment time from five to three minutes. Concerns were raised about limiting public input and the timing of public comments during meetings. Suggestions included keeping the five-minute limit, moving public comment to the end of the meeting, or holding it during the pre-agenda meeting to allow more time for Council consideration. Due to these concerns and a desire to allow the incoming Town Manager time to review the proposed changes, Council agreed to pull the item from the agenda and revisit it at a later date.

RESULT: ITEM WAS REMOVED FROM THE AGENDA AND WILL BE REVISITED AT A LATER DATE

APPROVAL OF SANITATION VENDOR FOR FY 25-26 Mr. Weichel reviewed a proposal to switch sanitation vendors from Republic Services to Simply Green Recycling, citing ongoing service concerns. The change would not increase customer sanitation fees and could save the Town approximately \$26,000–\$28,000 annually. New sanitation carts would be required for the transition, with an estimated 8–12 week delivery time. Council was asked for direction to proceed with ordering carts to ensure a July start date, though the final contract with Simply Green is still under legal review. Sample cart colors were also presented for consideration. No formal vote was taken, but discussion indicated general support.

RESULT: MOVED TO THE BUDGET REVIEW #2 MEETING ON MAY 12, 2025, AT 6:00 P.M.

FY 24-25 YEAR-TO-DATE FINANCIALS Mr. Weichel presented the Town's financial update through March, representing 75% of the fiscal year. General Fund expenditures are at 72% and revenues at 86%, with strong performance in ad valorem tax collection and interest income (up 239% over budget). Utility Fund expenditures are at 67% and revenues at 71%, with minor savings from staffing vacancies and increased revenue from utility bill penalties (\$27,000). He also reviewed savings from the vacant manager position (approx. \$84,000) and discussed idle investment account balances and project fund trial balances. Council was reminded that some restricted funds are not in separate project accounts but are reflected in the audit.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON MAY 5, 2025, AT 6:00 P.M.

CONSIDERATION OF FY 25-26 BUDGET WORKSHOP FOLLOW-UP RESOLUTION Councilman Harvey requested a resolution be added to the agenda for discussion regarding the final budget outcome. He noted the budget appeared to be in good shape after the workshop, but acknowledged the need to account for the new manager's compensation in both the current and upcoming fiscal year. He asked to keep the item on the May 5 agenda for further discussion, with more in-depth review and input expected at the May 12 final budget workshop.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON MAY 5, 2025, AT 6:00 P.M.

CONSIDERATION OF POLICY GUIDELINES FOR CITIZEN AND PUBLIC ACCESS TO COMMUNITY CENTER FACILITIES Councilman Harvey raised concerns about inconsistent public access to the Town's two community centers—the cultural center (Old Rock School) and the Jimmy C. Draughn Community Center. He recommended both facilities be open on the same days as a matter of policy, with staffing handled by the manager. He also advocated for the tourism office and art gallery at the Old Rock School to be open on Saturdays and during special events, noting that large crowds pass by when those spaces are currently closed. He emphasized aligning operations with the Town's investments in signage and tourism promotion.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON MAY 5, 2025, AT 6:00 P.M.

STATUS OF ONGOING OR APPROVED PROJECTS

April 28, 2025, MB#33

- i. **Public Safety Facilities Update** Mr. Weichel reported that interviews with three firms regarding the public safety buildings project are scheduled for May 22 from 9:00 a.m. to 1:00 p.m. No further updates were provided at this time.
- ii. **Water Plant Upgrade Project/Lenoir Interconnect Project** Mr. Weichel reported no updates since the last meeting.
- iii. **Recreation Center ADA and Pool Cover** Mr. Weichel reported that the ADA improvements at the recreation center are set to begin later this week, starting with demolition work and removal of the awning and fencing. Concrete work will follow as the contractor becomes available.

Regarding the pool dome structure, contracts and down payment are complete, drawings are in progress, and key long-lead materials (fabric, fans, etc.) have been pre-ordered. Yeadon has assigned a project manager, and biweekly project meetings will begin with all relevant parties.

Mr. Weichel also reported that the Town received verbal confirmation of a \$500,000 grant for the dome structure, pending a formal amendment to the project scope. Once finalized, this will reduce the amount needed from fund balance. There's also a \$100,000 matching private donation that may be used but is still under consideration. He noted that council input is needed on whether to launch a capital campaign for the dome project and whether to engage a firm to lead it, especially given its countywide usage.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON MAY 5, 2025, AT 6:00 P.M.

Mayor Watts announced the hiring of Mr. Todd Herms as the new Town Manager. Mr. Herms, who has served as the long-time manager for the Town of Maiden, will be at the May 5, 2025 Council meeting.

INTERIM MANAGER'S REPORT Interim Town Manager Bo Weichel will report at the May 5, 2025 meeting.

CLOSED SESSION: At 6:42 p.m., Councilman Ogle made a motion to go 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, seconded by Councilwoman Zimmerman. The vote was unanimous.

At 6:48 p.m., Councilwoman Lowman made a motion to go out of Closed Session, seconded by Councilwoman Zimmerman. The vote was unanimous.

CONSIDERATION OF REVISION TO INTERIM TOWN MANAGER CONTRACT: Councilwoman Zimmerman made a motion to approve the second amendment to the Interim Town Managers employment agreement, seconded by Councilwoman Lowman. The vote was unanimous and motion carried.

ADJOURNMENT: At 6:50 p.m., there being no further business to come before Council, Councilwoman Zimmerman made a motion to adjourn, seconded by Councilwoman Lowman. The vote was unanimous.

Town Clerk

Mayor

jl

MAY 5, 2025, MB#33

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
MAY 5, 2025**

The Town of Valdese Town Council met on Monday, May 5, 2025, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The Council meeting was live-streamed on YouTube @Townofvaldese. The following were present: Mayor Pro Tem Gary Ogle, Councilwoman Rexanna Lowman, Councilwoman Heather Ward, Councilwoman Melinda Zimmerman, and Councilman Glenn Harvey. Also present were: Town Manager Todd Herms, Assistant Town Manager/CFO Bo Weichel, Town Attorney Tim Swanson, Town Clerk Jessica Lail, and various Department Heads.

Absent: Mayor Charles Watts

A quorum was present.

Rev. Dr. Josh Lail from the First Baptist Church, Valdese, offered the invocation. Following the invocation, Mayor Pro Tem Gary Ogle led in the Pledge of Allegiance to the Flag.

OPEN FORUM/PUBLIC COMMENT: Councilwoman Ward read the following open forum/public comment guidelines: The Council shall provide at least one period for public comment per month during a regular meeting, unless no regular meeting is held that month. Any individual or group who wishes to address the Council shall inform the Town clerk, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Person(s) must be present if they wish to address the Council. Comments should be limited to five minutes per speaker.

Open Forum is not intended to require Council or staff to answer impromptu questions. Speakers will address all comments to the entire Council as a whole and not one individual member. Discussions between speakers and the audience will not be permitted. Speakers will maintain decorum at all times. Speakers are expected to be courteous and respectful at all times regardless of who occupies the Council chairs. These guidelines will help ensure that a safe and productive meeting is held and all those wishing to address the Council will be afforded the opportunity.

COUNCIL COMMENTS – WT SORRELL, 102 OAKLAND COURT NE, VALDESE: Mr. Sorrell expressed his appreciation to the Council for their wise decision in selecting Todd as the new Town Manager. He praised Todd as an intelligent and capable individual with a strong record in management and employee benefits coordination. Mr. Sorrell welcomed Todd to Valdese and noted that many citizens are eager to support him and the Town in any way they can.

BEACH BINGO INVITE – SANDRA WALKER – 124 MAIN ST W., VALDESE: Ms. Walker, representing the Merchants Advisory Committee, updated the Council on a new community event organized to replace the absence of live music on Friday nights in May. The committee will host "Beach Bingo" at Temple Field, featuring bingo games, local business participation, food vendors, and music. The event aims to increase business visibility and community engagement. Thirty businesses are involved, offering bingo cards and prizes. Ms. Walker expressed gratitude to the committee, town staff, and supporting businesses, and invited Council members to attend.

MAY 5, 2025, MB#33

BEACH BINGO

TEMPLE FIELD BEHIND OLD ROCKSCHOOL

FRIDAYS - MAY 16, 23, 30

PRIZES 6:30 – 8:30 PM

FOOD***MUSIC**

LOCAL MERCHANT SALES

FREE BINGO CARDS AT THESE LOCATIONS

WSVM	Salon Di Beleeza	Steele Creek Arms
Dolls & Designs by Sandi	MY Peas Consignment	Foothills Thrift Store
Prep N Ready	Hospice Thrift Store	My Nails
Grace Jewelry	Los Compadres	J & R Creations
Brinkley Ins.	Twin Brother's Pizza	All That Glitterz
Bark Side	Highland's Butchery	Rock Drug Store
Bargain House	100 Main	Rusty's Antiques
Your Floral Bouquet	Mountain Burrito	
Play It Again	MacDonald's	
Old Rock School Tourism	Myras Smash Burgers and Creamery	Reynolds Family Wellness Center

SPONSORED BY VALDESE MERCHANTS ADVISORY COMMITTEE

ADDED ITEM: RESOLUTION OF APPRECIATION Councilman Harvey made a motion to add Resolution of Appreciation to the agenda, seconded by Councilwoman Lowman. The vote was unanimous, and motion carried.

CONSENT AGENDA: (enacted by one motion)

APPROVED PRE-AGENDA MEETING MINUTES OF MARCH 31, 2025

APPROVED CLOSED SESSION MINUTES OF MARCH 31, 2025

APPROVED REGULAR MEETING MINUTES OF APRIL 7, 2025

APPROVED CLOSED SESSION MINUTES OF APRIL 7, 2025

APPROVED RECESSED MEETING MINUTES OF APRIL 21, 2025

APPROVED CLOSED SESSION MINUTES OF APRIL 21, 2025

APPROVED RESOLUTION SALE OF TOWN-OWNED PROPERTY – 341 RODORET ST N Mr. Weichel reported that the property at 341 Rodoret Street North went through the upset bid process following last month's approval, with no additional bids received. The original bid was \$7,500, and the resolution to finalize the sale.

**RESOLUTION AUTHORIZING SALE OF REAL
PROPERTY**

341 RODORET STREET N, VALDESE, NC

WHEREAS, the Town of Valdese (the "Town") is the owner of that certain tract or parcel of real property (the "Property") situated in Lovelady Township, Valdese, North Carolina commonly known as 341 Rodoret Street N, Valdese, North Carolina, PIN: 2733968485, REID: 12132;

WHEREAS, pursuant to N.C. Gen. Stat. §160A-269 a city or town may receive, solicit, or negotiate an offer to purchase property and advertise it for upset bid. When the offer is made and council proposes to accept it, the council shall require the offeror to deposit five percent (5%) of his bid with the city clerk, and shall publish a notice of the offer. The notice shall contain a general description of the property, the amount and terms of the offer, and a notice that within ten (10) days any person may raise the bid by not less than ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder. When a bid is raised, the bidder shall deposit with the city clerk five percent (5%) of the increased bid, and the clerk shall re-advertise the offer at the increased bid. This procedure shall be repeated until no further qualifying upset bids are received, at which time the council may accept the offer and sell the property to the highest bidder. The council may at any time reject any and all offers;

WHEREAS, on March 5, 2025, Aaron Berry offered to purchase the Property from the Town for seven thousand five hundred and 00/100 Dollars (\$7,500.00) and deposited three hundred seventy-five and 00/100 Dollars (\$375.00), or five percent (5%) of his bid, with the Town Clerk;

WHEREAS, no upset bids were received within the ten (10) day upset bid period and the offer of Aaron Berry for \$7,500.00 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 and sell the Property to Aaron Berry upon the terms and conditions hereafter set forth.

NOW, THEREFORE, BE IT RESOLVED THAT pursuant to N.C.G.S. § 160A-269, the sale of the Property to Aaron Berry for the purchase price of \$7,500.00 is approved and the Town Manager is hereby authorized and directed to deliver to Aaron Berry a special warranty deed for the Property upon receipt of the purchase price, subject to the following terms and conditions: 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; that Aaron Berry pay all legal fees associated with preparation of the closing documents and all closing costs necessary to transfer ownership of the Property from the Town to Aaron Berry.

MAY 5, 2025, MB#33

THIS RESOLUTION IS ADOPTED this _____ day of _____, 2025.

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

[SEAL]

ATTEST:

By: _____
Charles Watts, Mayor_____
Jessica Lail, Town Clerk

Councilwoman Ward made a motion to approve the aforementioned items on the Consent Agenda, seconded by Councilwoman Lowman. The vote was unanimous and motion carried.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

APPROVED AWARD OF BID – AERATORS AT WWTP Mr. Weichel provided an update on the Wastewater Treatment Plant aerator project included in the current CIP budget. The Town had budgeted \$900,000 to replace three aerators and their associated electrical systems. An initial formal bid process resulted in only one bid, requiring a rebid. The second bid process yielded two bids, both over budget. However, under state law, the Town was able to negotiate with the lowest bidder, who agreed to reduce their price to \$898,000 without changing the project scope. Mr. Weichel recommended awarding the contract to SPX Flow. The project will take approximately a year to complete and will carry over into the next fiscal year, with funding already allocated in the current budget.

Councilwoman Zimmerman made a motion to approve the award the bid to SPX Flow in the amount of \$898,000 with the contract award contingent to the Town Attorney's review, seconded by Councilwoman Lowman. The vote was unanimous and motion carried.

APPROVED VOTE TO EXPLORE ALL POSSIBILITIES TO TAKE ADVANTAGE OF ARPA GRANT: VALDESE BLUFF'S SEWER LINE BID RESULTS AND DISCUSSION Mr. Weichel provided an update on the sewer line extension project near Draughn High School, originally funded with an \$800,000 ARPA grant. Since receiving the funds, construction costs have increased, and the total project cost is now estimated at \$1.57 million, leaving a shortfall of approximately \$770,000. A potential cost-sharing arrangement with the county is unlikely due to insufficient security from the developer, who has only committed to developing 20 lots over four years. Given the limited return on investment, Mr. Weichel suggested exploring options to use the \$800,000 ARPA funds before the December 2026 deadline by negotiating with the low bidder, Iron Mountain Construction, to complete as much of the project as possible within budget. The bid expires on June 5, 2025, so staff is seeking Council direction on how to proceed.

Councilman Harvey made a motion for the Town Manager to explore all possibilities to take full advantage of the ARPA grant within the current bid and bring a proposal to the council in June to consider doing as much of the sewer line as possible, without committing Town funds at this stage, seconded by Councilwoman Lowman.

Discussion: Mr. Harvey emphasized the background of the proposed sewer line project, noting it originated from a meeting arranged by the Planning Director with the County Manager and County Commission Chairman, during which the developer proposed a plan with anticipated county financial support. However, the county is now no longer offering to contribute, and the developer is not providing any financial support or guarantees. The developer's only offer is to deed 20 undeveloped, landlocked lots (approximately five acres) to the Town if no development occurs. Mr. Harvey stressed the importance of using the ARPA funds to construct as much of the sewer line as possible to preserve the funding and position the area for future development. He also encouraged renewed discussions with county officials to revisit their potential involvement, noting the county's reluctance is due to insufficient security from the developer.

The vote was unanimous and motion carried.

MAY 5, 2025, MB#33

FY 24-25 YEAR-TO-DATE FINANCIALS Mr. Weichel presented year-to-date financial results for FY 2024–2025 through March, noting this marks 75% of the budget year. General Fund ad valorem tax collections are nearly complete, with April collections closing the remaining gap. Sales tax revenues are slightly below target but expected to improve. Interest income on idle funds is significantly over budget (239%) due to higher interest rates and unused funds.

In the Utility Fund, vacancies led to lower personnel expenses. Mr. Weichel added fund account summaries to the report, including project accounts, reserve accounts, and restricted funds, providing a more detailed picture of the Town's finances. He clarified the purpose of the fund balance appropriated line item, which is used for budget balancing and adjustments during the year.

Mr. Weichel noted FEMA reimbursements, that all general fund storm-related expenses have been reimbursed, and about half of utility-related expenses have been recovered, with more expected. He also provided an update on the \$500,000 NC88 grant for the pool cover, stating the state has verbally approved a scope change to an inflatable dome. Final paperwork is pending, and once complete, a budget amendment will be made to restore approximately \$500,000 to fund balance that was initially earmarked for the project.

APPROVED POSITIVE CONTRIBUTION TO GENERAL FUND RESERVES: FY 25-26 BUDGET WORKSHOP FOLLOW-UP RESOLUTION Councilman Harvey clarified the meaning of a “balanced budget” in municipal finance, noting that while the state requires all Towns to adopt balanced budgets, this can include using reserve funds to close gaps—something not widely understood by the public. He emphasized that the draft FY 2025–2026 budget presented by the interim manager and finance director not only balances but makes a positive contribution to reserves. To reinforce this fiscal direction, he made a motion resolving that the final budget to be adopted on June 2 will include a positive contribution to the general fund reserves.

Councilman Harvey made a motion to resolve that the draft of the FY25- 26 Fiscal Year Budget that will be finalized on May 12 and adopted on June 2 will include a positive contribution to the General Fund reserves, seconded by Councilwoman Ward.

Discussion: Councilman Harvey recapped the motion. Mr. Weichel confirmed that the current FY 2024–2025 budget also began with a positive reserve contribution of \$23,757.

The vote was unanimous, and the motion carried.

TABLED CONSIDERATION OF POLICY GUIDELINES FOR CITIZEN AND PUBLIC ACCESS TO COMMUNITY CENTER FACILITIES

Councilman Harvey made a motion effective no later than June 1, 2025, the Old Rock School cultural center and the town's Recreation Center be open to citizens and visitors on the same days, and that a tourism office be open during all special events promoted for attendance, seconded by Councilwoman Ward.

Discussion: Councilman Harvey made the motion, responding to citizen and visitor concerns, to ensure that by June 1, 2025, the Old Rock School Cultural Center and the Town's Recreation Center are open to the public on the same days, and that the tourism office is open during all special events. He emphasized the Town's significant financial investment in Community Affairs, tourism promotion, and the Old Rock School renovations, noting it's a misuse of taxpayer funds to keep these facilities closed, especially on Saturdays when visitors are in town.

Councilwoman Lowman expressed that decisions regarding the hours of operation for town facilities should be handled by the new town manager. She emphasized it is the manager's responsibility—not the council's—to determine such operational matters. She recommended the manager consult with relevant stakeholders, including the Trail of Faith, Waldensian Museum, Rock School Arts Foundation, and Community Affairs Department before making any determinations.

Councilman Harvey stressed the Council's responsibility to ensure public access, while agreeing it would be the town manager's role to determine staffing and logistics.

MAY 5, 2025, MB#33

Councilwoman Zimmerman stated that the Old Rock School is open on various Saturdays throughout the year for different events, providing opportunities for visitors to access the gallery. She emphasized that modern tourists often research hours online in advance and suggested the tourism office's current setup reflects that trend. She agreed with allowing the new town manager time to assess the situation and consult with stakeholders, and expressed opposition to setting a June 1st implementation deadline.

Councilwoman Ward expressed that while she sees the value in having the tourism office open on Saturdays, she believes the decision should be tabled until June to allow time for further discussion with the town manager. She shared insights from visiting other towns, noting that Saturday hours are often limited (e.g., 9–12 or 10–3) and are typically staffed by part-time employees or volunteers—not full-time staff. She emphasized that volunteers should not feel obligated to work weekends and advocated for a thoughtful approach to planning and staffing before implementing any changes.

Councilwoman Ward made a motion to table until the next regular meeting in June, seconded by Councilman Ogle.

Discussion: Councilman Harvey expressed frustration over delaying the decision, stating the issue has persisted in Valdese for 18 years. He emphasized that the motion simply sets an opening date of June 1 for the Old Rock School and the tourism office on Saturdays, without specifying hours or staffing. Harvey said the council had prior notice of the motion but only raised concerns during the public meeting. He urged the Council not to delay or shift responsibility to the Town Manager, stating he is willing to take accountability and that a decision should be made that night.

Councilwoman Ward would like to have it open on Saturdays but feels we need to give the new manager time to look at how to staff it.

Vote: Councilwoman Zimmerman – Yes, Councilwoman Ward – Yes, Councilman Ogle – Yes, Councilman Harvey – No, Councilwoman Lowman – Yes, the motion carried.

STATUS OF ONGOING OR APPROVED PROJECTS

- i. **Public Safety Facilities Update** Mr. Weichel reminded the Council that the review panel previously selected three contractors for interviews. A second round of interviews with Council is scheduled for May 22, 2025, starting at 9:00 a.m. The firms to be interviewed are Wharton-Smith, Moss Marlow, and D.R. Reynolds Company.
- ii. **Water Plant Upgrade Project/Lenoir Interconnect Project** Mr. Weichel reported that the exploratory investigation for the water filter project is underway, as approved by Council at the previous meeting. The design phase has also started, with McGill handling the design work for both Valdese and its project partner, the City of Lenoir. Coordination between the two municipalities is ongoing, especially regarding the placement of a water line under the river and the location of a new pump station. The project is progressing, and the goal is to go out for bid in the fall.
- iii. **Recreation Center ADA and Pool Cover** Mr. Weichel provided updates on two separate Recreation Center projects. The ADA improvements, required by the grant, are being handled by Houck and have already begun with demolition work and ramp installation near the community center and tennis courts. Moss Marlow is responsible for the site work related to the pool dome cover. While materials are being ordered and designs finalized, visible construction will not begin until late August or September to avoid disrupting summer swim programs. The target completion date remains between the first and second week of October.

ADDED ITEM: RESOLUTION OF APPRECIATION Councilman Harvey made a motion to resolve that the 2025 Valdese Town Council express its appreciation to Bo Daniel Weichel with a plaque acknowledging his outstanding service as Interim Town Manager from August 23, 2024, through May 1, 2025. During this special assignment, he made significant contributions, enabling the Valdese Town Council to make policy decisions in the town's best interests. He exceeded the Council's expectations for his extra assignment through extraordinary initiative, hours, and effort while fulfilling his regular responsibilities as Assistant Manager and Chief Financial Officer, seconded by Councilwoman Ward. The vote was unanimous, and motion carried.

MAY 5, 2025, MB#33

MANAGER’S REPORT Assistant Town Manager/CFO Bo Weichel reported:

Update on the Sale of Property Located at 800 Pineburr Drive: Mr. Weichel reported that the town-owned property is currently in the upset bid process, with the most recent bid at \$148,378.25, up from an initial offer near the tax value of approximately \$139,000. The latest bid will be advertised in the newspaper on Saturday, May 10, starting a 10-calendar-day period during which it may be upset again. If no further bids are received, the sale could be considered at the June Council meeting. However, if another upset bid is submitted by May 25, the process will continue and likely delay Council consideration until a future meeting.

Granville Morrow Fun Fish Day is scheduled for Saturday, May 10, 2025, 9:00 a.m. – 1:00 p.m. at McGalliard Falls. Register online at valdese.recdesk.com. Rain Date: May 17, 2025

Budget Review #2 is scheduled for Monday, May 12, 2025, 9:00 a.m. at the Council Chambers, Valdese Town Hall

Public Safety Building Contractor Presentations, Thursday, May 22, 2025, 9:00 a.m. – 1:00 p.m., Valdese Town Hall, Community Room

Town Offices Closed on Monday, May 26, 2025, in Observance of Memorial Day

Next Agenda Review Council meeting is scheduled for Tuesday, May 27, 2025, 6:00 p.m., Council Chambers, Valdese Town Hall

Next Regular Council meeting is scheduled for Monday, June 2, 2025, 6:00 p.m., Council Chambers, Valdese Town Hall

MAYOR AND COUNCIL COMMENTS:

Councilwoman Lowman asked if anyone had an update on the Weavers Mill project. Attorney Swanson does not have any updates on the project.

Councilwoman Zimmerman asked Mr. Weichel to give an update on where we are at with street paving. Mr. Weichel provided an update on the DOT partnership for paving, noting that the project was delayed due to a hurricane and the DOT’s current focus on western counties. The previous paving contract in Burke County has ended, and the DOT has not yet issued a new one. Once they do, the Town will need to restart the process, including obtaining new quotes. Meanwhile, the Town continues to allocate funds in the upcoming budget to build reserves for future paving efforts.

Councilwoman Ward shared her positive experience attending the City Vision conference in Greenville, NC, where she engaged with other municipal officials and attended informative classes. She encouraged fellow council members to attend in the future and expressed enthusiasm about learning more about municipal governance. Councilwoman Ward noted that many towns across the state face similar challenges but felt reassured that Valdese is doing well by comparison. She also received positive feedback about the Town’s recent hire of Town Manager Todd Herms and expressed optimism about working with him.

(A Closed Session was included on the agenda but was not held.)

ADJOURNMENT: At 8:06 p.m., there being no further business to come before Council, Councilman Harvey made a motion to adjourn, seconded by Councilwoman Lowman. The vote was unanimous and motion carried.

Town Clerk

Mayor

jl

**TOWN OF VALDESE
COUNCIL BUDGET REVIEW #2
MONDAY, MAY 12, 2025**

The Town of Valdese Town Council met on May 12, 2025, at 9:00 a.m., for the Budget Review #2, in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The Council meeting was live-streamed on YouTube @townofvaldese. The following were present: Mayor Charles Watts, Mayor Pro Tem Gary Ogle, Councilwoman Rexanna Lowman, Councilwoman Heather Ward, Councilman Glenn Harvey, and Councilwoman Melinda Zimmerman. Also present were: Town Manager Todd Herms, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and Department Heads.

Absent: None

A quorum was present.

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.

GENERAL FUND OVERVIEW Mr. Weichel provided a follow-up to last month's budget review, noting that this session would highlight changes and updates rather than rehash all previous details. The primary adjustment to the General Fund was the inclusion of the newly hired Town Manager's salary, which increased the Administration budget. To accommodate this, slight adjustments were made elsewhere, resulting in a balanced budget. Despite the salary adjustment, approximately \$3,000 was added back to the fund balance.

Councilman Harvey reflected on the April 15–16 budget workshop, describing it as the best budget presentation he has seen in the past 8–10 years. He noted that the Council recently passed a resolution stating that the budget to be adopted on June 2 should include a positive contribution to fund reserves. Councilman Harvey expressed concern that the contribution to reserves had decreased significantly—from \$61,000 in April to just under \$3,000 in the revised figures. He emphasized the need to build in a greater cushion, noting that such a small amount could easily be offset by unexpected expenses before the new fiscal year begins. He challenged his fellow Council members to consider ways to improve that contribution.

Mr. Weichel clarified that the discussion pertained specifically to the General Fund (Fund 10). He explained that the \$500,000 pool grant and associated donation are part of a capital project and therefore included in Fund 31—not reflected in the General Fund numbers. Those figures will appear in a separate project budget to be presented at a future Council meeting. He noted that the \$30,000 shown in the current budget is related to a grant for sanitation/recycling carts, which is part of the operating budget and not a capital project—thus included in Fund 10.

Regarding Community Center revenues, Mr. Weichel addressed an increase in projected income to \$150,000. Last year's lower projection was due to reduced rentals during renovation. With full operations resumed and some fee increases proposed, staff expects revenues to return to prior levels. He also clarified that the "Community Center" referenced here is the Recreation Center, and the projected revenue increase also reflects anticipated use of the pool dome, which will allow for winter swimming to resume starting in October.

Finally, Mr. Weichel noted that while future grant proceeds may be shown in the FY 25–26 budget, only the \$30,000 cart grant appears in the current budget because it will be completed within one fiscal year and is not part of a project fund.

Fee Schedule Updates:

Old Rock School: Mr. Weichel reviewed the updated fee schedule, noting increases to Old Rock School rental rates, including a rise in auditorium fees from \$400 to \$600. New fees were also added for optional items like tables and projector screens. Councilman Harvey expressed concern that nonprofit community groups are not receiving enough of a discount compared to for-profit renters and suggested larger fee differences between the two. He also raised the need for formal contracts and clear security protocols for facility rentals to protect the Town from liability. Other council members agreed and supported developing a standard rental contract and adjusting nonprofit rates, especially for the Waldensian Room.

Aquatics and Fitness: Mr. Harvey suggested increasing the difference between resident and non-resident rates since residents help fund the facility through taxes. Mr. Weichel noted there is already about a 30% difference and warned against pricing the Town out of the market. Council requested data on rates from nearby facilities for comparison. Lastly,

May 12, 2025, MB#33

there was discussion on pool party fees. Staff clarified that public parties rent space while the pool is already open, but private parties cost more to cover extra staffing. Council questioned whether those fees fully reflect the Town's costs, especially for Sunday events, and agreed to review them further.

Public Works: The fee for construction debris pickup is proposed to increase from \$75 to \$100 per load. Residential trash and recycling fees will stay the same due to expected savings from changes with Simply Green. There was discussion about confusion among residents on when debris pickup is free and when it's charged. Mr. Weichel clarified that small items like furniture are usually picked up at no cost, but larger loads—such as construction or demolition debris—require a fee. Some residents have been abusing the service by dumping debris from outside town limits. Council noted the service is still a good value compared to private options and suggested better public communication.

Cemetery: No new plots are available. Only deed transfers or rare abandoned plots may become available. There are no current plans to expand due to high cost and ongoing maintenance concerns. A crematorium (correction emailed: columbarium) was mentioned as a possible long-term solution.

Planning: The Town plans to expand its planning fee schedule to include more services, as current fees only cover a few items. The changes aim to reflect staff time and discourage casual requests. Concerns were raised that higher fees could discourage residential development, especially with limited office hours. Some members suggested getting developer input before finalizing the changes, while others noted most towns already charge for these services. Town Manager Todd Herms noted that Planning fees are common in municipalities and counties.

Fire Department: The fee schedule for the fire department was simplified, condensing multiple pages into a clearer format. The updated schedule references fire code chapters for applicable fees rather than listing them individually. No significant fee increases were made, but one penalty for damaging fire hoses may need to be revisited as the current fee might be too low compared to the actual cost of replacement. Councilwoman Ward asked a question about the reinspection fees for nonprofit organizations and churches. It was clarified that these organizations are subject to the same fees if they are not in compliance. However, if they are actively working towards compliance, the Fire Department will work with them. The \$200 fee applies when an organization does not make any effort to meet the fire code after the initial inspection.

Departmental Expenditures:

Governing Body: Councilman Harvey noted that the Council reduced salary and insurance costs in the FY 2023-2024 budget from \$72,000 to \$42,000, saving taxpayers \$30,000. He also mentioned that the health insurance changes made by Council lowered costs further, benefiting all departments and adding to the fund balance.

Administration: Mr. Weichel explained that changes to health insurance, approved by Council, resulted in lower costs than originally proposed. This reduction benefits each department and contributes to fund balance savings. Aside from that and a change to the administrative salary line, there were no other significant adjustments since the last budget discussion.

Councilman Harvey asked how many employees are in Administration and Finance. Staff confirmed there are five total, including one part-time customer service employee. There was discussion about the drive-thru window and dropbox for utility payments. Customers receive a receipt at the window, and a dropbox is available for after-hours payments. Councilman Harvey suggested reviewing processes for possible efficiencies, especially with changing technology. It was noted that many customers still pay in cash, which limits automation. Staff also shared that, as of May 1, the Police Department now handles bank deposits to improve security.

CIP Changes: Mr. Weichel explained to help balance the budget, staff removed several non-critical Capital Improvement Plan (CIP) items. This included fitness equipment replacement and the HVAC unit in the men's locker room at the Recreation Center, which is still operational but aging. Council noted concern due to its age (27 years) and history of breakdowns. An aesthetic update to ceiling tiles at the Old Rock School was also removed. However, essential exterior repairs to the building were kept in the budget to maintain structural integrity.

Recycling and Sanitation Update: Mr. Weichel noted the only change to the recycling and sanitation proposal since the last meeting is the cart color. Council requested a more neutral color, so green carts will now be used for both services, with black lids for sanitation and blue lids for recycling. This allows for easier inventory management by only needing to stock one cart body and switching lid colors as needed. The recycling lids will include molded labels (not decals) to help with identification. Older carts used for special events may not have labels, and staff will check if any can be updated.

May 12, 2025, MB#33

Council was informed that time is critical to proceed with ordering the new carts. The Simply Green contract has been reviewed and finalized by legal counsel and is on the agenda for approval.

APPROVED SIMPLY GREEN CONTRACT

MUNICIPAL MATERIALS MANAGEMENT AGREEMENT

THIS MUNICIPAL MATERIALS MANAGEMENT AGREEMENT (the "Agreement") is made and entered into by and between the Town of Valdese, a North Carolina municipal corporation, having a mailing address of P.O. Box 339, Valdese, NC 28690 (the "Town"), and Simply Green Recycling, Inc., a North Carolina corporation, having a mailing address of 111 W McDowell St., Morganton, NC 28655 (the "Company"), and is effective as of the last date herein below signed (the "Effective Date"). The identified parties are at times referred to herein collectively as "Parties" and individually as a "Party."

WITNESSETH:

WHEREAS, the Parties desire to enter into an agreement whereby the Company will provide the Town and its citizens with residential material management services as more fully set forth in this Agreement, subject to the terms and conditions contained herein.

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

1. Recitals. The foregoing recitals are incorporated herein by reference.
2. Definitions. The following definitions apply to this Agreement:
 - (a) Acceptable Material. Aluminum food and beverage containers; aluminum soda and beer cans, cat food cans, etc.; ferrous cans (e.g., soup cans, coffee cans, etc.); P.E.T. plastic containers with Symbol #1 (no microwave trays); H.D.P.E. natural plastic containers with Symbol #2 (e.g., milk jugs and water jug containers (narrow neck containers)); H.D.P.E. pigmented plastic containers with Symbol #2 (e.g., detergent, shampoo, bleach bottles without caps (narrow neck containers)); butter and margarine tubs; polypropylene plastic food and beverage containers Symbol #5 (e.g., yogurt containers); mixed paper (54) as defined in the most recent ISRI Scrap Specifications Circular; Sorted Residential Paper and News (56) as defined in the most recent ISRI Scrap Specifications Circular; Kraft Paper Bags; Old Corrugated Containers (OCC) (no wax coated); Magazines (OMG), coated magazines, catalogues and similar printed materials, junk mail, and soft cover books; Aseptic Cartons (e.g., juice boxes, gable top milk and juice containers, soy milk and soup cartons); and glass food and beverage containers (Flint (clear), Amber (brown), Emerald (green)).
 - (b) Bulky Waste. Stoves, refrigerators (with all CFC and other refrigerants removed), water tanks, washing machines, furniture and other similar items with weights and/or volumes greater than those allowed for the waste container supplied.
 - (c) Bundle. Tree, shrub and brush trimmings or newspapers and magazines securely tied together forming an easily handled package not exceeding four (4) feet in length or thirty-five (35) lbs. in weight.
 - (d) Construction Debris. Excess building materials resulting from construction, remodeling, repair or demolition operations.
 - (e) Customer. An occupant or operator of any type of premise within the Town that is covered by this Agreement and who generates Municipal Solid Waste and/or Recyclable Material, if applicable.
 - (f) Disposal Site. A Waste Material depository including, but not limited to, sanitary landfills, transfer stations, incinerators, recycling facilities and waste processing/separation centers licensed, permitted or approved by all governmental bodies and agencies having jurisdiction and requiring such licenses, permits or approvals to receive for processing or final disposal of Waste Material.
 - (g) Excluded Waste. Excluded Waste consists of Special Waste, Hazardous Waste, and any other material not expressly included within the scope of this Agreement including, but not limited to, any material that is hazardous, radioactive, volatile, corrosive, highly flammable, explosive, biomedical, infectious, biohazardous, toxic or listed or characteristic hazardous waste as defined by Applicable Law or any otherwise regulated waste.
 - (h) Hazardous Waste. Any amount of waste listed or characterized as hazardous by the United States Environmental Protection Agency or any state agency pursuant to the Resource Conservation and Recovery Act of 1976, as amended, and including future amendments thereto, and any other Applicable Law.
 - (i) Municipal Solid Waste (or "MSW"). Useless, unwanted or discarded nonhazardous materials (trash or garbage) with insufficient liquid content to be free-flowing that result from residential operations. Municipal Solid Waste does not include any Excluded Waste.
 - (j) Recyclable Materials. Used and/or discarded materials which are capable of successful processing and sale on the commodity market.

May 12, 2025, MB#33

(k) **Special Waste.** Any nonhazardous solid waste which, because of its physical characteristics, chemical make-up, or biological nature requires either special handling, disposal procedures including liquids for solidification at the landfill, documentation, and/or regulatory authorization, or poses an unusual threat to human health, equipment, property, or the environment. Special Waste includes, but is not limited to (a) waste generated by an industrial process or a pollution control process; (b) waste which may contain residue and debris from the cleanup of spilled petroleum, chemical or commercial products or wastes, or contaminated residuals; (c) waste which is nonhazardous as a result of proper treatment pursuant to Subtitle C of the Resource Conservation and Recovery Act of 1976 ("RCRA"); (d) waste from the cleanup of a facility which generates, stores, treats, recycles or disposes of chemical substances, commercial products or wastes; (e) waste which may contain free liquids and requires liquid waste solidification; (f) containers that once contained hazardous substances, chemicals, or insecticides so long as such containers are "empty" as defined by RCRA; (g) asbestos containing or asbestos bearing material that has been properly secured under existing Applicable Law; (h) waste containing regulated polychlorinated biphenyls (PCBs) as defined in the Toxic Substances Control Act (TSCA); (i) waste containing naturally occurring radioactive material (NORM) and/or technologically-enhanced NORM (TENORM); and (j) Municipal Solid Waste that may have come into contact with any of the foregoing.

(l) **Unacceptable Material.** Yard Waste; Styrofoam; pizza boxes (unless free of any food or grease residue); food; liquids; diapers; clothing/textiles; plastic bags or bagged material (newsprint may be placed in a Kraft bag); plastic containers with #3, #4, #6, or #7 on them or no # at all; mirrors, window or auto glass, light bulbs, ceramics; Oil or antifreeze containers; coat hangers; paint cans; and medical waste/sharps; any Acceptable Material that is no longer acceptable due to its coming into contact with or being contaminated by Unacceptable Material. All Recyclable Materials collected for delivery and sale by Company shall be hauled to a processing facility selected by Company for processing ("Recycling Services").

(m) **Unit.** An occupied residential dwelling. For purposes of this Agreement, each unit in a multi-family dwelling (condominium, apartment or other grouped housing structure) shall be treated as a separate Unit and a Unit shall be deemed occupied when either water or power services are being supplied thereto.

(n) **Waste Material.** All nonhazardous Municipal Solid Waste and, as applicable, Recyclable Material, Yard Waste, Bulky Waste and Construction Debris generated at the Location Types covered by this Agreement. Waste Material does not include any Excluded Waste.

(o) **Yard Waste.** Grass, leaves, flowers, stalks, stems, tree trimmings, branches, and tree trunks. For yard waste collection services, grass, pine needles, leaves, flowers, stalks, stems, and small tree trimmings (less than two (2) feet in length and less than two (2) inches in diameter) shall be in a container, bag or box the weight of which shall not exceed thirty-five (35) pounds. Larger tree trimmings shall be laid neatly in piles at curbside. The maximum weight of any item placed out for yard waste collection shall be thirty-five (35) pounds. Branches in excess of two (2) feet in length are not required to be in a container, bag or box.

3. **General Service Provisions.** The Company shall provide for the collection and disposal of conforming Waste Material for all Units located within the territorial jurisdiction of the Town (the "Collection Services").

(a) **Location of Containers, Bags and Bundles for Collection.** Each container, bag and bundle containing Waste Material shall be placed at curbside for collection by the Customer. Curbside refers to that portion of right-of-way adjacent to paved or traveled Town roadways. Containers, bags and bundles shall be placed as close to the roadway as practicable without interfering with or endangering the movement of vehicles or pedestrians. When construction work is being performed in the right-of-way, containers, bags and bundles shall be placed as close as practicable to an access point for the collection vehicle. Company may decline to collect any container, bag or bundle not so placed or any Waste Material not in a container, bag or bundle.

(b) **Hours of Collection Operations.** Collection of Waste Material shall not start before 5:00 A.M. or continue after 8:00 P.M. Exceptions to collection hours shall be affected only upon the mutual agreement of the Town and Company, or when Company reasonably determines that an exception is necessary in order to complete collection on an existing collection route due to unusual circumstances.

(c) **Routes of Collection.** Collection routes shall be established by the Company. Company shall submit the Unit collection routes to the Town at least two (2) weeks in advance of the commencement date for such route collection activity. The Company may from time to time make changes in routes or days of collection affecting Units, provided such changes in routes or days of collection are submitted to the Town at least two (2) weeks in advance of the commencement date for such changes. Town shall promptly give written or published notice to the affected Residential Units.

(d) **Residential Collection.** Company shall be obligated to collect no more than one (1) container (or their equivalent) of Solid Waste and one (1) container (or their equivalent) of Recyclable Material per week from each Unit. Any collections needed by a Unit in excess of such amount must be individually contracted by the Unit Customer with Company under terms, prices and documents acceptable to both the Unit Customer and Company.

(e) **Holidays.** The following shall be holidays for purposes of this Agreement: New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Company may

May 12, 2025, MB#33

suspend Collection Service on any of these holidays, but such decision in no manner relieves Company of its obligation to provide Collection Service at least once per week.

(f) Complaints. All service-related complaints must be made directly to the Company and shall be given prompt and courteous attention. In the case of alleged missed scheduled collections, the Company shall investigate and, if such allegations are verified, shall arrange for the collection of Waste Material not collected within one business day after the complaint is received.

(g) Collection Equipment. The Company shall provide an adequate number of vehicles meeting standards and inspection requirements as set forth by the laws of the State for regular municipal waste Collection Services. For Waste Material collection, all vehicles and other equipment shall be kept in good repair and appearance at all times. Each vehicle shall have clearly visible on each side the identity of the Company.

(h) Customer Education. The Town shall notify all Customers about set-up, service-related inquiries, complaint procedures, rates, regulations, and day(s) for scheduled Waste Material collections.

(i) Litter or Spillage. The Company shall not litter premises in the process of making collections, but Company shall not be required to collect any Waste Material that has not been placed in approved containers. During hauling, all Waste Material shall be contained, tied or enclosed so that leaking, spillage or blowing is minimized. In the event of spillage by the Company, the Company shall be required to clean up the litter caused by the spillage.

4. Solid Waste Collection Operations. The Company shall provide for the collection and disposal of conforming Waste Material for all Units located within the territorial jurisdiction of the Town (the "Solid Waste Services").

(a) Collection Schedule. Solid Waste Services shall be provided by Company on a weekly basis.

(b) Container Specifications. Each Unit shall be supplied with one (1) Town owned roll out cart that conforms to the minimum specifications provided below. During the term of this Contract, Town shall purchase and maintain an inventory of Containers for distribution to Units and for replacement of Solid waste Containers. Containers shall be owned by the Town and shall conform to the following minimum specifications:

- i. Shall be of 95-gallon volume;
- ii. Shall be constructed of high quality polyethylene;
- iii. Shall be recyclable at the end of their useful life;
- iv. Shall be of a uniform color approved by the City that clearly distinguishes them as different from Recycling collection containers; and
- v. Shall be clearly marked for solid waste use.

(c) Disposal. All Waste Material collected within the Town under this Agreement, other than processed Recyclable Material that is marketable, shall be deposited at a Disposal Site selected by Company and properly permitted by the State.

5. Recycling Services Operations. The Company shall provide for the collection and recycling of conforming Recyclable Material for all Units within the territorial jurisdiction of the Town (the "Recycling Services").

(a) Schedule. Recycling Services shall be provided by Company on a bi-weekly basis.

(b) Container Specifications. Each Unit shall be supplied with one (1) Town owned roll out cart that conforms to the minimum specifications provided below. During the term of this Contract, Town shall purchase and maintain an inventory of Recycling Containers for distribution to Units and for replacement of Recycling Containers. Recycling Containers shall be owned by the Town and shall conform to the following minimum specifications:

- i. Shall be of 95-gallon volume;
- ii. Shall be constructed of high quality polyethylene;
- iii. Shall be recyclable at the end of their useful life;
- iv. Shall be of a uniform color approved by the City that clearly distinguishes them as different from Solid Waste collection containers; and
- v. Shall be clearly marked for recycling use.

(c) Contamination. On the first occurrence of improperly prepared materials or contamination in excess of 5%, the Company shall collect all properly prepared Recyclable Materials and shall place a notification on the Container informing the Unit of proper recycling procedures. Company will keep a record to include unit address, nature of non-compliance, and date of occurrence. On the second occurrence of improperly prepared materials or contamination in excess of 5%, Company may leave all materials in the container and shall place a notification on the Container informing the Unit of proper recycling procedures and steps to be taken for materials to be collected. Company shall provide notification to the Town of such occurrences. Notification from the Company shall at minimum include Unit address, nature of non-compliance, and dates of noncompliance.

(d) Disposal Prohibition. The Company certifies to Town that all collected under this contract are in fact delivered to a recyclable materials processing facility, broker, or end user for recycling only. The Company is prohibited from disposing of any Recyclable Materials collected under this Contract in a landfill incinerator, or in any other manner that prevents materials recovery, except as provided herein, without prior written approval from Town.

May 12, 2025, MB#33

(e) Education. Town shall make a commercially reasonable effort to educate its Customers regarding Acceptable and Unacceptable Materials and to encourage its Customers to place only Acceptable Materials in their recycling containers.

6. Newly Developed Areas. If the Town develops new areas (of the same Location Types as designated above) within the Town's territorial jurisdiction during the Term of this Agreement, such areas shall automatically be subject to this Agreement. The Town shall provide Company with written notification of such newly developed areas, and within thirty (30) days after receipt of such notification, Company shall provide the Collection Services and Recycling Services (collectively, the "Services") as set forth in this Agreement in such newly developed area(s). If the Town annexes any new areas that it wishes for Company to provide the Services, the Parties shall negotiate a mutually acceptable amendment to this Agreement adding such annexed areas to the scope of the Services and setting forth the rates that will apply for the Services in such area(s).

7. Scope of Services. Company shall furnish all equipment, trucks, personnel, labor, and all other items necessary to perform the Services. The Services shall not include the collection, disposal, or recycling of any Excluded Waste or Waste Material located at any location not designated herein.

8. Out of Scope Services May Be Contracted for Directly with Customers. Company may provide collection and disposal or recycling service within the territorial jurisdiction of the Town for any Waste Material and/or Location Types that are outside the scope of this Agreement pursuant such terms and conditions as may be mutually agreed upon by Company and such Customers. Such services and agreements are outside the scope of this Agreement, and this Agreement does not require such Customers to use Company for such services, but they may do so at their discretion. The Town agrees that Company may use any information received from the Town in marketing all of its available services to the Customers located within the Town, whether included in the scope of this Agreement or not.

9. Term. This Agreement begins on the Effective Date and expires five (5) years thereafter but shall automatically renew for successive five-year periods (the "Term") unless either party provides written notice of non-renewal at least sixty (60) days prior to the expiration of the then current Term, or unless otherwise terminated in accordance with the terms of this Agreement.

10. Rates for Services; Rate Adjustments; Additional Fees and Costs.

(a) Rates for Services. The rates for all Services shall be \$13.50 per Unit, subject to the rate adjustments and additional fees and costs as set forth herein.

(b) Annual Rate Adjustments. Company shall increase the rates for all Services effective on each anniversary of the Effective Date of this Agreement in an amount equal to three percent (3%) of the previous year's rate unless otherwise mutually agreed by the parties in writing.

11. Invoicing; Payment; Service Suspension; Audits.

(a) Invoicing the Town. The Town shall invoice and collect from all Customers for Services provided by Company pursuant to this Agreement. The Town shall report to Company (a) by the 5th of each month the total number of addresses subject to this Agreement and that have been billed for Services by the Town, and (b) on a quarterly basis, parcel data and a list of addresses billed for the Services by the Town. Company shall invoice the Town for the number of addresses that were billed by the Town within fifteen (15) days of receiving the Town's address count each month, and the Town shall pay Company's invoices within thirty (30) days of receipt Company's invoice.

12. Service Suspension.

(a) Suspension of Services for Unpaid Invoices. If any amount due from the Town is not paid within sixty (60) days after the date of Company's invoice, Company may suspend Services until the Town and/or the Customer have paid the outstanding balance in full.

(b) Suspension of Services at Direction of Town. If the Town wishes to suspend or discontinue Services to a Customer for any reason, the Town shall send Company a written notice (email is acceptable as long as its receipt is acknowledged by Company) identifying the Customer's address and the date the Services should be suspended or discontinued. In the event of Service suspension, the Town shall provide additional email notification to Company if/when it wishes to reactivate the suspended Services. Upon receipt of a notice of reactivation, Company shall resume the Services on the next regularly scheduled collection day. To the extent permitted by law, the Town shall indemnify, defend, and hold Company harmless from any claims, suits, damages, liabilities or expenses (including but not limited to expenses of investigation and attorneys' fees) resulting from the suspension of discontinuation of any Services at the direction of the Town.

13. Audits.

(a) Audit of Town Billings. With respect to any Services in which the Company's billing is dependent upon the Town's reporting of the number of addresses subject to this Agreement, the Town shall perform an audit at least once each year to confirm that all addresses receiving Services under this Agreement are actually being billed by the Town and that the Town's reporting on such addresses is accurate. The Town shall share all findings and documentation with respect to such audits with Company. In addition to the foregoing, Company shall be permitted to conduct its own address counts using manual counts and/or official parcel maps. If at any time Company presents to Town data to support that the

May 12, 2025, MB#33

number of addresses serviced exceeds the number provided by the Town, the parties agree to re-negotiate in good faith the number of addresses receiving and paying for services under this Agreement.

(b) **Audit of Company Records.** The Town may request and be provided with an opportunity to audit any relevant records of Company that support the calculations of charges invoiced to the Town under this Agreement within the ninety (90) day period before the audit request. Such audits shall be paid for by the Town and shall be conducted under mutually acceptable terms at Company's premises in a manner that minimizes any interruption in the daily activities at such premises.

14. **Termination.**

a. **Termination for Cause.** If either party breaches any material provision of this Agreement and such breach is not substantially cured within thirty (30) days after receipt of written notice from the non-breaching party specifying such breach in reasonable detail, the non-breaching party may terminate this Agreement by giving thirty (30) days' written notice of termination to the breaching party. However, if the breach cannot be substantially cured within thirty (30) days, the Agreement may not be terminated if a cure is commenced within the cure period and for as long thereafter as a cure is diligently pursued. Upon termination, the Town shall pay Company only such charges and fees for the Services performed on or before the termination effective date and Company shall collect its equipment, and Company shall have no further obligation to perform any Services under this Agreement.

b. **Termination Based on Change in Circumstances.** The parties acknowledge that the rate for services provided under this Agreement is based, in part, on the Company's ability to dispose of MSW at the Burke County landfill without paying a per ton disposal fee (currently \$70 per ton). In the event Burke County starts charging a per ton disposal fee for MSW disposed under this Agreement, either party may terminate this Agreement by giving the other party at least 180 days' written notice. During this 180 day period, the parties agree to renegotiate the rate for services in good faith and, if successful, amend this Agreement accordingly.

15. **Compliance with Laws.** Company warrants that the Services will be performed in a good, safe and workmanlike manner, and in compliance with all applicable federal, state, provincial and local laws, rules, regulations, and permit conditions relating to the Services, including without limitation any applicable requirements relating to protection of human health, safety, or the environment ("Applicable Law"). Company reserves the right to decline to perform Services, which, in its judgment, it cannot perform in a lawful manner or without risk of harm to human health, safety or the environment.

16. **Title.** Title to Waste Material shall pass to Company when loaded into Company's collection vehicle or otherwise received by Company. Title to and liability for any Excluded Waste shall at no time pass to Company.

17. **Excluded Waste.** If Excluded Waste is discovered before it is collected by Company, Company may refuse to collect the entire waste container that contains the Excluded Waste. In such situations, Company shall contact the Town and the Town shall promptly undertake appropriate action to ensure that such Excluded Waste is removed and properly disposed of by the depositor or generator of the Excluded Waste. In the event Excluded Waste is present but not discovered until after it has been collected by Company, Company may, in its sole discretion, remove, transport, and dispose of such Excluded Waste at a facility authorized to accept such Excluded Waste in accordance with Applicable Law and, in Company's sole discretion, charge the depositor or generator of such Excluded Waste for all direct and indirect costs incurred due to the removal, remediation, handling, transportation, delivery, and disposal of such Excluded Waste. The Town shall provide all reasonable assistance to Company to conduct an investigation to determine the identity of the depositor or generator of the Excluded Waste and to collect the costs incurred by Company in connection with such Excluded Waste.

18. **Equipment; Access.** Any Waste Material and/or Recycling Material containers that Company furnishes to Customers in connection with the Services to be provided under this Agreement shall remain Company's property. The Customer shall be liable for all loss or damage to such equipment, except for normal wear and tear, or loss or damage resulting from Company's handling of the equipment. The Customers shall use the containers only for its proper and intended purpose and shall not overload (by weight or volume), move, or alter the equipment except as permitted herein.

19. **Insurance.** During the Term of this Agreement, Company shall maintain in force, at its expense, insurance coverage with minimum limits as follows:

Workers' Compensation

Coverage A Statutory

Coverage B - Employers Liability \$1,000,000 each Bodily Injury by Accident

\$1,000,000 policy limit Bodily Injury by Disease

\$1,000,000 each occurrence Bodily Injury by Disease

Automobile Liability

Bodily Injury/Property Damage Combined – Single Limit \$3,000,000

Coverage is to apply to all owned, non-owned, hired and leased vehicles (including trailers).

May 12, 2025, MB#33

Pollution Liability Endorsement MCS-90 endorsement for pollution liability coverage

Commercial General Liability

Bodily Injury/Property Damage Combined – Single Limit \$2,500,000 each occurrence
\$5,000,000 general aggregate

All such insurance policies will be primary without the right of contribution from any other insurance coverage maintained by Town. All policies required herein shall be written by insurance carriers with a rating of A.M. Bests of at least "A-" and a financial size category of at least VII. Upon Town's request, Company shall furnish Town with a certificate of insurance evidencing that such coverage is in effect. Such certificate will also provide for thirty (30) days prior written notice of cancellation to the Town, show the Town as an additional insured under the Automobile and General Liability policies, and contain waivers of subrogation in favor of the Town (excluding Worker's Compensation policy) except with respect to the sole negligence or willful misconduct of Town.

20. Licenses and Taxes. Company shall obtain all licenses and permits (other than the license and permit granted by this Agreement) and promptly pay all taxes required by the Town and by the State.

21. Binding Effect. This Agreement shall be binding upon the Parties and their respective heirs, representatives, successors, assigns, and their respective officers, directors, members, managers, shareholders, owners, partners, members, divisions, subsidiaries, parent companies, related entities, employees, agents and attorneys.

22. Assignment. The Parties may not assign this Agreement in whole or in part without obtaining the prior written consent of the other party, which consent may be withheld in that Party's sole discretion.

23. Headings. The headings contained in this Agreement are for convenience only and shall in no way expand or limit the scope of meaning of the various sections and paragraphs hereof.

24. Waiver. A Party's waiver of any covenant or condition contained in this Agreement shall not be construed as a waiver of a subsequent breach hereof. The consent or approval by a Party to or of any act by the other Party requiring such consent or approval shall not be deemed to render unnecessary the consenting Party's consent or approval to or of any subsequent act. No breach of a covenant or condition of this Agreement shall be deemed to have been waived unless such waiver is in writing and signed by the waiving Party.

25. Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be declared invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

26. 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.

27. Authority. Each Party hereby represents and warrants to the other Party that it 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.

28. Liability of Officers and Agents. No officer, agent or employee of any Party will be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby. Such officers, agents or employees will be deemed to execute such documents in their official capacities only, and not in their individual capacities. This section will not relieve any such officer, agent or employee from the performance of any official duty provided by law.

29. Governing Law; Enforcement. This Agreement shall be deemed to have been made and performed in North Carolina. All rights arising under this Agreement, and all disputes and controversies arising from or in connection with this Agreement, including but not limited to, enforcement of any term of condition of this Agreement, shall be governed by and determined in accordance with the laws of North Carolina only, and without regard for any choice of laws rules.

30. Relationship of the Parties. Nothing in this Agreement shall be deemed or construed to create the relationship of principal and agent, or of limited or general partners, or of joint venturers or of any other association between the Parties.

31. Force Majeure. No Party shall be responsible for any default, delay, or failure to perform if such default, delay, or failure to perform is due to causes beyond the Party's reasonable control, including, but not limited to, actions or inactions of governmental authorities, epidemics, wars, actions of malicious actors, embargoes, fires, hurricanes, unusual adverse weather, acts of God, or the default of a common carrier. In the event of a default, delay, or failure to perform due to causes beyond a Party's reasonable control, the Party shall diligently and in good faith act to the extent

May 12, 2025, MB#33

within its power to remedy the circumstances affecting its performance and to complete its performance in as timely a manner as is reasonably possible.

32. **No Third-Party Beneficiaries.** This Agreement is not intended to and does not confer any right, power, or benefit on any person other than the Parties and only the Parties may enforce, modify or terminate this Agreement as provided herein. There are no third-party beneficiaries to this Agreement.

33. **Notice.** 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
 P.O. Box 339

Valdese, NC 28690
Attn: Manager

With a copy to (which shall not constitute notice):

Timothy D. Swanson
Town Attorney
P.O. Drawer 2428
Hickory, NC 28603

If to Company: Simply Green Recycling, Inc.
PO Box 3433
Morganton, NC 28680
Attn: Officer, Director or Managing Agent

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.

34. **Consent; Approval.** Except as provided otherwise herein, any consent or approval to be given hereunder shall not be effective unless the same shall be given in advance of the taking of the action for which consent or approval is requested and shall be in writing. Except as provided otherwise herein, any consent or approval requested of a Party may be withheld by that Party in its sole and absolute discretion.

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

36. **Verification of Work Authorizations.** The Parties shall comply with Article 2, Chapter 64, of the North Carolina General Statutes to the extent applicable.

37. **Pre-Audit Requirement.** This Agreement has not been fully executed and is not effective until the Pre-audit Certificate (if required by N.C.G.S § 159-28) has been affixed and signed by the Parties' finance officers or deputy finance officers.

38. **Iran Divestment Act Compliance.** The Parties certify that, as of the date listed below, they are not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 147-86.55 et seq. (the "Iran Divestment Act"). In compliance with the requirements of the Iran Divestment Act, the Parties shall not utilize in the performance of the Agreement any subcontractor that is identified on the Final Divestment List.

May 12, 2025, MB#33

39. Companies Boycotting Israel Divestment Act Certification. The Parties certify that that they have not been designated by the North Carolina State Treasurer as a party engaged in the boycott of Israel pursuant to N.C.G.S. 147-86.80 et seq.

40. Nondiscrimination. To the extent permitted by North Carolina law, the Parties, for themselves, their agents, officials, directors, officers, members, representatives, employees, and contractors agree not to discriminate in any manner or in any form based on actual or perceived age, mental or physical disability, sex, religion, creed, race, color, sexual orientation, gender identity or expression, familial or marital status, economic status, veteran status or national origin.

41. E-Verify. Employers and their subcontractors with 25 or more employees as defined in Article 2 of Chapter 64 of the North Carolina General Statutes must comply with North Carolina Session Law 2013-418's E-Verify requirements to contract with local governments. E-Verify is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law. The Parties shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. If the Parties utilize a subcontractor they shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.

THIS SPACE IS INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, this Agreement is executed and delivered this the _____ day of _____, 2025.

SIMPLY GREEN RECYCLING, INC.,
a North Carolina corporation

By:

Title:

IN WITNESS WHEREOF, this Agreement is executed and delivered this the _____ day of _____, 2025.

/s/ Charles Watts, Mayor

ATTEST:

/s/ Town Clerk

Councilwoman Lowman made a motion to approve the Simply Green Contract for trash and recycle, seconded by Councilman Harvey. The vote was unanimous and motion carried.

Review of Capital Improvement Plan Summary:

- **Admin & Planning** (\$60,000): Covers HVAC replacement at Town Hall, a pay study (last done 7–8 years ago), and a one-time financial planning model from First Tryon.
- **Streets** (\$65,000): For replacing a 1987 tractor with a swing-arm mower. Councilman Harvey felt it should wait for the new manager's review; others emphasized safety concerns and equipment condition. Decision: Leave it in the budget for now — the manager can choose whether or not to proceed.
- **Police** (\$67,000): For a replacement vehicle. Same approach as with the tractor — leave in budget and allow the new manager to assess the need.
- **Public Works** (\$7,000): For HVAC replacement at the facility. This HVAC serves employee offices.
- **Recreation Center HVAC**: Though it's 27 years old and frequently repaired, it will not be replaced yet due to recent part replacements.
- **Community Affairs** (\$20,000): For soffit/fascia repairs to address water intrusion. Larger future expenses for window replacement (up to \$240,000 over time) were discussed. Councilman Harvey encouraged staff to pursue grants for historic preservation and energy efficiency to cover future window costs.
- **Parks & Recreation:**
 - Tiger Gym: Replace peeling tile in the lobby with a refinished epoxy concrete floor for safety and aesthetics.

- Fletcher Field: Replace outdated scoreboards originally installed in the early 1980s, now using safer, more modern mounting.

Mayor Watts suggested the capital purchases be left in the budget but subject to the new manager's review before any actual purchases are made.

UTILITY FUND OVERVIEW Mr. Weichel reviewed the summary page of the budget, noting that the proposed budget remains balanced, with revenues matching expenditures. He explained that the budget includes proceeds from financing to cover two major CIP projects. If those projects were removed, the fund balance would increase by approximately \$892,000. He outlined options for funding the projects, including borrowing over 7 or 15 years or using reserves. For now, proceeds from financing remain in the budget, with the potential to adjust based on interest rates. If reserves were used instead, the fund balance would decrease from 79% to around 50%, which he noted is still a manageable and comfortable level. Councilman Harvey discussed funding options for two major utility projects not covered by grants, including the water plant electrical substation and the Rodoret Street sewer replacement. The sewer project consists of two segments, and while it could be phased, doing both at once would be more cost-effective. However, splitting the project would require choosing which side to prioritize, which could be controversial. It was noted that grants are currently unavailable, particularly from DWI, as funds are being directed to Western North Carolina and storm-related needs. Borrowing or using reserves were identified as the only viable funding options at this time.

Utility Rates Discussion: Council reviewed proposed rate changes, focusing on a potential 30% increase to sewer rates, which would allow the residential water rate to remain flat for another year. The 30% sewer increase would amount to about \$3.25 more per month for in-town customers. For outside customers, the rate structure would shift to 1.75 times the in-town rate, resulting in a \$9.85 increase. This 1.75 multiplier is consistent with other municipalities and would help equalize future rate increases for all users.

Councilman Harvey discussed concerns over maintaining flat residential rates again, especially given past feedback from outside customers who felt unfairly burdened. Some members expressed support for a modest residential rate increase to help share costs more equitably. There was general recognition of the financial burden on outside users and acknowledgment of the town's responsibility to maintain infrastructure that serves all water and sewer customers.

Councilman Harvey made a suggestion to raise the inside residential minimum water bill to approximately \$39.95 and increase the volume charge by \$0.10 per 1,000 gallons or \$40.00, with keeping the increase in the sewer rate. Council emphasized the need to generate additional revenue to maintain aging infrastructure and reduce reliance on borrowing for future projects. They also discussed the public's misunderstanding of the separation between the General Fund and Utility Fund, stressing the importance of better communication on this topic.

The discussion also addressed the impact of proposed rate increases on industrial and commercial users. Councilman Harvey raised concerns about potentially harming economic development if large industrial water users—major employers in the community—were subjected to another rate increase. Mr. Weichel clarified that the proposed 5% increase would apply across the board, including base and volume charges. It was noted that volume-based charges significantly impact large water users. Council agreed to communicate with major industrial customers before finalizing the budget and to bring back any feedback for further discussion.

Employee COLA Discussion: Councilman Harvey questioned how the approximately \$250,000 allocated in the budget for compensation—\$27,000 for a pay study and over \$200,000 for salary increases—would be used. He noted that last year Council approved a 5% across-the-board cost of living adjustment (COLA), but no such decision had been made yet this year. He expressed concern about automatically applying another 5% COLA without first allowing the new Town Manager to assess the situation. Councilman Harvey advocated for giving the manager time to complete the pay study, evaluate the existing salary structure, and potentially implement a performance-based or merit-based system. He emphasized that the current salary schedule appears disorganized and recommended waiting for the manager's recommendation before distributing salary increases.

Town Manager Todd Herms responded to Councilman Harvey's question by stating he had reached out informally to managers in 11 nearby cities and counties to gather information on planned salary increases. Reported increases ranged from 3% to 8%, averaging 5.23% starting July 1. He noted some localities use only COLA, while others use a mix of COLA and merit pay—typically supported by full-time HR staff and established systems.

Mr. Herms expressed support for implementing a 5% COLA effective July 1, citing current inflation and Valdese's pay study underway. He noted that a proper merit-based system would take 12–18 months to develop and emphasized the

May 12, 2025, MB#33

importance of building the necessary administrative infrastructure first. He confirmed performance evaluations are currently being done, but not tied to salary. He explained how a merit system could work in the future, typically structured as a bell curve, rewarding high performers and addressing underperformance through training or discipline. He emphasized that implementing such a system would require training at all levels and could not be rushed.

Council expressed appreciation for Mr. Herms' insight and acknowledged the complexity and time required to implement a comprehensive merit-based compensation program.

Mr. Weichel also responded to a question about promoting the Friday night Merchant Advisory Committee events, confirming that promotion would be done via social media, as billing inserts were not an option due to timing. Additionally, Council acknowledged the success of the recent "Fun Fish Day" community event, with strong turnout and full Council participation. Plans were made to formally recognize staff efforts at the June meeting.

ADJOURNMENT At 11:02 a.m., Councilwoman Lowman made a motion to adjourn, seconded by Councilman Ogle. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, June 2, 2025, 6:00 p.m., Valdese Town Hall.

Town Clerk
jl

Mayor

**TOWN OF VALDESE
COUNCIL MEETING – PUBLIC SAFETY BUILDING CONTRACTOR PRESENTATIONS
THURSDAY, MAY 22, 2025**

The Town of Valdese Town Council met on May 22, 2025, at 9:00 a.m., for the Public Safety Building Contractor Presentations, in the Community Room at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The following were present: Mayor Charles Watts, Mayor Pro Tem Gary Ogle, Councilwoman Rexanna Lowman, Councilwoman Heather Ward, Councilman Glenn Harvey, and Councilwoman Melinda Zimmerman. Also present were: Town Manager Todd Herms, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, Police Chief Marc Sharpe, and Tessa Collinson.

Absent: None

A quorum was present.

CALL TO ORDER At 9:00 a.m., Mayor Watts called the meeting to order.

CONTRACTOR PRESENTATIONS (Each presentation consisted of a 30-minute presentation followed by a 30-minute Q&A session)

Moss-Marlow Presentation

Present: Austin Phipps, Tracey Setzer, Steve Hymel

Austin Phipps provided an overview of Moss-Marlow's history and project experience. He highlighted previous construction projects including the Catawba County EMS buildings, Bethlehem Baptist Church in Taylorsville, a large-scale school project, and the Hickory Probation Office.

Tracey Setzer reviewed the potential use of two locations for the new Police Department facility: 215 Main Street and a parcel on Massel Avenue.

215 Main Street

Pros:

- Central Main Street location
- Structurally sound
- Spacious layout
- Would provide a dedicated facility for the Police Department

Cons:

- Resembles the former Village Inn Pizza, requiring façade renovations
- Interior would need to be fully gutted
- Accessibility concerns
- Multi-level layout with low ceilings

Massel Avenue Parcel

Pros:

- Easier construction due to open space
- Opportunity for a custom-built facility
- Better access/egress
- Sufficient space to also construct a new Fire Station
- Potential for shared infrastructure (water/sewer), training rooms, and joint planning if Police and Fire are combined

Cons:

- Unknown subsurface conditions
- Uncertainty regarding future use or disposition of the 215 Main Street building if the Massel site is chosen

Mr. Phipps also reviewed Moss-Marlow's **Pre-Construction Services**, emphasizing:

May 22, 2025, MB#33

- The importance of clear communication
- Regular monthly meetings
- Existing facility assessments
- Subcontractor coordination and project sequencing
- Development of a Pre-Construction Safety Plan

He concluded by expressing the company's appreciation for the community and emphasized their strong local relationships with vendors and suppliers, which would help ensure a smooth project process.

A Q&A session with Council followed the presentation.

D.R. Reynolds Company Presentation

Present: Jared Reynolds, Bob Rawson, Thomas Bulla, Chris Langham, Danielle Reynolds, Michael West, Dale Fink

Jared Reynolds opened the presentation with an overview of D.R. Reynolds Company's background, noting that the firm has completed construction for 39 fire departments.

Bob Rawson highlighted several completed fire department projects, including Concord Fire Department #2, Cleveland, Cypress Point, East Lincoln, Highlands, and Boiling Springs.

Project Partners:

- **Michael West**, Architect with West & Stem, will serve as the project architect. He has a long-standing partnership with D.R. Reynolds Company and emphasized the benefits of the design-build approach. Mr. West expressed his confidence that the Valdese project is a strong fit for the firm. He also noted his experience with police department facilities and renovation work in the Winston-Salem area.
- **Dale Fink**, with Alley, Williams, Carmen & King, Inc., introduced himself as the project engineer.
- **Chris Langham**, a retired fire chief and current employee of D.R. Reynolds Company, shared his support for the design-build method and spoke about the project from a fire service perspective.
- **Thomas Bulla**, Project Manager, outlined the company's Execution Plan and Project Approach, emphasizing:
 - Commitment to safety and safety protocols
 - Daily communication
 - Strict adherence to project schedules
 - Focus on relationship building
- **Danielle Reynolds**, Marketing Director, concluded the presentation by highlighting the company's culture and values.

A Q&A session with Council followed the presentation.

Wharton-Smith Presentation

Present: Scott Whelchel, Joseph Willard, Brian Crutchfield, Ron Wagner, Mike Love, Joe Humphrey

Scott Whelchel opened the presentation by highlighting Wharton-Smith's extensive experience, noting the firm has completed over 175 public safety projects in North Carolina. He outlined the advantages of their design-build team, emphasizing open-book transparency, strong purchasing power, collaboration, and their expertise in public safety facilities.

Joe Humphrey, Architect with C Design, discussed how their team incorporates best practices into project planning and will work closely with public safety leadership during the design process. Key considerations included:

- Access Control
- Evidence Storage
- Fitness Facilities
- Fire Station Alert Systems

May 22, 2025, MB#33

Mr. Humphrey also referenced a current study underway for the Town of Rutherfordton's Police Facility, which, like Valdese, is evaluating multiple site options. He reviewed two potential locations in Valdese.

Mike Love added that Wharton-Smith emphasizes careful planning for site logistics and aims to minimize disruption to surrounding areas during construction.

Brian Crutchfield noted that the Massel Avenue site is a strong candidate, though it may require relocating utility lines underground due to setback requirements.

Mr. Whelchel concluded by stating that Wharton-Smith prioritizes staying on schedule. Early identification of needs will allow for immediate ordering of materials with long lead times. He also acknowledged labor shortages in the region due to Hurricane Helene recovery efforts but expressed confidence in their subcontractor network statewide to keep the project on track.

A Q&A session with Council followed the presentation.

COUNCIL RECAP AND DISCUSSION Council members discussed the next steps in the project process. Mr. Herms stated that once a contractor is selected, the project schedule will be revisited and updated as needed. Council agreed to place the contractor selection on the agenda for the June 2, 2025, Council meeting.

ADJOURNMENT At 1:00 p.m., Councilwoman Lowman made a motion to adjourn, seconded by Councilwoman Zimmerman. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, June 2, 2025, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

jl

Town of Valdese

AGENDA MEMO



Resolution Ordinance Contract Discussion Information Only

To: Valdese Town Council

From: Bo Weichel, Assistant Town Manager / CFO

Subject: ABC Board Travel Policy

Meeting: June 2, 2025

Presenter: Bo Weichel, Assistant Town Manager / CFO

ITEM OF INTEREST:

Annual adoption of Valdese ABC Travel Policy

BACKGROUND INFORMATION:

Since its establishment, the Valdese ABC Board has followed a travel policy that aligns with the Town's policy.

In accordance with NCGS 18B-700(g2), "the local ABC board shall annually provide the appointing authority's (Town Council) written confirmation of such approval to the Commission, along with a copy of the travel policy authorized by the appointing authority."

The Valdese ABC Board has reviewed and approved the attached travel policy. Upon Council's approval, the policy and certified meeting minutes will be submitted to the ABC Commission to fulfill the statutory requirement.

BUDGET IMPACT:

None

RECOMMENDATION / OPTIONS:

Recommend approval of ABC Board travel policy.

LIST OF ATTACHMENTS:

ABC Travel Policy



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

TRAVEL POLICY

Proposed Date: May 19, 2025
Effective Date: July 1, 2025
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).

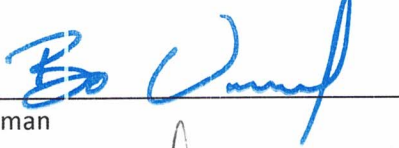
Lodging will be covered for reasonable and actual cost (receipt required). Unless attending a conference, the Federal Per Diem Listing should be used as a guideline in determining reasonable cost.

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-

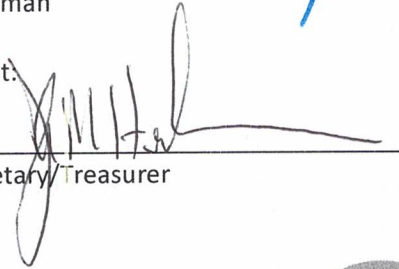
- Transportation: As a general rule, it is the Board's policy that an employee is authorized to use a private vehicle and be reimbursed at the current standard mileage rate. The current standard rate shall be the same as paid by the Town of Valdese following the IRS rate.
- Registration: Registration 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 2nd day of June, 2025



Chairman

Attest:



Secretary/Treasurer

PROPOSED

Town of Valdese COUNCIL MEMO



Resolution Ordinance Contract Discussion Information Only

To: Valdese Town Council

From: Morrissa Angi - Community Affairs

Subject: Lease Renewal with Dream Connections, Inc.

Meeting: June 2, 2025

Presenter: _____

ITEM OF INTEREST:

Annual Lease Renewal with Dream Connections, Inc.

BACKGROUND INFORMATION:

The attached standard lease agreement is used for all leased spaces at the Old Rock School. This is an annual renewal with Dream Connections, Inc. The lessee has occupied space at the Old Rock School since 2012. Lease payments have always been on time and in full.

Mission: Dream Connections, Inc. is devoted to providing dedicated and comprehensive services to assist, advocate, and empower persons with mental health and/or intellectual and/or developmental disabilities to enrich their life to the fullest, maximize their opportunities to be independent, and to be included as members of their community.

BUDGET IMPACT:

Revenue from this lease agreement was included in the Community Affairs Budget for 2024-2025.

RECOMMENDATION / OPTIONS:

Approve for renewal

LIST OF ATTACHMENTS:

Lease Agreement that has been reviewed by Tim Swanson.

**STATE OF NORTH CAROLINA
BURKE COUNTY**

LEASE AGREEMENT

THIS LEASE AGREEMENT (the “Lease”) is made and entered into by and between the Town of Valdese, a North Carolina municipal corporation, having a mailing address of P.O. Box 339, Valdese, NC 28690 (“Lessor”), and Dream Connections, Inc., a North Carolina corporation, having a mailing address of P.O. Box 585, Valdese, NC 28690-0585 (“Lessee”), and is effective as of the last date herein below signed (the “Effective Date”). The identified parties are at times referred to herein collectively as “Parties” and individually as a “Party.”

WITNESSETH:

In consideration of the rent to be paid, the mutual covenants and agreements herein contained, and of other goods and valuable considerations, the receipt and legal sufficiency of all of which are hereby acknowledged by both parties hereto, Lessor hereby demises and rents unto Lessee, and Lessee hereby leases from Lessor the Premises (as defined below), subject to the terms and conditions hereinafter set out.

**ARTICLE I
FUNDAMENTAL LEASE PROVISIONS**

1.01 PREMISES. Lessor hereby demises and leases unto Lessee, and Lessee hereby leases from Lessor Suites 10, 16, 17, 18, 19 and 20 as more particularly described in **Exhibit A** attached hereto (the “Premises”), said Premises being in that certain building commonly known as the Valdese Old Rock School located at 400 Main Street, Valdese, Burke County, North Carolina (the “Property”), subject to the terms and conditions hereinafter set out.

1.02 TERM. The term of this Lease shall commence on the 1st day of July 2025 and shall end at midnight on the 30th day of June 2026 (“Term”), unless sooner terminated as herein provided.

1.03 RENT. Rent for the Term shall be \$13,200.00, payable in equal monthly installments of \$1,100.00 (“Rent”). Lessee shall pay Lessor Rent on the 1st day of each month during the Term commencing on the Commencement Date without notice, demand, deduction or offset except as otherwise set forth in this Lease or pursuant to applicable law, in lawful money of the United States.

1.04 SECURITY DEPOSIT. Upon execution of this Lease, Lessee will pay Lessor an amount equal to one (1) month’s rent or \$1,100.00, which amount shall be deposited in trust with Lessor as security for the faithful performance by Lessee of all the terms, covenants, and conditions of this Lease to be kept and performed during the Lease term (the “Security Deposit”). Provided that Lessee is not in default and leaves the Premises at the end of the tenancy as required hereunder, the Security Deposit shall be returned in full to Lessee at the end of the Term. If at any time during the Lease Term any of the Rent shall be overdue and unpaid, or any other sum payable to Lessor under this Lease shall be overdue and unpaid, the Lessor may, at its option, apply the entire Security Deposit, or so much thereof as may be necessary to

compensate the Lessor for the payment of overdue Rent or other sums due and payable to Lessor by Lessee. The Lessee shall, upon the written demand of Lessor, remit to Lessor enough to restore said Security Deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this Lease.

ARTICLE II **COMMON AREAS**

2.01 COMMON AREAS. Lessor shall make available within the Property such common areas, including but not limited to parking areas, driveways, pedestrian sidewalks and ramps, access roads, and landscaped areas, as Lessor in its reasonable discretion shall deem appropriate. It is hereby expressly understood and agreed by Lessor and Lessee that Lessor shall operate, manage, equip, light, repair and maintain said common areas for their intended purposes in such manner as Lessor in its sole discretion shall determine within the parameters of sound business decisions intended to maximize utilization of the area for lessee businesses and other town operations, and Lessor reserves the right to change from time to time the size, location, nature and use of any common area, to sell or lease any portion thereof, and to make additional installations therein and to move and remove the same.

2.02 USE OF COMMON AREAS. Lessee and its officers, employees, agents, and customers, shall have the non-exclusive right, in common with Lessor and all others to whom Lessor has or may hereafter grant rights, to use the common areas as designated from time to time by Lessor subject to such reasonable rules and regulations as Lessor may from time to time impose, including the designation of specific areas in which cars owned by Lessee, its officers, employees and agents must be parked. Lessee agrees after notice thereof to abide by such rules and regulations and to use its best efforts to ensure its officers, employees, agents, and customers to conform thereto. Lessor may at times temporarily close any common area to make repairs or changes or to discourage non-customer parking, and Lessor may do such other acts in and to the common areas as in its judgment may be desirable to improve the convenience thereof. Lessee shall not at any time interfere with the rights of Lessor and other lessees, and their officers, employees, agents, and customers, to use any part of the parking areas and other common areas. Lessor reserves the right to grant to third persons the non-exclusive right to cross over and use in common with Lessor and all lessees of the Property the common areas as designated from time to time by Lessor.

ARTICLE III **UTILITY SERVICES**

3.01 UTILITIES. Lessor will pay for all public utilities rendered or furnished to the Premises from and after the Lease Commencement Date.

ARTICLE IV
REPAIRS AND MAINTENANCE

4.01 REPAIRS BY LESSOR. Lessor shall make and pay for all repairs to (i) the exterior supporting walls of the building which the Premises are a part; (ii) the foundation, roof (including drains, downspouts, flashing, and parapets); and (iii) parking areas, and curbs. Should Lessee submit a written notice of any damage, and should Lessor agree that such repairs are necessary for safety, or preventing avoidable loss or damage, then such repairs will be made. However, such damage thereto shall not have been caused by the willful misconduct or negligence of Lessee, its officers, agents, or employees, in which event Lessee shall be responsible. Under no circumstances shall Lessee place any equipment on the roof or make any repairs to same. Lessor shall have no obligation to repair, maintain, alter, or perform any other acts with reference to the Premises or any part thereof, or any plumbing, heating, ventilating, electrical, air conditioning, or other mechanical installations therein and/or servicing the Premises.

4.02 REPAIRS BY LESSEE. Lessee agrees to and shall, at its sole cost and expense, to maintain, replace and keep the Premises in good order, and condition. Maintenance includes Lessee's responsibility to repair (unless otherwise excluded in this Lease): the interior of the Premises, all fixtures, furnishings, lighting, doors, signs, air conditioning, ventilating, plumbing, heating, and electrical installations in and servicing the Premises. During the term of this Lease, Lessee shall contract for, in its own name, and shall pay for a (i) an insured trash removal firm to remove trash from the premises in a timely and sanitary manner and (ii) licensed HVAC service contractor to inspect, adjust, clean, and repair Lessor's HVAC systems, including changing filters on a regular basis, but no less than semiannually. Lessee shall provide a copy of each service report to Lessor upon request. If a request is made and Lessee has not engaged a maintenance firm, Lessee will be charged \$25 per day for each day until an inspection is made and Lessor is in receipt of the inspection report.

If Lessee refuses or neglects to repair the Premises as required hereunder as soon as reasonably possible after written demand, Lessor, at its sole discretion, may make such repairs without liability to Lessee for any loss or damage that may accrue to Lessee's merchandise, fixtures, or other property or to Lessee's business by reason thereof, unless said loss or damage results from Lessor's or its agent's gross negligence or willful misconduct. Upon completion thereof, Lessee shall pay Lessor's actual costs for making such repairs as additional Rent.

4.03 INSPECTION. Lessor or its representatives shall have the right to enter the Premises at reasonable hours of any day with 24-hour advance notice to Lessee for non-emergency inspection during the Lease Term to ascertain if the Premises are in proper repair and condition.

ARTICLE V
USE OF LEASED PREMISES

5.01 PERMITTED USE. Lessee covenants and agrees to use the Premises for professional office space for Lessee's mental health, intellectual and/or developmental

disabilities business (“Permitted Use”) and for no other use without Lessor’s written approval. Lessee shall, at its own costs and expense: (a) conduct its operations in a lawful manner and in compliance with all municipal laws, orders, codes, ordinances, and regulations, applicable to the business of Lessee and shall maintain during the lease term all licenses and permits required by law with respect to Lessee’s operations; (b) comply with and execute all reasonable rules and regulations of Lessor or any organization establishing insurance rates; (c) not suffer, permit or commit any waste or nuisance; (d) not allow anything in or about the Premises that is unlawful, obscene, which tends to create or maintain a nuisance, or do any act tending to injure the reputation of the Property; and (e) not store vehicles overnight.

Lessee hereby warrants not to manage, store, or dispose of any hazardous or toxic waste or substance upon the Premises prohibited by federal, state, or local statutes, ordinances, or regulations. Lessee hereby covenants to indemnify and hold Lessor, its successors and/or assigns, harmless from any loss, damage, claims, costs, liabilities, or cleanup costs arising out of Lessor’s use, handling, storage, or disposal of any hazardous or toxic wastes or substances on the Premises.

5.02 RULES AND REGULATIONS. During the Term of this Lease, Lessee’s use of the Premises shall be subject to such rules and regulations as may be adopted by Lessor from time to time in its sole and absolute discretion. At Lessor’s sole option, Lessor shall have the right to reasonably modify and/or rescind the rules and regulations.

5.03 NOISE AND NUISANCES. Lessee covenants that it will not create or maintain any nuisances, including without limiting the foregoing, loud noises, sound effects, or offensive odors in or about the Premises.

ARTICLE VI **LESSEE’S BUSINESS OPERATIONS**

6.01 RELATIONSHIP OF THE PARTIES. Nothing herein contained shall be deemed or construed as creating the relationship of principal and agent or of partnership or joint venture between parties hereto; it being understood and agreed that neither the method of computing rent nor any other provision contained herein, nor any acts of the parties hereto shall be deemed to create any relationship between the parties other than that of Lessor and Lessee.

ARTICLE VII **ADDITIONS, ALTERATIONS AND TRADE FIXTURES**

7.01 ADDITIONS AND ALTERATION. Lessee may from time to time, with the prior written consent of the Lessor, at its own expense, alter, renovate or improve the interior of the Premises provided the same is performed in a good and workmanlike manner, in accordance with accepted building practices and so as not to weaken or impair the strength or substantially lessen the value of the building in which the Premises are located. Any work done by Lessee under the provisions of this Section shall not interfere with the use by the other lessees of the Property. All permanently attached alterations, decorations, additions, and improvements made

by Lessee, or made by Lessor on Lessee's behalf as provided in this Lease, shall remain the property of the Lessee for the Lease Term, but they shall not be removed from the Premises without the prior written consent of Lessor which consent shall not be unreasonably withheld. Upon termination of this Lease, Lessee shall remove such alterations, decorations, additions, and improvements and restore the Premises as provided herein, normal wear and tear excepted, and if Lessee fails to do so and moves from, or abandons, the Premises, all such alterations, decorations, additions, and improvements shall become the property of Lessor. The cost to restore the Premises shall be deducted from Lessee's Security Deposit or billed to Lessee if the amount exceeds the Security Deposit.

7.02 INDEMNITY AND INSURANCE. Lessee shall indemnify and hold Lessor harmless from any and all claims for damage or otherwise based upon or in any manner growing out of any alterations or construction undertaken by Lessee under the terms of this Lease, including all costs, damages, expenses, court costs and attorney's fees incurred in or resulting from claims made by other lessee of premises in the Property, their agents, employees, patrons and invitees, unless the cause of such is due to Lessor's negligence or willful misconduct.

Before undertaking any alterations or construction, Lessee shall obtain and pay for a public liability policy insuring Lessor and Lessee against any liability which may arise on account of such proposed alterations or construction work in limits of not less than \$1,000,000.00 for any one person, \$2,000,000 for more than one person in any one accident and \$500,000 for property damage and a certificate or copy of such policy shall be delivered to Lessor prior to the commencement of such proposed work. Lessee shall also always maintain fire insurance with extended coverage in the name of Lessor and Lessee as their interest may appear in an amount adequate to cover the cost of replacement of all alterations, decorations, additions, or improvements in and to the Premises, and all trade fixtures therein, in the event of fire or extended coverage loss. Lessee shall deliver to Lessor certificate of such fire insurance policies, which shall contain a clause requiring the insurer to give Lessor ten (10) days' notice of cancellation of such policies.

7.03 MECHANIC'S LIEN. Neither Lessee, nor any person performing work for Lessee shall have the right to lien the interest of the Lessor in the Property. Any mechanic's lien or other lien attributable to work performed for Lessee shall attach solely to Lessee's leasehold interest. If by reason of any alteration, repair, labor performed or materials furnished to the Premises for or on behalf of Lessee any mechanic's or other lien shall be filed, claimed, perfected or otherwise established as provided by law against the Premises or the Property, Lessee shall discharge or remove the lien by bonding or otherwise, within ten (10) days after notice from Lessor to Lessee of the filing of same.

7.04 TRADE FIXTURES. All trade fixtures and equipment installed by Lessee in the Premises shall be functioning and shall remain the property of Lessee. Lessee shall obtain the written consent of Lessor before installing any fixtures or equipment that could possibly weaken or impair the structural portions of the Premises.

Provided Lessee is not in Default hereunder, Lessee shall have the right, at the termination of this Lease, to remove any and all trade fixtures, equipment and other items of

personal property not constituting a part of the freehold which it may have stored or installed in the Premises, including but not limited to counters, mirrors, shelving, chairs and movable machinery purchased or provided by Lessee and which are susceptible to being moved without damage to the building, provided this right is exercised before the Lease has expired or during the ten (10) day period prior to any such termination provided herein, and provided that Lessee shall repair any damage to the Premises caused thereby. The right granted Lessee in this Section shall not include the right to remove any plumbing or electrical fixtures or equipment, heating or air-conditioning equipment, floor coverings glued or fastened to the floors or any paneling, tile or the materials fastened or attached to the walls or ceilings, all of which shall be deemed to constitute a part of the freehold, and, as a matter of course, shall not include the right to remove any fixtures or machinery that were furnished by Lessor. If Lessee shall fail to remove its trade fixtures or other property at the termination of this Lease, such fixtures and other property not removed by Lessee shall be deemed abandoned by Lessee and, at the option of Lessor, such property will either become (i) Lessor's ownership, or (ii) Lessor will dispose of such property and bill back Lessee.

ARTICLE VIII

INSURANCE AND INDEMNIFICATION

8.01 INSURANCE. Lessee shall maintain at its sole expense during the term hereof, public liability insurance covering the Premises in an amount of \$1,000,000 per occurrence and \$2,000,000 taken together and property damage insurance in an amount of \$1,000,000 in companies reasonably satisfactory to Lessor in the joint names of Lessor and Lessee. Insurance shall cover any damage resulting from water intrusion of any source. Lessee shall also keep in force rent insurance as well as fire and extended coverage insurance for the full replacement value of all improvements to the Premises. Lessee's fire and extended coverage insurance shall, in addition, insure the full replacement value of all of Lessee's improvements and Lessee's property, including, but not limited to, inventory, trade fixtures, furnishings and other personal property. Lessee will cause such insurance policies to name Lessor as an additional insured and to be written to provide that the insurer waives all right of recovery by way of subrogation against Lessor in connection with any loss or damage covered by the policy unless such loss or damage is caused because of Lessor's negligence and Lessee's insurer does not cover the full cost of damage. In addition, Lessee shall keep in force Worker's Compensation or similar insurance to the extent required by law. Lessee shall deliver said policies or, certificates thereof to Lessor at least (10) days prior to the Lease Commencement Date. Each insurer under the policies required hereunder shall agree by endorsement on the policy issued by it or by independent instrument furnished to Lessor that it will give Lessor thirty (30) days' prior written notice before the policy or policies in question shall be altered or canceled. With the execution of this Lease and within ten (10) days prior to any insurance expiration, Lessee will provide Lessor with an insurance certificate evidencing the above coverages.

8.02 INDEMNIFICATION. Lessee hereby agrees to indemnify and hold Lessor harmless from all claims, damages, liabilities, or expenses, including reasonable attorney's fees, arising out of (a) Lessee's use of the Premises, (b) any default or breach in the performance of any obligation of Lessee under this Lease, or (c) any negligence or willful misconduct of Lessee, its agents, or employees. Lessee further releases Lessor from all claims, damages, liabilities, or

expenses, including reasonable attorney's fees, sustained by Lessee or any other person claiming by, through, or under Lessee, due to: (x) the Premises or any part thereof of any appurtenance thereto becoming out of repair; (y) the happening of any accident including, but not limited to, any damage caused by water, snow, windstorm, tornado, gas, steam, electrical wiring, sprinkler system, plumbing, heating and/or air conditioning apparatus; or (z) any acts or omissions of co-Lessees or other occupants of the Property, except to the extent caused by Lessor's negligence and/or failure to timely perform obligations under this Lease. The indemnifications contained in this Section shall survive the termination of this Lease for matters that accrue or otherwise arise prior to the termination of this Lease.

ARTICLE IX **LESSEE'S PROPERTY**

9.01 TAXES. Lessee shall be responsible for and shall pay before delinquency all municipal, county or state taxes, levies and fees of every kind and nature, including, but not limited to, general or special assessments assessed during the Lease Term against any personal property of any kind, owned by or placed in, upon or about the Premises by the Lessee and taxes assessed on the basis of Lessee's occupancy thereof.

ARTICLE X **DAMAGES OF CONDEMNATION OF THE PREMISES**

10.01 DAMAGE BY CASUALTY OR FIRE. Lessee shall give to Lessor prompt written notice of any damage to any portion of the Premises resulting from fire or other casualty. No damage to the Premises shall allow Lessee to either surrender possession of the Premises or affect Lessee's liability for the payment of rent or any other covenant contained herein, except as may be specifically provided in this Lease.

If the Premises is damaged by fire, flood, tornado, hurricane, or through any other casualty, this Lease shall continue in full force and effect, unless Lessor determines, in its sole discretion, not to restore. If Lessor elects to restore the Premises to the condition at Lease commencement, it will do so within one hundred twenty (120) days after such damage, subject to force majeure delays. In the event that a portion of the Leased Premises is unlesseeable or incapable of use for the normal conduct of Lessee's business therein due to such damage, a just and proportionate part of the rent shall be abated from the date of such damage until the earlier of when the Lessor has restored the Premises in the manner and in the condition provided in this Section and notified Lessee of such fact.

In the event Lessor, for any reason, notifies Lessee in writing that it will not restore the Premises as aforesaid, Lessee's sole remedy against Lessor shall be to terminate this Lease as of the date of such decision. If the Premises shall be damaged in whole or in substantial part within the last year of the Lease Term, Lessor or Lessee shall have the option, exercisable within thirty (30) days following such damage, of terminating this Lease, effective as of the date of mailing notice thereof.

Notwithstanding any of the provisions herein to the contrary, Lessor shall have no obligation to restore the Premises. Lessor shall have 30 days to notify Lessee in writing if repairs are not to be made and terminate this Lease, effective as of the date of such damage.

10.02 LOSS OR DAMAGE TO LESSEE’S PROPERTY. Lessor shall not be liable for any damage to property of Lessee or of others located on the Premises, nor for the loss of or damage to any property of Lessee or of others by theft or otherwise unless caused because of Lessor’s negligence. Lessor shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, or snow or leaks from any part of the Leased Premises or from the pipes, appliances, or plumbing works or from any other place or by dampness or by any other cause of whatsoever nature, unless caused because of Lessor’s gross negligence. Lessor shall not be liable for any such damage caused by other lessees or persons in the Premises, occupants of property adjacent to the Property, or the public, or for damage caused by operations in construction of any private, public, or quasi-public work. All property of Lessee kept or stored on the Premises shall be so kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claim arising out of damage to the same, including subrogation claims by Lessee’s insurance carriers, unless such damage shall be caused by the willful act or negligence of Lessor.

10.03 CONDEMNATION. If any of the Premises shall be taken under power of eminent domain, or otherwise transferred in lieu thereof, or if any part of the Property is taken and its continued operation is not, in Lessor’s opinion, economical, this Lease shall automatically terminate as of the date of possession is taken by the condemning authority. Lessee and Lessor may pursue their own separate award, which may be made in such taking or condemnation. In the event of a partial taking, which does not result in the termination of this Lease, Lessor shall promptly restore the remaining premises to a complete unit and all Rent shall be apportioned according to the part of the Premises remaining usable by Lessee. If for any reason, restoration of the Premises is not completed by Lessor within six (6) months after any portion thereof is taken, either Lessor or Lessee may terminate this lease.

ARTICLE XI
DEFAULT OF LESSEE AND REMEDIES

11.01 DEFAULT OR BREACH OF COVENANT. Lessee shall be in default under this Lease (“Default”) if Lessee:

11.01.1 fails to pay when due all or any portion of any sum due from Lessee under this Lease and such failure shall continue for more than five (5) days after receipt of written notice from Lessor;

11.01.2 fails to commence to take actions in accordance with the provisions of this Lease to remedy Lessee’s failure to perform any of the terms, covenants, and conditions hereof within ten (10) days after receipt of written notice from Lessor specifying the same, or thereafter fails to diligently pursue the cure of such failure within a reasonable period;

11.01.3 transfers, has levied upon, or assigns to any other person, firm, or corporation, whether voluntary or involuntary, except as herein permitted, its interest in this Lease;

11.01.4 takes or has taken against Lessee any petition of bankruptcy; takes action or has taken against Lessee for the appointment of a receiver for all or a portion of Lessee's assets; files a petition for a corporate reorganization or any debtor proceeding; makes an assignment for the benefit of creditors; or if in any other manner Lessee's interest hereunder shall pass to another by operation of law; and/or

11.01.5 commits waste on the Premises.

11.02 REMEDIES UPON DEFAULT. Upon Lessee's Default as set forth in Section 11.01, Lessor may, at its option and without further notice to Lessee, utilize any one or more of the following rights:

11.02.1 Lessor shall have the right to enter upon the Premises for the purpose of showing the property to prospective lessees without assuming any liability for conversion;

11.02.2 Lessor shall have the right, but not the obligation, to enter the Premises for the purpose of correcting any such condition and to remain on the Premises to complete correction of such condition. However, no expenditure by Lessor on behalf of Lessee shall be deemed to waive or release Lessee's breach hereof and Lessor shall retain all rights to proceed against Lessee as set forth herein;

11.02.3 Lessor shall have the right to reenter the Premises immediately (but such reentry shall not serve to release or discharge damages Lessee owes Lessor) with or without order of court by lawful force, without being guilty of trespass, and without liability for the removal of, or obligation to store, Lessee's property or documents, Lessor may remove the property and personnel of Lessee all at the expense of Lessee;

11.02.4 Lessor shall have the right to exercise all other rights and remedies provided by law or in equity to a Lessor with a defaulting Lessee; and/or

11.02.5 After such reentry, Lessor shall have the right to terminate this Lease with 24 hours written notice of termination to Lessee, but without such notice, the reentry by Lessor shall not terminate this Lease.

11.03 COSTS AND ATTORNEYS FEES. In addition to any other damages sustained by Lessor as a result of Lessee's Default, Lessor shall be entitled to recover of Lessee all reasonable attorneys' fees and costs incurred in pursuit of Lessor's remedies.

ARTICLE XII
DELIVERY CONDITION

12.01 DELIVERY CONDITION. Subject to Lessee's right to inspect the Premises prior to execution of this Lease, Lessee hereby accepts the Premises in its "as is" condition and subject to all applicable federal, state or local laws, rules, regulation, codes, ordinances, judgments, decrees, or orders of any state, federal or local government or agency have jurisdiction over the Premises.

ARTICLE XIII
SURRENDER OF PREMISES

13.01 CONDITION ON SURRENDER. At the expiration of the tenancy hereby created, Lessee shall surrender the Premises in the same condition as the Premises was in on the Lease Commencement Date, reasonable wear and tear excepted, and damage by unavoidable casualty excepted, to the extent that the same can be covered by fire insurance with extended coverage endorsement and Lessee shall surrender the keys for the Premises to Lessor. Lessee shall (i) remove all its trade fixtures, if permitted hereunder; (ii) remove any signage and repair any damage caused thereby; (iii) deliver in broom clean condition, with all Lessee's personal property removed; and (iv) meet with Lessor's representatives for a lease maturity inspection to confirm the Premises are in surrender condition. If any work remains to be completed post inspection, such work will be completed within five (5) days of inspection or Lessor will complete the work and bill the actual cost back to Lessee. Lessee's obligations hereunder shall survive the expiration or other termination of this Lease.

13.02 HOLDOVER TENANCY. If Lessee retains possession of the Premises or any part thereof after the termination of this Lease, Lessee shall, from that day forward, be a Lessee from month-to-month and Lessee shall pay Lessor Rent at one hundred and fifty percent (150%) of the monthly rate in effect immediately prior to the termination of this Lease for the time Lessee remains in possession. No acceptance of Rent by, or other act or statement whatsoever on the part of Lessor, or its agent, or employee, in the absence of a writing signed by Lessor, shall be construed as an extension or as a consent for further occupancy. Lessee shall indemnify and pay Lessor for all documented damages consequential as well as direct, sustained by reason of Lessee's retention of possession, including without limitation the value loss of any approved subsequent Lessee for any portion of the Premises. The provisions of this Section do not exclude pursuit of Lessor's right of re-entry or any other right under the Lease. Should Lessor send a notice to vacate to Lessee during any such holdover, Lessee shall vacate the Premises within ten (10) days of receipt of the notice.

ARTICLE XIV
GENERAL PROVISIONS

14.01 ASSIGNMENT AND SUBLETTING. Lessee may not sublet the Premises. All assignments of this Lease of the Premises by Lessee shall be subject to and in accordance with all the provisions of this Section. So long as Lessee is not in default under any of the provisions of this Lease:

14.01.1 Lessee may assign this Lease to a wholly owned corporation or controlled subsidiary under the following conditions if the assignee would be engaged in the same Permitted Use as Lessee.

14.01.2 Lessee may assign this Lease to a party, other than a wholly owned corporation or controlled subsidiary, only after obtaining the prior written consent of Lessor, which consent shall not be unreasonably withheld.

Notwithstanding the foregoing provisions of subparagraphs 14.01.1 and 14.01.2 of this Section, any assignee must be of similar or better financial position and experience than Lessee. Lessee shall provide Lessor with authorization to review assignee's credit, financials, and Lessee application, prior to assignment, subject to reasonable confidentiality requirements of assignee.

Notwithstanding the foregoing provisions of subparagraphs 14.01.1 and 14.01.2 of this Section, any assignment shall be only for the Permitted Use, and for no other purpose, and in no event shall any assignment of the Premises release or relieve Lessee from any obligations of this Lease. Any assignee shall assume Lessee's obligations hereunder and deliver to Lessor an assumption agreement in form reasonably satisfactory to Lessor.

14.02 ACCESS. Lessor shall have the right at all reasonable times to enter and inspect the premises, and to take any action which Lessor reasonably believes to be necessary to protect the premises from damage.

14.03 APPLICABLE LAW. The laws of the State of North Carolina shall govern the validity, performance, and enforcement of this Lease. Any litigation between the parties hereto concerning this Lease shall be initiated in the county in which the Property is located.

14.04 ENTIRE AGREEMENT. This Lease and the Exhibits, if any, attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between Lessor and Lessee concerning the Premises and there are no covenants, promises, agreement, conditions, or understandings, either oral or written, between them other than as are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by them.

14.05 WAIVER. The waiver by Lessor or Lessee of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or subsequent breach for the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, or condition of this Lease, other than the failure of Lessee to pay the Rent so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Lease shall be deemed to have been waived, unless such waiver is in writing.

14.06 ACCORD AND SATISFACTION. No payment by Lessee or receipt by Lessor of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Lessor may accept such check or payment without prejudice to Lessor's right to recover the balance of such rent or pursue any other remedy in this Lease provided.

14.07 BINDING AGREEMENT. The terms, covenants and conditions contained herein shall inure to the benefit of and be binding upon Lessor and Lessee and their respective successors and assigns, except as may be otherwise expressly provided in this Lease.

14.08 PREVAILING PARTY EXPENSES. If Lessee or Lessor shall at any time breach any of the terms and conditions of this Lease, or shall be in default hereunder, and if the other party shall deem necessary to engage attorneys to enforce its rights hereunder, the losing party will reimburse the prevailing party for the reasonable expenses incurred hereby, including but not limited to court costs and reasonable attorney's fees. If Lessee's rights hereunder are not terminated, the amount of such expenses owed by Lessee to Lessor shall be deemed to be Additional Rent hereunder and shall forthwith be due and payable by Lessee to Lessor.

14.09 SEVERABILITY. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

14.10 FORCE MAJEURE. Whenever a period of time is prescribed for action by either party under this Lease, such party shall not be liable, penalized, or responsible for any delays due primarily to riots, acts of God, epidemic, pandemic, municipal ordinances, declaration of state of emergency (national, state, or local), or any other causes of any kind whatsoever which are beyond the reasonable control of such party (but specifically excluding financial inability of either party).

14.11 QUIET ENJOYMENT. The Lessor agrees that Lessee paying the stipulated rental and keeping and performing the agreement and covenants herein contained, shall hold and enjoy the premises for the term aforesaid, subject however to the terms of this Lease, and further warrants that the use of the premises called for herein does not violate the terms of any zoning affecting the premises.

14.12 COUNTERPART. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which constitutes one and the same Agreement. Delivery of an executed counterpart of this Agreement electronically shall be effective as delivery of an original executed counterpart of this Agreement. The parties expressly consent and agree that this Agreement including all associated documentation may be electronically signed, and that such signatures shall be governed by the laws, policies and regulations of individual countries, regions and industries. In the event of a dispute where the law is unclear as to the treatment of

electronic signatures, the parties agree the United States Electronic Signatures in Global and National Commerce Act (“ESIGN”) shall control.

14.13 NOTICE. 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:

PARTY	CONTACT INFORMATION
If to Lessor:	P.O. Box 339 Valdese, NC 28690 Attn: Manager
With copy to (which shall not constitute notice):	Timothy D. Swanson, Esq. Town Attorney P.O. Drawer 2428 Hickory, NC 28603 timothys@hickorylaw.com
If to Lessee:	Dream Connections, Inc. P.O. Box 585 Valdese, NC 28690-0585

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.

14.14 IRAN DIVESTMENT ACT COMPLIANCE. The Parties certify that, as of the date listed below, they are not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 147-86.55 et seq. (the “Iran Divestment Act”). In compliance with the requirements of the Iran Divestment Act, the Parties shall not utilize in the performance of the Agreement any subcontractor that is identified on the Final Divestment List.

14.15 COMPANIES BOYCOTTING ISRAEL DIVESTMENT ACT CERTIFICATION. The Parties certify that that they have not been designated by the North Carolina State Treasurer as a party engaged in the boycott of Israel pursuant to N.C.G.S. 147-86.80 et seq.

14.16 NONDISCRIMINATION. To the extent permitted by North Carolina law, the Parties, for themselves, their agents, officials, directors, officers, members, representatives, employees, and contractors agree not to discriminate in any manner or in any form based on actual or perceived age, mental or physical disability, sex, religion, creed, race, color, sexual orientation, gender identity or expression, familial or marital status, economic status, veteran status or national origin.

14.17 E-VERIFY. Employers and their subcontractors with 25 or more employees as defined in Article 2 of Chapter 64 of the North Carolina General Statutes must comply with North Carolina Session Law 2013-418's E-Verify requirements to contract with local governments. E-Verify is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law. The Parties shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. If the Parties utilize a subcontractor they shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.

This Space was Intentionally Left Blank. Signatures Appear on the Following Pages.

WHEREFORE, the Parties have duly executed this Lease as of the Effective Date, each acknowledging receipt of an executed copy hereof.

[AFFIX SEAL]

LESSOR:

ATTEST:

TOWN OF VALDESE,
A North Carolina municipal corporation

By: Jessica Lail

By: Charles Watts

Its: Town Clerk

Its: Mayor

Date

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.

By: Bo Weichel

Its: Chief Financial Officer

Approved as to form on behalf of the Town
this _____ day of _____, 2025.

By: Timothy D. Swanson

Its: Town Attorney

WHEREFORE, the Parties have duly executed this Lease as of the Effective Date, each acknowledging receipt of an executed copy hereof.

LESSEE:

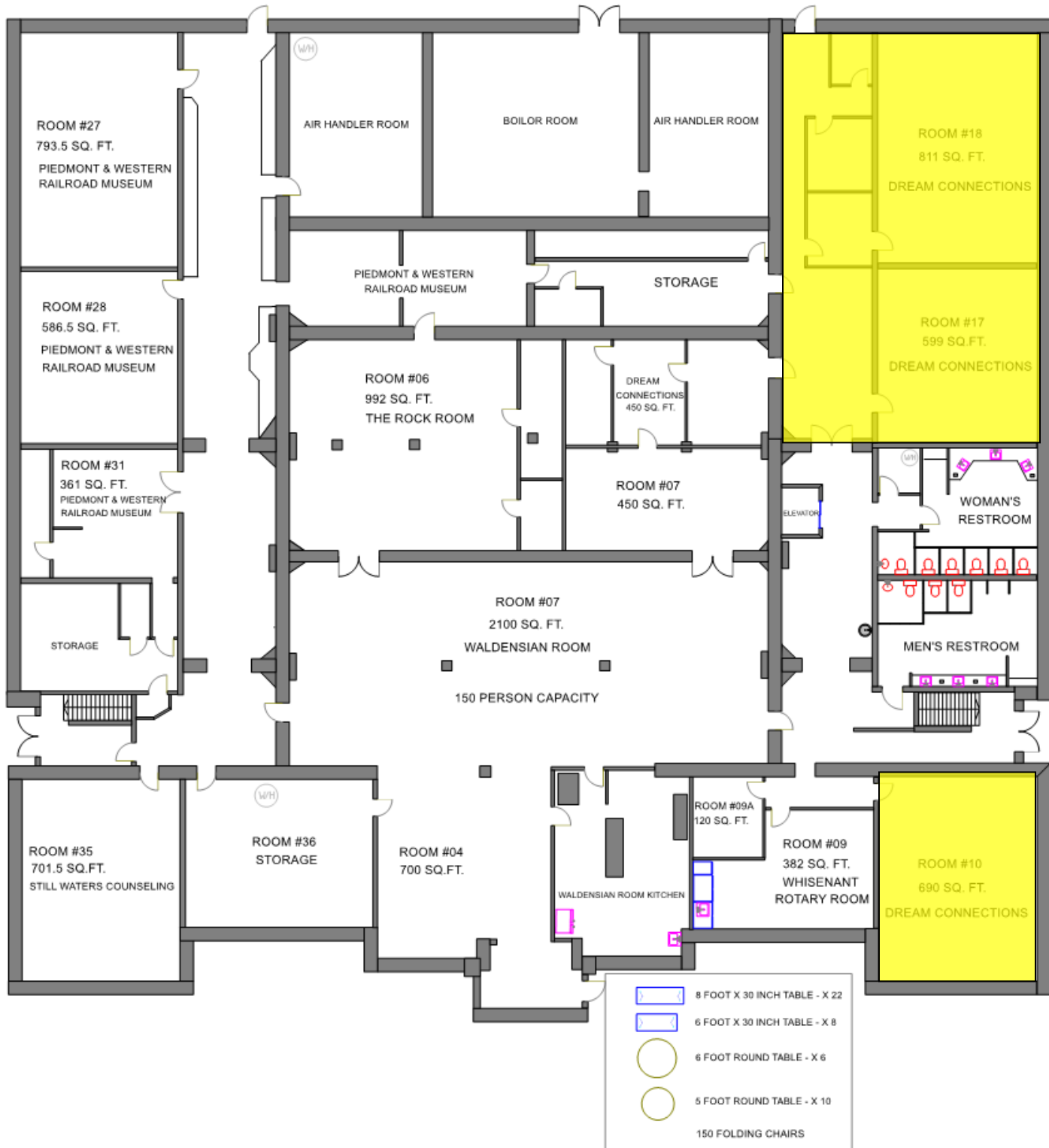
DREAM CONNECTIONS, INC.,
A North Carolina corporation

By:

Its:

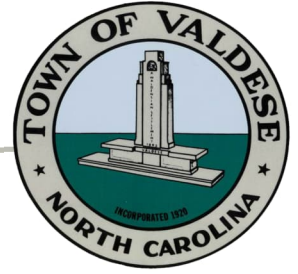
Date

Exhibit A



Town of Valdese

AGENDA MEMO



Resolution Ordinance Contract Discussion Information Only

To: Valdese Town Council

From: Bo Weichel, Interim Town Manager

Subject: Sale of property

Meeting: June 2, 2025

Presenter: Bo Weichel, Interim Town Manager

ITEM OF INTEREST:

Offer to purchase 800 Pineburr Ave SE (PIN: 2743136398)

BACKGROUND INFORMATION:

The Town received an offer on a vacant parcel located at 800 Pineburr Ave SE. At the April 7th meeting, Council approved the Resolution Authorizing Upset Bid Process.

This parcel has no value or benefit to Town operations. It has been in the possession of the Town since 2023.

Acreage: 14.91

Appraised Land Value per Burke County GIS: \$134,490

The Town received upset bids since the original offer. The last bidding stopped at \$148,378.25 and is the current offer for this parcel from East McDowell Street Properties LLC. A deposit of 5% has been provided by the buyer.

BUDGET IMPACT:

Would add \$148,378.25 to the project fund for Public Safety facility.

RECOMMENDATION / OPTIONS:

Approve the RESOLUTION AUTHORIZING SALE OF REAL PROPERTY

LIST OF ATTACHMENTS:

1. Agreement for Purchase
2. Resolution Authorizing Sale of Real Property



NC REALTORS® Commercial Forms

AGREEMENT FOR PURCHASE AND SALE OF LAND

THIS AGREEMENT, including any and all addenda attached hereto ("Agreement"), is by and between

East McDowell Street Properties, LLC
a(n) LLC ("Buyer"), and
(individual or State of formation and type of entity)

Town of Valdese
a(n) Incorporated Town ("Seller").
(individual or State of formation and type of entity)

(NOTE: If the Buyer or Seller is an entity, in order to form a binding agreement and complete a transaction, the entities listed as Buyer or Seller in this Agreement should be validly formed and in good standing with the Secretary of State in the State of formation of the entity.)

FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Terms and Definitions: The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a) "Property": (Address) 800 Pineburr Avenue, SE

Plat Reference: Lot(s) , Block or Section , as shown on Plat Book or Slide at Page(s) , County, consisting of acres.

[X] If this box is checked, "Property" shall mean that property described on Exhibit A attached hereto and incorporated herewith by reference,

(For information purposes: (i) the tax parcel number of the Property is: REID: ; and, (ii) some or all of the Property, consisting of approximately 14.91 acres acres, is described in Deed Book 2681 , Page No. 919 , Burke County.)

together with all buildings and improvements thereon and all fixtures and appurtenances thereto.

\$ 148,378.25 (b) "Purchase Price" shall mean the sum of One Hundred Forty-Eight Thousand, Three Hundred Seventy-Eight 25/100 Dollars,

or, if this box is checked [], Purchase Price shall mean the sum of \$ per gross acre ("Price Per Acre") as determined by a survey obtained by Buyer prior to the expiration of the Examination Period ("Survey"). Buyer shall provide a copy of the Survey to Seller not later than the expiration of the Examination Period. The purchase price shall be determined by multiplying the Price Per Acre by the number of gross acres as determined by the Survey. Adjustments to the amounts due under Sections 1(b)(ii) - 1(b)(iii) shall be made, as applicable, to reflect any adjustment in the Purchase Price in accordance with this provision. The Purchase Price shall be payable on the following terms:

\$ 7,418.92 (i) "Earnest Money" shall mean Seven Thousand, Four Hundred Eighteen 92/100 Dollars or terms as follows:

The Earnest Money shall be deposited in escrow with



This form jointly approved by: North Carolina Bar Association's Real Property Section North Carolina Association of REALTORS®, Inc.

STANDARD FORM 580L-T Revised 7/2023 © 7/2024

Buyer Initials Seller Initials

Town of Valdese Clerk (name of person/entity with whom deposited- "Escrow Agent") within five (5) calendar days of the Contract Date, to be applied as part payment of the Purchase Price of the Property at Closing, or disbursed as agreed upon under the provisions of Section 10 herein. Should Buyer fail to deliver the Earnest Money by the date required hereunder, or should any check or other funds paid by Buyer be dishonored, for any reason, by the institution upon which the payment is drawn, Buyer shall have one (1) banking day after written notice of such dishonor to deliver cash, official bank check, wire transfer or electronic transfer to the Escrow Agent. If Buyer fails to deliver the required funds within one (1) banking day after written notice, then Seller may terminate this Agreement by written notice to Buyer at any time thereafter, provided Seller has not then received acknowledgement by Escrow Agent of its receipt of funds from Buyer. If the Escrow Agent has not delivered to the Seller the acknowledgement of Earnest Money on the last page of this Agreement by the calendar day following the date the Earnest Money is required to be delivered hereunder, it shall be presumed that the Earnest Money was not delivered by the required time (unless, upon the written request of Seller, Escrow Agent can provide proof of its receipt of the Earnest Money by the required time). Buyer and Seller consent to the disclosure by the Escrow Agent, to the parties to this Agreement, the Broker(s) and any Buyer lender, of any material facts pertaining to the Earnest Money.

ANY EARNEST MONEY DEPOSITED BY BUYER IN A TRUST ACCOUNT MAY BE PLACED IN AN INTEREST BEARING TRUST ACCOUNT, AND: (check only ONE box)

ANY INTEREST EARNED THEREON SHALL BE APPLIED AS PART PAYMENT OF THE PURCHASE PRICE OF THE PROPERTY AT CLOSING, OR DISBURSED AS AGREED UPON UNDER THE PROVISIONS OF SECTION 10 HEREIN. (Buyer's Taxpayer Identification Number is: _____)

ANY INTEREST EARNED THEREON SHALL BELONG TO THE ACCOUNT HOLDER IN CONSIDERATION OF THE EXPENSES INCURRED BY MAINTAINING SUCH ACCOUNT AND RECORDS ASSOCIATED THEREWITH.

\$ _____ (ii) **Delivery of a promissory note** secured by a deed of trust, said promissory note in the amount of _____ Dollars being payable over a term of _____ years, with an amortization period of _____ years, payable in monthly installments of principal, together with accrued interest on the outstanding principal balance at the rate of _____ percent (_____ %) per annum in the amount of \$ _____, with the first principal payment beginning on the first day of the month next succeeding the date of Closing, or such other terms as may be set forth on Exhibit B. At any time, the promissory note may be prepaid in whole or in part without penalty and without further interest on the amounts prepaid from the date of such prepayment. (NOTE: In the event of Buyer's subsequent default upon a promissory note and deed of trust given hereunder, Seller's remedies may be limited to foreclosure of the Property. If the deed of trust given hereunder is subordinated to senior financing, the material terms of such financing must be set forth on Exhibit B. If such senior financing is subsequently foreclosed, the Seller may have no remedy to recover under the note.)

\$ 140,959.33 (iii) **Cash, balance of Purchase Price**, at Closing in the amount of One Hundred Forty Thousand, Nine Hundred Fifty-Nine 33/100 Dollars.

Buyer, at Buyer's expense, shall be entitled to pursue qualification for and approval of any loan Buyer intends to obtain in connection with the transaction contemplated by this Agreement. (Note: Buyer's obligations under this Agreement are not conditioned upon obtaining or closing any loan. Therefore, Buyer is advised to consult with Buyer's lender prior to signing this offer to assure that the Examination Period allows sufficient time for Buyer's lender to provide Buyer sufficient information to decide whether to proceed with or terminate the transaction.)

(c) "**Closing**" shall mean the date of completion of the process detailed in Section 11 of this Agreement. Closing shall occur on or before _____ or **within 20 days following conclusion of examination time** _____.

Buyer Initials BH Seller Initials _____

- (d) **"Contract Date"** means the date this Agreement has been fully executed by both Buyer and Seller.
- (e) **"Examination Period"** shall mean the period beginning on the first day after the Contract Date and extending through 5:00pm (based upon time at the locale of the Property) on

120 days

TIME IS OF THE ESSENCE AS TO THE EXAMINATION PERIOD.

- (f) **"Broker(s)"** shall mean:

Broadpoint Real Estate Group ("Listing Agency"),
Thomas L Johnson ("Listing Agent" - License # 88306)
 Acting as: Seller's Agent; Dual Agent
 and Broadpoint Real Estate Group ("Selling Agency"),
Thomas L Johnson ("Selling Agent" - License # 88306)
 Acting as: Buyer's Agent; Seller's (Sub) Agent; Dual Agent

- (g) **"Seller's Notice Address"** shall be as follows:

Town of Valdese, PO Box 339, Valdese, NC 28690

e-mail address: _____ fax number: _____
except as same may be changed pursuant to Section 12.

- (h) **"Buyer's Notice Address"** shall be as follows:

301-B South Green Street, Morganton, NC 28655

e-mail address: _____ fax number: _____
except as same may be changed pursuant to Section 12.

- (i) If this block is marked, additional terms of this Agreement are set forth on Exhibit B attached hereto and incorporated herein by reference. (Note: Under North Carolina law, real estate agents are not permitted to draft conditions or contingencies to this Agreement.)
- (j) If this block is marked, additional terms of this Agreement are set forth on the Additional Provisions Addendum (Form 581-T) attached hereto and incorporated herein by reference.
- (k) If this block is marked, additional terms of this Agreement are set forth on the Back Up Agreement Addendum (Form 581A-T) attached hereto and incorporated herein by reference.

Section 2. Sale of Property and Payment of Purchase Price: Seller agrees to sell and Buyer agrees to buy the Property for the Purchase Price.

Section 3. Proration of Expenses and Payment of Costs: Seller and Buyer agree that all property taxes (on a calendar year basis), leases, rents, mortgage payments and utilities or any other assumed liabilities as detailed on attached **Exhibit B, and/or Exhibit C, as applicable**, if any, shall be prorated as of the date of Closing. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Agreement, excise tax (revenue stamps), and other conveyance fees or taxes required by law, any fees required for confirming Seller's account payment information on owners' association dues or assessments for payment or proration; any fees imposed by an owners' association and/or a management company as agent of the owners' association in connection with the transaction contemplated by this Agreement other than those fees required to be paid by Buyer in this Section 3 below, and the following:

Buyer shall pay recording costs, costs of any title search, title insurance, survey, the cost of any inspections or investigations undertaken by Buyer under this Agreement, charges required by an owners' association declaration to be paid by Buyer for Buyer's future use and enjoyment of the Property, including, without limitation, working capital contributions, membership fees, or charges for Buyer's use of the common elements and/or services provided to Buyer, any costs or charges for determining restrictive covenant compliance, and the following:

Each party shall pay its own attorney's fees.

Buyer Initials BEH _____ Seller Initials _____

Deferred/Rollback Taxes: Buyer intends to continue does not intend to continue the existing present use valuation property tax deferral(s) relating to the Property. In the event the Buyer intends to continue the existing present use valuation property tax deferral(s) relating to the Property, Buyer shall be responsible for making all necessary applications for continuation of the existing present use valuation property tax deferral(s) relating to the Property and shall be responsible for payment of any deferred/rollback taxes applicable to the Property.

If Buyer does not intend to continue the existing present use valuation property tax deferral(s) relating to the Property, Seller Buyer shall be responsible for payment of any deferred/rollback taxes applicable to the Property

Section 4. Deliveries: Seller agrees to use best efforts to deliver to Buyer, as soon as reasonably possible after the Contract Date, copies of all material information relevant to the Property in the possession of Seller, including but not limited to: information regarding matters detailed on Form 502- Land Information Worksheet, title insurance policies (and copies of any documents referenced therein), surveys, soil test reports, environmental surveys or reports, site plans, civil drawings, building plans, maintenance records and copies of all presently effective warranties or service contracts related to the Property. Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys. If Buyer does not consummate the Closing for any reason other than Seller default, then Buyer shall return to Seller all hard copy materials delivered by Seller to Buyer pursuant to this Section 4 (or Section 7, if applicable), if any, and shall, upon Seller's request, following release of the Earnest Money, provide to Seller copies of (subject to the ownership and copyright interests of the preparer thereof) any and all studies, reports, surveys and other information relating directly to the Property prepared by or at the request of Buyer, its employees and agents, without any warranty or representation by Buyer as to the contents, accuracy or correctness thereof. Notwithstanding the above provisions regarding delivery and return of information and documentation, should there exist a separate non-disclosure, confidentiality, or similar agreement between Buyer and Seller, the terms of which conflict with this provision insofar as delivery and return of information and documentation, then the terms of such non-disclosure, confidentiality, or similar agreement shall control as to the delivery and return of information and documentation.

Section 5. Evidence of Title: Seller agrees to convey fee simple insurable title to the Property without exception for mechanics' liens, free and clear of all liens, encumbrances and defects of title other than: (a) zoning ordinances affecting the Property, (b) Leases (as defined in Section 7, if applicable) and (c) specific instruments on the public record at the Contract Date agreed to by Buyer (not objected to by Buyer prior to the end of the Examination Period), which specific instruments shall be enumerated in the deed referenced in Section 11 (items 5(a), 5(b) and 5(c) being collectively "Permitted Exceptions"); provided that Seller shall be required to satisfy, at or prior to Closing, any encumbrances that may be satisfied by the payment of a fixed sum of money, such as deeds of trust, mortgages or statutory liens. Seller shall not enter into or record any instrument that affects the Property after the Contract Date without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 6. Conditions: This Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon fulfillment (or waiver by Buyer, whether explicit or implied) of the following conditions:

(a) **Title Examination:** After the Contract Date, Buyer shall, at Buyer's expense, cause a title examination to be made of the Property before the end of the Examination Period. In the event that such title examination shall show that Seller's title is not fee simple insurable, subject only to Permitted Exceptions, then Buyer shall promptly notify Seller in writing of all such title defects and exceptions, in no case later than the end of the Examination Period, and Seller shall have thirty (30) days to cure said noticed defects. If Seller does not cure the defects or objections within thirty (30) days of notice thereof, then Buyer may terminate this Agreement and receive a return of Earnest Money (notwithstanding that the Examination Period may have expired). If Buyer is to purchase title insurance, the insuring company must be licensed to do business in the state in which the Property is located. Title to the Property must be insurable at regular rates, subject only to standard exceptions and Permitted Exceptions.

(b) **Same Condition:** If the Property is not in substantially the same condition at Closing as of the date of the offer, reasonable wear and tear excepted, then the Buyer may (i) terminate this Agreement and receive a return of the Earnest Money or (ii) proceed to Closing whereupon Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property.

(c) **Inspections:** Buyer, its agents or representatives, at Buyer's expense and at reasonable times during normal business hours, shall have the right to enter upon the Property for the purpose of investigating matters such as those detailed on Form 502- Land Information Worksheet, conducting timber cruises, and examining and surveying the Property; provided, however, that Buyer shall not conduct any invasive testing of any nature without the prior express written approval of Seller as to each specific invasive test intended to be conducted by Buyer. Buyer shall conduct all such on-site inspections, examinations, testing, timber cruises and

Buyer Initials DBH Seller Initials _____

surveying of the Property in a good and workmanlike manner, at Buyer's expense, shall repair any damage to the Property caused by Buyer's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Seller's or any tenant's use and enjoyment of the Property. In that respect, Buyer shall make reasonable efforts to undertake on-site inspections outside of the hours Seller's or any tenant's business is open to the public. Buyer shall provide Seller or any tenant (as applicable) reasonable advance notice of and Buyer shall cause its agents or representatives and third party service providers (e.g. inspectors, surveyors, etc.) to give reasonable advance notice of any entry onto the Property. Buyer shall be obligated to observe and comply with any terms of any tenant lease which conditions access to such tenant's space at the Property. Upon Seller's request, Buyer shall provide to Seller evidence of general liability insurance. Buyer shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Property and shall be entitled to review such books and records of Seller that relate directly to the operation and maintenance of the Property, provided, however, that Buyer shall not disclose any information regarding this Property (or any tenant therein) unless required by law, and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Buyer shall obtain their agreement to maintain such confidentiality. Buyer assumes all responsibility for the acts of itself and its agents or representatives in exercising its rights under this Section 6(c) and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Buyer shall survive the Closing or earlier termination of this Agreement. Except as provided in Section 6(a) above, Buyer shall have from the Contract Date through the end of the Examination Period to perform the above inspections, examinations and testing. **IF BUYER CHOOSES NOT TO PURCHASE THE PROPERTY, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO SELLER THEREOF PRIOR TO THE EXPIRATION OF THE EXAMINATION PERIOD, THEN THIS AGREEMENT SHALL TERMINATE, AND BUYER SHALL RECEIVE A RETURN OF THE EARNEST MONEY.**

Section 7. Leases (Check one of the following, as applicable):

If this box is checked, Seller affirmatively represents and warrants that there are no Leases (as hereinafter defined) affecting the Property.

If this box is checked, Seller discloses that there are one or more leases affecting the Property ("Leases") and the following provisions are hereby made a part of this Agreement.

(a) A list of all Leases shall be set forth on **Exhibit C**. Seller represents and warrants that as of the Contract Date, there are no other Leases, oral or written, recorded or not, nor any subleases affecting the Property, except as set forth on **Exhibit C**; Unless written consent is given by Buyer, Seller will not enter in to any Lease affecting the Property nor terminate any Lease in Exhibit C during the effectiveness of this Agreement. Buyer agrees to take no action which would affect any lease in Exhibit C prior to Closing;

(b) Seller shall deliver copies of any Leases to Buyer pursuant to Section 3 as if the Leases were listed therein;

(c) Seller represents and warrants that, as of the Contract Date, there are no current defaults (or any existing situation which, with the passage of time, or the giving of notice, or both, or at the election of either landlord or tenant could constitute a default) either by Seller, as landlord, or by any tenant under any Lease ("Lease Default"). In the event there is any Lease Default as of the Contract Date, Seller agrees to provide Buyer with a detailed description of the situation in accordance with Section 3. Seller agrees not to *commit a Lease Default as Landlord after the Contract Date; and agrees further to notify Buyer immediately in the event a Lease Default arises or is claimed, asserted or threatened to be asserted by either Seller or a tenant under the Lease.*

(d) During the Examination Period, Buyer and Seller shall cooperate in good faith to determine if any Lease shall be terminated prior to Closing or shall continue after Closing. As to any Lease determined to continue after Closing, Seller shall deliver an assignment of Seller's interest in such Lease to Buyer in form and content acceptable to Buyer (with tenant's written consent and acknowledgement, if required under the Lease). Seller agrees to deliver such assignment of Lease at or before Closing, with any security deposits held by Seller under any Leases to be transferred or credited to Buyer at or before Closing. The assignment shall provide: (i) that Seller shall defend, indemnify and hold Buyer harmless from claims, losses, damages and liabilities (including, without limitation, court costs and attorneys' fees) asserted against or incurred by Buyer which are caused by or the result of any default by Seller under any Lease prior to the date of Closing, and (ii) that Buyer shall defend, indemnify and hold Seller harmless from claims, losses, damages and liabilities (including, without limitation, court costs and attorneys' fees) asserted against or incurred by Seller which are caused by or the result of any default by Buyer under any Lease after the date of Closing.

(e) Seller also agrees to work diligently to obtain any tenant signatures on any estoppel certificates in such form as Buyer may reasonably request and to work diligently to obtain any subordination, nondisturbance and attornment agreements in such form as Buyer may reasonably request.

Section 8. Environmental/Physical Aspects of Property: Seller represents and warrants that it has no actual knowledge of the presence or disposal, except as in accordance with applicable law, within any structures on the Property or on the Property of hazardous or toxic waste or substances, which are defined as those substances, materials, and wastes, including, but not limited to:

those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR Part 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302.4) and amendments thereto, or such substances, materials and wastes, which are or become regulated under any applicable local, state or federal law, including, without limitation, any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a Hazardous Substance pursuant to Section 311 of the Clean Water Act of 1977 (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (33 U.S.C. §1317), (v) defined as a hazardous waste pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6903) or (vi) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601). Seller has no actual knowledge of any contamination of the Property from such substances as may have been disposed of or stored on neighboring tracts.

Section 9. Risk of Loss/Damage/Repair: Until Closing, the risk of loss or damage to the Property, except as otherwise provided herein, shall be borne by Seller. Except as to maintaining the Property in its same condition, Seller shall have no responsibility for the repair of the Property, including any improvements, unless the parties hereto agree in writing.

Section 10. Earnest Money Disbursement: In the event that any condition hereto is not satisfied, then the Earnest Money shall be refunded to Buyer. In the event of breach of this Agreement by Seller, the Earnest Money shall be refunded to Buyer upon Buyer's request, but such return shall not affect any other remedies available to Buyer for such breach. In the event of breach of this Agreement by Buyer, the Earnest Money shall be paid to Seller as liquidated damages and as Seller's sole and exclusive remedy for such breach, but without limiting Seller's rights under Section 6(c) or Section 22 of this Agreement. It is acknowledged by the parties that payment of the Earnest Money to Seller in the event of a breach of this Agreement by Buyer is compensatory and not punitive, such amount being a reasonable estimation of the actual loss that Seller would incur as a result of such breach. The payment of the Earnest Money to Seller shall not constitute a penalty or forfeiture but actual compensation for Seller's anticipated loss, both parties acknowledging the difficulty determining Seller's actual damages for such breach.

NOTE: In the event of a dispute between Seller and Buyer over the disposition of the Earnest Money held in escrow, a licensed real estate broker is required by state law (and Escrow Agent, if not a broker, hereby agrees) to retain the Earnest Money in the Escrow Agent's trust or escrow account until Escrow Agent has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction. Alternatively, if a broker or an attorney licensed to practice law in North Carolina is holding the Earnest Money, the broker or attorney may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions of N.C.G.S. §93A-12.

Seller and Buyer hereby agree and acknowledge that the Escrow Agent assumes no liability in connection with the holding of the Earnest Money pursuant hereto except for negligence or willful misconduct of Escrow Agent. Escrow Agent shall not be responsible for the validity, correctness or genuineness of any document or notice referred to under this Agreement. Seller and Buyer hereby agree to indemnify, protect, save and hold harmless Escrow Agent and its successors, assigns and agents pursuant to this Agreement, from any and all liabilities, obligations, losses, damages, claims, actions, suits, costs or expenses (including attorney fees) of whatsoever kind or nature imposed on, incurred by or asserted against Escrow Agent which in any way relate to or arise out of the execution and delivery of this Agreement and any action taken hereunder; provided, however, that Seller and Buyer shall have no such obligation to indemnify, save and hold harmless Escrow Agent for any liability incurred by, imposed upon or established against it as a result of Escrow Agent's negligence or willful misconduct.

Section 11. Closing: At or before Closing, Seller shall deliver to Buyer a special warranty deed unless otherwise specified on **Exhibit B** and other documents customarily executed or delivered by a seller in similar transactions, including without limitation, an owner's affidavit, lien waiver forms (and such other lien related documentation as shall permit the Property to be conveyed free and clear of any claim for mechanics' liens) and a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act), and Buyer shall cause to be delivered the funds necessary to pay to Seller the Purchase Price. The Closing shall be conducted by Buyer's attorney or handled in such other manner as the parties hereto may mutually agree in writing. Possession shall be delivered at Closing, unless otherwise agreed herein. The Purchase Price and other funds to be disbursed pursuant to this Agreement shall not be disbursed until the Buyer's attorney's (or other designated settlement agent's) receipt of authorization to disburse all necessary funds.

Section 12. Notices: Unless otherwise provided herein, all notices and other communications which may be or are required to be given or made by any party to the other in connection herewith shall be in writing (which shall include electronic mail) and shall be deemed to have been properly given and received (i) on the date delivered in person or (ii) the date deposited in the United States mail, registered or certified, return receipt requested, to the addresses set out in Section 1(g) as to Seller, and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith, (iii) at such time as the sender performs the final act to send such transmission, in a form capable of being processed by the receiving party's system, to any electronic mail address or facsimile number, if any, provided in Section 1(g) as to Seller, and in Section 1(h) as to Buyer or (iv) on the date deposited with a recognized overnight delivery service, addressed to the addresses set out in Section 1(g) as to Seller, and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith. If a notice is sent by more than one method, it will be deemed received upon the earlier of the dates of receipt pursuant to this Section.

Section 13. Counterparts; Entire Agreement: This Agreement may be executed in one or more counterparts, which taken together, shall constitute one and the same original document. Copies of original signature pages of this Agreement may be exchanged via facsimile or e-mail, and any such copies shall constitute originals. This Agreement constitutes the sole and entire agreement among the parties hereto and no modification of this Agreement shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Agreement shall not affect the validity of any other provisions hereof and this Agreement shall be construed and enforced as if such invalid provisions were not included.

Section 14. Enforceability: This Agreement shall become a contract when signed by both Buyer and Seller and such signing is communicated to both parties; it being expressly agreed that notice given in accordance with Section 12 is not required for effective communication for the purposes of this Section 14. The parties acknowledge and agree that: (i) the initials lines at the bottom of each page of this Agreement are merely evidence of their having reviewed the terms of each page, and (ii) the complete execution of such initials lines shall not be a condition of the effectiveness of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns and their personal representatives.

Section 15. Adverse Information and Compliance with Laws:

(a) **Seller Knowledge/Assessments:** Seller has no actual knowledge of (i) condemnation(s) affecting or contemplated with respect to the Property; (ii) actions, suits or proceedings pending or threatened against the Property; (iii) changes contemplated in any applicable laws, ordinances or restrictions affecting the Property; (iv) governmental special assessments, either pending or confirmed, for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property, and no pending or confirmed owners' association special assessments or (v) any caves, mineshafts, tunnels, fissures, open or abandoned wells, gravesites, pet cemeteries, animal burial pits or landfill operations (past or present) located at the Property, except as follows (Insert "None" or the identification of any matters relating to (i) through (v) above, if any):

Note: For purposes of this Agreement: (i) a "special assessment" is defined as a charge against the Property by a governmental authority in addition to ad valorem taxes and recurring governmental service fees levied with such taxes, or by an owners' association in addition to any regular assessment (dues), either of which may be a lien against the Property; a special assessment may be either pending or confirmed; (ii) a "confirmed" special assessment is defined as an assessment that has been approved by a governmental agency or an owners' association for the purpose(s) stated, whether, at the time of Closing, it is payable in a lump sum or future installments; (iii) a "pending" special assessment is defined as an assessment that is under formal consideration by a governmental agency or an owners' association but which has not been approved prior to Closing. Seller shall pay, in full at Closing, all confirmed governmental or association special assessments, provided that the amount thereof can be reasonably determined or estimated. The payment of such determined or estimated amount shall be the final payment between Buyer and Seller as to any confirmed special assessments. If the amount of any special assessment cannot be reasonably determined or estimated, the special assessment shall be deemed a pending special assessment. Buyer shall take title subject to all pending special assessments disclosed by Seller herein, if any.

(b) **Compliance:** To Seller's actual knowledge, (i) Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to or affecting the Property; (ii) performance of the Agreement will not result in the breach of, constitute any default under or result in the imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property is bound; and (iii) there are no legal actions, suits or other legal or administrative proceedings pending or threatened against the Property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

(c) **Owners' Association:** If the Property is subject to regulation by an owners' association, Seller shall deliver the following information to Buyer pursuant to Section 4 as if the same were listed therein (or Seller shall state that Seller does not have same in their possession or that such item is not applicable): (i) the name of the owners' association; (ii) the amount of regular assessments (dues); (iii) the name, address and telephone number of the president of the owners' association or of the association manager or management company; (iv) the owners' association website address; (v) the Seller's statement of account; (vi) the master insurance policy showing the coverage provided and the deductible amount; (vii) copies of any Declaration and/or Restrictive Covenants; (viii) the Rules and Regulations, (ix) the Articles of Incorporation and Bylaws of the owners' association; (x) the current financial statement and budget of the owners' association; (xi) the parking restrictions and information; and (xii) the architectural guidelines. Seller authorizes and directs any owners' association, any management company of the owners' association, any insurance company and any attorney who has previously represented the Seller to release to Buyer, Buyer's agents, representative, closing attorney or lender true and accurate copies of the foregoing items affecting the Property, including any amendments thereto.

Buyer Initials BEA Seller Initials _____

Page 7 of 9

STANDARD FORM 580L-T
Revised 7/2023
© 7/2024

Section 16. Survival of Representations and Warranties: All representations, warranties, covenants and agreements made by the parties hereto shall survive the Closing and delivery of the deed. Seller shall, at or within six (6) months after the Closing, and without further consideration, execute, acknowledge and deliver to Buyer such other documents and instruments, and take such other action as Buyer may reasonably request or as may be necessary to more effectively transfer to Buyer the Property described herein in accordance with this Agreement.

Section 17. Applicable Law: This Agreement shall be construed under the laws of the state in which the Property is located. This form has only been approved for use in North Carolina.

Section 18. Assignment: This Agreement is freely assignable unless otherwise expressly provided on **Exhibit B**.

Section 19. Tax-Deferred Exchange: In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

Section 20. Memorandum of Contract: Upon request by either party, the parties hereto shall execute a memorandum of contract in recordable form setting forth such provisions hereof (other than the Purchase Price and other sums due) as either party may wish to incorporate. Such memorandum of contract shall contain a statement that it automatically terminates and the Property is released from any effect thereby as of a specific date to be stated in the memorandum (which specific date shall be no later than the date of Closing). The cost of recording such memorandum of contract shall be borne by the party requesting execution of same.

Section 21. Authority: Each signatory to this Agreement represents and warrants that he or she has full authority to sign this Agreement and such instruments as may be necessary to effectuate any transaction contemplated by this Agreement on behalf of the party for whom he or she signs and that his or her signature binds such party.

Section 22. Brokers: Except as expressly provided herein, Buyer and Seller agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the sale of the Property to Buyer. Buyer and Seller represent and warrant to each other that: (i) except as to the Brokers designated under Section 1(f) of this Agreement, they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Buyer and/or the Seller.

Section 23. Attorneys Fees: If legal proceedings are instituted to enforce any provision of this Agreement, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys fees and court costs incurred in connection with the proceeding.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

BUYER:

Individual

Date: _____

Date: _____

SELLER:

Individual

Date: _____

Date: _____

Buyer Initials DKH _____ Seller Initials _____

Business Entity

East McDowell Street Properties, LLC

(Name of Entity)

By: [Signature]

Name: Brad Hatfield

Title: Partner

Date: 4-30-25

Business Entity

(Name of Entity)

By: _____

Name: _____

Title: _____

Date: _____

WIRE FRAUD WARNING

To Buyers: Before sending any wire, you should call the closing agent's office to verify the instructions. If you receive wiring instructions for a different bank, branch location, account name or account number, they should be presumed fraudulent. Do not send any funds and contact the closing agent's office immediately.

To Sellers: If your proceeds will be wired, it is recommended that you provide wiring instructions at closing in writing in the presence of the closing agent. If you are unable to attend closing, you may be required to send an original notarized directive to the closing agent's office containing the wiring instructions. This directive may be sent with the deed, lien waiver and tax forms if those documents are being prepared for you by the closing agent. At a minimum, you should call the closing agent's office to provide the wire instructions. The wire instructions should be verified over the telephone via a call to you initiated by the closing agent's office to ensure that they are not from a fraudulent source.

Whether you are a buyer or a seller, you should call the closing agent's office at a number that is independently obtained. To ensure that your contact is legitimate, you should not rely on a phone number in an email from the closing agent's office, your real estate agent or anyone else.

The undersigned hereby acknowledges receipt of the Earnest Money set forth herein and agrees to hold said Earnest Money in accordance with the terms hereof.

Town of Valdese

(Name of Escrow Agent)

Date: 5/1/2025

By: Bo Weichel, CFO
Jessica Lail, Town Clerk

Escrow Agent's contact/notice information is as follows:


828-879-2117,

e-mail address: _____ fax number: _____

except as same may be changed pursuant to Section 12.

Exhibit B

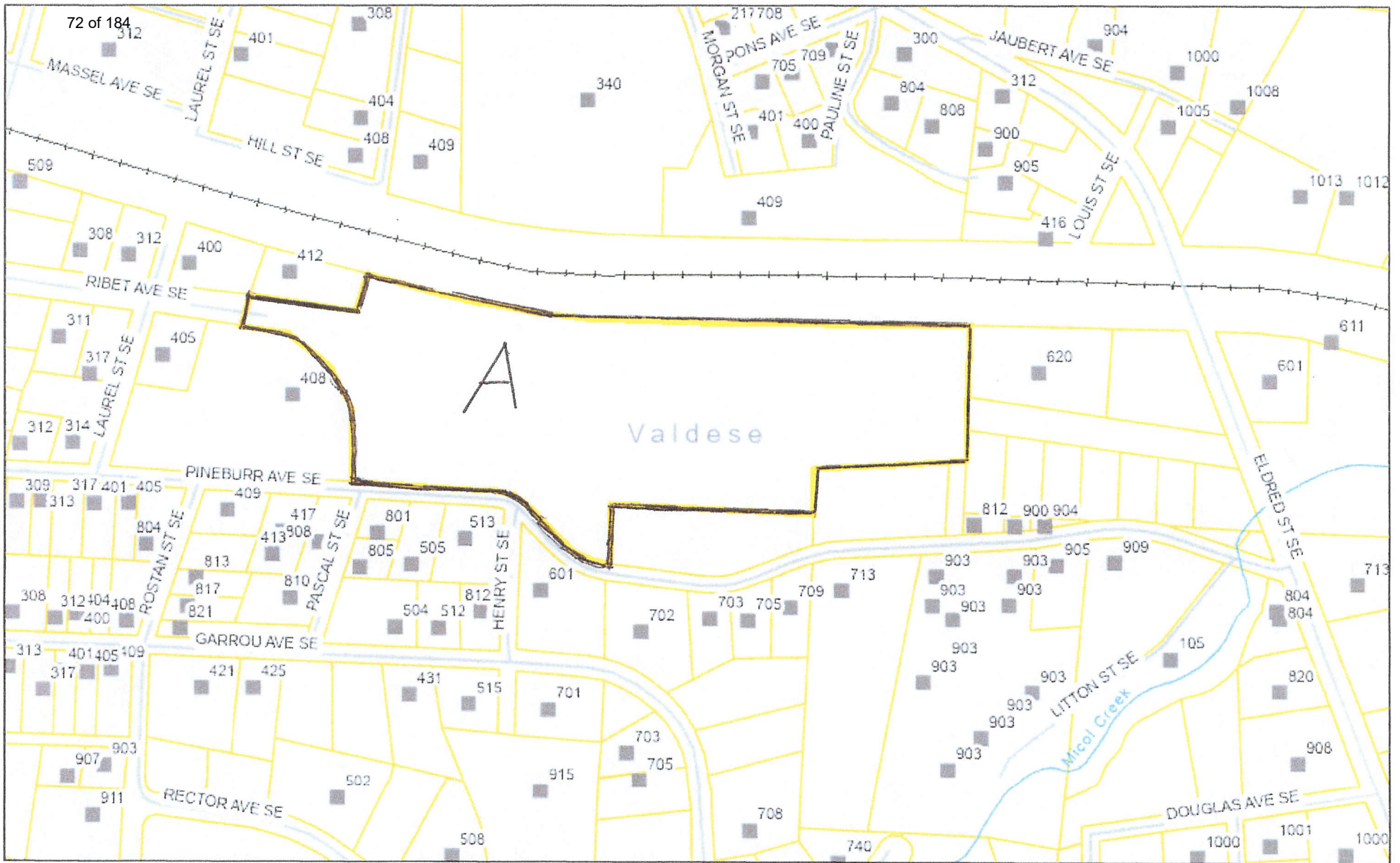
This exhibit is to be drawn by a licensed attorney with the intent to say, this offer to purchase is contingent upon approval of the Special Use Permit to allow for a Planned Unit Development on the property.

A handwritten signature in black ink, appearing to be 'R.H.J.', written over a horizontal line.

_____ buyer

_____ buyer

_____ seller



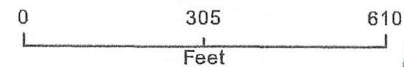
April 26, 2024

Burke County, NC

Owner: TOWN OF VALDESE
PO BOX 339

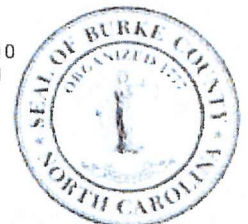
Property Address: 800 PINEBURR AVE SE
VALDESE, NC 28690
PROPERTY_DESC

PIN: 2743136398
PIN EXT: 000
REID: 65564
Property Value: \$0
Acreage: 14.91
Deed Book: 002681
Deed Page: 00919
Deed Date: 5/2/2023 11:19:32 AM



1:3,895

1 inch = 325 feet



Disclaimer: The information contained on this page is taken from aerial mapping, tax mapping, and public records and is NOT to be construed or used as a survey or 'legal description'. Only a licensed professional land surveyor can legally determine precise locations, elevations, length and direction of a line, and areas.

**RESOLUTION AUTHORIZING UPSET BID PROCESS ON
800 PINEBURR AVE SE, VALDESE, NC**

WHEREAS, the Town of Valdese (the “Town”) is the owner of that certain tract or parcel of real property (the “Property”) situated in Lovelady Township, Valdese, North Carolina commonly known as 800 Pineburr Ave SE, Valdese, North Carolina, PIN: 2743136398, REID: 65564;

WHEREAS, pursuant to N.C. Gen. Stat. §160A-269 a city or town may receive, solicit, or negotiate an offer to purchase property and advertise it for upset bid. When the offer is made and council proposes to accept it, the council shall require the offeror to deposit five percent (5%) of his bid with the city clerk, and shall publish a notice of the offer. The notice shall contain a general description of the property, the amount and terms of the offer, and a notice that within ten (10) days any person may raise the bid by not less than ten percent (10%) of the first one thousand dollars (\$1,000) and five percent (5%) of the remainder. When a bid is raised, the bidder shall deposit with the city clerk five percent (5%) of the increased bid, and the clerk shall re-advertise the offer at the increased bid. This procedure shall be repeated until no further qualifying upset bids are received, at which time the council may accept the offer and sell the property to the highest bidder. The council may at any time reject any and all offers;

WHEREAS, on March 6, 2025, East McDowell Street Properties, LLC initially offered to purchase the Property from the Town for one hundred thirty-four thousand four hundred ninety and 00/100 dollars (\$134,490.00.00) and deposited six thousand seven hundred twenty-four and 50/100 dollars (\$6,724.50), or five percent (5%) of its bid, with the Town Clerk;

WHEREAS, on May 1, 2025, East McDowell Street Properties, LLC made an additional upset bid for one hundred forty-eight thousand three hundred seventy-eight and 25/100 dollars (\$148,378.25), which became the last and highest bid for the Property, with no upset bids having been received within the ten (10) day upset bid period; and

WHEREAS, the Town does not need the Property, and the Town therefore desires to accept the offer and sell the Property to East McDowell Street Properties, LLC upon the terms and conditions hereafter set forth.

NOW, THEREFORE, BE IT RESOLVED THAT pursuant to N.C.G.S. § 160A-269, the sale of the Property to East McDowell Street Properties, LLC for the purchase price of one hundred forty-eight thousand three hundred seventy-eight and 25/100 dollars (\$148,378.25) is approved and the Town Manager is hereby authorized and directed to deliver to East McDowell Street Properties, LLC a special warranty deed for the Property upon receipt of the purchase price, subject to the following terms and conditions: 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; that East McDowell Street Properties, LLC pay all legal fees associated with preparation of the closing documents and all closing costs necessary to transfer ownership of the Property from the Town to East McDowell Street Properties, LLC.

NOW, THEREFORE, BE IT FURTHER RESOLVED THAT the sale of the Property to East McDowell Street Properties, LLC shall be subject to East McDowell Street Properties, LLC obtaining a special use permit for development as townhomes and/or single-family homes as required under Section 4.1-1 of the Unified Development Ordinance.

THIS RESOLUTION IS ADOPTED this _____ day of _____, 2025.

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

[SEAL]

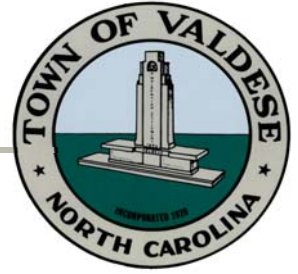
ATTEST:

By: _____
Charles Watts, Mayor

Jessica Lail, Town Clerk

Town of Valdese

AGENDA MEMO



Resolution Ordinance Contract Discussion Information Only

To: Valdese Town Council

From: Truman Walton, Safety Director

Subject: 2024 NC Department of Labor Safety Awards

Meeting: June 2, 2025

Presenter: Assistant Town Manager/CFO Bo Weichel

ITEM OF INTEREST:

2024 NC Department of Labor Safety Awards

BACKGROUND INFORMATION:

2024 NCDOL Safety Achievement Silver Award - In order to qualify for the NCDOL Safety Achievement Silver Award the rate of days away from work must be at least 50% below the industry average.

Public Works - 3rd consecutive year

2024 NCDOL Safety Achievement Gold Awards - In order to qualify for the NCDOL Safety Achievement Gold Award the rate of days away from work and job transfer or restriction must be at least 50% below the industry average.

Police Department - 1st year

Fire Department - 1st year

Wastewater Department - 2nd consecutive year

Recreation Department - 3rd consecutive year

Water Department - 8th consecutive year

Community Affairs Department - 14th consecutive year

Administration Department - 38th consecutive year

BUDGET IMPACT:

N/A

RECOMMENDATION / OPTIONS:

N/A

LIST OF ATTACHMENTS:

N/A



Fiscal Year 2025-2026 Proposed BUDGET

June 23, 2025

Table of Contents

BUDGET ORDINANCE	1
GENERAL FUND:	
Summary	7
Revenue	9
Expenditure	11
Capital Improvement Plan	24
UTILITY FUND:	
Summary	27
Revenue	29
Expenditure	31
Capital Improvement Plan	35
RATE and FEE SCHEDULES	39
WATER and SEWER RATE STUDY and PLAN	48

TOWN OF VALDESE
Manager’s Budget Message
2025 – 2026

TO: Mayor Charlie Watts
 Councilman Glenn Harvey – Ward 1
 Councilwoman Melinda Zimmerman – Ward 2
 Councilwoman Rexanna Lowman – Ward 3
 Councilman Gary Ogle– Ward 4
 Councilwoman Heather Ward– Ward 5

FROM: Wm. Todd Herms, Town Manager

DATE: June 2, 2025

SUBJECT: Proposed FY 2025 – 26 Town of Valdese Budget

Honorable Mayor Watts and Members of the Valdese Town Council:

Pursuant to Section 159-11 of the North Carolina General Statutes, I am pleased to present for your consideration the Town of Valdese’s proposed budget for Fiscal Year 2025–2026 (FY26). This proposed financial plan has been developed in full compliance with the provisions of the North Carolina Local Government Budget and Fiscal Control Act, which guides all municipalities in the preparation and administration of public funds.

The FY26 budget is balanced, as required by law, and reflects the town’s ongoing commitment to responsible fiscal stewardship. It is the result of extensive collaboration among town leadership, staff, department heads, and is grounded in sound financial principles, long-range planning, and a shared vision for continued community development.

This budget serves as a strategic blueprint for the delivery of essential services, the preservation and improvement of public infrastructure, and the investment in our workforce. It is designed to sustain the high quality of life our citizens enjoy, while addressing the growing demands of our aging infrastructure, rising operational costs, and the evolving needs of our residents and businesses.

The recommended fund budgets are as follows:

Fund	Manager Recommended Budget
General Fund	\$7,980,861
Water and Sewer Enterprise Fund	\$9,667,000
Total	\$17,647,860

Introduction

The Town of Valdese has several exciting projects and plans on the horizon for the upcoming fiscal year. The proposed FY26 budget is part of our effort to continue managing budgetary challenges while providing outstanding services to our citizens and ensuring these projects and plans are implemented.

Our community continues to face the financial impact of inflation for the cost of goods and services. As in the past, price inflation is putting a strain on our residents and businesses, and it continues to make materials and provision of services more costly as we provide the same level of service that our citizens expect.

Despite budget challenges within each town department, the proposed FY26 budget focuses on fiscal responsibility and maintaining the high levels of service our citizens have come to expect. The most effective way to achieve these goals is the retention and attraction of talented and dedicated employees. The jobs offered by the town are demanding and require a significant amount of training and a special skill set. It is difficult, especially in the current labor market, to replace established team-members. The loss of an employee is an expensive and time-consuming proposition that is best to avoid.

The proposed budget addresses several key areas related to personnel recruitment and retention within both the General Fund and Water/Sewer Fund operations. It includes a 5% cost-of-living adjustment (COLA) for all employees, reflecting our commitment to remaining competitive in a challenging labor market. Additionally, the budget provides for a Pay and Classification Study to be conducted during the upcoming fiscal year. This study will evaluate the Town's employee compensation structure in comparison to other local governments and competing employers.

Once the results of the study are finalized, we will gain a clearer understanding of how our compensation aligns with market standards. It will then be incumbent upon us to implement the study's recommendations to the fullest extent possible, ensuring we retain and attract the highly skilled workforce needed to maintain the high level of service our residents expect.

Another effort to recruit and retain staff is related to health insurance. The Town has leveraged to offer two different plans to employees this year with a reduction in overall employee insurance costs to the budget. This allows employees to pick a plan more tailored to their individual circumstances without cutting their covered benefits package, all while reducing the Town's personnel costs.

Economic conditions and personnel considerations are common factors that influence the development of budgets for both the General Fund and the Enterprise (Water/Sewer) Fund. While these funds are shaped by shared financial pressures, they each serve distinct operational purposes. As such, they feature unique priorities, challenges, and budget highlights, which we are pleased to outline in the sections that follow.

General Fund

The General Fund supports traditional government services such as public safety, recreation, planning, events, tourism, public works, and general administrative services. It is funded by ad valorem taxes, sales and use taxes, and locally generated fees such as solid waste collection, park rentals, program fees, zoning applications, etc. Highlights from the proposed budget are noted below:

- The proposed budget, as presented, is balanced using the current property tax rate of \$0.415 per \$100 of assessed valuation. The General Fund budget for operating purposes is \$7,479,861 along with another \$501,000 for capital expenditures.
- Sanitation and Recycling. Services will be going away from Republic Services. Town Council approved a contract with Simply Green Inc. to handle the curbside collection services for the Town. As part of this change, the Town is investing in new rolling carts. Residents will receive a new cart for both recycling and solid waste. Due to these changes decreasing our overall costs with recycling and sanitation, we propose no increase to these fees for the upcoming FY 25-26 budget. The current combined fee of \$14.30 will stay flat.
- Long Term Debt. The percentage of the General Fund's annual operating budget used to service existing debt will be 2.87%. 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. We project that the Valdese ABC Store will distribute \$165,000 to the Town of Valdese in the upcoming FY 25-26 budget.
- Parks and Recreation. Aquatics and Fitness membership fees will not have an increase and will retain a lower rate for residents compared to non-residents. Capital investment will include new scoreboards at Fletcher Field along with improvements to the Tiger Gym exterior and lobby floor.

The current scoreboards at Fletcher Field are original to the facility and have been in use for over 40 years. They rely on outdated bulb technology, with replacement parts becoming increasingly scarce, and many of the sockets are beginning to fail. Replacing them with modern scoreboards would significantly improve efficiency and feature wireless controls for easier operation. The new scoreboards would also match the existing one at Temple Field, creating a more cohesive and professional appearance across the town's athletic facilities. Tiger Gym lobby floor will receive an epoxy finish to create a durable and visually appealing surface. Additionally, a textured coating will be incorporated to prevent slipping and ensure safety. Gutters need to be installed on the eastern side of Tiger Gym to reduce water intrusion into both the above-grade masonry and the below-grade basement. Additionally, the existing fascia board is deteriorating and must be replaced to properly support the new gutter system.

- Community Affairs / Old Rock School. The recent interior renovations at the Old Rock School have been a major success. With these new amenities, the budget proposes an increase to the major revenue areas for this department, namely rental rates for the Auditorium and Waldensian room. Capital investment includes Soffit, Fascia, Paint & Repair - 2nd & 3rd Floors of the Old Rock School. Addressing these issues now will help prevent further deterioration and structural concerns. While some spot repairs have been completed in the past, this proposal encompasses the full restoration of the 2nd and 3rd floors. Town events for the upcoming budget year retain the Family Friday Night (FFN) series from June – August. We will also have our annual Independence Day celebration on July 4th and the Waldensian Festival in August.
- Streets. The Street department is a subset of Public Works. The budget for this department includes transferring funds to our Street Paving project fund so that we can pay as much “cash” as possible when it comes time for a paving contract. There is also a need for a tractor to mow the town rights-of-way. The current tractor from the 1980’s is pieced together and unsafe for our public works employees to operate. It is also less efficient than present day tractors.
- Public Safety. The public safety facility continues to be a major budgetary topic. On May 22, 2025, Valdese Town Council interviewed potential contractors to engage their services in evaluating options related to renovation, a new combined facility, or separation of the Police Dept. and Fire Dept. Study results and a recommendation by the selected firm for options the Council can consider should be completed by the end of 2025.

Water and Sewer Enterprise Fund

The Water and Sewer Fund supports the “business” operations of providing clean water and managing wastewater. This includes the infrastructure above and below ground, the water treatment plant, and the wastewater treatment plant. It is funded by the charges and fees for this service to residential, commercial, industrial, and bulk users.

Highlights from the proposed budget are noted below:

- The proposed budget, as presented, includes \$5,770,700 of operations along with \$3,889,300 invested into capital needs.
- Since FY 2015-2016, the Town has conducted an annual comprehensive capital improvement plan for the utility system. This plan has proved successful in identifying critical needs in our system and has assisted the Town in addressing those needs. The plan continues to evolve and identifies a few major projects over the next couple of years. This proposed budget contains some of those projects.
- 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 an increase in water and sewer rates for residential, industrial, and commercial customers. These rate adjustments are needed to combat significant material inflation, ensure we

continue replacing our aging infrastructure, and meet regulatory requirements. Rates can be found in the Rates and Fees schedule in this proposed budget document.

- Water Treatment Plant. Of significant note is the “Upgrades” project that has been ongoing since last year. This project involves a \$7 million appropriation from the State for Valdese to make upgrades to our plant in support of the connection with the City of Lenoir. This project will bring some amount of resilience to both communities in the event of a disaster. This project is in the design phase with bids set to be obtained by the end of 2025. Construction will take place over the next several years.

This proposed budget includes a major upgrade for a new electrical substation. This substation, which has been in operation for over 70 years, is responsible for distributing power to the Water Treatment Plant. Due to its age, there is a significant risk of failure, which could result in a complete loss of power at the facility.

- Water and Sewer Construction. There are several projects slated in the proposed budget to address some critical aging infrastructure issues.
 - Curville St NE Water Line replacement involves replacing a 2” galvanized water line on Curville (coming from Creekside Ave) that has significantly corroded over the years, resulting in multiple leaks annually. The line suffers from poor flow, requiring frequent flushing to maintain water quality for the eight homes it serves. Replacing this line will improve both water flow and quality while also enhancing fire protection, particularly for the homes at the end of the street.
 - Jefferson Ave NE Sewer replacement involves removing a 4” PVC line which has been experiencing persistent stoppage issues over the past few years. We have been actively maintaining the line to prevent clogs, but a permanent solution is needed. To improve capacity and reliability, the existing line should be replaced with a new 8-inch sewer line to better accommodate flow
 - Rodoret North & South sewer line is an undersized 4-inch sewer line, which is causing frequent backups in the homes along this street. This line needs to be replaced with a new 8-inch sewer main, along with new 4-inch service connections from each house to the updated main.

Conclusion

This budget reflects our shared priorities—fiscal discipline, strategic capital investment, and quality service delivery. It continues our progress on long-range goals while remaining responsive to the operational and financial realities of the year ahead.

Valdese is blessed with a strong and loyal workforce that truly wants to provide its citizens with quality services. The budget, if fully implemented, provides the resources necessary for them to maintain, and even expand, service levels our citizens have come to expect. I look forward to working with Council and staff as we serve the community.

While this budget is the proposal of the Town Manager, it is neither final nor necessarily a reflection of what will be approved by the City Council. Once adopted, the budget may be amended by the Town Council at any regular or special meeting. The Mayor and Council will review the recommended budget and receive comments at a public hearing scheduled for Monday, June 23, 2025, at 6:00 PM in the Town Council chambers.

I would like to thank the City Council, Department Managers, and staff for their hard work and support while developing this budget.

Respectfully,

A handwritten signature in black ink, appearing to read 'Wm. Todd Herms', with a stylized flourish at the end.

Wm. Todd Herms
Valdese Town Manager

GENERAL FUND

SUMMARY

2025-2026 Budget
General Fund Summary

OPERATING BUDGET

Department	FY23-24 Budget	FY24-25 Budget	FY25-26 Recommended
GOVERNING BODY	76,989	59,437	51,313
ADMINISTRATION	1,199,605	1,380,187	1,460,371
PUBLIC WORKS ADMIN	195,689	208,267	219,282
MAINTENANCE & GROUNDS	283,573	297,597	301,977
PLANNING	127,144	78,429	79,725
POLICE	1,295,208	1,326,572	1,376,492
FIRE	1,211,715	920,487	962,271
STREET	643,820	847,207	684,538
POWELL BILL	146,300	166,300	198,300
SANITATION	368,199	382,919	379,534
RECREATION	981,680	1,025,202	1,084,127
COMMUNITY AFFAIRS	689,887	646,104	681,930
Operating	7,219,809	7,338,709	7,479,861

CAPITAL BUDGET

GOVERNING BODY	0	0	0
ADMINISTRATION	20,000	22,000	60,000
PUBLIC WORKS ADMIN	41,000	35,000	7,000
MAINTENANCE & GROUNDS	0	3,000	0
PLANNING	3,000	0	0
POLICE	45,000	56,000	67,000
FIRE	0	75,000	0
STREET	0	0	65,000
SANITATION	165,000	0	230,000
RECREATION	104,800	79,280	42,000
COMMUNITY AFFAIRS	95,000	35,000	30,000
Capital	473,800	305,280	501,000

TOTAL EXPENDITURES	7,693,609	7,643,990	7,980,861
--------------------	-----------	-----------	-----------

TOTAL REVENUES	7,980,861
----------------	-----------

GENERAL FUND REVENUES

2025-2026 Budget Allocation
GENERAL FUND REVENUES

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Actual as of 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
PRIOR 2021 AD VALOREM TAXES	10-3010-211	10,779	3,766	15,000	6,500	3,553	3,553	2,000
PRIOR 2022 AD VALOREM TAXES	10-3010-221	22,656	12,336	20,000	12,000	3,190	3,190	2,000
PRIOR 2023 AD VALOREM TAXES	10-3010-231	2,134,683	2,692,787	45,000	20,000	13,940	13,940	2,000
PRIOR 2024 AD VALOREM TAXES	10-3010-241	0	0	2,440,668	2,234,454	2,261,467	2,261,467	9,000
2025 AD VALOREM TAXES	10-3010-251	0	0			0	0	2,317,018
MOTOR VEHICLE TAXES	10-3100-000	225,925	234,144	216,000	222,000	187,593	222,000	200,000
TAX REFUNDS	10-3120-001	-10,678	-8,256	-8,256	-7,885	-7,885	-7,885	-10,545
TAX PENALTY & INTEREST	10-3170-000	17,334	6,159	10,000	10,000	7,348	10,000	6,000
OCCUPANCY TAX	10-3200-000	89,978	152,845	152,000	95,000	58,107	95,000	95,000
INTEREST ON INVESTMENTS	10-3290-000	439,134	708,323	100,000	243,000	645,151	650,000	435,000
ABC STORE	10-3330-000	0	42,598	0	133,000	135,329	135,329	165,000
RENTS	10-3310-000	70,639	78,309	68,400	74,400	58,278	74,400	74,400
DONATIONS	10-3350-000	1,927	60	0	0	0	0	0
DONATIONS-RECREATION	10-3350-002	0	0	0	0	0	0	0
OTHER	10-3350-030	5,658	6,321	2,500	3,700	-36,504	-37,189	2,500
UTILITY FRANCHISE TAX	10-3370-000	447,295	454,423	440,000	440,000	357,717	440,000	440,000
ALCOHOL/BEVERAGE TAX	10-3410-000	22,058	23,925	18,500	19,500	0	19,500	22,000
POWELL BILL ST ALLOCATION	10-3430-000	165,695	183,431	146,300	166,300	201,179	201,179	198,300
UNRESTRICTED SALES TAX	10-3450-010	1,822,710	1,878,993	1,720,144	1,879,492	1,614,703	1,864,523	1,879,492
ALARM PERMIT FEES	10-3530-010	1,330	0	1,300	0	0	0	0
JAIL FEES	10-3580-000	814	864	400	500	710	710	500
REFUSE COLLECTION FEES	10-3590-000	209,686	210,550	205,000	210,000	176,350	210,000	210,000
RECYCLE FEES	10-3590-010	45,947	46,189	45,000	86,000	72,810	86,000	86,000
SOLID WASTE DISPOSAL TX	10-3590-020	3,763	3,886	3,400	3,800	2,862	3,800	3,800
CEMETERY REVENUES	10-3610-000	19,425	15,600	5,000	5,000	1,600	1,600	0
SALES TAX CERTIFICATION REFUND	10-3670-000	36,333	0	7,000	5,000	2,254	5,000	5,000
SALE OF REAL PROPERTY	10-3820-000	23,265	0	0	0	0	0	0
SALE OF FIXED ASSETS	10-3830-000	25,101	11,700	0	0	180	180	0
ABATEMENTS	10-3930-001	3,650	1,450	0	0	325	325	0
HOUSING AUTHORITY	10-3970-020	21,249	26,188	20,000	20,000	28,205	28,205	26,000
PARAMOUNT FORD	10-3970-021	1,432	2,792	1,910	1,910	1,518	1,910	1,910
XTREME MACHINES	10-3970-022	607	1,120	809	809	534	809	809
ORS FACILITY RENTALS	10-3970-025	15,245	21,046	23,075	22,075	17,565	22,075	22,075
ORS AUDITORIUM & TICKET SALES	10-3970-026	54,995	53,720	54,000	58,000	55,722	58,000	58,000
ORS LEASES	10-3970-027	28,878	31,493	30,480	25,492	25,469	25,492	25,492
C. A. TOURS	10-3970-028	584	195	1,000	1,000	0	1,000	600
YOUTH SPORTS REGISTRATION FEES	10-3970-029	14,975	11,366	14,500	14,500	18,127	18,127	15,500
COMMUNITY CENTER MEMBERSHIP	10-3970-030	144,815	145,243	153,000	153,500	90,489	100,000	150,000
COMMUNITY CENTER CONCESSIONS	10-3970-031	35,818	50,620	37,000	44,000	38,112	44,000	48,000
SUMMER SWIM TEAM	10-3970-032	4,723	3,829	4,500	4,500	867	4,500	4,000
BOWLING	10-3970-033	57,114	52,289	55,000	55,000	44,869	55,000	52,500
VENDING	10-3970-034	1,097	1,651	1,200	1,200	1,218	1,218	1,500
RECREATION CREDIT CARD FEES	10-3970-035	2,754	3,020	2,000	3,000	2,262	3,000	3,000
WALDENSIAN FOOTRACE	10-3970-036	3,295	4,943	3,000	4,000	3,734	4,000	3,500
MCGALLIARD FALLS CONCESSIONS	10-3970-038	3,422	3,776	4,000	4,000	2,277	4,000	3,600
RECREATION MISC REV & PARK RENT	10-3970-039	30,520	34,630	32,000	32,000	25,135	32,000	32,000
ORS FACILITY FEES	10-3970-126	1,744	1,773	2,000	2,000	2,313	2,313	2,000
TEACHERS COTTAGE RENTALS	10-3970-127	1,710	5,424	8,000	8,000	5,433	8,000	8,000
MERCHANDISE SALES	10-3970-128	103	0	2,000	2,000	0	2,000	3,000
C. A. CONCESSIONS	10-3970-129	2,177	3,354	3,500	3,000	1,243	3,000	3,400
PRO RATA	10-3970-300	1,100,000	1,100,000	1,100,000	1,100,000	825,000	1,100,000	1,100,000
CAPITAL PROJECTS	10-3970-302	221,000	221,000	221,000	221,000	221,000	221,000	221,000
FESTIVAL	10-3970-920	20,360	24,765	20,000	20,000	8,790	20,000	23,500
TRANSFER FROM CAPITAL RESERVE	10-3970-930	0	0	0	0	0	0	0
FUND BALANCE APPROPRIATED	10-3990-000	-632,700	-510,290	238,279	-23,757	-61,162	-61,162	-2,990
POWELL BILL FUND BALANCE	10-3991-000	0	0	0	0	0	0	0
PROCEEDS FROM FINANCING	10-3995-001	245,292	0	0	0	0	0	0
PROCEEDS FROM GRANTS	10-3995-002	0	0	0	0	0	0	30,000
TOTAL		7,216,316	8,054,350	7,685,609	7,638,990	7,118,977	7,955,109	7,980,861

GENERAL FUND EXPENDITURES

2025-2026 Budget Allocation
GOVERNING BODY

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	10-4100-020	17,133	16,900	18,300	28,750	28,750	28,050	42,000
PROFESSIONAL SERVICES	10-4100-040	0	0	0	0	0	0	0
FICA TAX	10-4100-050	996	1,232	1,400	2,199	2,199	2,199	3,213
GROUP INSURANCE	10-4100-060	51,479	44,662	53,689	25,388	25,388	25,388	0
TRAINING	10-4100-140	1,437	1,105	2,500	2,500	2,500	2,100	2,500
DEPT SUPPLIES	10-4100-330	571	49	100	100	100	95	100
IT	10-4100-490	0	0	0	0	0	0	3,000
DUES AND SUBSCRIPTIONS	10-4100-530	0	0	0	0	0	0	0
MISCELLANEOUS	10-4100-570	2,000	999	1,000	500	500	350	500
CAPITAL OUTLAY	10-4100-740	23,693	0	0	0	0	0	0
CONTINGENCY	10-4100-999	0	0	0	0	0	0	0
TOTAL		97,309	64,947	76,989	59,437	59,437	58,182	51,313

2025-2026 Budget Allocation
ADMINISTRATION

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	10-4200-020	391,848	479,342	414,826	467,809	432,672	361,510	514,322
PART TIME PAY	10-4200-022	8,052	8,899	0	18,800	13,800	13,800	18,800
PROFESSIONAL SERVICES	10-4200-040	65,644	134,035	90,225	162,915	162,916	154,348	148,465
HEALTH REIMBURSEMENT (HRA)	10-4200-041	0	30,563	55,500	60,000	60,000	60,000	65,000
FICA TAX	10-4200-050	30,102	35,876	31,548	36,959	36,962	34,658	40,533
GROUP INSURANCE	10-4200-060	53,002	39,823	45,774	48,775	48,775	48,775	48,763
RETIREMENT	10-4200-070	46,622	43,020	52,464	62,608	62,617	58,624	72,777
UNEMPLOYMENT CHARGES	10-4200-080	0	2,625	3,000	3,000	3,000	3,000	4,000
TELEPHONE & INTERNET	10-4200-110	23,067	21,938	23,150	24,350	24,350	23,654	24,750
POSTAGE	10-4200-111	2,505	2,619	4,000	4,000	4,000	3,500	4,000
PRINTING	10-4200-120	3,071	298	3,100	3,100	3,100	3,100	2,725
ELECTRIC	10-4200-130	8,009	9,599	9,000	10,500	10,500	10,500	10,500
TRAINING	10-4200-140	7,456	10,915	13,310	11,010	6,010	6,010	14,610
MAINT & REPAIR BLDG & GROUNDS	10-4200-150	13,907	14,349	17,021	17,045	17,045	17,045	17,045
MAINT & REPAIR - EQUIP	10-4200-160	1,866	3,249	4,400	4,600	4,600	4,600	4,600
MAINT & REPAIR - AUTO	10-4200-170	0	0	250	250	250	100	250
ADVERTISING	10-4200-260	3,731	2,850	2,850	2,850	2,850	2,850	2,850
AUTO SUPPLIES GAS	10-4200-311	352	250	1,000	1,000	1,000	750	1,000
AUTO SUPPLIES TIRES	10-4200-313	0	0	0	0	0	0	0
AUTO SUPPLIES OIL	10-4200-314	0	0	40	50	50	50	50
DEPT SUPPLIES & MATL	10-4200-330	12,247	11,497	15,700	15,100	15,100	15,000	15,100
CONTRACTED SERVICES	10-4200-450	36,156	29,806	43,956	38,820	38,820	38,820	30,420
IT	10-4200-490	53,283	54,798	73,070	77,830	77,830	77,830	79,580
DUES & SUBSCRIPTIONS	10-4200-530	11,806	20,477	15,500	14,800	29,801	28,668	14,103
INSURANCE & BONDS	10-4200-540	116,568	132,635	140,092	156,500	161,189	159,249	181,500
MISC EXPENSE	10-4200-570	6,069	11,759	10,950	10,350	10,350	10,035	15,750
CAPITAL OUTLAY	10-4200-740	2,000	28,316	20,000	22,000	29,642	29,642	60,000
ECONOMIC DEVELOPMENT GRANT	10-4200-763	0	0	0	0	0	0	0
BURKE COUNTY LIBRARY	10-4200-930	40,000	40,000	40,000	40,000	40,000	40,000	40,000
DEBT SERVICE	10-4200-962	88,878	88,878	88,878	88,878	88,878	88,878	88,878
TRANSFER TO CAPITAL RESERVE	10-4200-963	0	0	0	0	0	0	0
CONTINGENCY	10-4200-990	0	0	0	0	18,000	18,000	0
TOTAL		1,026,241	1,258,416	1,219,604	1,403,899	1,404,107	1,312,996	1,520,371

2025-2026 Budget Allocation
PUBLIC WORKS ADMIN

Line Item Description	Account Code	2022-23 Actual	2022-23 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	10-4250-020	101,862	93,720	93,614	98,202	98,202	97,265	103,020
OVER TIME PAY	10-4250-021	1,040	578	1,448	1,521	2,304	2,304	2,167
PART TIME PAY	10-4250-022	0	0	0	0	0	0	0
PROFESSIONAL SERVICES	10-4250-040	65	0	550	550	550	550	550
FICA TAX PAYABLE	10-4250-050	7,607	6,914	7,192	7,549	7,593	7,423	7,967
GROUP INSURANCE	10-4250-060	28,966	17,182	17,818	18,730	18,730	18,730	18,335
RETIREMENT PAYABLE	10-4250-070	12,430	12,040	12,138	13,480	13,563	13,526	15,008
PRINTING	10-4250-120	0	0	500	500	500	350	500
ELECTRIC	10-4250-130	7,125	9,037	7,200	7,560	7,560	7,560	8,920
NATURAL GAS	10-4250-131	3,000	2,997	3,000	3,150	3,150	3,150	3,150
TRAINING	10-4250-140	0	1,196	3,000	2,500	2,500	2,000	2,500
MAINT & REPAIR BLDGS & GROUNDS	10-4250-150	11,076	7,319	13,024	12,500	16,000	16,000	12,500
MAINT & REPAIR EQUIP	10-4250-160	2,592	1,152	3,500	4,000	4,000	4,000	4,000
MAINT & REPAIR AUTO	10-4250-170	915	1,486	1,500	1,500	1,500	1,500	1,500
AUTO SUPPLIES GAS	10-4250-311	3,275	5,720	6,000	5,500	5,500	5,000	5,500
AUTO SUPPLIES TIRES	10-4250-313	1,420	819	1,420	1,420	1,420	1,420	1,420
AUTO SUPPLIES OIL	10-4250-314	0	162	184	184	184	184	184
DEPT SUPPLIES & MATERIAL	10-4250-330	11,551	3,062	14,500	15,000	22,950	22,000	15,000
CHEMICALS	10-4250-332	299	500	500	500	500	400	500
UNIFORMS	10-4250-360	1,380	1,527	1,580	800	1,580	1,580	1,720
CONTRACTED SERVICES	10-4250-450	3,585	3,845	5,216	10,016	10,016	10,016	12,516
IT	10-4250-490	0	0	0	0	0	0	0
DUES & SUBSCRIPTIONS	10-4250-530	1,010	1,790	2,325	2,325	2,325	2,325	2,325
MISC EXPENSE	10-4250-570	0	0	0	0	0	0	0
CAPITAL OUTLAY	10-4250-740	11,347	23,207	41,000	35,000	87,662	86,332	7,000
TOTAL		210,545	194,253	237,209	242,487	308,289	303,615	226,282

2025-2026 Budget Allocation
 GROUNDS AND MAINTENANCE

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	10-4350-020	132,473	156,398	151,646	156,984	152,035	146,956	158,433
OVER TIME PAY	10-4350-021	2,997	5,454	4,973	6,268	8,505	8,505	7,751
PART TIME PAY	10-4350-022	11,976	14,701	10,400	10,400	22,227	22,227	16,280
FICA TAX	10-4350-050	10,786	13,147	12,658	13,165	13,439	13,439	13,839
GROUP INSURANCE	10-4350-060	28,711	31,298	34,652	37,244	37,244	37,244	36,455
RETIREMENT	10-4350-070	16,239	20,765	20,018	22,087	22,511	22,511	23,722
TRAINING	10-4350-140	379	0	400	400	400	400	400
MAINT & REPAIR BLDGS & GROUND	10-4350-150	3,968	3,171	7,150	7,150	15,866	14,665	7,150
MAINT & REPAIR EQUIP	10-4350-160	3,477	2,656	3,480	3,480	3,480	3,480	3,480
MAINT & REPAIR AUTO	10-4350-170	912	275	2,253	1,500	1,500	1,500	1,500
AUTO SUPPLIES - GAS	10-4350-311	5129	6500	6,500	6,500	6,500	6,000	6,500
AUTO SUPPLIES DIESEL	10-4350-312	369	253	928	928	928	600	928
AUTO SUPPLIES - TIRES	10-4350-313	1349	493	1,350	1,350	1,350	1,200	1,350
AUTO SUPPLIES - OIL	10-4350-314	441	234	566	566	566	520	566
DEPT SUPPLIES & MATERIAL	10-4350-330	1697	3590	3,600	4,250	4,250	4,136	4,250
CHRISTMAS DECORATIONS	10-4350-331	7465	0	0	0	0	0	0
CHEMICALS	10-4350-332	2453	2444	2,500	2,500	2,500	2,456	2,500
UNIFORMS	10-4350-360	1590	2142	2,400	2,400	2,400	2,400	3,072
CONTRACT SERVICES	10-4350-450	0	0	500	500	500	457	500
HELPING HANDS	10-4350-451	0	0	4,800	4,800	0	0	0
IT	10-4350-490	0	0	0	0	0	0	0
MISC EXPENSE	10-4350-570	0	1222	2,000	2,500	2,500	2,100	2,500
CAPITAL OUTLAY	10-4350-740	0	0	0	3,000	3,000	3,000	0
ARBOR BEAUTIFICATION	10-4350-927	3,432	3,726	10,800	10,800	10,800	9,236	10,800
TOTAL		235,843	268,469	283,574	298,772	312,501	303,032	301,977

2025-2026 Budget Allocation
PLANNING

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	10-4900-020	630	650	40,920	0	0	0	0
PART TIME PAY	10-4900-022	36,137	44,083	39,660	41,900	41,900	35,000	0
PROFESSIONAL SERVICES	10-4900-040	0	92	7,000	7,000	3,000	3,000	7,000
FICA TAX	10-4900-050	2,707	3,316	6,125	3,205	3,205	1,300	0
GROUP INSURANCE	10-4900-060	0	0	9,055	9,155	0	0	0
RETIREMENT	10-4900-070	0	0	5,216	0	0	0	0
TRAINING	10-4900-140	0	0	500	500	0	0	500
MAINT & REPAIR BLDG & GROUNDS	10-4900-150	0	0	0	0	0	0	0
MAINT & REPAIR EQUIP	10-4900-160	474	0	3,500	3,500	1,500	1,500	3,500
ADVERTISING	10-4900-260	0	0	1,125	1,125	1,125	1,125	1,125
DEPT SUPPLIES & MATL	10-4900-330	683	700	700	700	700	500	700
CONTRACTED SERVICES	10-4900-450	0	0	3,000	3,000	3,000	3,000	59,400
ABATEMENTS	10-4900-451	800	555	9,000	7,000	7,000	5,000	7,000
IT	10-4900-490	0	0	0	0	0	0	0
DUES & SUBSCRIPTIONS	10-4900-530	144	144	344	344	344	344	200
MISC EXPENSE	10-4900-570	386	572	1,000	1,000	1,000	800	300
CAPITAL OUTLAY	10-4900-740	12,250	11,332	3,000	0	29,895	29,895	0
TOTAL		54,211	61,444	130,145	78,429	92,669	81,464	79,725

2025-2026 Budget Allocation

POLICE

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	10-5100-020	673,591	695,591	727,693	745,532	745,532	745,532	776,373
OVER TIME PAY	10-5100-021	10,905	12,339	16,624	16,624	20,762	20,762	20,579
PART TIME PAY	10-5100-022	10,020	7,568	10,560	10,560	10,989	10,523	10,560
EXTRA DUTY HOURS	10-5100-024	18,424	12,952	29,186	29,186	34,121	34,121	29,186
PROFESSIONAL SERVICES	10-5100-040	1,557	1,860	1,800	1,800	1,800	1,800	1,800
FICA TAX	10-5100-050	53,134	54,527	59,503	60,868	61,220	60,236	64,007
GROUP INSURANCE	10-5100-060	136,716	114,501	129,734	138,482	138,482	138,482	135,534
DEFERRED COMP 401K	10-5100-065	32,530	31,557	35,357	36,089	36,284	36,284	38,034
RETIREMENT	10-5100-070	90,709	97,583	104,601	114,463	115,116	115,116	128,857
TELEPHONE	10-5100-110	6,414	6,415	6,471	6,471	6,471	6,471	13,231
POSTAGE	10-5100-111	368	344	1,286	1,000	1,825	1,500	1,000
PRINTING	10-5100-120	0	0	1,174	500	158	158	500
ELECTRIC	10-5100-130	0	0	0	0	1,200	1,200	1,800
NATURAL GAS	10-5100-131	0	0	0	0	200	200	360
TRAINING	10-5100-140	1,003	1,582	2,500	7,500	8,400	8,400	7,500
MAINT & REPAIR BLDG & GROUNDS	10-5100-150	2,754	2,463	2,588	2,688	1,288	1,288	2,688
MAINT & REPAIR EQUIP	10-5100-160	3,231	2,448	4,517	4,517	1,919	1,919	4,517
MAINT & REPAIR AUTO	10-5100-170	8,395	8,334	13,275	13,275	18,811	18,811	15,075
ADVERTISING	10-5100-260	0	0	100	0	0	0	0
AUTO SUPPLIES GAS	10-5100-311	36,398	46,693	45,000	45,000	45,000	41,354	45,000
AUTO SUPPLIES TIRES	10-5100-313	5,095	4,212	5,500	5,500	4,865	4,865	5,500
AUTO SUPPLIES OIL	10-5100-314	2,770	1,920	2,000	2,000	2,000	2,000	2,000
DEPT SUPPLIES & MATL	10-5100-330	25,525	23,887	21,125	22,920	59,047	59,047	23,099
UNIFORMS	10-5100-360	16,719	18,229	14,920	15,340	16,940	16,940	19,587
CONTRACTED SERVICES	10-5100-450	18,401	26,711	27,962	14,228	13,318	13,318	18,410
IT	10-5100-490	7,100	8,802	10,772	13,334	9,303	9,303	10,572
DUES & SUBSCRIPTIONS	10-5100-530	0	119	424	224	11	11	724
INSURANCE & BONDS	10-5100-540	0	0	2,065	0	2,065	2,065	0
MISC EXPENSE	10-5100-570	0	0	0	0	0	0	0
CAPITAL OUTLAY	10-5100-740	46,019	44,672	45,000	56,000	60,042	60,042	67,000
DEBT SERVICE - CARS	10-5100-910	18,470	18,471	18,471	18,471	18,471	18,471	0
TOTAL		1,226,248	1,243,780	1,340,208	1,382,572	1,435,640	1,430,219	1,443,492

2025-2026 Budget Allocation
FIRE

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	10-5300-020	348,525	352,382	348,043	368,544	365,105	340,000	382,698
OVER TIME PAY	10-5300-021	1,379	2,880	1,000	1,000	6,195	10,265	3,591
PART TIME PAY	10-5300-022	49,846	47,750	67,875	65,875	65,875	65,875	68,195
EXTRA DUTY HOURS	10-5300-024	38,243	30,570	39,741	41,400	41,400	40,659	41,400
PROFESSIONAL WAGES	10-5300-040	2,171	5,755	7,980	6,980	6,980	6,980	6,810
FICA TAX	10-5300-050	33,148	33,315	34,815	36,357	36,722	34,695	37,816
GROUP INSURANCE	10-5300-060	71,096	77,456	80,601	86,534	86,534	78,568	85,852
RETIREMENT	10-5300-070	47,261	49,342	49,992	55,922	56,592	52,365	61,405
TELEPHONE	10-5300-110	456	457	457	1,080	1,080	1,000	804
POSTAGE	10-5300-111	72	200	200	200	200	100	200
PRINTING	10-5300-120	658	700	700	500	500	450	500
ELECTRIC	10-5300-130	11,319	14,180	14,400	15,840	15,840	15,840	15,840
NATURAL GAS	10-5300-131	4,050	3,579	4,550	5,005	5,005	5,005	5,005
TRAINING	10-5300-140	7,042	13,526	18,800	19,320	19,320	18,659	19,320
MAINT & REPAIR BLDGS & GROUNDS	10-5300-150	7,062	9,068	6,568	6,900	9,350	9,350	6,600
MAINT & REPAIR EQUIP	10-5300-160	6,406	10,165	10,165	12,210	12,210	11,895	13,235
MAINT & REPAIR AUTO	10-5300-170	20,735	16,450	16,450	19,110	29,116	29,116	19,511
ADVERTISING	10-5300-260	0	0	500	0	0	0	0
AUTO SUPPLIES GAS	10-5300-311	1,583	2,251	2,580	2,530	2,530	2,530	3,830
AUTO SUPPLIES DIESEL	10-5300-312	8,608	7,650	7,650	10,350	10,350	10,269	10,643
AUTO SUPPLIES TIRES	10-5300-313	1,200	13,839	4,800	10,600	594	594	5,000
AUTO SUPPLIES OIL	10-5300-314	1,220	1,993	2,019	2,025	2,025	2,025	2,125
DEPT SUPPLIES & MATL	10-5300-330	46,805	52,222	39,705	38,955	38,955	38,955	39,155
UNIFORMS	10-5300-360	4,205	5,214	7,000	7,000	7,000	6,936	7,000
CONTRACTED SERVICES	10-5300-450	1,600	0	0	0	23,942	23,942	16,800
IT	10-5300-490	2,896	8,735	3,735	9,000	9,000	9,000	10,700
DUES & SUBSCRIPTIONS	10-5300-530	3,839	3,961	5,345	6,545	6,545	6,545	6,500
INSURANCE & BONDS	10-5300-540	22,026	22,735	22,735	25,815	25,815	25,815	28,815
MISC EXPENSE	10-5300-570	0	0	0	0	0	0	0
SAFETY	10-5300-572	8,141	8,061	9,640	9,660	9,660	9,660	10,160
TRANSFER TO PUBLIC SAFETY BUILDING	10-5300-720	124,000	324,000	324,000	0	0	0	0
CAPITAL OUTLAY	10-5300-740	172,774	0	0	75,000	75,000	74,659	0
DEBT SERVICE - ENG #1	10-5300-910	26,908	26,908	26,908	0	0	0	0
DEBT SERVICE LADDER TRK	10-5300-912	52,761	52,761	52,761	52,761	52,761	52,761	52,761
TOTAL		1,128,035	1,198,105	1,211,715	993,018	1,022,201	984,513	962,271

2025-2026 Budget Allocation
STREET

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	10-5600-020	135,551	145,920	144,791	153,106	151,847	151,000	158,953
OVER TIME PAY	10-5600-021	4,002	4,967	4,787	6,112	9,181	9,181	8,138
PART TIME PAY	10-5600-022	0	0	0	0	0	0	0
PROFESSIONAL SERVICES	10-5600-040	0	0	1,000	1,000	1,000	1,000	1,000
FICA TAX	10-5600-050	10,261	11,125	11,284	12,021	12,064	12,064	12,623
GROUP INSURANCE	10-5600-060	38,340	33,623	34,724	37,148	37,148	37,148	37,226
RETIREMENT	10-5600-070	16,716	19,211	19,041	21,465	21,554	20,568	23,778
ELECTRIC	10-5600-130	1,663	2,160	1,860	2,064	2,064	2,064	2,232
ELECTRIC - STREET LIGHTS	10-5600-133	62,663	70,082	66,980	102,948	102,948	101,598	102,948
ELECTRIC - TRAFFIC LIGHTS	10-5600-134	621	827	1,224	1,344	1,344	1,252	1,344
TRAINING	10-5600-140	0	0	350	1,000	1,000	800	1,000
MAINT & REPAIR BLDGS & GROUNDS	10-5600-150	10,124	10,976	16,100	17,100	17,100	17,065	16,100
MAINT & REPAIR EQUIP	10-5600-160	9,668	11,672	12,046	10,000	10,000	8,942	10,000
MAINT & REPAIR AUTO	10-5600-170	7,553	6,831	8,173	12,000	12,000	12,000	12,000
AUTO SUPPLIES GAS	10-5600-311	3,699	3,800	3,800	3,800	3,800	3,497	3,800
AUTO SUPPLIES DIESEL	10-5600-312	19,213	13,834	16,047	16,047	16,047	15,956	16,047
AUTO SUPPLIES TIRES	10-5600-313	1,198	828	5,836	5,500	5,500	4,900	5,500
AUTO SUPPLIES OIL	10-5600-314	1,191	490	2,954	2,954	2,954	2,630	2,954
DEPT SUPPLIES & MATL	10-5600-330	4,289	4,352	8,600	8,600	8,600	8,220	8,600
CHEMICALS	10-5600-332	1,762	1,928	2,000	2,000	2,000	2,000	2,000
UNIFORMS	10-5600-360	1,590	2,400	2,400	2,800	2,800	2,800	3,472
CONTRACTED SERVICES	10-5600-450	9,288	1,079	1,080	1,080	1,080	1,080	1,080
IT	10-5600-490	0	0	0	0	0	0	0
CAPITAL OUTLAY	10-5600-740	38,997	0	0	0	0	0	65,000
TRANSFER TO STREETS PROJECT FUN	10-5600-900	0	225,000	225,000	375,000	375,000	375,000	200,000
DEBT SERVICE	10-5600-910	53,743	53,743	53,743	53,743	53,743	53,743	53,743
TOTAL		432,132	624,848	643,820	848,833	850,774	844,508	749,538

2025-2026 Budget Allocation
POWELL BILL

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	10-5700-020	0	0	0	0	0	0	0
OVER TIME PAY	10-5700-021	0	0	0	0	0	0	0
PROFESSIONAL SERVICES	10-5700-040	0	0	0	0	0	0	0
PROF SERVICES PAVING PROJECT	10-5700-041	0	0	0	0	0	0	0
FICA TAX	10-5700-050	0	0	0	0	0	0	0
GROUP INSURANCE	10-5700-060	0	0	0	0	0	0	0
RETIREMENT	10-5700-070	0	0	0	0	0	0	0
MAINT & REPAIR BLDG & GRDS	10-5700-150	741	0	4,000	4,000	4,000	3,600	4,000
MAINT & REPAIR - PATCHING	10-5700-151	7,999	7,927	8,000	8,000	8,000	8,000	25,000
RIGHT OF WAY	10-5700-153	0	0	0	0	0	0	0
DRAINAGE AND STORM SEWER	10-5700-154	0	5,299	3,000	3,000	3,000	2,530	3,000
SNOW AND ICE REMOVAL	10-5700-155	3,387	553	3,800	3,800	3,800	1,360	3,800
MAINT & REPAIR EQUIP	10-5700-160	0	0	0	0	0	0	0
MAINT & REPAIR VEHICLE	10-5700-170	0	0	0	0	0	0	0
DEPT SUPPLIES & MATL	10-5700-330	2,499	2,280	2,500	2,500	2,500	2,100	2,500
CONTRACTED SERVICES	10-5700-450	13,100	0	0	0	0	0	0
MISC EXPENSE	10-5700-570	0	0	0	0	0	0	0
CAPITAL OUTLAY OTHER	10-5700-720	0	0	0	0	0	0	0
CRACK SEALING	10-5700-721	0	0	0	0	0	0	0
CAPITAL OUTLAY SIDEWALKS	10-5700-730	11,890	0	0	20,000	20,000	18,000	35,000
CAPITAL OUTLAY	10-5700-740	0	0	0	125,000	125,000	125,000	125,000
DEBT SERVICE	10-5700-910	125,000	125,000	125,000	0	0	0	0
TOTAL		164,616	141,059	146,300	166,300	166,300	160,590	198,300

2025-2026 Budget Allocation
SANITATION

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	10-5800-020	33,589	35,215	35,217	36,931	36,931	36,931	38,732
OVER TIME PAY	10-5800-021	1,058	819	1,138	1,434	2,232	2,232	1,932
PART TIME PAY	10-5800-022	0	0	0	0	0	0	0
PROFESSIONAL SERVICES	10-5800-040	0	0	0	0	0	0	0
FICA TAX	10-5800-050	2,610	2,717	2,741	2,895	2,930	2,930	3,071
GROUP INSURANCE	10-5800-060	9,613	8,557	8,699	9,311	9,311	9,311	9,114
RETIREMENT	10-5800-070	4,149	4,585	4,625	5,170	5,235	5,235	5,785
POSTAGE	10-5800-111	0	1,025	3,000	3,000	3,000	2,654	3,000
PRINTING EXPENSE	10-5800-120	0	30	900	900	900	900	1,000
TRAINING	10-5800-140	0	0	0	0	0	0	0
MAINT. & REPAIR EQUIPMENT	10-5800-160	945	51	2,000	2,000	2,000	1,856	3,650
MAINT. & REPAIR AUTO & TRUCK	10-5800-170	848	1,055	2,134	5,000	5,000	5,000	5,000
ADVERTISEMENT	10-5800-260	0	0	0	600	600	600	600
AUTO SUPPLIES GAS	10-5800-311	4,017	2,902	4,000	4,000	4,000	3,500	4,000
AUTO SUPPLIES DIESEL	10-5800-312	1,808	1,487	1,700	1,500	1,500	1,300	1,500
AUTO SUPPLIES TIRES	10-5800-313	67	103	2,290	2,290	2,290	2,000	2,290
AUTO SUPPLIES OIL	10-5800-314	401	600	628	628	628	500	628
DEPT SUPPLIES & MATERIALS	10-5800-330	1,269	1,156	1,400	1,400	1,400	1,362	1,400
CHEMICAL	10-5800-332	127	103	200	200	200	200	200
UNIFORMS	10-5800-360	690	586	1,260	1,260	1,260	1,260	768
CONTRACTED SERVICES	10-5800-450	281,446	294,308	296,267	304,400	304,400	304,400	296,864
IT	10-5800-490	0	0	0	0	0	0	0
MISCELLANEOUS EXPENSE	10-5800-570	0	0	0	0	0	0	0
CAPITAL OUTLAY	10-5800-740	0	160,092	165,000	0	6,000	6,000	230,000
DEBT SERVICE	10-5800-910	0	0	0	0	0	0	0
TOTAL		342,637	515,391	533,199	382,919	389,817	388,171	609,534

2025-2026 Budget Allocation
RECREATION

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	10-6200-020	259,300	276,237	281,126	292,874	292,874	291,000	307,845
OVER TIME PAY	10-6200-021	0	0	0	0	0	0	0
PART-TIME PAY	10-6200-022	224,381	257,192	263,259	284,784	284,784	282,365	293,756
PROFESSIONAL SERVICES	10-6200-040	755	987	1,000	1,000	1,000	800	1,000
FICA TAX	10-6200-050	36,466	39,761	41,566	44,111	44,112	44,112	45,943
GROUP INSURANCE	10-6200-060	65,469	56,124	59,151	56,550	56,550	56,550	55,414
RETIREMENT	10-6200-070	31,532	35,551	36,159	39,865	39,864	39,428	44,211
TELEPHONE	10-6200-110	379	1,049	1,200	400	400	400	400
POSTAGE	10-6200-111	0	0	0	0	0	0	0
PRINTING	10-6200-120	0	0	0	0	0	0	0
ELECTRIC	10-6200-130	36,470	45,052	40,000	40,000	48,180	44,125	45,000
NATURAL GAS	10-6200-131	71,818	47,228	54,000	50,000	36,120	36,120	45,000
TRAINING	10-6200-140	1,377	2,498	2,500	3,000	3,000	2,136	2,500
MAINT & REPAIR BLDGS	10-6200-150	61,208	58,592	33,150	22,800	61,205	61,205	19,900
PARK REPAIRS	10-6200-151	9,954	8,281	8,000	9,300	24,828	24,475	10,900
MAINT & REPAIR EQUIPMENT	10-6200-160	15,435	16,740	16,850	16,500	16,500	18,653	19,740
MAINT & REPAIR AUTO	10-6200-170	329	909	1,000	1,000	1,000	1,000	1,000
ADVERTISING	10-6200-260	500	1,032	1,000	1,500	1,500	1,350	1,500
AUTO SUPPLIES GAS	10-6200-311	2,379	3,984	2,340	3,500	3,500	3,100	3,500
AUTO SUPPLIES TIRES	10-6200-313	0	0	0	0	0	0	600
AUTO SUPPLIES OIL	10-6200-314	33	0	240	240	240	200	240
DEPT SUPPLIES & MATERIALS	10-6200-330	22,821	22,464	22,525	32,050	32,050	31,222	29,950
CHEMICALS	10-6200-332	14,645	14,254	17,000	15,000	15,000	12,025	15,000
UNIFORMS	10-6200-360	628	1,000	1,000	1,500	1,500	1,480	1,500
CONTRACTED SERVICES	10-6200-450	35,464	36,671	35,586	37,200	42,800	42,800	64,200
WALDENSIAN FOOTRACE	10-6200-454	3,873	4,454	4,500	4,500	4,852	4,852	4,500
SWIM TEAM	10-6200-480	491	1,961	2,000	2,500	2,148	0	2,500
P F R CONCESSIONS	10-6200-481	27,200	35,650	25,000	33,000	33,000	33,000	33,000
P F R OTHER	10-6200-484	8,488	7,872	8,000	9,000	9,000	9,000	12,000
DUES AND SUBSCRIPTIONS	10-6200-530	2,065	4,019	4,045	3,545	3,545	3,545	3,545
CAPITAL OUTLAY	10-6200-740	41,020	110,670	104,800	79,280	87,278	87,101	42,000
DEBT SERVICE	10-6200-910	19,483	19,483	19,483	19,483	19,483	19,483	19,483
TOTAL		993,963	1,109,715	1,086,480	1,104,482	1,166,313	1,151,527	1,126,127

2025-2026 Budget Allocation
COMMUNITY AFFAIRS

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	10-6250-020	162,574	171,527	171,855	180,309	180,309	177,000	189,229
OVER TIME PAY	10-6250-021	0	0	0	0	2,624	2,624	1,942
PART-TIME PAY	10-6250-022	28,195	29,941	30,000	33,000	33,000	33,000	33,557
PROFESSIONAL SERVICES	10-6250-040	0	0	1,380	1,380	1,380	1,380	1,380
FICA TAX	10-6250-050	14,297	14,883	15,323	16,199	16,400	15,800	16,881
GROUP INSURANCE	10-6250-060	36,658	32,443	32,994	35,424	35,424	35,424	34,647
RETIREMENT	10-6250-070	19,633	21,986	21,985	24,417	24,711	23,546	27,043
TELEPHONE	10-6250-110	0	0	100	0	0	0	0
POSTAGE	10-6250-111	1,294	5,224	5,500	5,500	5,500	5,100	5,500
PRINTING	10-6250-120	3,532	4,499	4,600	4,600	4,600	4,600	4,600
ELECTRIC	10-6250-130	30,528	31,687	31,000	34,000	34,000	34,000	41,500
NATURAL GAS	10-6250-131	8,997	10,788	11,500	11,500	11,500	11,500	12,000
TRAINING & TRAVEL	10-6250-140	183	200	200	200	200	200	200
MAINT. & REPAIR BLDGS	10-6250-150	26,752	24,855	24,900	25,000	38,075	35,695	25,000
MAINT & REPAIR EQUIPMENT	10-6250-160	1,636	1,558	1,700	2,400	2,400	2,400	2,400
MAINT & REPAIR AUTO	10-6250-170	0	0	0	200	200	160	200
ADVERTISING	10-6250-260	6,024	7,780	8,000	8,000	8,000	7,634	8,000
AUTO SUPPLIES - GAS	10-6250-311	0	0	0	300	300	130	300
AUTO SUPPLIES - TIRES	10-6250-313	0	0	0	0	0	0	0
AUTO SUPPLIES - OIL	10-6250-314	0	0	0	100	100	90	100
DEPT SUPPLIES & MATERIAL	10-6250-330	5,942	6,570	6,600	7,000	7,000	6,895	7,000
EVENT SUPPLIES & DÉCOR	10-6250-331	34,085	13,928	14,000	14,000	14,000	14,000	14,000
CONCESSION STAND TRAILER	10-6250-332	3,488	3,804	4,000	4,000	4,000	4,000	4,000
CONTRACTED SERVICES	10-6250-450	27,542	31,757	30,500	31,350	40,850	40,850	40,850
CONT SERVICES ENTERTAINMENT	10-6250-452	82,667	85,997	86,000	82,475	86,775	85,496	86,775
CONT SERVICES TOURISM	10-6250-453	216	422	500	500	500	500	500
IT	10-6250-490	0	499	500	500	500	500	500
DUE AND SUBSCRIPTIONS	10-6250-530	331	1,048	1,050	1,050	1,050	1,050	1,125
WELLNESS	10-6250-572	6,132	6,993	7,000	7,000	7,000	7,000	7,000
CAPITAL OUTLAY	10-6250-740	60,000	86,863	95,000	35,000	35,138	35,138	30,000
BUILDING REUSE & FACADE	10-6250-920	5,000	5,000	5,000	5,000	5,000	0	5,000
FESTIVAL	10-6250-922	20,894	28,674	28,700	22,700	22,700	22,700	22,700
MAIN STREET PROGRAM	10-6250-924	2,992	3,001	3,000	3,000	3,000	2,980	3,000
VALDESE TOURISM COMMISSION	10-6250-925	97,567	129,412	142,000	85,000	97,500	97,500	85,000
TOTAL		687,159	761,339	784,887	681,104	723,736	708,892	711,930

CAPITAL
IMPROVEMENT
PLAN

GENERAL FUND

Summary of General Fund Capital Improvement Plan (CIP)

	<i>Capital Budget</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>Year 6</i>	<i>Year 7</i>	<i>Year 8</i>	<i>Year 9</i>	<i>Year 10</i>
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
<i>Capital Expenditures by Department</i>										
Administration & Planning	60,000	16,000	17,000	-	35,000	30,000	25,000	3,000	-	-
Public Works	7,000	49,000	67,000	6,000	50,000	10,000	180,000	6,000	52,000	6,000
Streets	65,000	6,000	120,000	27,000	255,000	54,000	70,000	25,000	120,000	-
Sanitation	230,000	49,000	7,000	7,000	30,000	200,000	-	6,000	6,000	-
Grounds	-	100,000	5,000	48,000	4,000	15,000	80,000	6,000	-	4,000
Police	67,000	67,000	134,000	67,000	87,000	70,000	72,000	82,000	82,000	73,000
Fire	-	86,000	90,000	250,000	1,150,000	85,000	22,000	52,000	75,000	-
Community Affairs	30,000	100,000	100,000	180,000	180,000	180,000	240,000	240,000	50,000	240,000
Parks & Recreation	42,000	111,000	157,000	130,000	105,000	85,000	70,000	17,000	120,000	80,000
<i>Expense</i>	501,000	584,000	697,000	715,000	1,896,000	729,000	759,000	437,000	505,000	403,000
<i>Financing Sources</i>										
Operating Revenues	501,000	584,000	697,000	465,000	541,000	729,000	759,000	437,000	505,000	403,000
Grants	-	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	250,000	1,355,000	-	-	-	-	-
Reserved/Project Funds	-	-	-	-	-	-	-	-	-	-
<i>Revenue</i>	501,000	584,000	697,000	715,000	1,896,000	729,000	759,000	437,000	505,000	403,000

Operating Revenues Required Over 10 Year Plan:	\$5,621,000
Loan Proceeds Over 10 Year Plan:	\$1,605,000
Total Capital Over 10 Year Plan:	\$7,226,000

General Fund Capital Improvement Plan (CIP)

Capital Budget		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Year 9		Year 9		Year 10		
2025-26		2026-27		2027-28		2028-29		2029-30		2030-31		2031-32		2032-33		2033-34		2034-35		
DEPARTMENT	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount		
Administration & Planning	Replace HVAC unit	10,000	Computers(3)-Front (2019)	6,000	Parking lot sealcoat	7,000			Replace Town Hall Roof	35,000	Kitchen / Breakroom Renovation	30,000	Replace Carpets	25,000	Refurbish Front Entry Door	3,000				
	Pay Study	25,000	Repaint partial areas Town Hall	10,000	Repaint partial areas Town Hall	10,000														
	Financial Planning Model / Debt Management	25,000																		
Public Works	Replace HVAC	7,000	Director computer	2,000	Roll Up Doors (6)	65,000	Replace office flooring	6,000	Replace 2019 Chevy Silverado 1500	50,000	Garage Heater Upgrades	10,000	Resurface Parking Lot	180,000	Garage lighting upgrade	6,000	Replace 2023 F150	52,000	Replace (3) computers	6,000
			Office Assistant computer	2,000	Garage computer	2,000														
			Replace 2014 F150	45,000																
Street	Replace 1987 Ford tractor	65,000	6' Bush Hog	6,000	Replace 2006 Flat Bed	110,000	Replace 2018 John Deere Gator	15,000	(L) Replace 1995 Single Axel Dump Truck	80,000	Replace 2020 Chevy Silverado 1500	48,000	Replace 2001 Bucket truck	70,000	Replace 2015 asphalt roller	15,000	Replace 2022 Cat Track Hoe	120,000		
					Curb painting	10,000	Replace 2003 Spreader Box	12,000	(L) Replace 2000 Brush Truck	175,000	Replace salt brine spreader tank	6,000			Curb painting	10,000				
Sanitation	Recycle and Sanitation Carts	230,000	Replace small user trash cans	4,000	Roll off dumpster	7,000	Replace Town trash cans	7,000	Utility Building	30,000	Replace 2017 Trash Truck	200,000			Replace small user trash cans	6,000	Roll off dumpster	6,000		
			Replace 2016 F150	45,000																
Grounds			Replace 2016 Grasshopper Mower	25,000	Replace 1998 utility trailer 7x14	5,000	Replace 2018 F150	48,000	Replace weed eaters (4)	2,000	Replace 2020 Bobcat Mower	15,000	Replace 2013 F350 and snow plow	80,000	Replace 2000 utility trailer 7x14	6,000			Replace weed eaters (4)	2,000
			Replace 2006 F350 and snowplow	75,000					Replace back pack blowers (4)	2,000									Replace back pack blowers (4)	2,000
Police	Patrol Vehicle (replace unit 115)	49,000	Patrol Vehicle (replace unit 112)	49,000	Detective Vehicle (replace unit 125)	49,000	Animal Control (replace unit 123)	49,000	Patrol Vehicle (replace unit 110)	51,000	Patrol Vehicle (replace unit 111)	51,000	Patrol Vehicle (replace unit 122)	52,000	Patrol Vehicle (replace unit 120)	52,000	Patrol Vehicle (replace unit 124)	52,000	Patrol Vehicle (replace unit 126)	53,000
	Unit 115 In-car Setup	18,000	Unit 112 In-car Setup	18,000	Unit 125 In-car Setup	18,000	Unit 123 In-car Setup	18,000	Unit 110 In-car Setup	19,000	Unit 111 In-car Setup	19,000	Unit 122 In-car Setup	20,000	Unit 120 In-car Setup	20,000	Unit 124 In-car Setup	20,000	Unit 126 In-car Setup	20,000
					Chief Vehicle	49,000			Replace Tasers	17,000					Replace Department Rifles x 7	10,000	Replace Department Rifles x 7	10,000		
Fire			Replace (2) Thermal Imaging Cameras	16,000	SCBA Compressor	90,000	(L) Replace all SCBA equipment	250,000	(L) Replace Engine Three	1,150,000	Replace Utility Truck	85,000	Replace (2) Thermal Imaging Cameras	22,000	Gear Washer	28,000	Fire Marshal Vehicle	75,000		
			Fire Chief Vehicle	70,000										Gear Dryer	24,000					
Community Affairs	Soffit, Facia, Paint & Repair - 2nd & 3rd	30,000	Windows - South & East 3rd floor	100,000	Windows - West & North 3rd floor	100,000	Parking Lot Paving, Milling & Striping	180,000	1/2 South Facing Windows 1st & 2nd	180,000	2/2 South Facing Windows 1st & 2nd	180,000	1/2 East Facing Windows 1st & 2nd	240,000	2/2 East Facing Windows 1st & 2nd	240,000	Tuck & Point Masonry Repairs	50,000	1/2 West Facing Windows 1st & 2nd	240,000
Parks & Recreation	Tiger Gym Lobby Refurb (Floor, Ext.)	12,000	Fitness Center Equip	10,000	Tennis Court Replacement	125,000	Fitness Center Equip	10,000	Fitness Center Equip	10,000	Fitness Center Equip	10,000	Fitness Center Equip	20,000	Fitness Center Equip	10,000	Fitness Center Equip	10,000	Fitness Center Equip	10,000
	Fletcher Field Scoreboards	30,000	Lakeside Park Restroom Paint	6,000	Fitness Center Equip.	10,000	Locker Rooms/ Fitness Center Paint	25,000	Bowling Center Painting/ Carpet	30,000	Parks Mower	15,000	HVAC for Bowling Center (2)	50,000	Splash Pad Painting	7,000	Gym/Lobby Painting	50,000	Office Painting	10,000
			Children's Park Refurbishment (Grant Match)	75,000	Splash Pad Painting	7,000	Gymnasium/ Lobby Painting	45,000	Office Painting	10,000	Vehicle/Truck	45,000					Locker Rooms Paint	30,000	Bowling Center Paint	20,000
			P&R John Deere Gator Replacement	20,000	Field Mower	15,000	Pool Filter Sand Replacement	10,000	Tiger Gym Painting	40,000	Pool Covers Replacement	15,000					Department Master Plan	30,000	Tiger Gym Paint	40,000

501,000
584,000
697,000
715,000
1,896,000
729,000
759,000
437,000
505,000
403,000

UTILITY FUND

SUMMARY

2025-2026 Budget
Utility Fund Summary

OPERATING BUDGET

Department	FY23-24 Budget	FY24-25 Budget	FY25-26 Recommended
WATER PLANT	2,103,250	2,150,366	2,187,725
WASTE WATER PLANT	1,746,881	1,824,236	1,881,796
WATER & SEWER CONSTRUCTION	1,328,166	1,530,901	1,708,178
Operating	5,178,297	5,505,502	5,777,700

CAPITAL BUDGET

WATER PLANT	76,000	231,600	1,681,100
WASTE WATER PLANT	175,000	1,004,500	154,200
WATER & SEWER CONSTRUCTION	252,700	77,600	2,054,000
Capital	503,700	1,313,700	3,889,300
TOTAL EXPENDITURES	5,681,997	6,819,202	9,667,000

TOTAL REVENUES			9,667,000
----------------	--	--	-----------

UTILITY FUND

REVENUES

2025-2026 Budget Allocation
UTILITY FUND REVENUES

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Actual as of 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
INTEREST ON INVESTMENTS	30-3290-000	31,284	46,405	5,000	20,000	34,350	34,350	27,000
RENTS	30-3310-000	600	0	1,800	0	0	0	0
OTHERS	30-3350-030	316	1,372	0	0	700	700	0
UTILITY BILL PENALTIES	30-3350-040	88,292	89,224	51,000	60,000	95,299	100,000	70,823
WATER CHARGES - RES	30-3710-010	2,686,594	2,809,408	2,677,500	3,499,980	3,018,691	3,499,980	3,997,000
WATER CHARGES - COMM	30-3710-011	300,218	337,157	294,000	302,820	314,449	314,449	317,961
WATER CHARGES - IND	30-3710-012	437,782	485,985	479,520	493,906	430,493	493,906	518,601
WASTE WATER CHARGES	30-3710-020	1,117,156	1,214,440	1,199,950	1,499,938	1,293,940	1,499,938	1,744,363
LONG TERM MONITORING	30-3710-021	18,900	18,500	18,500	18,900	15,362	18,900	18,900
SPRINKLER SERVICE CHARGES	30-3710-030	0	0	0	0	0	0	0
TAP & CONNECTION FEES	30-3730-000	70,910	111,710	10,000	40,000	70,800	70,800	40,000
RECONNECTION FEES	30-3750-000	90,072	115,823	35,000	60,000	93,892	100,000	70,000
TOWN OF DREXEL	30-3810-020	227,257	242,566	216,000	226,800	172,651	226,800	206,850
BURKE CNTY-E BURKE SYST-WW	30-3810-030	172,260	181,443	116,640	122,472	111,948	122,472	128,596
BURKE COUNTY WATER	30-3810-032	116,677	116,770	108,000	113,400	80,685	113,400	107,520
RC WATER CORP	30-3810-040	237,839	238,682	232,200	243,810	203,507	243,810	256,001
RC WW	30-3810-042	18,744	19,512	16,500	17,325	15,699	17,325	18,191
ICARD WATER CORP	30-3810-070	145,326	133,969	128,400	132,000	147,286	147,286	135,000
CONNELLY SPRINGS MAINT	30-3810-080	11,500	34,500	23,000	23,000	11,500	23,000	23,000
TRANSFER FROM CAPITAL RESERVE	30-3970-700	593,548	0	0	0	0	0	0
PROCEEDS FROM FINANCING	30-3970-812	0	0	0	0	0	0	1,987,194
FUND BALANCE-APPROPRIATED	30-3990-000	242,129	-7,260	68,988	1,008,941	10,777	10,777	0
TOTAL		6,607,404	6,190,206	5,681,998	7,883,292	6,122,029	7,037,893	9,667,000

UTILITY FUND EXPENDITURES

2025-2026 Budget Allocation
WATER PLANT

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	30-8100-020	405,013	425,762	423,871	359,653	359,653	357,000	364,414
OVER TIME PAY	30-8100-021	606	523	3,000	3,000	11,024	11,024	3,000
PART TIME PAY	30-8100-022	0	0	0	0	0	0	0
PROFESSIONAL SERVICES	30-8100-040	9,861	2,095	11,500	61,500	61,500	58,165	61,500
FICA TAX	30-8100-050	30,275	31,878	32,536	27,663	27,663	22,154	28,028
GROUP INSURANCE	30-8100-060	87,635	74,683	79,442	75,785	75,785	75,785	73,845
RETIREMENT	30-8100-070	49,070	54,612	54,908	49,396	49,396	48,372	52,795
TELEPHONE & INTERNET	30-8100-110	1,209	1,111	1,300	1,300	1,300	1,300	823
ELECTRIC	30-8100-130	253,864	292,062	275,892	300,892	310,356	309,539	310,892
FUEL OIL	30-8100-132	787	0	5,000	5,000	5,000	5,000	5,000
TRAINING & TRAVEL	30-8100-140	1,608	2,472	2,500	3,500	3,500	3,158	3,500
MAINT & REPAIR BLDGS	30-8100-150	18,219	11,861	29,270	29,270	28,770	28,770	29,270
MAINT. & REPAIR EQUIPMENT	30-8100-160	240,977	23,427	29,000	29,000	531,129	527,623	36,700
MAINT. & REPAIR AUTO & TRUCKS	30-8100-170	671	271	680	680	680	520	680
ADVERTISING	30-8100-260	0	0	600	600	600	400	0
AUTO SUPPLIES GAS	30-8100-311	2,500	4,016	4,500	4,000	4,000	3,200	4,000
AUTO SUPPLIES DIESEL	30-8100-312	529	0	400	400	400	400	400
AUTO SUPPLIES TIRES	30-8100-313	618	551	625	625	625	600	0
AUTO SUPPLIES OIL	30-8100-314	100	0	162	162	162	155	200
DEPT SUPPLIES & MATERIALS	30-8100-330	3,073	3,307	3,400	3,400	3,400	3,283	3,400
CHEMICALS	30-8100-332	185,755	232,782	198,900	236,400	236,400	236,400	250,000
LAB SUPPLIES	30-8100-333	16,663	15,903	18,500	23,000	23,000	23,000	23,000
WATER TESTING-PROFESSIONAL	30-8100-334	9,994	6,613	11,900	15,900	15,900	15,900	15,900
UNIFORMS	30-8100-360	3,312	5,908	5,200	5,200	5,200	5,200	5,200
CONTRACTED SERVICES	30-8100-450	5,121	4,940	6,540	6,540	6,540	6,300	6,540
IT	30-8100-490	4,795	0	500	500	500	500	500
DUES AND SUBSCRIPTIONS	30-8100-530	10,280	10,794	10,064	10,164	10,664	10,664	11,064
INSURANCE AND BONDS	30-8100-540	24,342	24,342	24,342	27,000	27,000	27,000	27,000
MISCELLANEOUS EXPENSE	30-8100-570	0	0	0	0	115,000	115,000	0
SAFETY	30-8100-572	3,394	1,631	3,000	3,000	3,000	3,000	3,000
CAPITAL OUTLAY	30-8100-740	12,835	9,445	76,000	231,600	337,373	337,373	1,681,100
DEBT SERVICE	30-8100-910	71,322	71,322	71,324	71,324	71,324	71,324	71,324
PRO RATA	30-8100-920	549,999	550,000	550,000	550,000	550,000	550,000	550,000
VEDIC	30-8100-930	12,500	12,500	12,500	12,500	12,500	12,500	12,500
ECONOMIC DEVELOPMENT BPED	30-8100-931	10,894	10,894	10,894	12,012	12,012	12,012	12,250
ECONOMIC GRANTS	30-8100-935	0	0	0	0	0	0	0
CONTINGENCY	30-8100-990	221,000	221,000	221,000	221,000	221,000	221,000	221,000
TOTAL		2,248,821	2,106,705	2,179,250	2,381,966	3,122,356	3,103,621	3,868,825

2025-2026 Budget Allocation
WASTE WATER PLANT

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	30-8110-020	372,655	396,063	396,842	404,192	404,191	404,191	421,823
OVER TIME PAY	30-8110-021	0	0	0	0	232	232	0
PART TIME PAY	30-8110-022	0	0	0	0	0	0	20,000
PROFESSIONAL SERVICES	30-8110-040	0	13,634	2,500	2,500	2,500	2,500	2,500
FICA TAX	30-8110-050	27,601	29,363	30,239	30,801	30,801	30,801	33,680
GROUP INSURANCE	30-8110-060	86,418	81,762	85,332	91,218	91,218	88,924	89,269
RETIREMENT	30-8110-070	45,120	50,602	51,031	54,999	54,999	54,999	60,560
TELEPHONE & INTERNET	30-8110-110	3,536	3,264	3,264	3,600	3,600	3,600	3,000
ELECTRIC	30-8110-130	166,398	193,518	225,000	225,000	225,000	222,539	225,000
FUEL OIL	30-8110-132	4,233	7,435	7,500	7,500	7,500	7,500	9,000
TRAINING	30-8110-140	3,664	2,704	4,925	4,925	4,925	4,400	4,925
MAINT. & REPAIR BLDGS	30-8110-150	109,150	89,113	110,000	110,000	105,660	103,250	110,000
MAINT. & REPAIR EQUIPMENT	30-8110-160	11,079	11,898	12,000	12,000	170,085	168,755	12,000
MAINT. & REPAIR AUTO	30-8110-170	1,653	1,725	2,090	8,100	8,100	4,700	2,100
ADVERTISING	30-8110-260	0	0	100	100	100	100	0
AUTO SUPPLIES GAS	30-8110-311	3,587	4,982	5,670	5,000	5,000	4,600	5,000
AUTO SUPPLIES TIRES	30-8110-313	0	74	2,900	1,900	1,900	1,690	1,900
AUTO SUPLIES OIL	30-8110-314	222	105	750	750	750	604	750
DEPT. SUPPLIES & MATERIALS	30-8110-330	11,871	11,714	12,000	12,000	7,000	7,000	12,000
CHEMICALS	30-8110-332	55,804	117,956	77,318	108,293	121,293	115,844	108,293
LAB SUPPLIES	30-8110-333	12,000	11,998	12,000	12,000	12,000	12,000	12,000
WOOD CHIPS	30-8110-336	40,500	30,175	51,000	51,000	61,000	62,000	61,000
UNIFORMS	30-8110-360	3,695	5,329	3,750	3,750	8,090	8,000	1,500
CONTRACTED SERVICES	30-8110-450	11,513	15,840	14,160	28,840	28,840	28,560	28,840
IT	30-8110-490	0	0	500	500	500	500	1,500
LONG TERM MONITORING	30-8110-500	18,448	28,440	21,000	21,000	36,000	35,548	31,000
DUES AND SUBSCRIPTIONS	30-8110-530	8,390	8,292	10,381	14,521	14,521	14,400	14,171
INSURANCE AND BONDS	30-8110-540	28,000	28,000	28,000	32,000	32,000	32,000	32,000
MISCELLNEOUS EXPENSE	30-8110-570	0	0	0	0	0	0	0
SAFETY	30-8110-572	2,233	1,909	2,500	2,500	2,500	2,500	2,500
CAPITAL OUTLAY	30-8110-740	199,882	66,654	175,000	1,004,500	1,112,500	1,112,500	154,200
DEBT SERVICE	30-8110-910	0	0	0	0	0	0	0
PRO RATA	30-8110-920	549,999	550,000	550,000	550,000	550,000	550,000	550,000
VEDIC	30-8110-930	12,500	12,500	12,500	12,500	12,500	12,500	12,500
ECONOMIC DEV BPED	30-8110-931	11,630	11,630	11,630	12,747	12,747	12,747	12,985
TOTAL		1,801,781	1,786,679	1,921,882	2,828,736	3,128,052	3,109,484	2,035,996

2025-2026 Budget Allocation
WATER SEWER CONSTRUCTION

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 4/30/2025	2024-25 Projected Actual 6/30/2025	2025-26 Recommended
SALARIES & WAGES	30-8120-020	367,212	341,451	399,296	434,790	431,950	400,000	447,288
OVER TIME PAY	30-8120-021	8,596	8,992	19,400	24,400	26,283	26,283	29,395
PART TIME PAY	30-8120-022	780	24,189	0	23,400	23,400	23,400	23,400
PROFESSIONAL SERVICES	30-8120-040	66,061	40,627	77,727	112,877	112,877	111,548	114,652
HEALTH REIMBURSEMENT (HRA)	30-8120-041	0	9,684	27,700	29,000	29,000	27,846	29,000
FICA TAX	30-8120-050	28,111	28,049	31,672	36,560	36,343	36,343	37,898
GROUP INSURANCE	30-8120-060	87,430	57,165	79,118	84,376	84,376	81,658	82,899
RETIREMENT	30-8120-070	44,016	42,520	51,623	59,900	59,513	57,254	65,710
TELEPHONE & INTERNET	30-8120-110	2,661	2,631	2,700	2,700	2,700	2,700	2,700
POSTAGE	30-8120-111	373	0	650	650	650	620	650
PRINTING	30-8120-120	1,472	860	1,500	1,500	1,500	1,500	1,500
ELECTRIC	30-8120-130	17,552	22,219	20,088	24,660	24,660	24,660	25,410
TRAINING	30-8120-140	1,957	1,509	6,370	6,570	9,570	9,500	6,570
MAINT. & REPAIR BLDGS	30-8120-150	40,416	28,860	44,500	46,750	59,750	57,219	48,000
MAINT. & REPAIR EQUIPMENT	30-8120-160	10,632	7,361	10,650	10,650	13,650	13,000	10,650
MAINT & REPAIR AUTO	30-8120-170	3,667	3,663	3,693	3,693	3,693	3,498	3,693
ADVERTISING	30-8120-260	52	0	100	100	100	0	100
AUTO SUPPLIES GAS	30-8120-311	8,762	13,500	13,500	13,500	13,500	12,785	13,500
AUTO SUPPLIES DIESEL	30-8120-312	6,551	3,668	3,668	5,000	5,000	4,800	5,000
AUTO SUPPLIES TIRES	30-8120-313	3,844	1,681	5,200	4,200	4,200	3,848	4,200
AUTO SUPPLIES OIL	30-8120-314	2,037	1,863	2,180	2,180	2,180	2,000	2,180
DEPT. SUPPLIES & MATERIALS	30-8120-330	65,847	75,334	80,514	86,664	90,164	90,164	98,900
METERS	30-8120-331	8,000	5,223	10,000	30,000	30,000	30,000	55,000
CHEMICALS	30-8120-332	595	1,637	1,700	2,100	2,100	2,000	2,100
UNIFORMS	30-8120-360	3,328	3,279	3,328	3,328	3,328	3,328	3,744
CONTRACTED SERVICES	30-8120-450	79,232	104,409	106,103	155,073	155,073	155,073	123,873
IT	30-8120-490	0	0	1,000	1,000	1,000	800	1,000
DUES AND SUBSCRIPTIONS	30-8120-530	2,200	2,695	5,449	5,849	5,849	5,849	13,795
INSURANCE AND BONDS	30-8120-540	28,533	28,612	28,612	31,000	31,000	31,000	31,000
MISCELLANEOUS EXPENSE	30-8120-570	0	0	0	0	0	0	0
SAFETY	30-8120-572	1,743	2,212	3,060	5,060	5,060	4,800	5,060
CAPITAL OUTLAY	30-8120-740	58,283	276,780	252,700	77,600	77,600	77,600	2,054,000
DEBT SERVICE	30-8120-910	287,271	287,063	287,066	326,815	286,815	286,815	419,311
TOTAL		1,237,214	1,427,736	1,580,867	1,651,945	1,632,884	1,587,891	3,762,178

CAPITAL
IMPROVEMENT
PLAN

UTILITY FUND

Town of Valdese Water and Sewer Utility Fund 10-YEAR Capital Improvements Plan FY 2025

Water Treatment Division

Project Number	Project Description	10-Yr CIP Cost Cost	Current Yr 2025	FY 2 2026	FY 3 2027	FY 4 2028	FY 5 2029	FY 6 2030	FY 7 2031	FY 8 2032	FY 9 2033	FY 10 2034	FY 10 2035	Years 11 - 15
Vehicles and Equipment														
1	2018 Explorer	51,800				51,800								90,000
2	2017 Ford F-250 (replace w/f150)	48,300		48,300										94,400
3	2004 Ford F-150	72,200							72,200					105,400
Subtotal Vehicles and Equipment		172,300	-	48,300	-	51,800	-	-	72,200	-	-	-	-	289,800
Plant Upgrades and Improvements														
4	Booster Pump Stations and Tank Telemetry	-	65,000											
5	SCADA Update; Add #2 and #3 FWP, all chemical feed	20,500	42,000								20,500			
6	Renew Arc Flash Study	21,000	16,600						21,000					
7	Water Treatment Plant Filter Equipment Rehab	-	100,000											
8	Replace Air Actuated Filter Valves and Operators (30 ea)	212,200	100,000	104,000	108,200									
9	Tank Maintenance	348,000	8,000	86,500			10,900	107,600			14,200	128,800		
10	Replace Electrical Substation	1,406,100		1,406,100										
11	Replace Bulk Chemical Tanks & Referbish Area	780,000			780,000									
12	Roof Replacement - Main Bldg	59,500		59,500										
13	Water Treatment Plant Upgrade	6,790,000			6,790,000									
14	Chemical Injection Points	28,100			28,100									
15	Booster Pump Stations Equipment Rehab and Replace	51,000		25,000	26,000									
16	Roof Replacement - Maintenance Bldg	72,500				72,500								
17	Safety Railing for Flocculators and Sedimentation Basins	351,000					351,000							
18	Perimeter Chain Link Fencing	197,300								197,300				
19	FWP Motor Control Center Update (replacement)	342,100								342,100				
20	Pave Raw Waters PS Access Rd.	-												281,900
Subtotal - Plant Upgrades and Improvements		10,679,300	331,600	1,681,100	7,732,300	72,500	361,900	107,600	21,000	539,400	34,700	128,800	-	281,900
Total 10-Yr CIP: Water Treatment FY26-35		10,851,600	331,600	1,729,400	7,732,300	124,300	361,900	107,600	93,200	539,400	34,700	128,800	-	571,700
Capital Project funded or partially funded using external source(s). ARPA, Direct Allocation, etc.														
Capital Project funded or partially funded using debt issue(s)														

Town of Valdese Water and Sewer Utility Fund 10-YEAR Capital Improvements Plan FY 2025

Wastewater Treatment Division

Project Number	Project Description	10-Yr CIP Cost Cost	Current Yr 2025	FY 2 2026	FY 3 2027	FY 4 2028	FY 5 2029	FY 6 2030	FY 7 2031	FY 8 2032	FY 9 2033	FY 10 2034	FY 10 2035	Years 11 - 15
Vehicles and Equipment														
1	New or Used Sludge Trailer	67,000										67,000		
2	Replace 1998 Biosolids Truck	41,700			41,700									76,900
3	Replace 2017 Lab Truck	40,000			40,000									73,800
4	Replace 2018 Ford Explorer	45,600				45,600								79,300
5	Replace Riding Mower (2021)	17,000						17,000						26,400
6	Replace Maintenance Vehicle 2022	59,000								59,000				
7	Compost Loader (2023)	165,600									165,600			
Subtotal Vehicles and Equipment		435,900	-	-	81,700	45,600	-	17,000	-	59,000	165,600	67,000	-	256,400
Plant Upgrades and Improvements														
8	Centrifuge Overhauls - Two Units	316,600		70,000	72,800				85,200	88,600				
9	Repair Drains in Dewater Bldg. (Trench Manhole)	-	25,000											
10	Roll Up Door Replacement Dewater Bldg. (4 Doors)	-	25,000											
11	Secondary Clarifier Rehab and Painting	3,000	25,000	3,000										
12	Conversion of SO2 Bldg. to PAA	-	10,000											
13	Renew Arc-Flash Study	24,700	19,500						24,700					
14	Aeration Basin - 3 AeratorsFY25, Full Basin Upgrades FY35+	-	900,000											10,950,000
15	Cline Street PS Modifications	-	1,490,000											
16	Primary Clarifier Rust Removal and Paint	95,900		43,300					52,600					
17	Seal/Bearing Replacement - Centrifuge Sludge Pumps	11,900		11,900										
18	Spare Pumps: Morgan Trace and High Meadows	15,200		15,200										
19	Sludge Grinder Replacements - Two Units	32,400			7,300	7,600			8,600	8,900				
20	Concrete Work at Compost Pad	47,400		10,800	11,200		12,200		13,200					
21	Update and Repair Admin Bldg. & Roof	360,000			360,000									
22	Compost Pad Electrical Repair	5,600			5,600									
23	Spare Sump Pump - Universal Application	9,000			9,000									
24	Roof SO2 Building (2001) (Original)	14,600			14,600									
25	Seal / Bearing Replacement for Secondary Waste Pumps	11,700				11,700								
26	Compost Area Multi-Purpose Shed	58,500				58,500								
27	Pump Station Control Upgrade - High Meadows and Morgan Trace	11,700				11,700								
28	Seal Replacement for Influent Pumps 3&4	19,900				19,900								37,300
29	Seal Replacement for Secondary Waste Pumps	11,700				11,700								
30	Influent Pumps 3 and 4 Valves & Check Valves	105,000					105,000							
31	Influent Pump Station Electrical Panel Upgrade	425,800					425,800							
32	Seal Replacement for Influent Pumps 1&2	12,200					12,200							
33	Sludge Recycle PS Building Roof (2008)	36,500					36,500							
34	Spare Pump Seitz Road Pump Station	15,200						15,200						
35	Dewatering Building Roof (2010)	75,900						75,900						
36	Thickener Blower #1 rebuild or replace	19,000						19,000						
37	Recycle Bldg Electrical Panel Upgrade	394,800							394,800					
38	Thickener Blower #2 rebuild or replace	19,700							19,700					
39	Primary Wasting Electrical Panel Upgrade	34,200								34,200				
40	Influent PS Building Roof (2012)	64,000									64,000			
41	Primary Clarifier #2 Drive & Bridge Replacement	148,000										148,000		
42	Spare Pump John Berry	29,600										29,600		
43	Spare Pump Cline Street	-												84,900
44	Biosolids Drying Equipment	1,163,800											1,163,800	22,056,500
45	WWTP Equipment Rehab & Replacement	-												232,800
Subtotal - Plant Upgrades and Improvements		3,593,500	2,494,500	154,200	480,500	121,100	591,700	110,100	598,800	131,700	64,000	177,600	1,163,800	33,361,500
Total 10-Yr CIP: Wastewater Treatment FY26-35		4,029,400	2,494,500	154,200	562,200	166,700	591,700	127,100	598,800	190,700	229,600	244,600	1,163,800	33,617,900
<div style="display: flex; justify-content: space-between; font-size: small;"> Capital Project funded or patially funded using external source(s). ARPA, Direct Allocation, etc. Capital Project funded or patially funded using debt issue(s) </div>														
Total 10-Yr CIP: Water and Wastewater FY26-35		49,968,200	2,904,500	3,937,600	14,117,100	2,591,200	4,312,200	2,672,300	4,316,100	3,553,300	2,102,200	7,057,700	5,308,500	46,481,300

Town of Valdese Water and Sewer Utility Fund 10-YEAR Capital Improvements Plan FY 2025

Water Distribution / Wastewater Collection

Project Number	Project Description	10-Yr CIP Cost Cost	Current Yr 2025	FY 1 2026	FY 2 2027	FY 3 2028	FY 4 2029	FY 5 2030	FY 6 2031	FY 7 2032	FY 8 2033	FY 9 2034	FY 10 2035	Years 11 - 15
Vehicles and Equipment														
1	2022 Cat Mini Trackhoe	202,700									202,700			
2	2024 Ram Jet	-	75,000											
3	Trailer	21,100							21,100					
4	2017 Ford F250 4x4	60,700			60,700									112,000
5	2018 Ford F150 Meter Truck	50,500				50,500								87,800
6	2011 Ford 4x4 F350	83,000					83,000							136,200
7	2021 Chevy 4x4	60,100							60,100					87,800
8	2022 Chevy 3500 Diesel 4x4	127,500								127,500				
9	2023 F450	135,200									135,200			
10	2016 Ford F150 4x4	63,800								63,800				
Subtotal - Vehicles and Equipment		804,600	75,000	-	60,700	50,500	83,000	-	81,200	191,300	337,900	-	-	423,800
Infrastructure Improvements														
11	Large Meter Replacement	84,400			84,400									
12	Renew Arc-Flash Study	4,300	3,400					4,300						
13	Rodoret St., North and South, Water and Sewer	1,365,000		1,365,000										
13	Curville Water Replacement	470,000		470,000										
14	Jefferson Ave Water & Sewer Replacement	219,000		219,000										
15	Ridgewood-18S Loop	981,200			981,200									
16	Mt. Home - Hawkins Loop	1,696,300			1,696,300									
17	Berrytown Water Main Replacement - CDBG	3,000,000			3,000,000									
18	Jacumin Rd. Loop	3,837,700										3,837,700		
19	Harris Avenue PS Gravity Sewer Extension	-												2,399,200
20	Advent St. Tank and Booster Station	-												4,417,100
21	Holly Hills Sewer System Extension	-												5,051,600
22	Sewer Main Rehabilitation	10,161,500				2,249,700		2,433,300		2,631,900		2,846,600		
23	Water Main Replacement	12,463,200					3,275,600		3,542,900		1,500,000		4,144,700	
Subtotal - Infrastructure Improvements		34,282,600	3,400	2,054,000	5,761,900	2,249,700	3,275,600	2,437,600	3,542,900	2,631,900	1,500,000	6,684,300	4,144,700	11,867,900
Total 10-Yr CIP: Water Distribution/Wastewater Collection FY26-35		35,087,200	78,400	2,054,000	5,822,600	2,300,200	3,358,600	2,437,600	3,624,100	2,823,200	1,837,900	6,684,300	4,144,700	12,291,700

Capital Project funded or patially funded using external source(s). ARPA, Direct Allocation, etc.
 Capital Project funded or patially funded using debt issue(s)

RATE and FEE SCHEDULES

**Town of Valdese: Fiscal Year 2025-2026 Schedule of Fees
OLD ROCK SCHOOL**

Auditorium (478 seats)			
	<4 hours	4-6 hours	6-12 hours
Monday - Thursday (Profit)	\$600.00	\$700.00	\$800.00
Monday - Thursday (Non-Profit)	\$500.00	\$600.00	\$700.00
Friday - Sunday (Profit)	\$700.00	\$800.00	\$900.00
Friday - Sunday (Non-Profit)	\$600.00	\$700.00	\$800.00
Waldensian Room (150 seats)			
	<4 hours	4-6 hours	6-12 hours
Monday - Thursday (Profit)	\$200.00	\$235.00	\$250.00
Monday - Thursday (Non-Profit)	\$175.00	\$200.00	\$225.00
Friday - Sunday (Profit)	\$200.00	\$235.00	\$250.00
Friday - Sunday (Non-Profit)	\$175.00	\$200.00	\$225.00
Teachers Cottage			
	Rate	Additional Hours	
Base Price (4 hours of use)	\$100.00	\$20.00	
Classrooms/Dressingrooms			
	Rate	Additional Hours	
Base Price (6 hours of use)	\$60.00	\$20.00	
AUDITORIUM EXTRA FEES			
ADDITIONAL DRESSING ROOMS			\$50
TECHNICAL ASSISTANCE			
*SOUND & LIGHTING			\$50 PER HOUR \$200 MINIMUM
LOAD IN DATE			\$400
GRAND PIANO			\$200
FOLLOW SPOTLIGHT			\$150
CONCESSION SALES			\$100
PROJECTOR SCREEN			\$250
MARQUEE ADVERTISEMENT			\$35/WEEK
SPECIAL REQUESTS			
*HANGING, GOBOS, BACKDROPS			\$150
FRONT LOBBY FURNITURE REMOVAL			\$100
TABLE RENTALS			\$15

Town of Valdese: Fiscal Year 2025-2026 Schedule of Fees
JIMMY C. DRAUGHN AQUATIC & FITNESS CENTER

Daily Swim/Fitness Center Fees - \$5.00

<u>INSIDE</u> Valdese City Limits	AQUATICS <u>or</u> FITNESS CENTER		AQUATICS <u>and</u> FITNESS CENTER	
	<u>3 month</u>	<u>Annual</u>	<u>3 month</u>	<u>Annual</u>
Individual	\$47	\$147	\$69	\$220
Household	\$94	\$294	\$138	\$440

<u>OUTSIDE</u> Valdese City Limits	AQUATICS <u>or</u> FITNESS CENTER		AQUATICS <u>and</u> FITNESS CENTER	
	<u>3 month</u>	<u>Annual</u>	<u>3 month</u>	<u>Annual</u>
Individual	\$72	\$223	\$105	\$334
Household	\$144	\$447	\$210	\$668

10 Visit Punch Cards

One punch allows you to Swim and use the Fitness Room on the same day Carries
NO membership benefits - \$45

Fitness Class Benefits

Aquatics only members - Core water exercise classes FREE
 - Premium/Advanced water exercise classes \$5
 - Core land exercise classes \$5
 - Premium/Advanced land exercise classes \$8

Fitness only members - Core land exercise classes FREE
 - Premium/Advanced land exercise classes \$5
 - Core water exercise classes \$5
 - Premium/Advanced water exercise classes \$8

Aquatics and Fitness members - Core water and land exercise classes FREE
 - Premium/Advanced water and land exercise classes \$5

Non-members - Core water and land exercise classes \$5
 - Premium/Advanced water and land exercise classes \$8

Aquatic Members receive 50% off all swim lessons for all persons listed on the membership

Town of Valdese: Fiscal Year 2025-2026 Schedule of Fees
PARKS & RECREATION FACILITIES
Underlined, Italicized Amounts are for Non-Residents

Splash Park Multi-Purpose Room
 \$ 100 for two hours (minimum)/\$140 minimum out of town
 \$ 50/\$70 for each additional hour

Picnic Shelters
 (Rotary Park, Childrens Park, Splash Park)
 \$ 75/\$100 for three hours
 Times 11am-2pm OR 3pm-6pm

 (McGalliard Falls Entire Shelter)
 \$150/\$200 per day
 Reservation from 10am-6pm

Bowling Center Party Room
 \$ 40/\$54 for 2 hours
 Times 12-2pm; 3-5pm; 6-8pm

Bowling Party Package (food, bowling on 4 lanes, party room)
 \$150 minimum for 10 people/ \$10 per additional person up to 20 people
\$200 minimum for 10 people/\$14 per additional person up to 20 people

Lane Rental
 \$20 per hour per lane up to 5 people per lane (shoe rental included)

Game Rates
 \$3/game; \$2 shoe rental (Special Needs \$2.50 Game and Rental)

Pool Parties
 Saturdays during when the Bubble is up
 \$ 25/\$35 per table for 1.50 hours

Umbrella Tables
 \$ 50/\$68 per table for 12-5pm in summer

Private Pool Parties
 Sunday afternoons October-April (3 hrs.) All tables available.

 \$ 250/\$335 up to 50 persons
 \$ 275/\$375 for over 50 persons

Daily Pool/Fitness Center Use
 \$5/\$6.75 All Ages

Youth Athletic Fees
 \$20 Uniform Fee Included
 \$25/\$54 For First Child
 \$40/\$47 for Second Child
 \$35/\$41 for Third Child and Additional Children

Swim Lessons
 \$ 56/\$75 for eight classes (non-members)
 \$ 28/\$38for eight classes (members)

Day Care Pool Use
 \$ 4/\$5.50 per child

<p>Town of Valdese: Fiscal Year 2025-2026 Schedule of Fees PUBLIC WORKS</p>

CEMETERY PLOTS		<u>Each</u>
	Inside Valdese Town Limit	\$400
	Outside Valdese Town Limit	\$1,000
	Deed Transfer	\$25
SOLID WASTE		<u>Monthly</u>
	Residential Trash	\$10.00
	Residential Recycling	\$4.30
	Small User Fee (small businesses)	\$15.30
	Construction Debris per load	\$100.00

Town of Valdese: Fiscal Year 2025-2026 Schedule of Fees
PLANNING DEPARTMENT

Conditional Use Permit Application	\$350
Zoning Map Amendment (Rezoning) Application	\$350
Variance Application	\$350
Multi-family/Nonresidential Site Plan Review	\$200+ engineer review cost
High Density Stormwater Control Plan Review	\$200+ engineer review cost
Floodplain Development Permit/Plan Review	\$200+ engineer review cost
High Density Permit Application	\$300
Change in Non-Conforming Use	\$300
Zoning Interpretation Application /Appeal of Zoning Administrator Decision	\$300
Zoning or Subdivision Text Amendment Application	\$300
Single and Two-Family Residential Zoning Permit	\$50
Residential Accessory Use Zoning Permit	\$50
Multi-family Residential Zoning Permit	\$100
Non-Residential Zoning Permit	\$100
Change in Use/Occupancy (Includes issuance of CO)	\$50
Sign Permit	\$25
Copy of Unified Development Ordinance (UDO)	\$50
Copy of Zoning Map	\$2 for 11 X 17, \$40 for large size
SUBDIVISION REVIEW:	
Minor Subdivision	\$150 + \$5 per lot
Exempt Plat Review	\$50
Major Subdivision Preliminary Plat Review	\$200 + \$5 per lot
Major Subdivision Final Plat Review	\$200 + \$5 per lot
Zoning Confirmation Letter	\$50

Town of Valdese: Fiscal Year 2025-2026 Schedule of Fees FIRE DEPARTMENT
--

SCHEDULE OF INSPECTION FEES

These are the fees for inspections as referred to in Section 3-2021(g)
of the Code of Ordinances of Valdese, North Carolina:

<u>Inspection Type</u>	<u>Scheduled Fee:</u>
Periodic fire inspection:	None
Fire inspection pursuant to permit application:	None
First inspection for noncompliance, if code requirements are met:	None
First reinspection for noncompliance, if code requirements are not met:	\$100.00
Second and subsequent reinspections for noncompliance:	\$200.00

SCHEDULE OF CIVIL PENALTIES

These are the civil penalties for violations of the Fire Prevention
and Protection Code of Valdese, North Carolina as referred
to in Section 3-2021(h) of the Code of Ordinances of Valdese, North Carolina:

<u>Title</u>	<u>Fee Amount</u>
Parking in a fire lane; Article B Section 3-2021 (i), GS 20-162	\$25.00
Parking within 15 feet of a fire hydrant; Article B Section 3-2021, GS 20-162	\$25.00
Driving over fire hose; Article A section 3-2013, GS 20-157(d)(g)	\$350.00
Parking within 15 feet of driveway entrance to fire station; Article M Section 7-1151(10), GS 20-162	\$25.00
Obstruction of fire apparatus access road; Article B Section 3-2021(i)	\$25.00
Response to second and subsequent false alarm(s) within a 30-day period; Article D Section 3-2045(b)(1)	\$150.00
Illegal Burn; NC Fire Code Chapter 3 Section 307	\$50.00
Service Fee for Civil Penalties not associated with a fire inspection, 1st offense	\$50.00
Service Fee for Civil Penalties, each offense after 1st offense	\$100.00
NC Fire Code Chapter 1	\$200.00
NC Fire Code Chapter 9	\$200.00
NC Fire Code Chapter 10	\$200.00
All other violations in the NC Fire Code	\$100.00

Town of Valdese: Fiscal Year 2025-2026 Schedule of Fees WATER & SEWER RATES
--

<i>Inside Water – Residential</i>	
Minimum 3,000 gallons	\$40.00
Volume Charge (per 1,000 gal); 3,001 + gallons	\$4.00
<i>Outside Water – Residential</i>	
Minimum 3,000 gallons	\$67.60
Volume Charge (per 1,000 gal); 3,001 + gallons	\$6.85
<i>Inside Water – Commercial</i>	
Minimum 3,000 gallons	\$43.70
Volume Charge (per 1,000 gal); 3,001 + gallons	\$4.50
<i>Outside Water – Commercial</i>	
Minimum 3,000 gallons	\$87.25
Volume Charge (per 1,000 gal); 3,001 + gallons	\$8.70
<i>Inside Water - Industrial</i>	
Minimum 3,000 gallons	\$17.55
Volume Charge (per 1,000 gal); 3,001 – 300,000 gallons	\$3.45
Volume Charge (per 1,000 gal); 300,000 +	\$1.80
<i>Outside Water - Industrial</i>	
Minimum 3,000 gallons	\$34.90
Volume Charge (per 1,000 gal); 3,001 – 300,000 gallons	\$6.80
Volume Charge (per 1,000 gal); 300,000 +	\$3.25
<i>Inside Sewer – Residential</i>	
Minimum 3,000 gallons	\$14.05
Volume Charge (per 1,000 gal); 3,001 + gallons	\$4.90
<i>Outside Sewer – Residential</i>	
Minimum 3,000 gallons	\$26.15
Volume Charge (per 1,000 gal); 3,001 + gallons	\$8.95
<i>Inside Sewer – Commercial</i>	
Minimum 3,000 gallons	\$12.60
Volume Charge (per 1,000 gal); 3,001 + gallons	\$4.40
<i>Outside Sewer – Commercial</i>	
Minimum 3,000 gallons	\$24.90
Volume Charge (per 1,000 gal); 3,001 + gallons	\$8.55
<i>Inside Sewer - Industrial</i>	
Minimum 0 gallons	\$12.40
Volume Charge (per 1,000 gal)	\$8.35
<i>Outside Sewer - Industrial</i>	
Minimum 0 gallons	\$24.55
Volume Charge (per 1,000 gal)	\$8.35

Town of Valdese: Fiscal Year 2025-2026 Schedule of Fees WATER & SEWER RATES
--

Utility Fees

Non-owner resident deposit	\$150.00
Non-owner commercial deposit	\$150.00
Non-owner industrial deposit	\$150.00
Non-payment fee	\$25.00
Meter Tampering penalty	\$500 plus damages
Late penalty	10% after 15 th of month bill is due. Amended policy now included for large users. If the penalty exceeds \$200.00 the amended policy becomes effective.

Tap fees

Water line located on same side of road

¾" water tap	\$1,500.00
1" water tap	\$1,920.00
Greater than 1"	Cost plus 15%

Water line located on opposite side of road

¾" water tap	\$1,700.00
1" water tap	\$2,120.00
Greater than 1"	Cost plus 15%

Meter Relocate (using existing tap- not to exceed 20 feet)	\$800.00
--	----------

Sewer line located on same side of road

4" sewer tap	\$1,500.00
Larger than 4"	Actual cost plus 15%

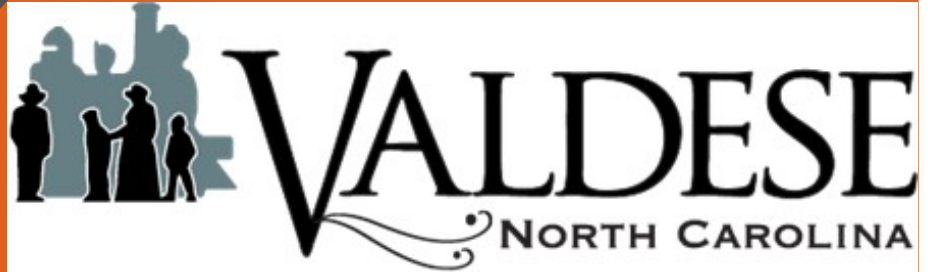
Sewer line located on opposite side of road

4" sewer tap (any other extreme circumstances)	\$1,700.00
	\$1700.00 or cost plus 15% whichever is greater

Larger than 4"	Actual cost plus 15%
----------------	----------------------

Industrial Pretreatment Surcharge	\$18,500.00
-----------------------------------	-------------

WATER and SEWER RATE PLAN STUDY



Capital Improvements Plan Water & Sewer Rate Study 2025 Update

RJ Mozeley, PE

Senior Project Manager

Dale R. Schepers

Financial Services Analyst

Mariah Farris

Grants Administrator



TABLE OF CONTENTS

1.0 EXECUTIVE SUMMARY and KEY FINDINGS..... 1

2.0 BACKGROUND 4

3.0 APPROACH and METHODOLOGY5

4.0 CAPITAL IMPROVEMENTS PLAN UPDATE6

5.0 FINANCIAL MODEL UPDATE7

6.0 RECOMMENDATIONS10

TABLES

Table 1 – Summary of Annual Rate Adjustments2

Table 2 – Proposed Rate Adjustments3

Table 3 – Summary of Capital Investment Projections5

APPENDIX

- April 2025 Council Budget Workshop Presentation Materials
- Capital Improvements Plan
- Financial Model Output Summary
- Water, Sewer and Combined Bill Rate Tables
- Financial Model Output Summaries for Alternate Scenarios

1.0 EXECUTIVE SUMMARY and KEY FINDINGS

1.1 Executive Summary:

McGill Associates (McGill) was retained by the Town of Valdese for the tenth consecutive year to review and update the Water and Sewer Capital Improvement Plan (CIP) and conduct a cost-of-service based financial analysis of the water and sewer utility fund to determine the amounts and timing for revenue adjustments needed to maintain a reasonable level of sustainability. The Capital Plan and Financial Analysis Updates Project provided the following:

- Updated 10-year Capital Improvements Plan (CIP), detailing future water and sewer treatment plant improvements, vehicle and equipment replacement and distribution/collection system rehabilitation.
- Determined the Utility's Revenue Requirements. This analysis included full cost recovery of expenses related to operations and maintenance, debt service, revenue-financed system renewal and replacements, transfers, contingencies and reserves.
- Determined the amounts and timing of revenue adjustments necessary to fully support the financial requirements identified in the above items.
- In accordance with Council direction, all water customers outside the Town's corporate boundaries shall be charged more for utility services than inside customers. The necessary rate adjustments to support this directive are proposed for implementation in FY26 resulting in an approximate 1.75x multiplier for outside customers. Subsequent rate increases in the plan set increase percentages equal between inside and outside customers.
- Recommended rate adjustments for each customer class that support the financial policies and goals of the utility and updates to the corresponding rate tables for the 10-year financial analysis planning period.

McGill worked closely with the Town's, Assistant Manager, Public Works Director and other key staff members throughout the project to ensure the adequacy of data and accuracy of analysis. Several meetings, phone conversations, and email correspondence allowed the Town's staff to provide direction for the study's efforts and to align deliverables with the expectations of the Town Council.

1.2 Key Findings:

- Revenue Requirements Analysis determined that revenue adjustments (increases) are needed in each year throughout the 10-year planning period to generate revenue sufficient to continue to meet the financial obligations of the water/sewer utility fund.

Table 1 – Summary of the first 5 years of annual revenue adjustments (combined water and sewer) required to recover the full cost of water and sewer expenditures as they are anticipated to occur. The following table shows the total revenue increases required to fully fund the utility with the current CIP. After year 5, revenue increases in years 6 and 7 will continue with 5% revenue adjustments, and years 8 through 10 will require 4% annual revenue adjustments.

Annual Revenue Increases: 5-Year Projection

Percent Increase Applied	FY26	FY27	FY28	FY29	FY30
Overall Revenue Adjustment	11%	5%	5%	5%	5%

- Revenue adjustments are driven primarily by the following factors:
 - Funding necessary to support capital improvements projects required to address renewal and replacement of aging water and wastewater infrastructure including treatment plants, distribution and collection systems.
 - Increasing Operations and Maintenance (O&M) expenses, because of inflation.
 - System demand growth, new customers and/or increasing consumption patterns are observed to be increasing slightly. Growth-related revenue forecasts are 0.5% for all water customers. Sewer sales forecasts are 0.5% for all customers and 1% growth for contract sales.

- Capital Improvements Schedule: Review and refinement of the CIP resulted in a total need of approximately \$50 million over the 10-year planning period, FY26 through FY35.
 - McGill updated the existing water and sewer system capital construction projects to determine necessary adjustments to the ten-year CIP.
 - Prioritization for project scheduling was based on regulatory compliance, workplace safety, operational viability, replacement of obsolete equipment, gain in efficiency, system growth and economic development.
 - Opinions of probable construction costs for recommended projects were also updated based on most recent construction bid market conditions.
 - Project costs in general continued to increase significantly in 2024 due to materials and workforce shortages and supply chain issues.

- A five-year snapshot of the rate increases on a typical monthly inside residential water and sewer bill of 3,000 gallons is presented in Table 2.

- The Town Council recognizes the need for the proposed schedule of rate adjustments and will review and consider each potential increase every fiscal year as part of the budget preparation process. This will allow fine tuning as needed using the most accurate and up-to-date data.

Table 2 – Proposed Rate Adjustments; Inside Residential Customer Combined Water and Sewer Monthly Bill, based on 3,000-gallon consumption by an Inside Town Customer.

Monthly Residential Water/Sewer Bill: 3,000 gallons

Current Rate	5-year Rate Adjustment Projection				
FY25	FY26	FY27	FY28	FY29	FY30
\$49.30	\$54.05	\$56.80	\$59.65	\$62.70	\$65.90
\$ change	\$4.75	\$2.75	\$2.85	\$3.05	\$3.20
% change	9.6%	5.1%	5.0%	5.1%	5.1%

2.0**BACKGROUND**

The Town of Valdese water and sewer utilities serve a population of approximately 13,000, with an average daily water demand of 3.3 million gallons per day (MGD) based on statistics gathered from the North Carolina Division of Water Resources, Local Water Supply Plan, 2024. Surface water is withdrawn from Lake Rhodhiss and treated through the Town's 12.0 MGD conventional Water Treatment Plant (WTP). Finished water is delivered through approximately 170 miles of water mains ranging in size from 2 to 24 inches in diameter and includes 5,423 service connections located within the Town's corporate boundaries and certain areas beyond the Town's corporate limits. Wholesale water service is also provided to the Town of Rutherford College, Icard Water Corporation and Burke County.

Wastewater service is provided to 1,895 connections with an average daily flow of 1.92 MGD. Treatment is provided by the Town's 7.5 MGD extended aeration Wastewater Treatment Plant (WWTP). The collection system consists of 101 miles of sewer mains ranging in size from 4 to 24 inches in diameter and also includes 7 sewer lift stations. Wastewater service is provided primarily to customers located within the Town's corporate boundaries. Wholesale wastewater service is also provided to the Town of Rutherford College, the Town of Drexel and Burke County.

The Town of Valdese continues with this annual capital planning and financial analysis effort to evaluate the ability of the water and sewer rates to fully recover the costs of water and sewer operations, maintenance and capital improvements.

3.0**APPROACH AND METHODOLOGY**

The Town of Valdese continues to advance development and implementation of long-term water and sewer infrastructure management practices that identify and adequately address critical infrastructure needs, focusing on system reliability, operational efficiency, affordability and sustainability. This effort is built upon knowledgeable and experienced staff, supported by competent professionals that together can determine both the physical and financial needs of the utility, along with an implementation strategy and guidance that will result in continued short and long-term stability of water and sewer revenues and user rates.

McGill used the American Water Works Association (AWWA) M1 Manual of Water Supply Practices, Principles of Water Rates, Fees and Charges, Seventh Edition, cash-needs approach to determine the water and sewer utility's revenue requirements. This approach defines revenue requirements as the total amount of revenue that is required to cover all costs of the utility, including O&M, debt service, cash reserves, depreciation (reinvestment in the utility's infrastructure), and transfers to/from other municipal funds. Determining a utility's revenue requirements is the basis for setting rates, which includes providing adequate and sustainable funding levels for all operational costs and capital needs.

Adequacy of revenues is determined by comparing projected expenses required to fully support ongoing needs of the utility (administration, O&M, capital outlay, debt service, etc.) to revenues that are anticipated to be generated under the existing rate structure through the 10-year planning period. This comparison identifies potential revenue shortfalls. Corrective action (typically user rate adjustments) can then be applied to accurately address these potential revenue shortfalls as they are anticipated.

4.0 CAPITAL IMPROVEMENTS PLAN UPDATE

The Capital Improvements Plan (CIP) updates were developed interactively with Town Staff. This effort included an update of the CIP inventory and review of each project status and determination of new projects and equipment/vehicle purchases to be incorporated into the 10-year CIP. Priority and scheduling were determined based on regulatory compliance, safety, operational viability, obsolescence, efficiency, system growth and economic development.

This comprehensive capital needs assessment and planning effort focused on maximizing useful life through improved asset management, refining the scope of construction on several proposed projects and reviewing project priorities and scheduling. The result is an updated CIP schedule that represents a more complete understanding of the long-term needs of the utility.

Key elements of the CIP update include:

- Construction cost estimates for all plant and infrastructure projects were updated using escalation factors related to current supply chain interruptions and other contractor cost increases associated with recent construction bidding trends.
- The FY25 CIP is nearly \$15 M greater than FY24, primarily due to nearly double the need for water and sewer main rehabilitation and replacement.
- Five rehabilitation projects for the water treatment plant were combined into a single larger project to take full advantage of water and sewer infrastructure funding that may become available. The financial model assumes this project along with improvements to the raw water intake will be fully funded by external source(s) (i.e. Legislative Appropriation or other grant funds).
- Scheduling adjustments were made to select capital projects to minimize potential cost impacts and limit rate increases to an annual average of 6.1% over the first 5 years and 5.2% over the 10-year planning period. Care was taken to ensure that any time extension would not diminish the benefits or corrective needs for each project.

Table 3 – Summary of Capital Investment Projections

Water/Sewer 10-Year Capital Investment											
Description	Total CIP	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Water Treatment	10,851,000	1,729,000	7,732,000	124,000	362,000	108,000	93,000	539,000	35,000	129,000	-
Wastewater Treatment	4,031,000	154,000	562,000	167,000	592,000	127,000	599,000	191,000	230,000	245,000	1,164,000
Distribution / Collection	35,088,000	2,054,000	5,823,000	2,300,000	3,359,000	2,438,000	3,624,000	2,823,000	1,838,000	6,684,000	4,145,000
Total Water/Sewer CIP	49,970,000	3,937,000	14,117,000	2,591,000	4,313,000	2,673,000	4,316,000	3,553,000	2,103,000	7,058,000	5,309,000

The detailed CIP schedule is included in the March 2025 Council Budget Workshop Presentation Materials in the Appendix of this report.

5.0**FINANCIAL MODEL UPDATE**

McGill determined Revenue Requirements sufficient to meet ongoing expenses. Current financial information was reviewed to measure the adequacy of revenues generated from all sources compared to expenses required to sustain the entire utility system for the long-term. The 10-year financial model was updated to examine these interrelationships and determine the need for revenue adjustments and recommended timing to help minimize rate impacts to customers.

5.1 Key Assumptions and Targets:

The model was constructed using the following inputs for annual revenue and expense projections (excludes recommended rate increases):

Revenue:

Residential customer growth	0.5%
Commercial customer growth	0.5%
Industrial customer growth	0.5%
Contract customer growth	1.0%
All other revenue sources	3.8%

Expenses:

Salaries and benefits	5.0%
Other operating expenses	2.5%

Benchmark Targets:

Unrestricted Net Assets (Fund Balance)	50% Minimum
Operating Ratio	1.0 Minimum
Days of Working Capital	120 Minimum
Debt Service Coverage Ratio	1.2 Minimum
Sufficiency of Revenue Above Debt	25% Maximum

5.2 Council Direction:

March 2024

- Outside residential water, increase by 2x the inside residential water rate
 - Transition over a 2-year period, FY25 and FY26.
 - Initial rate increase to 1.5x in FY25
 - Rate Increase to 2x in FY26
- Non-contract sewer 30% increase to reduce revenue/expense gap
 - Rate increase, 30% in FY25
 - Rate increase, 30% in FY26
 - Continue monitoring revenue/expense gap for additional adjustments

May 2025

- Outside residential water, increase to approximately 1.75x the inside rate
 - Rate increase to 1.75x in FY26
 - Increasing to 1.75x does not establish a multiplier. Future rate changes will apply to each customer class individually and consistently.
- Residential sewer rate increase, 30% in FY26
- Commercial and Industrial rates increase, 10% each in FY26

5.3 **Benchmark Comparisons:**

Valdese uses several benchmarks to provide a general comparison between the performance of its water and sewer utility and other comparable water utilities (primarily municipal) that are recognized by the water industry as effectively managed. Benchmark values were gathered through a review of applicable literature and published research projects. Target values for each benchmark were established with review and approval by the Town Manager, Assistant Manager and Water Resources Director.

Operating Ratio:

Operating Ratio indicates whether operating revenues were sufficient to cover operation and maintenance, and capital investment for the fiscal year. A ratio of less than 1.0 is a sign of potential concern. This value has averaged 1.27 over the past 5 fiscal years and is projected to improve over the next 2 years.

Sufficiency of Revenues:

Sufficiency of Revenues above Debt measures the Utility's ability to meet annual debt service commitments using available operating revenue. This performance indicator continues to be very strong. The debt obligation for the current fiscal year is 6% of total expenses and is projected to remain below 15% for the next 2 years of the planning period. This falls well within an industry standard value of less than 25%, and less than the average debt service obligation (29%) reported by 115 water utilities in the 2023 National Association of Clean Water Agencies Triannual Financial Survey.

The Water Research Foundation cites capital funding through equity sources (enterprise fund cash) as a performance benchmark measuring financial viability and recommends a minimum 20% of capital funding through equity sources as prudent. The financial model forecasts capital funding through equity sources to be 29% for the first 5 years, and slightly below this industry benchmark, averaging 19% for the entire 10-year planning period.

Debt Service Coverage Ratio:

Debt Service Coverage Ratio measures the ability to pay for debt service and day-to-day expenditures using operating revenues. A ratio of less than 1.0 indicates that revenues were not sufficient to cover the utility's day-to-day expenses and payments on existing long-term debt. In general, this ratio should be 1.2 or greater.

Historical values, FY21 through FY24 for this benchmark average 3.61 and forecasted values, FY25 through FY27 average 4.60, indicating the utility has the capacity to incur additional debt without undue hardship on available fiscal resources both now and in the immediate future.

Unrestricted Net Assets & Days Working Capital:

One area where the Town has improved is within the balance of unrestricted net assets (cash from the enterprise fund) from year to year. While balancing expenditures between debt and equity sources is important, it is also important to have enough of those equity sources to sustain the utility system in the event of a prolonged revenue loss. This is measured by the percentage of unrestricted net assets compared to the total annual expenses. This percentage is 77% in FY25 and declines to 63% at the end of the 10-year forecast. The Town's unofficial target minimum for this benchmark is 50%.

Industry benchmarks for days of working capital are typically 120 days or more. That means that if the utility were to stop receiving revenue, the system would have enough liquid assets to operate for a period of 4 months. Historically, this metric has improved steadily from 123 days in FY21 to 374 days in FY24. The forecast for FY25 is 324 days and continuing upward to 351 days in FY27.

6.0**RECOMMENDATIONS***Rate Adjustments:*

Implement overall revenue increases beginning with 11% in FY26, followed by annual revenue increases of 5% from FY27 through FY32. The remaining 3 years of the planning period require 4% annual revenue increases. These increases are assumed to be applied across-the-board to all customer classes. The recommended rate adjustments for each customer class are provided in the Rate Summary Tables that are included in the Appendix.

Unrestricted net position (assets), also referred to as Fund Balance, is a common indicator for tracking the general health of the utility fund. In the Town's 2024 Audited Financial Statement, the Enterprise Fund, which accounts for the water and sewer fiscal activities, reported an increase in unrestricted net position in the amount of \$42,548 bringing the year-end total to \$4,988,356. Net income forecasted for FY25 is approximately \$414,000. Assuming this amount transfers directly to fund balance, the financial model assumes FY25 begins with a fund balance at \$5,302,000. Using the recommended revenue adjustments, Fund Balance generally increases throughout the 10-year planning period approximately \$1.5 million, signaling continued stability of the Utility over time.

Alignment of Revenues and Expenses:

At the March 2024 Budget Retreat, the Town Council resolved that residential water customers outside the Town's corporate boundaries be charged 2x the corresponding inside rate. Following this directive, outside water customer rates were increased to reach 1.5x the inside rate. At the April 2025 Budget Workshop, Council directed the final outside residential water rate to be 1.75x the inside rate.

Sewer system revenues remain substantially below sewer operating expenses. The council directed a 30% rate increase for residential sewer customers and 10% increases for commercial and industrial customers to continue reducing the long-standing sewer revenue gap. The net gain realized by these rate increases will reduce the trending deficit by approximately \$360K in FY26.

Customer equity will need to continue to be monitored, and adjustments made to achieve greater alignment as the Town may determine over time.

Key Performance Indicators:

Consider developing financial management objectives to assist with analysis, interpretation and comparison to other utilities. Objectives can be used to set financial goals and facilitate efforts to monitor and track progress. These financial performance indicators may be in the form of formal, Council adopted financial management policies or directives, or informal administrative direction through the Town Manager. Examples for consideration may include:

- Working Capital Reserves
- Capital Improvements Reserve Fund
- Sufficiency of Revenues Above Debt Requirements
- Credit Ratings
- Cash Financing of Capital
- Rate/Revenue Stabilization Fund

Presentation to Town Council:

McGill presented findings of the water and sewer rate review to the Town Council at the April 16, 2025, Council Budget Workshop and responded to questions concerning approach, methodology and calculations. A copy of the presentation is attached including tables from the financial model summarizing Capital Improvements, Financial Analysis and Proposed Rates.

Following the Council Budget Workshop, McGill continued to provide additional support as needed for the Town Staff to respond to Council's discussions and deliberations on water and sewer adjustments for the FY26 budget. Several adjustments to model inputs were made, and McGill continued to provide model outcome data corresponding to each request as the Town worked to complete the budget process.

APPENDIX

April 2025 Council Budget Workshop Presentation Materials Capital
Improvements Plan
Financial Model Output Summary
Water, Sewer and Combined Bill Rate Tables
Financial Model Output Summaries per May 13, 2025 Council Direction

APRIL 16, 2024 BUDGET WORKSHOP PRESENTATION



2025 Town Council Budget Retreat Water & Sewer CIP Update and Financial Analysis

April 16, 2025



Presented By:
R.J. Mozeley PE, Senior Project Manager



Water and Sewer Utility Fund

- Water Treatment
- Wastewater Treatment
- Water Distribution / Wastewater Collection
- Separate from General Fund and Self Supporting
- Over 5,400 retail customers and several wholesale/contract customers
- Utility Fund value of ~\$7.0M annually

Capital Improvement Planning

- **Viability Needs**
 - Aging Equipment
 - Out of Date Technology
 - Operational Issues
- **Efficiency Needs**
- **Growth Needs**
 - Capacity Assurance
 - Capacity Expansion
- **Regulatory Needs**
 - Permitting Changes
 - Monitoring Changes



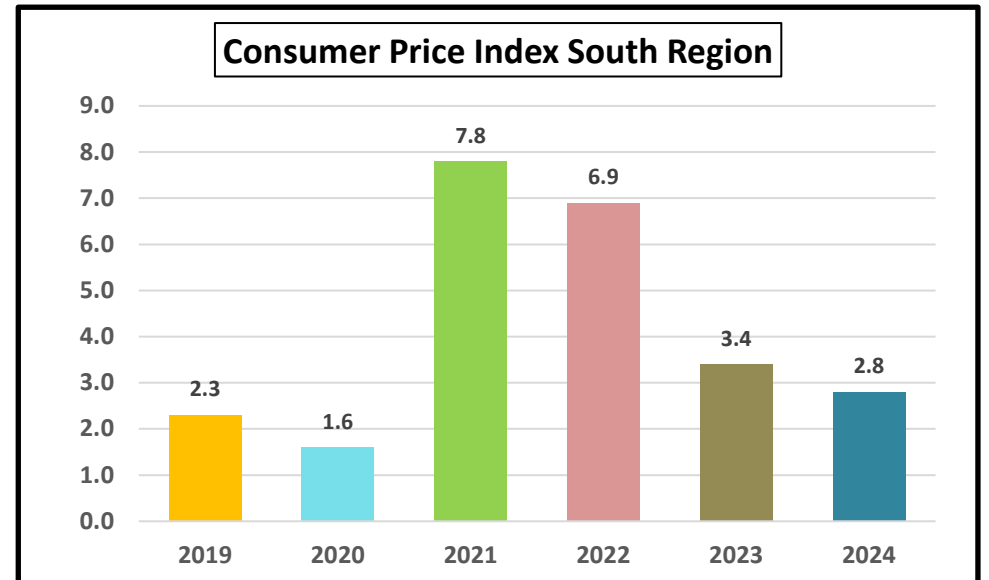
Financial Analysis

- Revenues
 - Historical Revenue
 - Growth
 - Rate Adjustments
- Expenses
 - Salaries and Benefits
 - Operating Expenditures
 - Capital Improvements
 - Debt Service
- Key Performance Indicators
 - Fund Balance
 - Operating Ratio
 - Debt Service Coverage Ratio
 - Capital Assets Condition Ratio

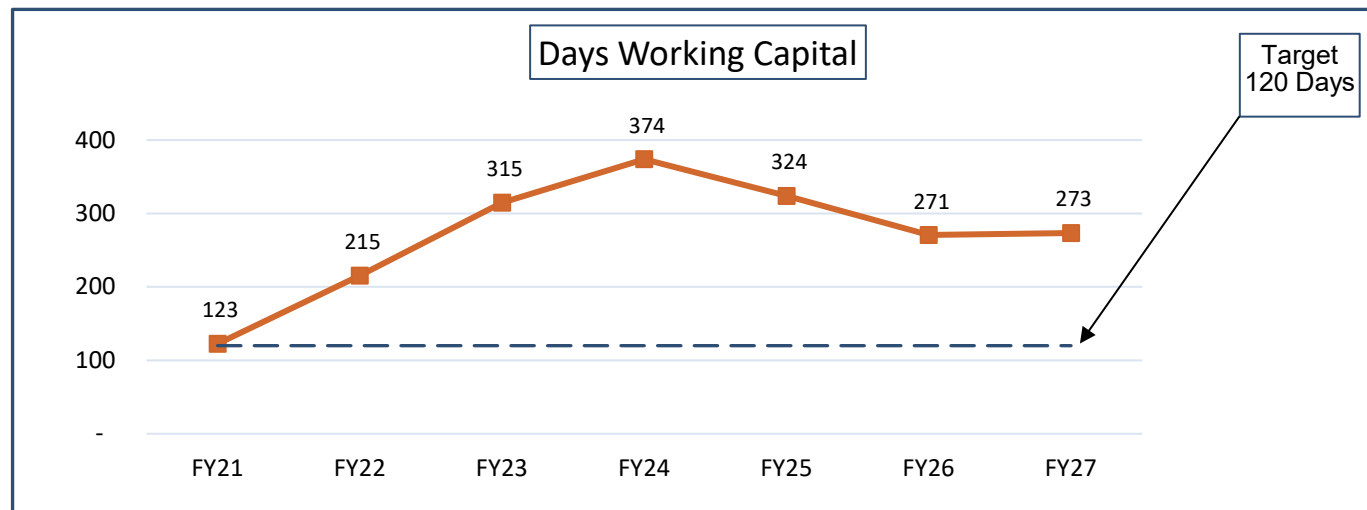
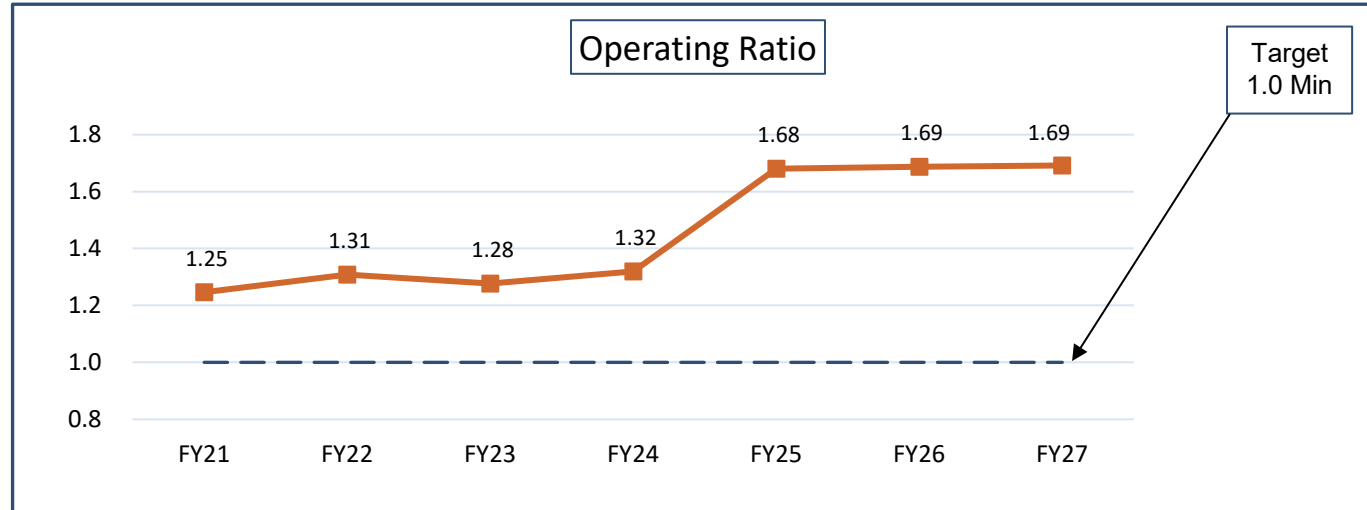


Assumptions and Model Inputs

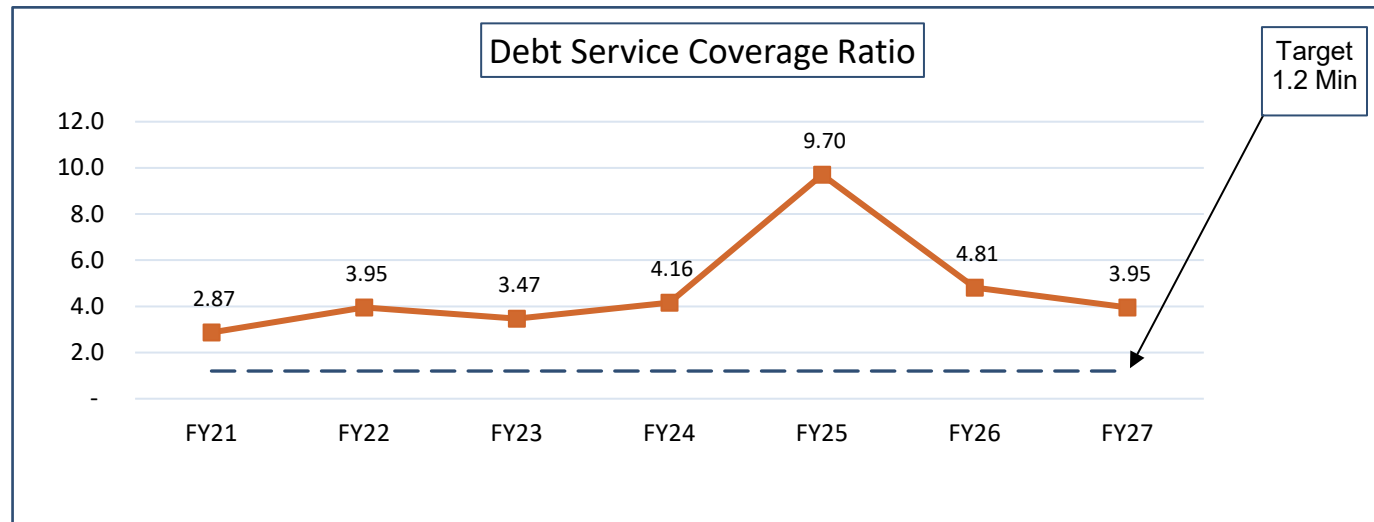
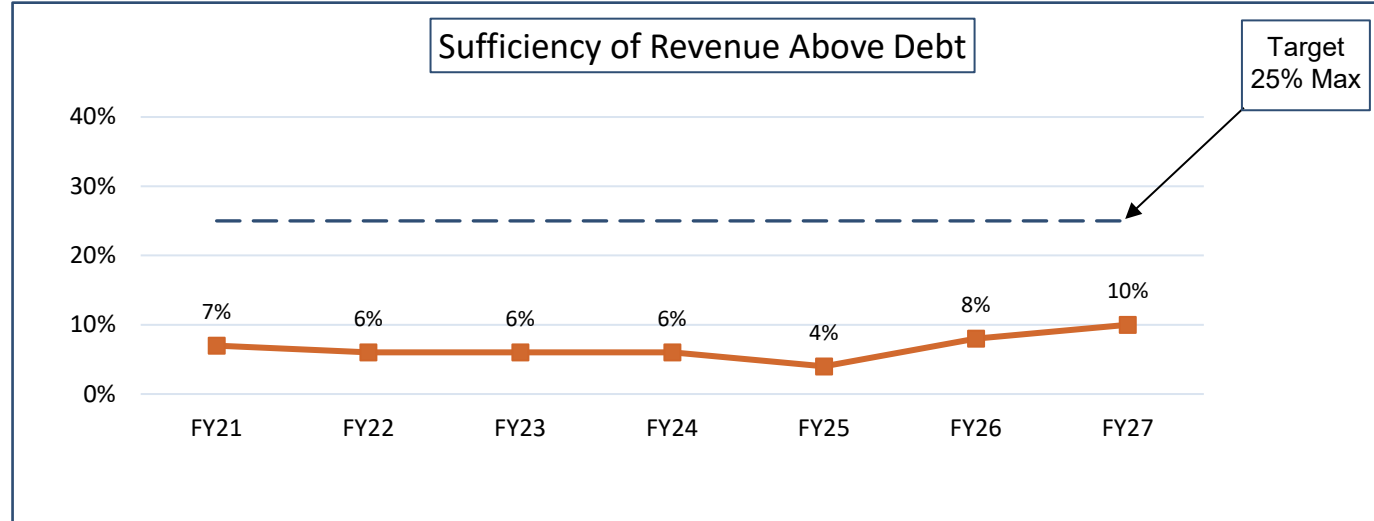
- Revenues
 - Growth Factoring (minor)
 - Impact of Rate Adjustments
- Expenses
 - Inflation
 - Capital Planning
 - Debt Strategies
- Fund Balance
 - Target Percent of Expenditures



Water Utility Financial Benchmarks



Water Utility Financial Benchmarks



Comparison to Neighbors

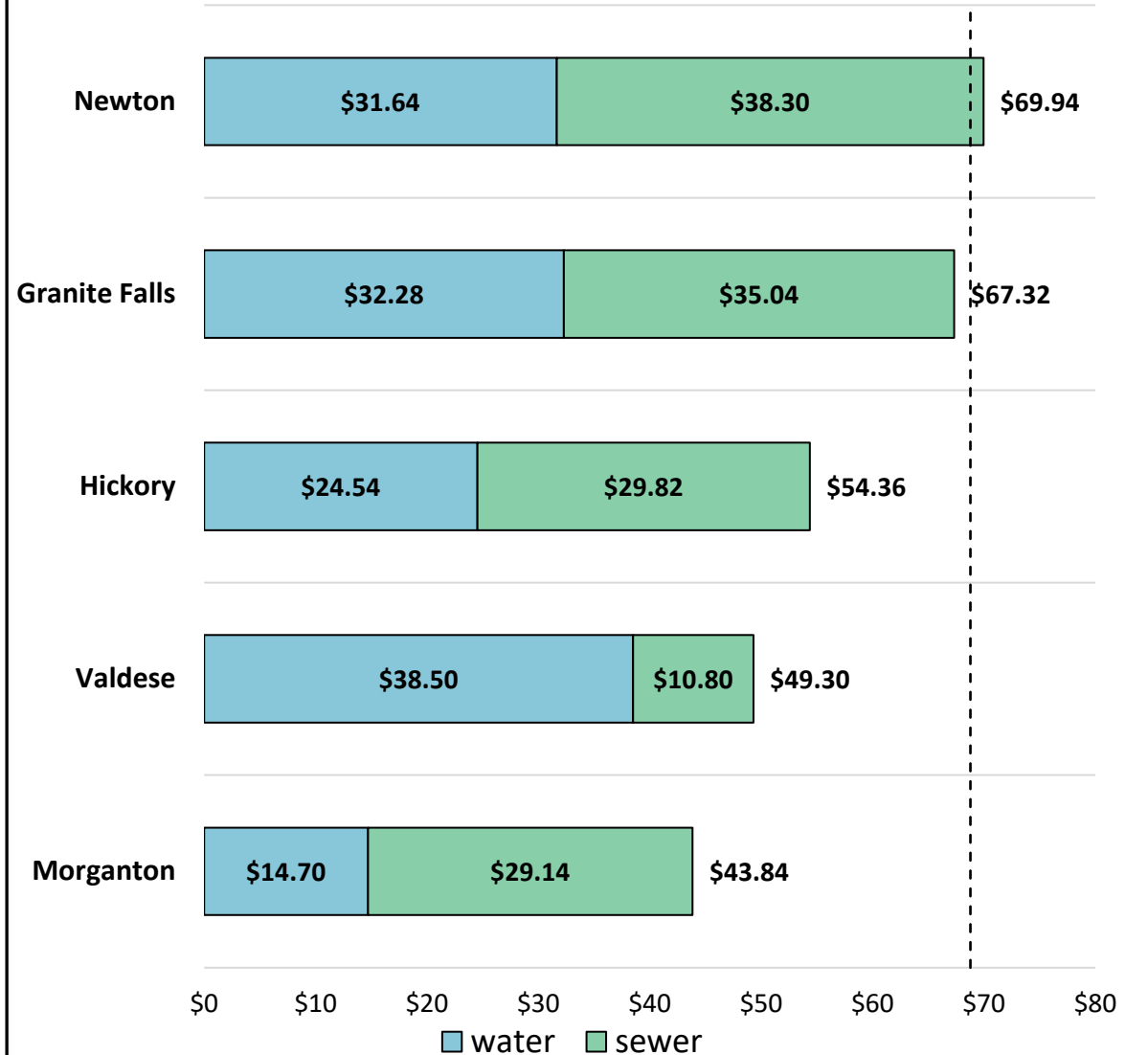
Inside Residential Customer Class

FY25 Rates

Monthly Water/Sewer Bill: 3,000 gal

Inside Residential Customer Class

Source: FY25 Approved Water and Sewer Fee Schedules NC LGU Water Utilities
UNC Rates Dashboard
Median \$68.78

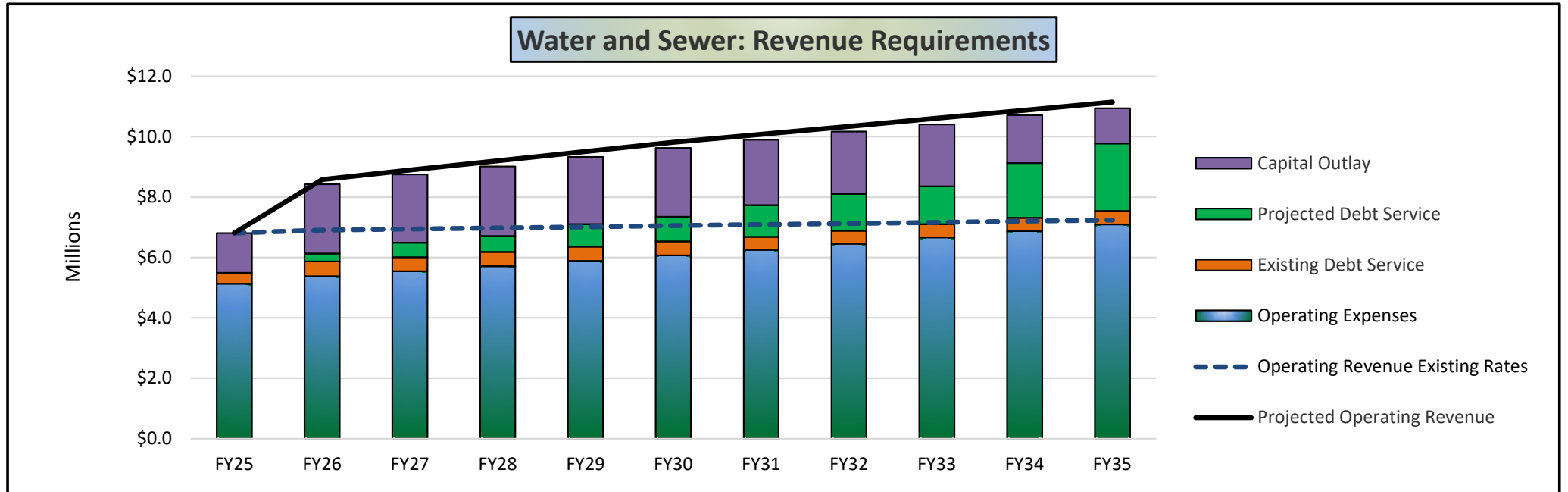


Water and Sewer Systems CIP

(CIP Tables and Financial Model Output Handouts)



Revenue Requirements – Per Plan



FY 26 Requires \$1.4M Additional Revenue

Revenue Adjustments:

- **Water Rate True-Up (Based on Council Action)**
 - Transition Triple District Customers to Outside Rates
 - Adjust Current Outside Customer Multiplier to 2.0
 - 2-year Transition Period Complete with this year
- **Sewer Rate True-UP**
 - Better Alignment of Revenue with Expenses
 - Multi-year Transition Period
- **Inflation Adjustment**
 - 5% Revenue Increase for Inflation & Catchup
 - Applies to All Customer Classes

Rate True-Ups: 2-Year Transition Period

Triple District Water Rate True-up: 3,000 gallons

Customer Class	FY24	FY25	FY26
Inside Residential Water	\$38.50	\$38.50	\$40.45
Triple Water	\$38.50	\$57.75	\$80.90
Outside Residential Water	\$54.80	\$57.75	\$80.90

Customer Bill Comparisons: 3,000-gallon Use

Monthly Water/Sewer Bill: 3,000 gallons

Customer Class	FY25	FY26	\$ Change
Inside Residential	\$49.30	\$52.35	\$3.05
Outside Residential	\$58.60	\$78.50	\$19.90
Inside Commercial	\$53.05	\$56.30	\$3.25
Outside Commercial	\$105.65	\$112.60	\$6.95



Next Steps / Questions

CAPITAL IMPROVEMENTS PLAN

Town of Valdese Water and Sewer Utility Fund 10-YEAR Capital Improvements Plan FY 2025

Water Distribution / Wastewater Collection

Project Number	Project Description	10-Yr CIP Cost Cost	Current Yr 2025	FY 1 2026	FY 2 2027	FY 3 2028	FY 4 2029	FY 5 2030	FY 6 2031	FY 7 2032	FY 8 2033	FY 9 2034	FY 10 2035	Years 11 - 15
Vehicles and Equipment														
1	2022 Cat Mini Trackhoe	202,700									202,700			
2	2024 Ram Jet	-	75,000											
3	Trailer	21,100							21,100					
4	2017 Ford F250 4x4	60,700			60,700									112,000
5	2018 Ford F150 Meter Truck	50,500				50,500								87,800
6	2011 Ford 4x4 F350	83,000					83,000							136,200
7	2021 Chevy 4x4	60,100							60,100					87,800
8	2022 Chevy 3500 Diesel 4x4	127,500								127,500				
9	2023 F450	135,200									135,200			
10	2016 Ford F150 4x4	63,800								63,800				
Subtotal - Vehicles and Equipment		804,600	75,000	-	60,700	50,500	83,000	-	81,200	191,300	337,900	-	-	423,800
Infrastructure Improvements														
11	Large Meter Replacement	84,400			84,400									
12	Renew Arc-Flash Study	4,300	3,400					4,300						
13	Rodoret St., North and South, Water and Sewer	1,365,000		1,365,000										
13	Curville Water Replacement	470,000		470,000										
14	Jefferson Ave Water & Sewer Replacement	219,000		219,000										
15	Ridgewood-18S Loop	981,200			981,200									
16	Mt. Home - Hawkins Loop	1,696,300			1,696,300									
17	Berrytown Water Main Replacement - CDBG	3,000,000			3,000,000									
18	Jacumin Rd. Loop	3,837,700										3,837,700		
19	Harris Avenue PS Gravity Sewer Extension	-												2,399,200
20	Advent St. Tank and Booster Station	-												4,417,100
21	Holly Hills Sewer System Extension	-												5,051,600
22	Sewer Main Rehabilitation	10,161,500				2,249,700		2,433,300		2,631,900		2,846,600		
23	Water Main Replacement	12,463,200					3,275,600		3,542,900		1,500,000		4,144,700	
Subtotal - Infrastructure Improvements		34,282,600	3,400	2,054,000	5,761,900	2,249,700	3,275,600	2,437,600	3,542,900	2,631,900	1,500,000	6,684,300	4,144,700	11,867,900
Total 10-Yr CIP: Water Distribution/Wastewater Collection FY26-35		35,087,200	78,400	2,054,000	5,822,600	2,300,200	3,358,600	2,437,600	3,624,100	2,823,200	1,837,900	6,684,300	4,144,700	12,291,700

Capital Project funded or patially funded using external source(s). ARPA, Direct Allocation, etc.
 Capital Project funded or patially funded using debt issue(s)

Town of Valdese Water and Sewer Utility Fund 10-YEAR Capital Improvements Plan FY 2025

Water Treatment Division

Project Number	Project Description	10-Yr CIP Cost Cost	Current Yr 2025	FY 2 2026	FY 3 2027	FY 4 2028	FY 5 2029	FY 6 2030	FY 7 2031	FY 8 2032	FY 9 2033	FY 10 2034	FY 10 2035	Years 11 - 15
Vehicles and Equipment														
1	2018 Explorer	51,800				51,800								90,000
2	2017 Ford F-250 (replace w/f150)	48,300		48,300										94,400
3	2004 Ford F-150	72,200							72,200					105,400
Subtotal Vehicles and Equipment		172,300	-	48,300	-	51,800	-	-	72,200	-	-	-	-	289,800
Plant Upgrades and Improvements														
4	Booster Pump Stations and Tank Telemetry	-	65,000											
5	SCADA Update; Add #2 and #3 FWP, all chemical feed	20,500	42,000								20,500			
6	Renew Arc Flash Study	21,000	16,600						21,000					
7	Water Treatment Plant Filter Equipment Rehab	-	100,000											
8	Replace Air Actuated Filter Valves and Operators (30 ea)	212,200	100,000	104,000	108,200									
9	Tank Maintenance	348,000	8,000	86,500			10,900	107,600			14,200	128,800		
10	Replace Electrical Substation	1,406,100		1,406,100										
11	Replace Bulk Chemical Tanks & Referbish Area	780,000			780,000									
12	Roof Replacement - Main Bldg	59,500		59,500										
13	Water Treatment Plant Upgrade	6,790,000			6,790,000									
14	Chemical Injection Points	28,100			28,100									
15	Booster Pump Stations Equipment Rehab and Replace	51,000		25,000	26,000									
16	Roof Replacement - Maintenance Bldg	72,500				72,500								
17	Safety Railing for Flocculators and Sedimentation Basins	351,000					351,000							
18	Perimeter Chain Link Fencing	197,300								197,300				
19	FWP Motor Control Center Update (replacement)	342,100								342,100				
20	Pave Raw Waters PS Access Rd.	-												281,900
Subtotal - Plant Upgrades and Improvements		10,679,300	331,600	1,681,100	7,732,300	72,500	361,900	107,600	21,000	539,400	34,700	128,800	-	281,900
Total 10-Yr CIP: Water Treatment FY26-35		10,851,600	331,600	1,729,400	7,732,300	124,300	361,900	107,600	93,200	539,400	34,700	128,800	-	571,700
Capital Project funded or partially funded using external source(s). ARPA, Direct Allocation, etc.														
Capital Project funded or partially funded using debt issue(s)														

Town of Valdese Water and Sewer Utility Fund 10-YEAR Capital Improvements Plan FY 2025

Wastewater Treatment Division

Project Number	Project Description	10-Yr CIP Cost Cost	Current Yr 2025	FY 2 2026	FY 3 2027	FY 4 2028	FY 5 2029	FY 6 2030	FY 7 2031	FY 8 2032	FY 9 2033	FY 10 2034	FY 10 2035	Years 11 - 15
Vehicles and Equipment														
1	New or Used Sludge Trailer	67,000										67,000		
2	Replace 1998 Biosolids Truck	41,700			41,700									76,900
3	Replace 2017 Lab Truck	40,000			40,000									73,800
4	Replace 2018 Ford Explorer	45,600				45,600								79,300
5	Replace Riding Mower (2021)	17,000						17,000						26,400
6	Replace Maintenance Vehicle 2022	59,000								59,000				
7	Compost Loader (2023)	165,600									165,600			
Subtotal Vehicles and Equipment		435,900	-	-	81,700	45,600	-	17,000	-	59,000	165,600	67,000	-	256,400
Plant Upgrades and Improvements														
8	Centrifuge Overhauls - Two Units	316,600		70,000	72,800				85,200	88,600				
9	Repair Drains in Dewater Bldg. (Trench Manhole)	-	25,000											
10	Roll Up Door Replacement Dewater Bldg. (4 Doors)	-	25,000											
11	Secondary Clarifier Rehab and Painting	3,000	25,000	3,000										
12	Conversion of SO2 Bldg. to PAA	-	10,000											
13	Renew Arc-Flash Study	24,700	19,500						24,700					
14	Aeration Basin - 3 AeratorsFY25, Full Basin Upgrades FY35+	-	900,000											10,950,000
15	Cline Street PS Modifications	-	1,490,000											
16	Primary Clarifier Rust Removal and Paint	95,900		43,300					52,600					
17	Seal/Bearing Replacement - Centrifuge Sludge Pumps	11,900		11,900										
18	Spare Pumps: Morgan Trace and High Meadows	15,200		15,200										
19	Sludge Grinder Replacements - Two Units	32,400			7,300	7,600			8,600	8,900				
20	Concrete Work at Compost Pad	47,400		10,800	11,200		12,200		13,200					
21	Update and Repair Admin Bldg. & Roof	360,000			360,000									
22	Compost Pad Electrical Repair	5,600			5,600									
23	Spare Sump Pump - Universal Application	9,000			9,000									
24	Roof SO2 Building (2001) (Original)	14,600			14,600									
25	Seal / Bearing Replacement for Secondary Waste Pumps	11,700				11,700								
26	Compost Area Multi-Purpose Shed	58,500				58,500								
27	Pump Station Control Upgrade - High Meadows and Morgan Trace	11,700				11,700								
28	Seal Replacement for Influent Pumps 3&4	19,900				19,900								37,300
29	Seal Replacement for Secondary Waste Pumps	11,700				11,700								
30	Influent Pumps 3 and 4 Valves & Check Valves	105,000					105,000							
31	Influent Pump Station Electrical Panel Upgrade	425,800					425,800							
32	Seal Replacement for Influent Pumps 1&2	12,200					12,200							
33	Sludge Recycle PS Building Roof (2008)	36,500					36,500							
34	Spare Pump Seitz Road Pump Station	15,200						15,200						
35	Dewatering Building Roof (2010)	75,900						75,900						
36	Thickener Blower #1 rebuild or replace	19,000						19,000						
37	Recycle Bldg Electrical Panel Upgrade	394,800							394,800					
38	Thickener Blower #2 rebuild or replace	19,700							19,700					
39	Primary Wasting Electrical Panel Upgrade	34,200								34,200				
40	Influent PS Building Roof (2012)	64,000									64,000			
41	Primary Clarifier #2 Drive & Bridge Replacement	148,000										148,000		
42	Spare Pump John Berry	29,600										29,600		
43	Spare Pump Cline Street	-												84,900
44	Biosolids Drying Equipment	1,163,800											1,163,800	22,056,500
45	WWTP Equipment Rehab & Replacement	-												232,800
Subtotal - Plant Upgrades and Improvements		3,593,500	2,494,500	154,200	480,500	121,100	591,700	110,100	598,800	131,700	64,000	177,600	1,163,800	33,361,500
Total 10-Yr CIP: Wastewater Treatment FY26-35		4,029,400	2,494,500	154,200	562,200	166,700	591,700	127,100	598,800	190,700	229,600	244,600	1,163,800	33,617,900
<div style="display: flex; justify-content: space-between; font-size: small;"> Capital Project funded or partially funded using external source(s). ARPA, Direct Allocation, etc. Capital Project funded or partially funded using debt issue(s) </div>														
Total 10-Yr CIP: Water and Wastewater FY26-35		49,968,200	2,904,500	3,937,600	14,117,100	2,591,200	4,312,200	2,672,300	4,316,100	3,553,300	2,102,200	7,057,700	5,308,500	46,481,300

FINANCIAL MODEL OUTPUT SUMMARY

Town of Valdese Water and Sewer Utility Fund Financial Model Output Summary FISCAL YEAR 2025

Updated per May13 Council Direction

- 1. Inside Res. Water Rate Increase 4%
- 2. Outside Res. Water Rate 1.75x Inside
- 3. Res. Sewer Rate Increase 30%

Revenue

Description	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Operating Revenue Existing Rates	6,807,000	6,910,000	6,951,000	6,991,000	7,032,000	7,074,000	7,116,000	7,158,000	7,200,000	7,243,000	7,286,000
New Revenue (Cumulative amount)	415,000	771,000	1,108,000	1,448,000	1,790,000	2,133,000	2,478,000	2,825,000	3,104,000	3,385,000	3,667,000
Projected Operating Revenue	7,222,000	7,681,000	8,059,000	8,439,000	8,822,000	9,207,000	9,594,000	9,983,000	10,304,000	10,628,000	10,953,000

Expenses

Operating Expenses	5,236,000	5,377,000	5,541,000	5,712,000	5,889,000	6,074,000	6,266,000	6,466,000	6,674,000	6,890,000	7,097,000
Capital Outlay	1,314,000	1,392,000	1,334,000	1,408,000	1,294,000	1,376,000	1,318,000	1,175,000	1,162,000	637,000	269,000
Existing Debt Service	358,000	491,000	472,000	471,000	471,000	470,000	428,000	428,000	441,000	441,000	439,000
Projected Debt Service	-	260,000	565,000	700,000	1,012,000	1,162,000	1,477,000	1,733,000	1,849,000	2,498,000	3,014,000

Percent Increase Applied

Overall Revenue Adjustment	11%	5%	5%	5%	5%	5%	5%	5%	4%	4%	4%
----------------------------	-----	----	----	----	----	----	----	----	----	----	----

Financial Outcomes

Description	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Expenses to Cover	6,908,000	7,520,000	7,912,000	8,291,000	8,666,000	9,082,000	9,489,000	9,802,000	10,126,000	10,466,000	10,819,000
Difference / (Shortage)	314,000	161,000	147,000	148,000	156,000	125,000	105,000	181,000	178,000	162,000	134,000

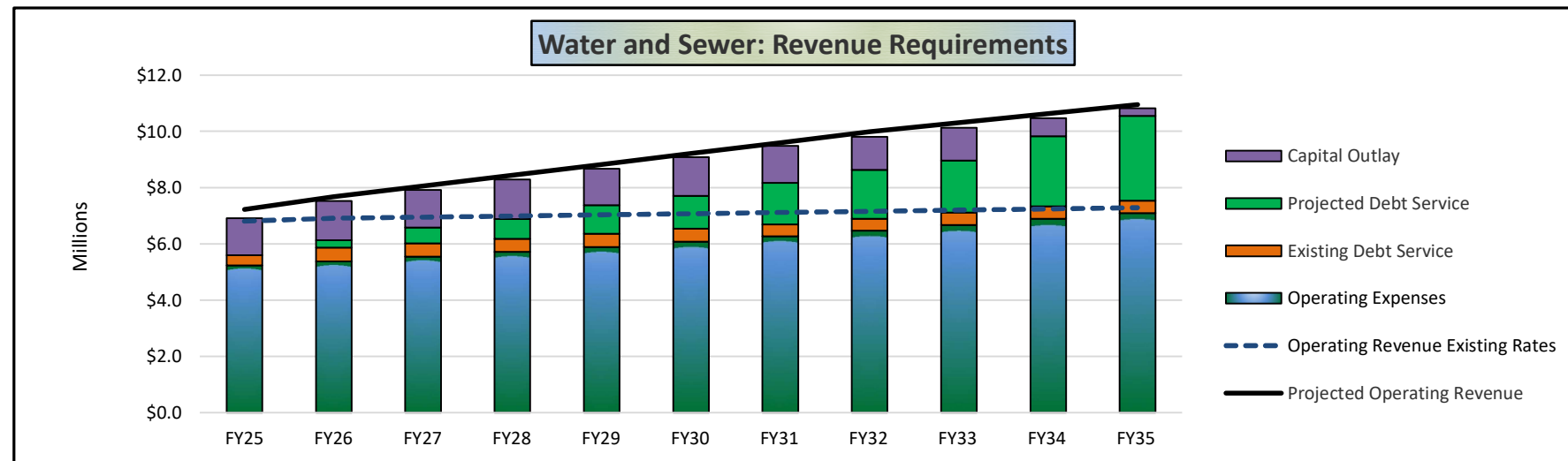
Effect on Average Customer Bill

Combined Inside Residential Bill 3,000 gal	\$49.30	\$54.05	\$56.80	\$59.65	\$62.70	\$65.90	\$69.25	\$72.80	\$75.75	\$78.80	\$82.00
Monthly Combined Residential Bill Change		\$4.75	\$2.75	\$2.85	\$3.05	\$3.20	\$3.35	\$3.55	\$2.95	\$3.05	\$3.20

Financial Indicators

Fund Balance Tracker	5,302,000	5,463,000	5,610,000	5,758,000	5,914,000	6,039,000	6,144,000	6,325,000	6,503,000	6,665,000	6,799,000
Fund Balance % of Expenses to Cover	77%	73%	71%	69%	68%	66%	65%	65%	64%	64%	63%

Summary Chart



Water/Sewer 10-Year Capital Investment

Description	Total CIP	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Water Treatment	10,851,000	1,729,000	7,732,000	124,000	362,000	108,000	93,000	539,000	35,000	129,000	-
Wastewater Treatment	4,031,000	154,000	562,000	167,000	592,000	127,000	599,000	191,000	230,000	245,000	1,164,000
Distribution / Collection	35,088,000	2,054,000	5,823,000	2,300,000	3,359,000	2,438,000	3,624,000	2,823,000	1,838,000	6,684,000	4,145,000
Total Water/Sewer CIP	49,970,000	3,937,000	14,117,000	2,591,000	4,313,000	2,673,000	4,316,000	3,553,000	2,103,000	7,058,000	5,309,000

WATER, SEWER AND COMBINED BILL RATE TABLES

Town of Valdese

Water and Sewer Utility Fund

Current and Proposed Water Rates

Customer Class	Current Rate FY25	Proposed FY26	FY27	Projected		
				FY28	FY29	FY30
Inside Water Residential						
Minimum 3,000 gallons	38.50	40.00	42.00	44.10	46.35	48.70
Volume Charge (per 1,000 gal); 3,001+ gallons	3.90	4.00	4.20	4.45	4.70	4.95
Outside Water Residential						
Minimum 3,000 gallons	57.75	67.60	71.00	74.55	78.30	82.25
Volume Charge (per 1,000 gal); 3,001+ gallons	5.85	6.85	7.20	7.60	8.00	8.40
Inside Water Commercial						
Minimum 3,000 gallons	41.60	43.70	45.90	48.20	50.65	53.20
Volume Charge (per 1,000 gal); 3,001+ gallons	4.25	4.50	4.75	5.00	5.25	5.55
Outside Water Commercial						
Minimum 3,000 gallons	83.05	87.25	91.65	96.25	101.10	106.20
Volume Charge (per 1,000 gal); 3,001+ gallons	8.25	8.70	9.15	9.65	10.15	10.70
Inside Water Industrial						
Minimum 3,000 gallons	16.70	17.55	18.45	19.40	20.40	21.45
Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	3.25	3.45	3.65	3.85	4.05	4.30
Volume Charge (per 1,000 gal); 3,000,001+ gal	1.70	1.80	1.90	2.00	2.10	2.25
Outside Water Industrial						
Minimum 3,000 gallons	33.20	34.90	36.65	38.50	40.45	42.50
Volume Charge (per 1,000 gal); 3,001 - 300,000 gallons	6.45	6.80	7.15	7.55	7.95	8.35
Volume Charge (per 1,000 gal); 300,001+ gal	3.05	3.25	3.45	3.65	3.85	4.05

Town of Valdese

Water and Sewer Utility Fund

Current and Proposed Sewer Rates

Customer Class	Current Rate FY25	Proposed FY26	Projected			
			FY27	FY28	FY29	FY30
<b style="color: green;">Inside Sewer Residential						
Minimum 3,000 gallons	10.80	14.05	14.80	15.55	16.35	17.20
Volume Charge (per 1,000 gal); 3,001+ gallons	3.75	4.90	5.15	5.45	5.75	6.05
<b style="color: green;">Outside Sewer Residential						
Minimum 3,000 gallons	20.10	26.15	29.60	31.10	32.70	34.35
Volume Charge (per 1,000 gal); 3,001+ gallons	6.85	8.95	9.40	9.90	10.40	10.95
<b style="color: green;">Inside Sewer Commercial						
Minimum 3,000 gallons	11.45	12.60	13.15	13.70	14.25	14.85
Volume Charge (per 1,000 gal); 3,001+ gallons	4.00	4.40	4.60	4.80	5.00	5.20
<b style="color: green;">Outside Sewer Commercial						
Minimum 3,000 gallons	22.60	24.90	26.30	27.65	29.05	30.55
Volume Charge (per 1,000 gal); 3,001+ gallons	7.75	8.55	9.20	9.70	10.20	10.75
<b style="color: green;">Inside Sewer Industrial						
Minimum 0 gallons	11.25	12.40	13.05	13.75	14.45	15.20
Volume Charge (per 1,000 gal)	3.85	4.25	4.50	4.75	5.00	5.25
<b style="color: green;">Outside Sewer Industrial						
Minimum 0 gallons	22.30	24.55	26.10	27.45	28.85	30.30
Volume Charge (per 1,000 gal)	7.55	8.35	8.80	9.25	9.75	10.25

Town of Valdese

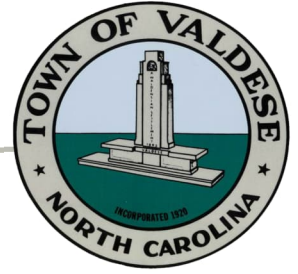
Water and Sewer Utility Fund

Current and Proposed Combined Water and Sewer Rates

Customer Class	Current Rate	Proposed	Projected			
	FY25	FY26	FY27	FY28	FY29	FY30
Inside Combined Residential						
Minimum 3,000 gallons	49.30	54.05	56.80	59.65	62.70	65.90
Volume Charge (per 1,000 gal); 3,001+ gallons	7.65	8.90	9.35	9.90	10.45	11.00
Outside Combined Residential						
Minimum 3,000 gallons	58.60	71.20	76.95	80.85	84.95	89.25
Volume Charge (per 1,000 gal); 3,001+ gallons	10.75	13.55	14.25	15.00	15.80	16.65
Inside Combined Commercial						
Minimum 3,000 gallons	53.05	56.30	59.05	61.90	64.90	68.05
Volume Charge (per 1,000 gal); 3,001+ gallons	8.25	8.90	9.35	9.80	10.25	10.75
Outside Combined Commercial						
Minimum 3,000 gallons	105.65	112.15	117.95	123.90	130.15	136.75
Volume Charge (per 1,000 gal); 3,001+ gallons	16.00	17.25	18.35	19.35	20.35	21.45
Inside Combined Industrial						
Water Minimum 3,000 Gallons, Sewer Minimum 0 gallons	27.95	29.95	31.50	33.15	34.85	36.65
Water Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	3.25	3.45	3.65	3.85	4.05	4.30
Water Volume Charge (per 1,000 gal); 3,000,000+ gallons	1.70	1.80	1.90	2.00	2.10	2.25
Sewer Volume Charge (per 1,000 gal)	3.85	4.25	4.50	4.75	5.00	5.25
Outside Combined Industrial						
Water Minimum 3,000 Gallons, Sewer Minimum 0 gallons	55.50	59.45	62.75	65.95	69.30	72.80
Water Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	6.45	6.80	7.15	7.55	7.95	8.35
Water Volume Charge (per 1,000 gal); 3,000,000+ gallons	3.05	3.25	3.45	3.65	3.85	4.05
Sewer Volume Charge (per 1,000 gal)	7.55	8.35	8.80	9.25	9.75	10.25

Town of Valdese

AGENDA MEMO



Resolution Ordinance Contract Discussion Information Only

To: Valdese Town Council

From: Bo Weichel, Assistant Town Manager / CFO

Subject: Sidewalk on Massel Ave SE

Meeting: June 2, 2025

Presenter: Bo Weichel, Assistant Town Manager / CFO

ITEM OF INTEREST:

Resolution of Commitment for the Massel Ave SE sidewalk project.

BACKGROUND INFORMATION:

Town staff worked with WPCOG staff to submit an application to fund two different sidewalk project proposals through the Locally Administered Project Program Funding (LAPP) by the Greater Hickory Metropolitan Organization (GHMPO).

- Laurel St SE (between St. Germain Ave SE and Main St.)
- Massel Ave SE (between Rodoret St. S and Carolina St SE)

Of these two projects, the application for the sidewalk on Massel Ave SE is being recommended for award by GHMPO.

The engineers estimate for this project cost is \$950,000. Of this amount, the funding will require a 20% Town match. Based on the estimate, this commitment is \$190,000.

Actual bid results and projects costs will determine the final committed Town match.

This resolution is a commitment by the Town to cover the 20% match and a required step in the award process.

These funds would be spread out over several years, most likely not being spent until FY 27-28.

BUDGET IMPACT:

Capital Project Ordinance will be established once the award is finalized. Budgetary impact will be in future years.

RECOMMENDATION / OPTIONS:

Recommend approval of Resolution of Commitment.

LIST OF ATTACHMENTS:

Resolution of Commitment

Resolution No. _____

TOWN OF VALDESE

RESOLUTION AUTHORIZING TOWN OF VALDESE TO SUBMIT AN APPLICATION TO THE GREATER HICKORY METROPOLITAN PLANNING ORGANIZATION IN THE AMOUNT OF \$950,000.00 AND WILL COMMIT \$190,000.00 AS A LOCAL MATCH FOR MASSEL AVENUE SIDEWALK.

WHEREAS, The Greater Hickory Metropolitan Organization (GHMPO) issued a Call for Project Applications to agencies in its jurisdiction for Locally Administered Project Program Funding (LAPP), AND;

WHEREAS, Funding is available for Bicycle and Pedestrian, Intersection, and Transit Project Applications, AND;

WHEREAS, The funding opportunity requires a 20% local match, AND;

WHEREAS, the Town of Valdese is submitting an application for Sidewalk on Massel Avenue, from the existing sidewalk along Rodoret, to Carolina Street SE, with a total estimated project cost of \$950,000.00, and a local match of \$190,000.00.

NOW, THEREFORE, BE IT RESOLVED, That the Town of Valdese does hereby authorize and commit to the Massel Avenue Sidewalk Project Application, and will commit \$190,000.00 as cash match for the Massel Avenue Sidewalk Project.

Adopted this _____ day of _____, 2025

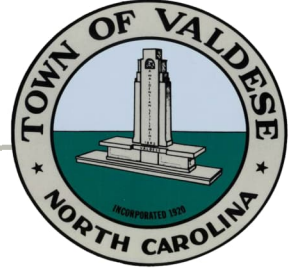
By: _____
Charles Watts, Mayor

Attest:

Clerk, Town of Valdese

Town of Valdese

AGENDA MEMO



Resolution Ordinance Contract Discussion Information Only

To: Valdese Town Council

From: Bo Weichel, Assistant Town Manager / CFO

Subject: Valdese Community Center - Pool Structure project

Meeting: June 2, 2025

Presenter: Bo Weichel, Assistant Town Manager / CFO

ITEM OF INTEREST:

Amend project budget

BACKGROUND INFORMATION:

In response to the pool AP Grant scope being amended to cover the Yeadon dome structure, this amendment decreases the General Fund reserves contribution to the project.

BUDGET IMPACT:

Decrease transfer from General Fund and increase Grant revenue by \$500,000.

RECOMMENDATION / OPTIONS:

Recommend approval of project budget amendment.

LIST OF ATTACHMENTS:

Capital Project Ordinance Amendment #2-31

Capital Project Ordinance Amendment # 2-31

Subject: Pool Structure

Description: This amendment updates the project budget to account revenue from the awarded AP grant for the pool dome and ADA work

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
31.3970.000	Transfer from General Fund	500,000	
31.3970.001	NC Grant		500,000
31.3970.002	Private Donor Grant Match		
31.3970.003	Capital Campaign		
Total		\$500,000	\$500,000

Amounts appropriated for capital projects are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
Total		\$0	\$0

Section II:

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

**RESOLUTION OF THE TOWN OF VALDESE COUNCIL –
REGARDING 2025 ELECTION**

WHEREAS, Article III, Division I of the Charter and Other Related Laws of the Town of Valdese governs the election process for the mayor and members of the council; and

WHEREAS, the mayor and members of council are also governed by a Code of Ethics, adopted October 4, 2010, which provides, in part, that the “stability and proper operation of democratic representative government depend upon public confidence in the integrity of the government and upon responsible exercise of the trust conferred by the people upon their elected officials”; and

WHEREAS, the mayor and members of council, fully appreciating their duties and obligations to the Town of Valdese as elected officials, and desiring to formalize their commitment to engage in a campaign that encourages public confidence, desire to adopt this resolution in connection with the 2025 election.

NOW, THEREFORE, BE IT RESOLVED by the Town Council that, as elected officials, the mayor and members of council commit to participate and engage in the 2025 election in a manner that instills public confidence in the integrity of the government and the responsible exercise of the trust conferred by the people upon their elected officials and, in doing so, will strictly adhere to the principles established in the Code of Ethics and expect the town manager to enforce the adopted personnel policy. This resolution is not intended to and shall not infringe upon the First Amendment rights of the mayor and/or members of council or their ability to campaign for themselves and/or others when not carrying out their official duties.

ADOPTED this _____ day of _____, 2025.

ATTEST: [SEAL] THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

By: Jessica Lail, Town Clerk

Ward 1

By: Mayor Charles Watts

Ward 2

By: Councilman Glenn Harvey

Ward 3

By: Councilwoman Melinda Zimmerman

Ward 4

By: Councilwoman Rexanna Lowman

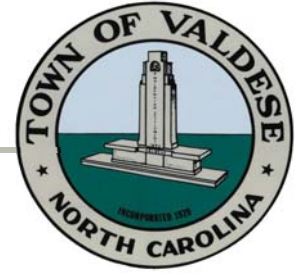
Ward 5

By: Councilman Gary Ogle

By: Councilwoman Heather Ward

Town of Valdese

AGENDA MEMO



Resolution Ordinance Contract Discussion Information Only

To: Valdese Town Council

From: Todd Herms, Town Manager

Subject: Appointment to Boards/Commissions/Committees

Meeting: June 2, 2025

Presenter: Todd Herms

ITEM OF INTEREST:

Appointments/Reappointments to Burke Development Inc.(BDI) and Valdese Economic Development Corporation (VEDIC)

BACKGROUND INFORMATION:

i. VEDIC - VEDIC is a non-profit corporation organized by the Town of Valdese, to assist the the County and surrounding counties in the promotion, stimulation, development and advancement of business property and economic welfare.

According to the VEDIC bylaws, the Valdese Town Manager serves as an ex-officio voting member of the Board of Directors. In addition, the Valdese Town Council appoints seven other directors to serve staggered three-year terms. The VEDIC Nominating Committee has recommended the reappointment of Lily Laramie and Donna Zamora to a new three-year term. They have also requested the the appointment of Kylie Gera to a three-year term and Bo Weichel to fill an unexpired one-year term of Suzanne Wallace.

ii. BDI - BDI works to meet the needs of prospective companies and to facilitate expansion and growth plans for existing business in Burke County. The Valdese Town Manager serves as a member of its Board of Directors.

BUDGET IMPACT:

N/A

RECOMMENDATION / OPTIONS:

- i. VEDIC - Appoint Town Manager Todd Herms to the Board of Directors. Reappoint Lily Laramie and Donna Zamora, and appoint Kylie Gera for three-year terms. Appoint Bo Weichel to fill an unexpired one-year term.
- ii. BDI - Appoint Town Manager Todd Herms to the BDI Board.



LIST OF ATTACHMENTS:

List of Appointments and Reappointment nominees.
VEDIC Bylaws

TOWN OF VALDESE

Application for Appointment to Boards and Committees



Boards and Committees:

1st Choice: VEDIC

2nd Choice:

Information About Me:

Full Name: Lily Laramie

Age: 27

Marital Status: Not Married

Name of Spouse: N/A

Current Address: 1344 Murphy Pl. Lenoir, NC 28645

Phone Number: 828.750.4072

Email: llaramie@wpcc.edu

If Resident of Valdese, Ward N/A

How many years: N/A

If owner or manager of Valdese property or business, please describe:

N/A

Education and Employment:

Highest Level of Education: MBA

Employer: WPCC

Occupation SBC Director

Business Address: 301 W Meeting St.

Business Phone: 828.750.4072

Other Organizations: N/A

Return to: Town of Valdese – Town Hall
Attn: Clerk to the Board
P.O. Box 339
Valdese, NC 28690
Email: jlail@valdesenc.gov

Public Records Statement:

Agreement to the Public Records Statement and a Digital Signature are required to submit your application.

I understand that any information submitted becomes a public record, is NOT confidential, and is subject to North Carolina Public Records Law. This information will be used by the Town Council in making appointments to boards and committees, and it may be used as news release information to identify you to the community.

Upon appointment to serve as a board or committee representative, I understand that I must be impartial and responsible to the board or committee on which I serve. Any board or committee representative's conduct deemed unacceptable by Town Council may result in the dismissal of the representative. I agree to this policy.

Signature: I certify that the facts contained in this application are true and correct to the best of my knowledge. I understand that nonattendance, without good cause, of meetings of the board or committee on which I serve may be grounds for dismissal by Town Council.

Lily Laramie
Signature

5.19.2025
Date

From: [Kerri Poteat](#)
To: [Lail, Jessica](#)
Subject: Donna's Application
Date: Wednesday, May 28, 2025 10:34:21 AM

TOWN OF VALDESE
Application for Appointment to Boards and Committees



Boards and Committees:
1st Choice:
2nd Choice:

Information About Me:
Full Name: DONNA ZAMORA Age: 44
Marital Status: MARRIED Name of Spouse: ROGELIO ZAMORA
Current Address: 509 21ST AVE NE HICKORY NC 28601
Phone Number: 8283908078 Email: dzamora5381@yahoo.com
If Resident of Valdese, Ward ____: How many years:
If owner or manager of Valdese property or business, please describe:
Los Compadres Mexican Restaurant

Education and Employment:
Highest Level of Education: Some College
Employer: Self Employed, multiple Occupation Business Owner
Business Address: 509 21st Ave NE Hky Business Phone: 8283908078
Other Organizations:

Return to: Town of Valdese – Town Hall
Attn: Clerk to the Board
P.O. Box 339
Valdese, NC 28690
Email: jlail@valdesenc.gov

Public Records Statement:
Agreement to the Public Records Statement and a Digital Signature are required to submit your application.
I understand that any information submitted becomes a public record, is NOT confidential, and is subject to North Carolina Public Records Law. This information will be used by the Town Council in making appointments to boards and committees, and it may be used as news release information to identify you to the community.
Upon appointment to serve as a board or committee representative, I understand that I must be impartial and responsible to the board or committee on which I serve. Any board or committee representative's conduct deemed unacceptable by Town Council may result in the dismissal of the representative. I agree to this policy.
Signature: I certify that the facts contained in this application are true and correct to the best of my knowledge. I understand that nonattendance, without good cause, of meetings of the board or committee on which I serve may be grounds for dismissal by Town Council.

Signature _____ Date 5/28/25

Kerri Poteat
Executive Director
VEDIC
P: [828-874-6731](tel:828-874-6731)
PO Box 1225
Valdese, NC 28690

TOWN OF VALDESE

Application for Appointment to Boards and Committees



Boards and Committees:

1st Choice: Valdese Economic Development Investment Corp. (VEDIC)

2nd Choice:

Information About Me:

Full Name: Kylie Ellen Gera

Age: 34

Marital Status: Married

Name of Spouse: Colton Gera

Current Address: 123 Philip Avenue Northeast, Valdese, NC

Phone Number: 828-201-7561

Email: coltonandkylie@gmail.com

If Resident of Valdese, Ward 1:

How many years: 20

If owner or manager of Valdese property or business, please describe:

Homeowner

Education and Employment:

Highest Level of Education: Bachelors Degree

Employer: Unemployed

Occupation Homemaker

Business Address: N/A

Business Phone: N/A

Other Organizations: Previous VEDIC employee

Return to: Town of Valdese – Town Hall

Attn: Clerk to the Board

P.O. Box 339

Valdese, NC 28690

Email: jlail@valdesenc.gov

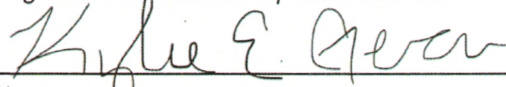
Public Records Statement:

Agreement to the Public Records Statement and a Digital Signature are required to submit your application.

I understand that any information submitted becomes a public record, is NOT confidential, and is subject to North Carolina Public Records Law. This information will be used by the Town Council in making appointments to boards and committees, and it may be used as news release information to identify you to the community.

Upon appointment to serve as a board or committee representative, I understand that I must be impartial and responsible to the board or committee on which I serve. Any board or committee representative's conduct deemed unacceptable by Town Council may result in the dismissal of the representative. I agree to this policy.

Signature: I certify that the facts contained in this application are true and correct to the best of my knowledge. I understand that nonattendance, without good cause, of meetings of the board or committee on which I serve may be grounds for dismissal by Town Council.



Signature

05/28/2025

Date

BYLAWS
OF
VALDESE ECONOMIC DEVELOPMENT
INVESTMENT CORPORATION

ARTICLE I
OFFICE

SECTION 1.1 PRINCIPAL OFFICE. The principal office of the Corporation shall be located at such place as the Board of Directors may fix from time to time.

SECTION 1.2 REGISTERED OFFICE. The registered office required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

SECTION 1.3 OTHER OFFICES. The Corporation may have offices at such other places as the Board of Directors may designate or as the affairs of the Corporation may require from time to time.

ARTICLE II
MEMBERSHIP

SECTION 2.1 MEMBERS. The Corporation shall have no members.

ARTICLE III
BOARD OF DIRECTORS

SECTION 3.1 MANAGEMENT OF THE CORPORATION. The property, affairs and business of the Corporation shall be managed by the Board of Directors.

SECTION 3.2 NUMBER AND TENURE. The Corporation shall be governed by a Board of Directors consisting of twenty-two (22) members. The following nonprofit corporations and governmental entities shall appoint fourteen (14) of the directors:

1. Town of Connelly Springs. The Connelly Springs Town Council shall appoint a representative to represent the Town of Connelly Springs.
2. Town of Hildebran. The Hildebran Town Council shall appoint a representative to represent the Town of Hildebran.
3. Burke County. The Burke County Commissioners shall appoint two (2) representatives to represent Burke County.
4. City of Morganton. The Morganton City Council shall appoint a representative to represent the City of Morganton.

5. Burke County Travel and Tourism Authority. The Burke County Travel and Tourism Authority shall appoint a representative to represent the Burke County Travel and Tourism Authority.
6. Town of Rutherford College. The Rutherford College Town Council shall appoint a representative to represent the Town of Rutherford College.
7. Town of Drexel. The Drexel Town Council shall appoint a representative to represent the Town of Drexel.
8. Town of Glen Alpine. The Glen Alpine Town Council shall appoint a representative to represent the Town of Glen Alpine.
9. Town of Longview. The Longview Town Council shall appoint a representative to represent the Town of Longview.
10. Town of Rhodhiss. The Rhodhiss Town Council shall appoint a representative to represent the Town of Rhodhiss.
11. Burke County Chamber of Commerce. The Burke County Chamber of Commerce shall appoint a representative to represent the Burke County Chamber of Commerce.
12. An at large representative appointed by BDI.
13. An at large representative appointed by Western Piedmont Council of Governments.

Each of these fourteen (14) directors shall serve until such time as a replacement for that director is appointed by the governmental entity or nonprofit corporation that director represents and is qualified.

The Town Manager of the Town of Valdese shall be an ex-officio voting member of the Board of Directors. The other seven (7) directors shall be appointed by the Valdese Town Council, and they shall serve three-year staggered terms. The term of three (3) of these directors shall begin July 1, 2012; the term of three (3) of these directors shall begin July 1, 2013; and the term of two (2) of these directors shall begin July 1, 2014. Thereafter, prior to each July 1, the same number of directors whose terms are expiring shall be appointed by the Valdese Town Council. The seven (7) directors appointed by the Valdese Town Council may serve three (3) consecutive three-year terms, after which the director must be off of the board for at least one (1) year before being eligible to serve again.

SECTION 3.3 RESIGNATION. Any director, other than the Town Manager, may resign at any time by giving notice thereof in writing to the Chairman or Secretary of the corporation. Such resignation shall take effect at the time specified therein, or if no time is specified, at the time such resignation is received by the Chairman or Secretary.

SECTION 3.4 VACANCIES. In the event of a vacancy in the members of the Board of Directors appointed by the Town Council, the remaining directors shall continue to act and such vacancy shall be filled by appointment of a successor by the Town Council of the Town of Valdese. In the event of a vacancy in the members of the Board of Directors appointed by the nonprofit corporations and governmental entities, the remaining directors shall continue to act and such vacancy shall be filled by a successor appointed by the nonprofit corporations and governmental entities as provided in Section 3.2. Any director appointed by the Town Council of the Town of Valdese for the unexpired three-year term of one of the directors the Town Council appoints shall hold office for the unexpired portion of the term of the person who the newly appointed director succeeds, or until he shall resign or shall become disqualified.

SECTION 3.5 COMPENSATION. Directors and officers of the Corporation shall not receive any salary or fee for services rendered to the Corporation as a director or officer, but shall be entitled to reimbursement for reasonable expenses incurred by them on behalf of the Corporation subject to approval of the Chairman or of the Treasurer in the case of expenses incurred by the Chairman; but nothing herein shall be construed to preclude a director from serving the Corporation in any other capacity and receiving reasonable compensation therefore, subject to the approval of the Board of Directors.

SECTION 3.6 DUTIES. Each director shall discharge his duties as a director, including his duties as a member of a committee, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the director reasonably believes to be in the best interest of the Corporation.

ARTICLE IV MEETINGS OF THE BOARD OF DIRECTORS

SECTION 4.1 PLACE. The Board of Directors may hold meetings, both regular and special, at such place as the Board of Directors shall determine.

SECTION 4.2 REGULAR MEETINGS. Regular meetings shall be conducted at prearranged times and places for the conducting of the business of the Corporation as established by the Board of Directors. The Board of Directors shall hold a regular meeting at least once each quarter.

SECTION 4.3 ANNUAL MEETING. The Board of Directors meeting for the election of officers and the transaction of any other business shall be held during the month of July.

SECTION 4.4 SPECIAL MEETINGS. Special meetings may be called by the Chairman on at least one days' notice to each director; and special meeting shall be called by the Chairman in like manner and on like notice if requested in writing by two or more directors.

SECTION 4.5 QUORUM AND VOTING. At all meetings of the Board of Directors, a majority of the entire board shall constitute a quorum for the transaction of the business, and a vote of the majority of the directors present and voting in person shall be the act of the Board of Directors, except where the Articles of Incorporation, these Bylaws or North Carolina law

requires a greater vote. For all votes from the Loan Review Committee established under Section 6.4, a majority of that advisory committee shall constitute a quorum and a majority of the members of that committee present and voting in person or via email shall be the act of the Loan Review Committee.

SECTION 4.6 MEETING BY TELEPHONE. Any member of the Board of Directors or a committee may participate in a meeting of the Board of Directors or a committee meeting by means of a conference telephone or similar communications device which allows all persons participating in the meeting to hear each other, and such participation in a meeting shall be deemed to constitute presence in person at such meeting.

SECTION 4.7 CONSENT. Whenever a vote of directors is required or permitted to be taken in connection with any action, the meeting of directors may be dispensed with, but only if all of the directors consent in writing to such action being taken.

SECTION 4.8 REMOVAL. The Board of Directors may remove any director, other than the Town Manager of the Town of Valdese, who is absent from three (3) consecutive scheduled meetings or who is absent from more than 50% of the board meetings during any fiscal year.

ARTICLE V OFFICERS

SECTION 5.1 OFFICERS. The officers of the Corporation shall be a Chairman, a Vice Chairman, a Secretary and a Treasurer. All of the officers shall be elected from the membership of the Board of Directors.

SECTION 5.2 ELECTION. Each officer shall be elected by the Board of Directors at its organizational meeting and thereafter at its annual meeting and shall hold office until the annual meeting of the Board of Directors held next after his election or until his death or until he shall resign or shall have been disqualified or shall have been removed from office.

SECTION 5.3 REMOVAL. Any officer may be removed by a majority vote of all directors at a special meeting called for that purpose whenever in their judgment the officer's removal will be in the best interest of the Corporation.

SECTION 5.4 ADDITIONAL OFFICERS. The Board of Directors may create and elect from time to time such additional officers as in its opinion are desirable for the conduct of the business of the Corporation.

SECTION 5.5 VACANCIES. If an office becomes vacant for any reason, the Board of Directors shall fill such vacancy. Any officer so elected by the Board of Directors shall fill the unexpired term of his predecessor.

SECTION 5.6 CHAIRMAN. The Chairman shall preside at all meetings of the Board of Directors and the Executive Committee at which he may be present. The Chairman shall do and

perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 5.7 VICE CHAIRMAN. At the request of the Chairman, or in his absence or disability, the Vice Chairman shall perform all of the duties of the Chairman and when so acting, shall have all powers of and be subject to all restrictions upon the Chairman. The Vice Chairman shall perform such other duties and have such authority as from time to time may be assigned to him by the Board of Directors.

SECTION 5.8 SECRETARY. The Secretary shall keep the minutes of the meetings of the Board of Directors and shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law. The Secretary shall be the custodian of the records, books, reports, statements, and other documents of the Corporation and seal of the Corporation, and see that the seal is affixed to all documents requiring such seal. In general, the Secretary shall perform all duties and possess all authority incident to the office of secretary, and he shall perform such other duties and have such other authority as from time to time may be assigned to him by the Board of Directors.

SECTION 5.9 TREASURER. The Treasurer shall have supervision over the funds, securities, receipts, and disbursements of the Corporation. The Treasurer shall in general perform all duties and have all authority incident to the office of treasurer and shall perform such other duties and have such other authority as from time to time may be assigned or granted to him by the Board of Directors.

SECTION 5.10 EXECUTIVE DIRECTOR. The Executive Director will manage all day to day duties associated with VEDIC in accordance with the policies and procedures and bylaws, as approved by the VEDIC Board of Directors. He or she will perform a broad variety of tasks including, but not limited to, managing the process for all loan application requests, meeting with the borrower to analyze organization and proposed project and compilation of all needed loan documents, underwrite and present to the Loan Review Committee, coordinate legal services and attend loan closings, sign loan documents on behalf of the Board of Directors, provide and oversee technical assistance, board operations, maintain records and correspondence, fund development and management, marketing, grant applications, budget officer and manage other VEDIC employees. He or she will be responsible for representing the organization in its lending and helps to set strategic direction in lending based on overall loan portfolio. The Executive Director serves at the pleasure of the Board of Directors. In the absence of the Executive Director, such duties will be given to the Chairman.

SECTION 5.11 DUTIES OF OFFICERS MAY BE DELEGATED. In the case of the absence of any officer of the Corporation or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the power or duties of such officer to any other officer or to any director for such period of time as the Board of Directors may determine.

ARTICLE VI COMMITTEES

SECTION 6.1 STANDING COMMITTEES. The Board of Directors shall have the following standing committees: Executive Committee, Nominating Committee and the Loan Review Committee.

SECTION 6.2 COMPOSITION, DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE. The Chairman shall serve as the Chairman of the Executive Committee. The Executive Committee shall consist of the officers of the Corporation and such others as may be designated by the Chairman and approved by the Board of Directors. The duties of the Executive Committee are to advise the Chairman, Executive Director and the Board of Directors on Corporation business, review and recommend loan and grant applications and perform such other duties as may be assigned by the Board of Directors.

SECTION 6.3 COMPOSITION, DUTIES AND RESPONSIBILITIES OF THE NOMINATING COMMITTEE. The Nominating Committee shall consist of at least three (3) directors and such other persons, who need not be directors, appointed by the Chairman. The duties of the Nominating Committee are to seek out and recommend qualified individuals to serve as directors of the Corporation. The names of potential directors shall be submitted by the Nominating Committee to the Board of Directors, and the Board of Directors shall recommend individuals, who need not be persons nominated by the Nominating Committee, to the Town Council for its consideration and approval as directors of the Corporation.

SECTION 6.4 COMPOSITION, DUTIES AND RESPONSIBILITIES OF THE LOAN REVIEW COMMITTEE. The Loan Review Committee shall consist of at least five (5) members recommended by the Executive Director and appointed by the Board of Directors. The Loan Review Committee shall make recommendations as to whether to deny or approve all loan applications for which only businesses located within the VEDIC service area are eligible. See VEDIC work plan for service area details. The Board of Directors shall review and vote on such recommendations made by the Loan Review Committee.

SECTION 6.5 SPECIAL COMMITTEES. The Board of Directors may from time to time organize such other committees or advisory committees as it deems necessary to carry out the objectives of the Corporation.

SECTION 6.6 CHAIRMAN OF COMMITTEES. The Chairman shall act as Chairman of the Executive Committee. The Loan Review Committee shall elect the chairman of that committee. The Chairman shall appoint all other committee chairmen.

ARTICLE VII NOTICES

SECTION 7.1 FORM/DELIVERY. Notices to directors shall be in writing and may be delivered personally or by mail or electronic media to the director's address appearing on the records of the corporation.

SECTION 7.2 WAIVER. Whenever a notice is required to be given by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to such notice.

ARTICLE VIII
CONTRACTS, LOANS, CHECK, DRAFTS, ETC.

SECTION 8.1 CONTRACTS. The Board of Directors may authorize any officer or officers or agent or agents to enter into any contract or to execute or deliver any instruments on behalf of the Corporation, and such authority may be general or confined to specific instances. Any contract or other action that will or may result in the expenditure of more than \$10,000 of Corporation funds must be approved by the Board of Directors.

SECTION 8.2 LOANS. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name, unless and except as authorized by the Board of Directors. Any officer or agent of the Corporation so authorized may effect loans or advances for the Corporation and for such loans and advances may make, execute, and deliver promissory notes, bonds, or other evidences of indebtedness of the Corporation. Any such officer or agent, when thereunto so authorized, may mortgage, pledge, hypothecate, or transfer as security for the payment of any and all loans, advances, indebtedness, and liabilities of the Corporation any real property and all stocks, bonds, other securities, and other personal property at any time held by the Corporation, and to that end, may endorse, assign, and deliver the same, and do every act and thing necessary or proper in connection therewith. Such authority may be general or confined to specific instances. Any borrowing of an amount in excess of \$10,000 must be approved by the Board of Directors.

SECTION 8.3 DEPOSITS. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks or trust companies or with such bankers or other depositories as the Board of Directors may select, or as may be selected by any officer or officers or agent or agents of the Corporation to whom such power may from time to time be given by the Board of Directors.

SECTION 8.4 CHECKS, DRAFTS, ETC. All notes, drafts, acceptances, checks and endorsements or other evidences of indebtedness shall be signed by the Chairman or a Vice Chairman and by the Secretary or the Treasurer, or in such other manner as the Board of Directors may from time to time determine. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositories will be made by the Chairman or Treasurer or by any officer or agent who may be designated by resolution of the Board of Directors in such manner as such resolution may provide.

SECTION 8.5 GIFTS. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for the any special purpose of the Corporation.

SECTION 8.6 CONFLICT OF INTEREST. No board member may vote or speak to an item that they or an immediate family member may financially benefit from. Immediate family member includes: spouse, children and parents.

ARTICLE IX
GENERAL PROVISIONS.

SECTION 9.1 PURPOSES. This Corporation is organized to assist the Town of Valdese in the promotion, stimulation, development and advancement of the business prosperity and economic welfare of the Town and its citizens; to encourage and assist in any lawful manner the location of new business and industry in the Town; to assist existing business and industry in the Town; and to cooperate and act in conjunction with other organizations, public and private, in the promotion and advancement of industrial, commercial, and recreational developments in the Town. Because a strong county-wide and regional economy is essential to the economic well-being of the citizens of Valdese and the surrounding counties, the Corporation is authorized to seek funding for and establish loan and grant programs to increase the business activity in the entirety of Burke County and the surrounding counties. The Corporation is also authorized to seek funding for and establish loan and grant programs serving such other North Carolina counties as the Board of Directors determines to be in the best interest of the Corporation.

SECTION 9.2 DISSOLUTION. The Corporation may be dissolved only by a two-thirds (2/3) vote of all of the members Board of Directors of the Corporation. Upon dissolution of the Corporation, the remainder of the Corporation's assets, after all liabilities and obligations of the Corporation have been paid and discharged, or adequate provisions made therefore, shall be distributed to the Town of Valdese.

SECTION 9.3 LIMITATION ON LIABILITY. No officers, director, or employee shall be liable for his actions acting in such capacity, which actions are taken in good faith, provided that such officers, directors, or employees, may be liable for gross negligence or willful misconduct. The Corporation agrees to indemnify its officers, directors, and employees for any expenses, claims, or liabilities, suffered by or against any of such persons acting in their respective capacities as officers, directors, or employees of the Corporation, to the extent permissible by law. Such indemnification shall not apply to the extent that such actions of the officers, directors, or employees constitute gross negligence or willful misconduct.

SECTION 9.4 CORPORATE SEAL. The corporate seal shall be in such form as shall be approved from time to time by the Board of Directors.

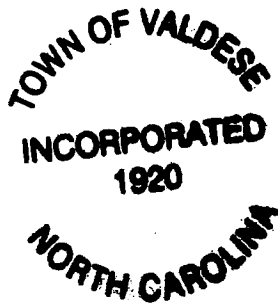
SECTION 9.5 FISCAL YEAR. The fiscal year of the Corporation shall be from July 1 to June 30.

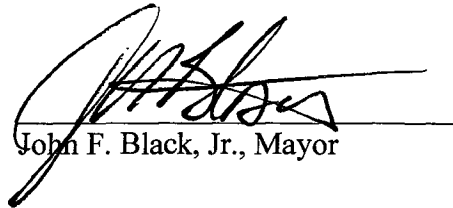
SECTION 9.6 AMENDMENT TO BYLAWS. These Bylaws may be amended or repealed and new bylaws may be adopted by affirmative vote of a majority of the directors then holding office at any meeting of the Board of Directors; however, notice of the proposed action and text of the proposed bylaw amendment must be provided to the directors at least five (5) days before the meeting at which action on the proposed amendment is to be taken or such notice

must have been waived by all of the directors; and provided further that the bylaws relating to the appointment and tenure of the directors appointed by the Valdese Town Council and the bylaws relating to the composition, duties and responsibilities of the Loan Review Committee as provided in Section 6.4 shall not be amended without the prior written consent of the Valdese Town Council.

SECTION 9.7 GENDER. As used in these Bylaws, the masculine gender shall be deemed to include the feminine and feminine the masculine.

THIS THE 6th DAY OF MAY, 2019.




John F. Black, Jr., Mayor

Town of Valdese AGENDA MEMO



Resolution Ordinance Contract Discussion Information Only

To: Valdese Town Council
From: Wm. Todd Herms, Town Manager
Subject: Pilot Program for Saturday Operations at the Old Rock School
Meeting: June 2, 2025 Councilmeeting
Presenter: Wm. Todd Herms, Town Manager

ITEM OF INTEREST:

Recommendation Regarding Saturday Hours at the Old Rock School

BACKGROUND INFORMATION:

At the May 12th Council meeting, I was asked to return with a recommendation regarding the feasibility of opening the Old Rock School main office on Saturdays. Upon reviewing past operations, I found that in 2023 the Old Rock School was open 44 out of 52 Saturdays (84.6%). In 2024, that number dropped to 29 Saturdays (55.8%), likely due to the ongoing renovation project. Therefore, the Old Rock School is open the majority of Saturdays already.

Currently, when events are scheduled in the upstairs auditorium, the Rock School Art Galleries are opened to the public. However, due to staffing limitations, the sole employee on duty is typically engaged in other work-related tasks (e.g., managing the sound booth, event setup, etc.), and is not stationed in the main office. While security cameras are in place for monitoring purposes, a consistent physical presence is lacking.

Attractions Operating on Saturdays:

- Waldensian Heritage Museum – Saturdays, May– October, 1:00 PM– 4:00 PM
- Rock School Art Galleries – By appointment; open during auditorium events when exhibits are on display
- Trail of Faith – Saturdays, March– December, 9:00 AM– 5:00 PM
- Piedmont & Western Railroad Museum – By appointment; open for special events

BUDGET IMPACT:

The Pilot Program can be done with little to no impact on the budget.

RECOMMENDATION / OPTIONS:

I propose implementing a pilot program beginning after the start of the new fiscal year. Under this program, the main office at the Old Rock School would be staffed every Saturday from 10:00 AM to 2:00 PM for a trial period of four months (July– October 2025).

LIST OF ATTACHMENTS:

Detailed memo to the Mayor and Council.



TO: Mayor and Town Council
FROM: Wm. Todd Herms, Town Manager
DATE: May 20, 2025
SUBJECT: Recommendation Regarding Saturday Hours at the Old Rock School

I propose implementing a pilot program beginning after the start of the new fiscal year. Under this program, the main office at the Old Rock School would be staffed every Saturday from 10:00 AM to 2:00 PM for a trial period of four months (July–October 2025). During this time, the working staff member will collect visitor data to determine interest and usage.

Following the pilot period, staff will present the findings to Council with a recommendation to either:

- Continue the program as is,
- Adjust the hours or staffing model,
- Or discontinue Saturday office operations.

To support this initiative, I recommend partnering with the Recreation Department for staffing. This department already has a pool of part-time employees who:

- Are a known and trusted resource,
- Can be entrusted with building keys and unsupervised access,
- Help supplement the Old Rock School's current limited part-time workforce.

It's critical that when involving part-time staff, the town adheres to North Carolina General Statute 128-21.18(a) and the guidelines for Local Government Employees Retirement System (LGERS) membership.

I believe this proposed pilot aligns with the Council's intent to evaluate and improve accessibility and engagement at the Old Rock School. If approved, staff will begin developing an implementation plan targeting a launch date of Saturday, July 12, 2025.

Sincerely,

Wm. Todd Herms
Valdeese Town Manager