

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

Monday, June 23, 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**
- 3. Pledge of Allegiance**
- 4. Informational Items**

A. Reading Material – No materials were submitted for this meeting.

5. Open Forum/Public Comment

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 Agenda Review Meeting Minutes of May 27, 2025

B. Approval of Closed Session Minutes of May 27, 2025

C. Approval of Regular Meeting Minutes of June 2, 2025

7. New Business

A. Budget Status/Updates *(Presented by Bo Weichel)*

i. Projected FY25 General Fund Balance:

Estimated June 30, 2025, year-end General Fund balance as a dollar amount and percentage of the FY26 budget.

ii. Public Safety Fund Update:

Current balance, including pending proceeds from the approved sale of 800 Pineburr Avenue.

iii. Street Resurfacing Funds Overview:

Total available funds and allocation in the FY26 budget.

iv. Pending Grants Overview – \$2.25 Million:

Status update and expected cash flow/reimbursement timelines.

- o \$500,000 Grant – Rec Center ADA Upgrades & Pool Dome:
Project scope and grant status update.

- o \$800,000 ARPA Grant – Lovelady Road Sewer Extension:
Update on project and funding timeline.

- \$950,000 TIPP/LAPP Grant – Massel Avenue Sidewalk:
Status update ahead of June 25 MPO/TAC final approval.

- B. Pool Cover Capital Fund Drive Launch (*Council Discussion*)
- C. FY 2025-2026 Budget Public Hearing & Ordinance Adoption
 - 1. Adoption of FY 2025-2026 Fee Schedules
 - 2. Adoption of FY 2025-2026 General Fund Capital Improvement Plan
 - 3. Adoption of FY 2025-2026 Utility Capital Improvements Plan
 - 4. Adoption of Budget Ordinance
- D. Approval of Agreement with WPCOG for Planning Assistance (*Presented by Bo Weichel*)
- E. Approval of Agreement with WPCOG for Assistance in Supporting the Western Piedmont Stormwater Partnership (*Presented by Bo Weichel*)
- F. Approval of Agreement with First Tryon Financial Advisors (*Presented by Bo Weichel*)
- G. Approval of Resolutions to Apply for Supplemental Helene Funding Though DWI (*Presented by Bo Weichel*)
 - i. Water
 - ii. Wastewater

8. Town Manager's Report

- A. D.R. Reynolds Design-Build Contract Status
- B. Family Friday Nights Summer Concert Series continues each Friday on Temple Field from 7:00 p.m. – 10:00 p.m. until August 29, 2025
- C. Valdese Independence Day Celebration, Friday, July 4, 2025, 6:00 p.m., Main Street, see full event schedule at visitvaldese.com.
- D. Old Colony Players presents the Historic Outdoor Drama From This Day Forward July 11 - August 9, Fred B. Cranford Amphitheatre - Fridays & Saturdays 8:00 p.m.
- E. Next Agenda Review Council meeting is scheduled for Monday, July 28, 2025, 6:00 p.m., Council Chambers, Valdese Town Hall
- F. Next Regular Council meeting scheduled for Monday, August 4, 2025, 6:00 p.m., Council Chambers, Valdese Town Hall

9. Mayor and Council Comments

- 10. **Closed Session** under NC General Statute 143-318.11(a)(3) to consult with an attorney retained by the Town in order to preserve the attorney-client privilege between the Town attorney and the Town Council, which privilege is hereby acknowledged.

11. 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.

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**TOWN OF VALDESE
TOWN COUNCIL PRE - AGENDA MEETING
MAY 27, 2025**

The Town of Valdese Town Council met on Tuesday, May 27, 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 Heather Ward, Councilwoman Rexanna Lowman, 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:

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.

REVIEW AND DISCUSSION OF JUNE 2, 2025, PRELIMINARY AGENDA:

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

APPROVAL OF BUDGET REVIEW #1 MINUTES OF APRIL 15 & 16, 2025

APPROVAL OF SPECIAL CALLED MEETING MINUTES OF APRIL 25, 2025

APPROVAL OF CLOSED SESSION MINUTES OF APRIL 25, 2025

APPROVAL OF AGENDA REVIEW MEETING MINUTES OF APRIL 28, 2025

APPROVAL OF CLOSED SESSION MINUTES OF APRIL 28, 2025

APPROVAL OF REGULAR MEETING MINUTES OF MAY 5, 2025

APPROVAL OF BUDGET REVIEW #2 MEETING MINUTES OF MAY 12, 2025

APPROVAL OF COUNCIL CONTRACTORS MEETING MINUTES OF MAY 22, 2025

APPROVAL OF VALDESE ABC BOARD TRAVEL POLICY

NEW BUSINESS:

PRESENTATION OF 2024 NORTH CAROLINA DEPARTMENT OF LABOR SAFETY AWARDS Mr. Weichel noted that the Town receives this annual award from the Department of Labor. He added that during the regular meeting, he will briefly go through each department.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

FY 25-26 PROPOSED BUDGET AND SCHEDULING OF PUBLIC HEARING FOR MONDAY, JUNE 23, 2025 Mr. Weichel stated that the FY 2025-2026 proposed budget will be included in the full agenda packet, along with the Manager's Budget Message, for Council's consideration at the June 2nd meeting. At that meeting, Council will also schedule a public hearing for Monday, June 23, 2025, at which time the budget is expected to be adopted.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

APPROVAL OF LEASE AGREEMENT AT THE OLD ROCK SCHOOL WITH DREAM CONNECTIONS Mr. Weichel said this is an annual lease agreement renewal with Dream Connections for space at the Old Rock School. The 12-month lease, running from July 2025 through June 2026, is for \$1,100 per month.

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RESULT: PLACED ON THE CONSENT AGENDA AT THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

APPROVAL OF RESOLUTION FOR SALE OF TOWN-OWNED PROPERTY - 800 PINEBURR AVE SW

Mr. Weichel reviewed a resolution for the sale of Town-owned property located at 800 Pineburr Avenue SW. Following the upset bid process initiated after the April meeting, the final offer is \$148,378.25—approximately \$14,000 above the tax value of \$134,490—for the nearly 15-acre parcel. The prospective buyer plans to develop townhomes and some single-family homes, all market rate from what he has been told. The sale includes a 90-day due diligence period to allow time for the developer to obtain a special use permit. During this period, the buyer may withdraw. If the sale does not proceed, the property would remain for sale.

RESULT: PLACED ON THE CONSENT AGENDA AT THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

APPROVAL OF RESOLUTION FOR MASSEL AVE SE SIDEWALK PROJECT Mr. Weichel explained that the Town worked with COG staff to submit a LAP funding application by the May 2 deadline, proposing two sidewalk projects—one on Laurel Street SE and one on Massel Avenue SE. The Massel Avenue project is being recommended for award by the Greater Hickory Metropolitan Planning Organization. The project's estimated cost is \$950,000, with a required 20% local match of approximately \$190,000. The resolution commits the Town to provide the matching funds, paid primarily in FY 2027-2028. A capital project ordinance would be established now to ensure funding is in place as the project progresses.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

APPROVAL OF CAPITAL PROJECT ORDINANCE AMENDMENT – POOL STRUCTURE Mr. Weichel reported that the Town has received written confirmation of a \$500,000 AP grant award, for which the project scope was previously amended. This amendment adjusts the project budget to reflect the grant funding, reducing the amount drawn from fund balance from over \$700,000 to approximately \$200,000. The amendment serves as a budgetary correction.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

APPROVAL OF DESIGN-BUILD CONTRACTOR FOR PUBLIC SAFETY BUILDINGS Council discussed concerns about moving forward with selecting a general contractor for the design-build project involving police and fire facilities. Councilman Harvey expressed hesitation due to uncertainty about the usability of the lower level of 215 Main Street, which could eliminate one of the three proposed options. It was clarified that code compliance would depend on the intended use, and modifications may be possible.

Mr. Herms recommended splitting the fire and police projects into separate paths: move forward immediately with the fire station to avoid construction cost increases, while taking more time to explore viable options for the police department. He suggested not limiting police options to the three currently outlined, and emphasized that proceeding on separate tracks would allow one project to continue even if the other hits a delay.

There was also discussion about whether 2,000 sq. ft. of wasted space in the current Town Hall building could be repurposed once the police relocate. Attorney Swanson advised that exploring this would likely require a separate RFQ unless current contract options are exhausted.

The Fire Department's ISO rating was discussed. The current rating is a 3, which is excellent, but that could change if a plan for a new fire station is not in place when the next evaluation occurs. It was noted that business and industrial insurance rates are especially affected by ISO scores.

Council generally agreed that if comfortable with one of the contractors, it would be beneficial to proceed with the fire station planning now while continuing to explore police department options separately.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

REMOVED - CONSIDERATION OF LEGAL REVIEW OF ALL TOWN CONTRACTUAL MATTERS, FROM THE LEASING OF SPACE TO THE VENDING OF FOOD AND BEVERAGES ON TOWN

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PROPERTY Councilman Harvey raised concerns about the lack of standardized contracts for various town property uses, such as leasing space and selling food or alcohol, which could leave the town exposed to liability. He suggested creating a standard contract to address these risks.

Attorney Swanson reported that he and staff are already working on two types of lease agreements—one for short-term (day rentals) and one for long-term tenants. These drafts address liability, insurance, and alcohol permit requirements and will be ready for Council review shortly.

As the issue is already being addressed, Councilman Harvey requested the item be removed from the agenda. Council agreed to remove the item.

RESULT: REMOVED

PRUDENT USE OF TOWN ROLLING STOCK ASSETS Councilman Harvey proposed modifying the personnel policy to prohibit personal use of town vehicles and town-purchased fuel. He expressed concern over the town's financial investment in vehicles and fuel, and cited past practices that allowed some employees to commute in town vehicles, which he believes should be discontinued.

He noted that the issue had been raised with auditors, and while there was initially no concern, subsequent discussion suggested it warranted further review. Councilman Harvey clarified that his concern does not apply to employees on call, such as emergency personnel, but to routine commuting without on-call status.

Discussion followed regarding standard practices in other municipalities and whether take-home vehicles were part of negotiated compensation. Mr. Harvey indicated he would bring a formal motion at the June 2 meeting for Council consideration.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

CONSIDERATION OF RESOLUTION ON CIVILITY AND PROTOCOL FOR THE 2025 MUNICIPAL ELECTION Councilman Harvey introduced a draft resolution, originally suggested by Attorney Swanson, promoting civility and adherence to ethical standards during the upcoming municipal election. He made a minor revision and previously shared the draft with Council but received no feedback. Councilman Harvey emphasized the need to avoid a repeat of the 2023 election, which was widely regarded as divisive and inappropriate due to council and staff involvement. He noted the importance of going on record to assure citizens that the 2025 election will be handled more responsibly. Clarification on campaign signage under the revised UDO was also suggested. The resolution will be included in the June 2 agenda packet.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

CONSIDERATION OF CITIZEN COMMUNICATION Councilman Harvey proposed two initiatives to improve communication with residents:

1. Sending a post-budget letter with water bills to inform citizens about the tax rate, as was done in the previous year.
2. Reinstating a regular monthly written communication from the Town to residents, particularly to reach those not using digital platforms.

He stressed the importance of inclusive communication methods, especially for residents without internet access or bank accounts. He also noted the need to provide written instructions regarding upcoming changes to trash trolley services.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

CONSIDERATION OF RESOLUTION REGARDING APPOINTMENTS TO TOWN BOARDS, PANELS, AND COMMITTEES Mr. Harvey proposed establishing a residency requirement for individuals applying to serve on Town boards or advisory committees. He suggested applicants should either be residents of Valdese or owners/managers of a business located in town. He referenced Morganton's policy, which requires board applicants to be town residents, and noted that while similar requirements apply to the Council and Planning Board, they are not consistent across all committees.

Mr. Harvey expressed concern about individuals with out-of-town addresses serving on Valdese committees and emphasized the importance of prioritizing input from those who reside in or invest in the

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town. Councilwoman Lowman asked what we would do with current non-resident members already appointed. Councilman Harvey suggested they could potentially be grandfathered in.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

APPOINTMENTS TO BOARDS/COMMISSIONS/COMMITTEES

- **Town Board Discussion**
- **Non-Town Board Appointments**
 - i. **VEDIC – Town Manager and other Appointments/Reappointments**
 - ii. **BDI – Town Manager Appointment**

Mr. Herms explained that as the new Town Manager, he must be formally appointed to certain boards that he is automatically deemed to serve on. He also noted that some reappointments are required, including to a regional board VEDIC, which has specific membership requirements based on its charter.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

CONSIDERATION OF POLICY GUIDELINES FOR CITIZENS AND PUBLIC ACCESS TO COMMUNITY CENTER FACILITIES DISCUSSION

Mr. Herms presented a proposed four-month pilot program to expand public access to the Old Rock School on Saturdays from 10 a.m. to 2 p.m. The program aims to collect data and assess community needs. It will utilize part-time staff from the Recreation Department to avoid additional onboarding or background checks. The short duration ensures compliance with state limitations on part-time employee hours.

Council members discussed procedural details, seeking clarification on whether the original motion had been tabled or postponed. Attorney Swanson will review the meeting and provide guidance on the correct parliamentary procedure and next steps.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

STATUS OF ONGOING OR APPROVED PROJECTS Town Manager Todd Herms will report at the June 2, 2025 meeting.

- i. **Public Safety Buildings Update**
- ii. **Water Plant Upgrade Project/Lenoir Interconnect Project**
- iii. **Recreation Center ADA and Pool Cover**

Councilman Harvey noted that we were supposed to look at the Valdese Bluff's Sewer Line but it was not included in this agenda. Mr. Weichel said that we are awaiting approval from the Division of Water Infrastructure (DWI), the granting agency, before proceeding. The Town is seeking permission to move forward with a partial scope of the project. Because it is a reimbursement grant, no action will be taken without DWI's approval. An update is expected by the June 23 meeting.

RESULT: MOVED WITHOUT OBJECTION TO THE NEXT MEETING ON JUNE 2, 2025, AT 6:00 P.M.

TOWN MANAGER'S REPORT Town Manager Todd Herms will report at the June 2, 2025 meeting.

CLOSED SESSION: At 6:49 p.m., Councilwoman Ward made a motion to go into Closed Session under NC General Statute 143-318.11(a)(3) to consult with an attorney retained by the Town in order to preserve the attorney-client privilege between the Town attorney and the Town Council, which privilege is hereby acknowledged, seconded by Councilwoman Zimmerman. The vote was unanimous.

At 6:57 p.m., Councilwoman Zimmerman made a motion to go out of Closed Session, seconded by Councilman Harvey. The vote was unanimous.

ADJOURNMENT: At 6:59 p.m., there being no further business to come before Council, Councilman Harvey made a motion to adjourn, seconded by Councilwoman Zimmerman. The vote was unanimous.

Town Clerk

Mayor

jl

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**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
JUNE 2, 2025**

The Town of Valdese Town Council met on Monday, June 2, 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 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:

A quorum was present.

Rev. Wesley Hendricks from Mt. Zion Baptist Church, Valdese, offered the invocation. Following the invocation, Mayor Charles Watts led in the Pledge of Allegiance to the Flag.

OPEN FORUM/PUBLIC COMMENT:

RESOLUTION OF APPRECIATION – BO WEICHEL Mayor Watts presented a Resolution of Appreciation to Bo Weichel for his service as Interim Town Manager.

The 2025 Valdese Town Council expresses its appreciation to

BO DANIEL WEICHEL

For his outstanding service as Interim Town Manager
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.

May 5, 2025, with appreciation by:

Mayor Charles Watts and Council members Glenn Harvey, Rexanna Lowman, Gary Ogle, Heather Ward, and Melinda Zimmerman

OPEN FORUM/PUBLIC COMMENT GUIDELINES: Councilman Ogle 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.

SCOUT TROOP 192 – FLAGS – DR. JONAS JOHNSON – 309 BOUCHARD AVE NE, VALDESE: Dr. Johnson, speaking as Scoutmaster of Troop 192, addressed Council regarding three items:

1. Flag Retirement Ceremony – The troop would like to hold a flag retirement ceremony during the July 4th celebration downtown.

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2. Replacement of Downtown Flags – The flags placed downtown by the troop for holidays are worn and in need of replacement. Dr. Johnson estimated they need 30 new flags (2.5' x 4'), costing approximately \$600 if purchased at \$20 each. The flags are property of the Town of Valdese.
3. Missing Flag Pole Holes – Some downtown sidewalk repairs have removed or covered existing holes used for flag placement. Dr. Johnson requested the Town consider reinstalling those holes to avoid gaps. He noted this could potentially be an Eagle Scout project, but that would be several years out.

FOOD TRUCKS – BRANDON BOYKIN – 901 ELDRIDGE ST SE, VALDESE: Mr. Boykin, co-owner of Myra's along with Wesley, addressed Council regarding concerns with current food truck ordinances. While supportive of food trucks during special events and festivals, he expressed concern about their operation, particularly when serving the general public as they are serving the special event. He noted that this impacts the limited customer base available to downtown brick-and-mortar businesses that pay local taxes and rent. Mr. Boykin requested that Council consider amending the ordinance to limit weekday food truck operations in order to reduce direct competition with local restaurants.

ADVERTISEMENT – RUSS BLEVINS – 131 BOBO AVE, VALDESE: Mr. Blevins, owner of Rusty Antiques, addressed Council with concerns about advertising restrictions and the impact of Town events on his business. He expressed a desire to use flashing lights to attract customers but was informed this is not allowed under current Town rules. He requested clarification on what forms of advertising are permitted. Additionally, Mr. Blevins noted that street closures during festivals significantly reduce traffic to his business, often causing him to close early due to lack of customers.

MERCHANTS – SANDRA WALKER – 124 MAIN ST W., VALDESE: Ms. Walker thanked Council for their continued support, noting the positive impact it has had on community events. She shared that due to weather, a recent event had to be canceled but announced a new series of events to be held at Jacumin Plaza on the fourth Saturdays of June through September (June 28, July 26, August 23, and September 27), including bingo from 6–8 p.m. followed by a Christian movie and fellowship. Ms. Walker stated that while the Merchant Advisory Committee has not yet met this month, she has received strong interest from local merchants to continue hosting community events like bingo, which have successfully brought shoppers into downtown businesses.

Regarding the flag discussion, Ms. Walker proposed approaching the 30 merchants who participated in previous events to see if each would be willing to purchase one flag, matching the number needed. She suggested the Town could then handle sidewalk hole repairs, making it a mutually beneficial partnership.

CONSENT AGENDA: (enacted by one motion)

APPROVED BUDGET REVIEW #1 MINUTES OF APRIL 15 & 16, 2025

APPROVED SPECIAL CALLED MEETING MINUTES OF APRIL 25, 2025

APPROVED CLOSED SESSION MINUTES OF APRIL 25, 2025

APPROVED AGENDA REVIEW MEETING MINUTES OF APRIL 28, 2025

APPROVED CLOSED SESSION MINUTES OF APRIL 28, 2025

APPROVED REGULAR MEETING MINUTES OF MAY 5, 2025

APPROVED BUDGET REVIEW #2 MEETING MINUTES OF MAY 12, 2025

APPROVED COUNCIL CONTRACTORS MEETING MINUTES OF MAY 22, 2025

APPROVED VALDESE ABC BOARD TRAVEL POLICY Valdese ABC Board Travel Policy for FY 25-26

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1018 MAIN STREET WEST • VALDESE, 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.
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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

APPROVED LEASE AGREEMENT AT THE OLD ROCK SCHOOL WITH DREAM CONNECTIONS Lease agreement for rental space at the Old Rock School. The Dream Connections Lease is in the amount of \$1,100 per month.

APPROVED RESOLUTION FOR SALE OF TOWN-OWNED PROPERTY - 800 PINEBURR AVE SW
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;

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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 23/100 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 23/100 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

/s/ Charles Watts, Mayor

ATTEST:

/s/ 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

Councilman Harvey made a motion to add two items to the agenda, **Mobile Food Units** and **Valdese Bluff's Sewer Line Bid Results and ARPA Fund Allocation of \$800,000**, seconded by Councilwoman Ward. The vote was unanimous and motion carried.

ADDED – MOBILE FOOD UNIT Councilman Harvey mentioned that he couldn't find an existing ordinance, although there was a proposed food truck ordinance discussed in August 2021, which was postponed for six months and never revisited. He expressed the need for a clear ordinance with regulations, stating he's not opposed to food trucks but believes controls are necessary. Councilman Ogle feels that this is something we need to address. Councilwoman Lowman asked if we should ask our town manager, attorney, and planning board work together to research and bring back information. Council agreed.

Councilwoman Lowman made a motion that we ask the Town Manager to do some research to work with our Attorney and our Planning Board to come up with some information about mobile food trucks for Valdese, seconded by Councilman Harvey.

Mr. Herms asked for clarification on whether the motion included the preparation of a draft ordinance. Councilwoman Lowman confirmed that it did.

The vote was unanimous and motion carried.

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ADDED – VALDESE BLUFF'S SEWER LINE BID RESULTS AND ARPA FUND ALLOCATION OF \$800,000 Councilman Harvey proposed a motion by the Council's action on item 7-b on May 5, 2025, the Town Manager is hereby authorized to proceed with contracting for the work to be done to the extent of the amount covered by the ARPA grant, subject to final approval of the granting agency, seconded by Councilwoman Ward.

Discussion: Councilman Harvey noted that the item was not included on this agenda despite Council's previous direction, likely because staff is still awaiting final clearance from the granting agency. This clearance is necessary to ensure the agency approves the proposed project scope.

The motion under consideration would authorize staff to proceed with the project as soon as that clearance is received, avoiding further delays. Councilwoman Lowman confirmed that the funding in question consists of ARPA grant funds totaling over \$900,000, which must be spent by the end of 2026. Mr. Weichel noted these funds are reimbursable, meaning the Town must initially cover the expenses and then request reimbursement.

Council clarified that the project involves only a portion of the original scope due to time constraints, but there is optimism the agency will approve this phased approach. Construction is not expected to begin until late fall of 2025 due to required design work. It was also confirmed that no matching funds are required and the project will not cost the Town any local funds.

The vote was unanimous and motion carried.

PRESENTATION OF 2024 NORTH CAROLINA DEPARTMENT OF LABOR SAFETY AWARDS Mr. Weichel presented the annual Workers' Compensation Safety Awards through the Department of Labor, noting their importance in helping determine the Town's insurance rating through the NC League of Municipalities. Departments with low or no workers' comp claims over a 12-month period are eligible for either Silver or Gold level awards, with Gold being the higher distinction.

The following departments received recognition:

- Silver Award: Public Works (3rd consecutive year)
- Gold Award:
 - Police (1st year)
 - Fire (1st year)
 - Wastewater (2nd year)
 - Recreation (3rd year)
 - Water (8th year)
 - Community Affairs (14th year)
 - Administration (includes Admin, HR, Finance, Planning – 38th consecutive year)

Mr. Weichel emphasized that earning these awards is challenging, as even a single accident in a year can disqualify a department. Awards will be distributed to departments following the meeting.

FY 25-26 PROPOSED BUDGET AND SCHEDULING OF PUBLIC HEARING FOR MONDAY, JUNE 23, 2025 Mr. Weichel presented the proposed Fiscal Year 2025–2026 budget and requested scheduling the public hearing for Monday, June 23, 2025. He noted the budget reflects six to seven months of work and input from Council through multiple workshops.

The total proposed budget is \$17.6 million, comprising two funds:

- General Fund: \$7.98 million
- Water & Sewer Fund: \$9.66 million

Highlights:

- Property tax rate remains unchanged at 41.5 cents.
- Sanitation and recycling services will transition to Simply Green on July 1, resulting in some cost savings.
- Long-term debt accounts for only 2.87% of the operating budget.
- Continued contributions are being made to the street paving fund to prepare for future projects using cash where possible.
- Major utility capital projects include:

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- Water line work on Curville
- Sewer line replacements on Rodoret Drive and Jefferson Avenue
- Construction of a new electrical substation at the water plant serving all customers

The proposed budget also includes an updated fee schedule reflecting items discussed during prior workshops.

Councilman Harvey confirmed that the public hearing for the FY 2025–2026 budget is scheduled for June 23, 2025. He noted that the version presented reflects year-to-date figures through April 30 and asked whether the final version could include updated figures through May 31. Mr. Weichel indicated they could make that change if Council desired, though it would not affect the budget totals.

Councilman Harvey also revisited several items previously discussed:

- **Rock School Rental Rates:** He noted that Council had expressed interest in offering a reduced rate for nonprofits renting the Waldensian Room. Staff confirmed that the rates were updated accordingly.
- **Fund Balance:** He observed that the appropriated fund balance remains at \$290,000, the same as in the May 12 draft, and asked if that figure had changed with any adjustments. Staff clarified that it had not.
- **Residential Water/Sewer Rates:** He recalled Council's prior support for a modest increase in residential rates to help balance costs more equitably between residents and non-residents. Staff confirmed the minimum residential rate was increased from \$38.50 to \$40.00, as reflected in the proposed budget. This adjustment slightly reduced the amount needing to be borrowed but did not change the utility fund total.
- **Industrial Customer Communication:** Councilman Harvey asked whether the Town had followed through with plans to notify major industrial users of proposed rate increases. Staff confirmed that letters were sent to the top 20 industrial customers and that one response was received and shared.

Mr. Weichel noted that the industrial water and sewer rate increases represent approximately \$160,000 in the proposed budget.

Mayor Watts scheduled the Public Hearing for Monday, June 23, 2025, at 6:00 p.m. in the Council Chambers for the proposed budget process.

APPROVED RESOLUTION FOR MASSEL AVE SE SIDEWALK PROJECT Mr. Weichel presented a resolution of commitment for a sidewalk project submitted through the Local Administrative Project (LAP) funding program, in coordination with the COG. The Town applied for two sidewalk projects, and the Massel Avenue SE project—extending from Rodoret toward Carolina Street—has been recommended for award. To move forward, the Town must adopt a resolution committing to the project and the required 20% local match. The engineer estimated project cost is \$950,000, with approximately \$190,000 to be covered by the Town. The funding will not be needed in the upcoming budget year, as the project will require time for engineering and setup. A capital project will be established for future funding.

Councilman Ogle asked if the Town's \$190,000 match would not need to be paid upfront. Mr. Weichel said it would likely be spread over a two-year period. A capital project will be established to reserve the funds, though actual expenditures will occur later.

Councilwoman Zimmerman raised a question regarding potential utility pole relocation on the south (railroad) side of Massel Avenue and if the cost was embedded in these figures. Mr. Weichel confirmed that the road is approximately 35 feet wide, and the intent is to avoid relocating power poles by placing curb and gutter next to them and installing the sidewalk alongside. Placing the sidewalk on the north side would require dealing with residential retaining walls and potentially constructing a new wall, which would significantly increase costs.

**JUNE 2, 2025, MB#33
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

/s/ Charles Watts, Mayor

ATTEST:

/s/ Town Clerk

Councilwoman Ward made a motion to approve the Massel Ave sidewalk project, seconded by Councilman Ogle. The vote was unanimous, and motion carried.

APPROVED CAPITAL PROJECT ORDINANCE AMENDMENT – POOL STRUCTURE Mr. Weichel provided an update on the AP grant, noting that the project is nearing completion. The grant scope was successfully revised to include the pool dome structure, which had not been initially confirmed. As a result, the Town will now receive the full \$500,000 grant and will not need to use fund balance to cover that portion of the project. The total project cost was approximately \$700,000. This amendment adjusts the project ordinance accordingly and improves the Town's fund balance position for the upcoming year.

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Valdese Town Council Meeting

Monday, June 2, 2025

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.

Councilman Harvey made a motion to approve the amendment, seconded by Councilwoman Ward.

Discussion: Councilman Harvey highlighted that one of the reasons that Mr. Weichel received a plaque earlier in the evening was the successful handling of nearly \$2.5 million in grant funding. This included the \$500,000 pool dome grant, the \$800,000 in ARPA funds, and the recently awarded sidewalk grant of over \$900,000. He emphasized the importance of how the Town managed these grants—particularly the reallocation of sidewalk funds through the Greater Hickory MPO and the successful amendment of the pool dome grant. He commended the Town's Chief Financial Officer for the exceptional effort in rewriting the pool dome grant to secure the funding, noting that while it was a major success, it's not something easily replicated.

Councilwoman Lowman expressed appreciation for retaining the grant funding and inquired about the status of the \$100,000 private donation originally intended for the pool project. Mr. Weichel clarified that the donor has requested the funds be used for a different, yet-to-be-determined project. The funds will remain with the Town in the capital project fund until the donor designates their preferred use. It will not be used for the pool project.

Vote: The vote was unanimous, and motion carried.

APPROVED DESIGN-BUILD CONTRACTOR FOR PUBLIC SAFETY BUILDINGS Councilman Ogle made a motion that we go into contract with DR Reynolds to build our public safety facility or remodel the 215 Main Street, seconded by Councilwoman Ward.

Discussion: Councilman Harvey asked for clarification on what it is that we're contracting for. It was clarified that the motion is to proceed with Phase One listed in the RFQ by contracting with Dr. Reynolds to evaluate and bring back options for the Board's final decision. The RFQ includes three options: (1) a new fire department facility, (2) a combined police and fire department facility, and (3) remodeling the existing facility

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at 215 Main Street. The Town Attorney confirmed that moving forward with these three items under the contract is appropriate.

Vote: The vote was unanimous, and motion carried.

PRUDENT USE OF TOWN ROLLING STOCK ASSETS Councilman Harvey requested that the Town Manager review the current personnel policy regarding the use of Town vehicles. While the policy itself is not problematic, he expressed concerns about how it has been administered in the past and emphasized the importance of ensuring compliance with IRS regulations. He asked that the review include comparisons with both small towns and larger cities such as Morganton, Hickory, and Lenoir, and that the findings be reviewed with the Town Attorney and auditors.

Mr. Herms agreed, noting the likely need for a formal take-home vehicle policy and stated staff would work on a draft to bring back to Council.

FAILED - RESOLUTION ON CIVILITY AND PROTOCOL FOR THE 2025 MUNICIPAL ELECTION

Councilman Harvey made a proposed motion desiring to formalize their commitment to engage in a campaign that encourages public confidence, the Valdese town council hereby adopts by signature, the following resolution:

**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.

Seconded by Councilwoman Ward.

Discussion: Councilman Harvey stated that the Council has agreed on wanting the upcoming election to run more smoothly and reflect more positively on the Town than the 2023 election.

Councilwoman Zimmerman expressed respectfully that she does not see the need for the proposed resolution, noting that all elected officials are already bound by a code of ethics and required ethics training. She added that her upbringing and personal values guide her to live with civility and respect. Councilwoman Zimmerman said if she was a candidate, she would also be subject to Board of Elections rules. For these reasons, she stated she is not in favor of the resolution and would not sign it.

Councilwoman Lowman asked Attorney Swanson in regard to First Amendment Rights, if she was a candidate could she put a political sign for another candidate in her yard, and if she could give money to another political candidate. Attorney Swanson answered, yes.

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Councilwoman Lowman made this statement: "If I am a candidate for office in the Valdese Town elections, I hereby affirm my commitment to adhering to the town code of ethics and all laws related to the election process. I recognize the importance of conducting a campaign that not only meets legal standards but also upholds the highest moral principles. If I am a candidate, I will strive to conduct myself in a manner that instills public confidence in the integrity of my campaign. My aim is to engage with the community transparently and honestly, fostering trust and respect among all constituents. Additionally, If I am a candidate, I will uphold the foundations of my Christian faith, allowing my values to guide my actions and decisions. I believe that public service is a sacred trust, and I am dedicated to serving the citizens of Valdese with integrity, compassion, and sincerity. Since I am already expected to follow the Town Council Code of Ethics and laws related to the election, I do not see any reason to have a document that asks me to follow ethics that I have already pledged to uphold. I see no reason for this resolution."

Councilman Harvey expressed confusion over the resistance to the proposed resolution, noting that Council members had ample time to review and discuss it. He explained that the resolution was drafted by Attorney Swanson and reflects what he believed was a shared agreement among Council members. While acknowledging that everyone already complies with the code of ethics, he stated the resolution simply formalizes that commitment in writing.

Councilwoman Ward stated that she will not publicly support any municipal candidates in the upcoming election, including through yard signs, donations, or social media, as she believes it can create unnecessary division. She said she would be willing to sign the resolution to affirm her commitment to civility but does not see it as necessary, given that the Council has already pledged to uphold the code of ethics. She emphasized her desire to stay out of campaign activity due to the negativity experienced during the 2023 election, which affected her and her family personally. She concluded by saying that while people have the freedom to support candidates, she chooses not to participate in municipal election endorsements.

Councilman Ogle stated he does not see a need to sign a resolution, as he already agrees with its intent and will continue to follow the town's existing policies and code of ethics.

Mayor Watts turned his Mayor seat over to Mayor Pro Tem Gary Ogle to make a statement. He stated that all council members have sworn to uphold the existing code of ethics and, as such, he does not see a need for the proposed resolution.

Councilman Harvey expressed concern that despite the existing code of ethics, some council members in 2023 engaged in negative campaigning and supported inappropriate social media activity. He noted that an active campaign page from that election remains and is still being supported by a current council member.

Councilwoman Ward stated for the record that she will not support any candidate in future municipal elections. She shared that the 2023 election brought turmoil, including personal attacks and online exposure of her home, which frightened her children. While acknowledging others may choose differently, she believes that just because one can participate in election activities doesn't mean one should. She emphasized her intent to remain neutral moving forward.

Vote: Councilman Harvey and Councilwoman Ward – Yes, Councilman Ogle, Councilwoman Lowman, and Councilwoman Zimmerman, No – The motion failed.

Mayor Pro Tem Gary Ogle returned the chair back to Mayor Watts.

APPROVED CONSIDERATION OF CITIZEN COMMUNICATION Councilman Harvey made the proposed motion in fulfillment of the commitment to full and open communication with citizens the council will provide information in printed form along with monthly utility bills beginning with a summary of major council actions during 2025, including the 2025 ad valorem tax rate that will be established with the budget to be adopted on June 23, 2025, seconded by Councilwoman Zimmerman.

Discussion: Councilman Harvey noted that the Town previously distributed a printed quarterly newsletter with water bills, but it stopped in September 2023. He emphasized that many residents are not online or on social media and often pay bills in person with cash. Referring to the recent citizen survey, he pointed out that nearly as many residents preferred printed communication as electronic. He suggested reinstating the

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printed newsletter to provide important updates—such as upcoming changes to trash service—to ensure all citizens are informed.

Councilwoman Lowman asked how much this would cost. Mr. Weichel estimated the cost of a one-page, double-sided printed newsletter insert at approximately \$300–\$400 per issue if sent only to in-town customers. If also sent to outside customers, the cost would increase to around \$800. These amounts include mailing the newsletter along with the utility bills.

Councilman Harvey recalled that last year, a letter from the Mayor was sent with the June or July utility bills outlining town accomplishments and tax rates. The letter was well received. However, he noted that many residents still remain unaware of town happenings, as he encountered numerous people in 2023 who did not know what was going on.

Councilwoman Zimmerman acknowledged the need to communicate with residents who don't have internet access. She suggested amending the motion to issue a newsletter every two months instead of monthly, starting in July, to reduce costs while still providing important updates to citizens.

Councilman Harvey expressed that the cost of \$300–\$400 per month for a newsletter included with water bills is reasonable. He noted that currently, council decisions are only shared through newspapers, which may not be comprehensive or fully accurate. He supports a one-page monthly newsletter to keep residents informed. There was discussion on whether this would require a budget amendment, with the recommendation to review later in the year. The newsletter would primarily go to in-town residents, with special notices (like water rate changes) sent to outside customers as needed. The recent trash and recycling notice was sent only to inside customers.

Vote: The vote was unanimous, and the motion carried.

APPROVED CONSIDERATION OF RESOLUTION REGARDING APPOINTMENTS TO TOWN BOARDS, PANELS, AND COMMITTEES Councilman Harvey made a motion to request the Town Attorney to review and recommend potential steps required to make Valdese residency a requirement for all council appointed committees, panels and boards, seconded by Councilwoman Ward.

Discussion: Councilman Harvey noted he hasn't conducted a formal poll but referenced that Morganton requires committee applicants to be residents. He agrees with this approach, emphasizing that residents pay taxes, vote, and elect officials, and are eligible to serve on the council and planning board and advise on council decisions and fund allocations.

Councilwoman Ward asked if there would be exceptions for individuals such as business owners or pastors who are active in the town but not residents. She also referenced the discussion about grandfathering in current board members and asked how that would apply. Councilman Harvey emphasized this would be just for the Town Attorney to review and recommend some steps.

Vote: The vote was unanimous, and the motion carried.

APPROVED APPOINTMENTS TO BOARDS/COMMISSIONS/COMMITTEES

- **TOWN BOARD DISCUSSION**
- **NON-TOWN BOARD APPOINTMENTS**
 - i. **VEDIC – TOWN MANAGER AND OTHER APPOINTMENTS/REAPPOINTMENTS**
 - ii. **BDI – TOWN MANAGER APPOINTMENT**

Mr. Herms presented board appointment recommendations, noting that some positions require Council approval for him to serve as Town Manager. He also mentioned the VEDIC Nominating Committee has recommended reappointments and new terms for a few other individuals.

Councilman Harvey explained that the VEDIC bylaws designate board members, including the Town Manager as an ex-officio member, requiring formal appointment. He noted Valdese has the authority to make seven board appointments and currently has four up for approval—one term completion and three additional members. He expressed concern that some nominees are not residents of Valdese or Burke

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County but instead live in Caldwell and Catawba counties. He questioned why the VEDIC Nominating Committee is recommending individuals from outside the area for positions intended to represent Valdese.

Mr. Herms acknowledged he does not yet fully understand all of VEDIC's bylaws but explained that the organization has expanded from focusing solely on Valdese to serving as a statewide small business lending agency. He noted that VEDIC seeks board members with relevant experience and qualifications, not necessarily individuals representing Valdese directly. Mr. Herms indicated that the board nominations are intended to support VEDIC's broader mission rather than just local representation.

Councilwoman Lowman made a motion to appoint the VEDIC appointments to the Board of Directors, Todd Herms, Lily Laramie, Donna Zamora, Kylie Gera, and Bo Weichel, seconded by Councilwoman Ward. The vote was unanimous, and the motion carried.

Councilwoman Lowman made a motion to appoint Todd Herms to the BDI Board, seconded by Councilman Ogle. The vote was unanimous, and the motion carried.

FAILED - CONSIDERATION OF POLICY GUIDELINES FOR CITIZENS AND PUBLIC ACCESS TO COMMUNITY CENTER FACILITIES DISCUSSION

Mr. Herms proposed a pilot program to open Old Rock School on Saturdays from 10:00 a.m. to 2:00 p.m., running from July through October. The goal is to collect data over four months and return to Council with a recommendation to continue, adjust, or discontinue the program. He noted the need to stay within part-time employee hour limits per state retirement regulations and emphasized that this trial period would help determine if additional staffing is needed. The pilot is set to begin the first Saturday after the July 4th holiday.

Councilman Harvey expressed appreciation for the proposed pilot program and noted the item had been previously tabled at the May meeting. He offered a broader motion to support the Town Manager's efforts.

Councilman Harvey made a motion that the town manager review relevant financial factors, attend and visit related events, and get to know a broad cross-section of citizens to recommend a schedule of hours for the Old Rock School cultural center and the town's Recreation Center and tourism office to optimize the return on the investment and annual operating cost of these facilities and the benefit to citizens and businesses that fund them through taxes and contributions, seconded by Councilwoman Ward.

Discussion: Councilman Harvey stated the intent of the motion is to give the Town Manager time and flexibility to become familiar with the town, noting several responsibilities were placed on him immediately upon arrival.

Councilwoman Lowman said new policy guidelines aren't needed. The Town Manager has a plan to monitor the tourism desk at the Old Rock School on Saturdays from July to October. He will review the financials and results. She said he is capable of handling the situation and we should let him do the job he was hired to do.

Discussion clarified that the pilot program would ensure a part-time staff member is visibly available at the Old Rock School on Saturdays to assist tourists and visitors, including those visiting the art gallery operated by a nonprofit. Currently, staff are often occupied behind the scenes during events, so this would improve visitor access and information. A published schedule would inform tourists when the facility is open. The program aims to formalize these hours and support tourism while allowing the Town Manager time to get familiar with the town.

Vote: Councilman Harvey and Councilwoman Ward – Yes, Councilman Ogle, Councilwoman Lowman, and Councilwoman Zimmerman, No – The motion failed.

Mr. Herms confirmed with the Council that despite the motion failing, the pilot program will still proceed as planned.

STATUS OF ONGOING OR APPROVED PROJECTS

- i. **Public Safety Facilities Update** Mr. Herms provided an update on the Public Safety Building, noting that the Council has approved entering into a contract for Phase One, and work on that phase will begin soon.

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- ii. **Water Plant Upgrade Project/Lenoir Interconnect Project** Mr. Herms updated on the water plant upgrade project with Lenor and Interconnect. The team is reviewing recorded drawings to understand existing structures and equipment and developing construction documents. Field investigations were completed in May, with results to be shared with the council in the coming months. They are reviewing the existing backwash systems, focusing on improving pump capacity and efficiency, and are contacting equipment manufacturers for specifications and quotes. Mr. Herms noted potential long lead times for equipment replacement may affect the project timeline.
- iii. **Recreation Center ADA and Pool Cover** Mr. Herms provided an update on the Recreation Center ADA improvements. The awning has been removed, and footers for the gymnasium ramp have been poured. Work on the tennis court fence has been delayed slightly due to weather but should have started. Automatic door hardware has been ordered and is expected to arrive soon. Staff are holding bi-weekly Zoom meetings with the pool cover company and remain on schedule for construction to begin in late August. Storage arrangements for the structure during the summer have been discussed.

MANAGER'S REPORT Town Manager Todd Herms reported:

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.

Next Regular Council meeting scheduled for Monday, June 23, 2025, 6:00 p.m.

MAYOR AND COUNCIL COMMENTS: Councilwoman Ward expressed appreciation for recent community events, highlighting the Granville Morrow Fun Fish Day as a great success, with excellent food and strong community participation. She also praised the Recreation Department and volunteers for their efforts. Additionally, she commended the Valdese Merchants Advisory Committee for organizing the Beach Bingo events, which successfully engaged the community and supported local businesses in the absence of the May concert series. She concluded with a personal note, wishing a happy anniversary to her husband, Michael Ward.

Councilwoman Lowman commended the Recreation Department, noting that on Friday the Special Olympics team was departing for state competition and EMT training was taking place at the pool. She also recognized Marc Sharpe and the police department for recent positive news coverage about the police department's chaplain program and the department's current intern. She congratulated all involved.

Councilwoman Zimmerman acknowledged Pastor Bill Roberts from First United Methodist Church for his involvement in the police chaplaincy program and for providing invocations at meetings. She noted he is moving to Forest City and expressed appreciation for his service.

Mayor Watts echoed Councilwoman Ward's comments about the Fun Fish Day, praising Joey Lindsay and the recreation staff for their hard work and dedication. He also thanked the American Legion volunteers and everyone involved for making the event a success.

ADJOURNMENT: At 7:42 p.m., there being no further business to come before Council, Councilwoman Lowman made a motion to adjourn, seconded by Councilwoman Zimmerman. The vote was unanimous and motion carried.

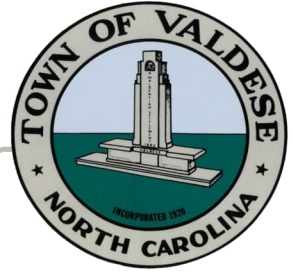
 Town Clerk

 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: Budget Status & Updates

Meeting: June 23, 2025

Presenter: Bo Weichel, Assistant Town Manager/CFO

ITEM OF INTEREST:

Various budget items for the current and upcoming fiscal years.

BACKGROUND INFORMATION:

i. Projected FY25 General Fund balance (disclaimer: FY25 budget is still active. Audit will determine true fund balance) Estimate GF balance will increase overall by \$200,000 to approx \$7,183,000. Estimate that expenditures will level out around \$7,169,354 for FY25. This would result in a 100.2% fund balance.

ii. Public Safety fund overview

Current cash balance \$809,935 + pending sale 800 Pineburr Ave \$148,378 = \$958,313 cash available

iii. Street Resurfacing fund overview

Current cash balance \$501,500 + FY26 allocation \$325,000 = \$826,500 cash available

Powell Bill balance on hand is \$111,674. This can be used for resurfacing, pot holes, sidewalks, street equipment, etc.

iv. Pending Grants overview

a. \$500,000 Rec Center ADA Upgrades and Pool Dome:

Project completion is expected to be in late September. Grant reimbursement will be submitted once project is completed

b. \$800,000 ARPA grant for Valdese Bluffs Sewer Extension: Received written approval from DWI to proceed with the partial project. Our engineers are working with the low bidder to revise the project scope to fit available funds. Contract is expected at the August meeting. The County continues to work toward a solution with the developer with the goal to eventually fund the remaining parts of the project.

c. \$950,000 TIPP/LAPP grant Massel Ave SE sidewalk: No update until later in June at TAC meeting.

BUDGET IMPACT:

RECOMMENDATION / OPTIONS:

Information only.

LIST OF ATTACHMENTS:



Fiscal Year 2025-2026 Adopted BUDGET

June 23, 2025

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**TOWN OF VALDESE BUDGET ORDINANCE
FISCAL YEAR 2025-2026**

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF VALDESE, NORTH CAROLINA, THAT:

Section 1: The following amounts are hereby appropriated to the fund set forth for the operation of the town government and its activities for the fiscal year beginning July 1, 2025, and ending June 30, 2026, in accordance with the chart of accounts heretofore established for this town:

GENERAL FUND - OPERATIONS		\$	7,479,861
Governing Body	\$	51,313	
Administration		1,460,371	
Public Works		219,282	
Maintenance & Grounds		301,977	
Planning		79,725	
Police		1,376,492	
Fire		962,271	
Street		684,538	
Powell Bill		198,300	
Sanitation		379,534	
Recreation		1,084,127	
Tourism/Community Affairs		681,930	
GENERAL FUND - CAPITAL OUTLAY		\$	501,000
Governing Body	\$	-	
Administration		60,000	
Public Works		7,000	
Maintenance & Grounds		-	
Planning		-	
Police		67,000	
Fire		-	
Street		65,000	
Powell Bill		-	
Sanitation		230,000	
Recreation		42,000	
Tourism/Community Affairs		30,000	
WATER SEWER FUND - OPERATIONS		\$	5,777,700
Water	\$	2,187,725	
Wastewater		1,881,796	
Water & Sewer Construction		1,708,178	
WATER SEWER FUND - CAPITAL OUTLAY		\$	3,889,300
Water	\$	1,681,100	
Wastewater		154,200	
Water & Sewer Construction		2,054,000	
TOTAL BUDGET		\$	17,647,861

**TOWN OF VALDESE BUDGET ORDINANCE
FISCAL YEAR 2025-2026**

Section 2: It is estimated, and therefore appropriated, that the following revenues will be made available to the respective funds for the fiscal year beginning July 1, 2025 as follows:

GENERAL FUND	\$	7,980,861
UTILITY FUND		9,667,000
TOTAL REVENUES	\$	17,647,861

Section 3: There is hereby levied an ad valorem tax at the rate of forty-one and one half cents (\$0.415) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2024, for the purpose of raising a portion of the revenue listed in the General Fund appropriation in Section II of this ordinance. This rate, based upon an estimated total valuation of \$557,389,292 will generate a levy of \$2,287,489 with an estimated collection rate of 98.89%.

Section 4: As set forth in the Utility Fund Debt Service of the FY 2025-2026 budget document, the amount of \$490,635 is appropriated for the purpose of debt service and that this amount is sufficient for the complete and proper payment of all bond principal, bond interest and commissions on the outstanding debt of the town relating thereto for the fiscal year beginning July 1, 2025, and ending June 30, 2026.

Section 5: As set forth in the General Fund Debt Service Section of the FY 2025-2026 budget document, the amount of \$214,865 is appropriated for the purpose of debt service and that this amount is sufficient for the complete and proper payment of all bond principal, bond interest and commissions on the outstanding debt of the town relating thereto for the fiscal year beginning July 1, 2025, and ending June 30, 2026.

Section 6: The operating funds encumbered on the financial records of June 30, 2025 are hereby reappropriated into this budget.

Section 7: The corresponding "Fiscal Year 2025-2026 Rate and Fee Schedule" is approved with the adoption of this Annual Budget Ordinance.

Section 8: The Budget Officer is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- a. He may transfer amounts between line-item expenditures within a department without limitation and without a report being required.
- b. He may transfer amounts of \$12,000 between departments of the same fund without a report being required.
- c. He may not transfer any amounts between funds or from any fund balance appropriation within any fund without approval of the Town Council.

Section 9: The Budget Officer is hereby authorized to execute agreements, within funds included in the Budget Ordinance or other actions by the Governing Body, for the following purposes:

- a. Form grant agreements to public and non-profit organizations
- b. Leases of routine business equipment
- c. Consultant, professional, or maintenance service agreements
- d. Purchase of supplies, materials, or equipment where formal bids are not required by law
- e. Applications for and agreements for acceptance of grant funds from federal, state, public, and non-profit organizations, and other funds from other governmental units, for services to be rendered which have been previously approved by the Governing Body
- f. Construction or repair projects
- g. Liability, health, life, disability, casualty, property, or other insurance or performance bonds

**TOWN OF VALDESE BUDGET ORDINANCE
FISCAL YEAR 2025-2026**

- h. Other administrative contracts which include agreements adopted in accordance with the directives of the Governing Body.

Section 10: Copies of this budget ordinance and accompanying documents shall be furnished to the finance office, budget officer, and other department heads of the Town of Valdese to be kept on file by them for their direction in the disbursement of funds.

Upon introduction by Town Manager Wm. Todd Herms, motion to adopt by

Council _____, and seconded by Council _____, the vote
was _____.

This ordinance is adopted on this the 23rd day June, 2025.

Charles Watts., Mayor

Attest: _____
Jessica Lail, Town Clerk

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 Adopted
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
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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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
PRIOR 2021 AD VALOREM TAXES	10-3010-211	10,779	3,766	15,000	6,500	4,072	4,072	2,000
PRIOR 2022 AD VALOREM TAXES	10-3010-221	22,656	12,336	20,000	12,000	3,391	3,391	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	2,274,392	2,274,392	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	208,262	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	7,942	10,000	6,000
OCCUPANCY TAX	10-3200-000	89,978	152,845	152,000	95,000	68,107	95,000	95,000
INTEREST ON INVESTMENTS	10-3290-000	439,134	708,323	100,000	243,000	709,730	715,000	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	68,937	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	-30,635	-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	19,791	19,791	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	1,762,906	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	773	773	500
REFUSE COLLECTION FEES	10-3590-000	209,686	210,550	205,000	210,000	194,229	210,000	210,000
RECYCLE FEES	10-3590-010	45,947	46,189	45,000	86,000	80,163	86,000	86,000
SOLID WASTE DISPOSAL TX	10-3590-020	3,763	3,886	3,400	3,800	3,832	3,832	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	21,198	22,075	22,075
ORS AUDITORIUM & TICKET SALES	10-3970-026	54,995	53,720	54,000	58,000	57,385	58,000	58,000
ORS LEASES	10-3970-027	28,878	31,493	30,480	25,492	27,830	27,830	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	18,152	18,152	15,500
COMMUNITY CENTER MEMBERSHIP	10-3970-030	144,815	145,243	153,000	153,500	106,577	107,000	150,000
COMMUNITY CENTER CONCESSIONS	10-3970-031	35,818	50,620	37,000	44,000	41,301	44,000	48,000
SUMMER SWIM TEAM	10-3970-032	4,723	3,829	4,500	4,500	3,572	4,500	4,000
BOWLING	10-3970-033	57,114	52,289	55,000	55,000	48,163	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	2,604	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	5,624	6,000	3,600
RECREATION MISC REV & PARK RENT	10-3970-039	30,520	34,630	32,000	32,000	26,942	32,000	32,000
ORS FACILITY FEES	10-3970-126	1,744	1,773	2,000	2,000	2,353	2,353	2,000
TEACHERS COTTAGE RENTALS	10-3970-127	1,710	5,424	8,000	8,000	5,578	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	1,008,334	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	15,425	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	66,897	-66,897	-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	7,795,918	8,039,808	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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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	30,721	30,721	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	9,871	9,871	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	8,607	8,607	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	1,719	1,719	4,517
MAINT & REPAIR AUTO	10-5100-170	8,395	8,334	13,275	13,275	19,443	19,443	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	4,226	4,226	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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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	14,195	14,195	3,591
PART TIME PAY	10-5300-022	49,846	47,750	67,875	65,875	47,875	47,875	68,195
EXTRA DUTY HOURS	10-5300-024	38,243	30,570	39,741	41,400	51,400	51,400	41,400
PROFESSIONAL WAGES	10-5300-040	2,171	5,755	7,980	6,980	6,447	6,447	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	26,348	26,348	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	981,184	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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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
SANI TATION

Line Item Description	Account Code	2022-23 Actual	2023-24 Actual	2023-24 Budget	2024-25 Budget	2024-25 Adjusted Budget 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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	2,500	2,500	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	37,000	37,000	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	709,292	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	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 Rplacement	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 Equipment	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
					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
			P&R John Deere Gator Replacement	20,000			Tiger Gym Painting	40,000	McGalliard/Fletcher Painting	15,000										
		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 Adopted
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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
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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
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TOTAL EXPENDITURES	5,681,997	6,819,202	9,667,000
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TOTAL REVENUES			9,667,000
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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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
INTEREST ON INVESTMENTS	30-3290-000	31,284	46,405	5,000	20,000	37,843	38,000	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	104,908	105,000	70,823
WATER CHARGES - RES	30-3710-010	2,686,594	2,809,408	2,677,500	3,499,980	3,319,906	3,499,980	3,997,000
WATER CHARGES - COMM	30-3710-011	300,218	337,157	294,000	302,820	345,809	346,000	317,961
WATER CHARGES - IND	30-3710-012	437,782	485,985	479,520	493,906	472,891	493,906	518,601
WASTE WATER CHARGES	30-3710-020	1,117,156	1,214,440	1,199,950	1,499,938	1,409,288	1,499,938	1,744,363
LONG TERM MONITORING	30-3710-021	18,900	18,500	18,500	18,900	16,904	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	79,800	80,000	40,000
RECONNECTION FEES	30-3750-000	90,072	115,823	35,000	60,000	103,033	104,000	70,000
TOWN OF DREXEL	30-3810-020	227,257	242,566	216,000	226,800	196,811	226,800	206,850
BURKE CNTY-E BURKE SYST-WW	30-3810-030	172,260	181,443	116,640	122,472	122,601	123,000	128,596
BURKE COUNTY WATER	30-3810-032	116,677	116,770	108,000	113,400	88,816	113,400	107,520
RC WATER CORP	30-3810-040	237,839	238,682	232,200	243,810	222,730	243,810	256,001
RC WW	30-3810-042	18,744	19,512	16,500	17,325	17,303	17,325	18,191
ICARD WATER CORP	30-3810-070	145,326	133,969	128,400	132,000	159,075	160,000	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	192,358	192,358	0
TOTAL		6,607,404	6,190,206	5,681,998	7,883,292	6,902,276	7,286,117	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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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 SUPPLIES 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
MISCELLANEOUS 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 5/31/2025	2024-25 Projected Actual 6/30/2025	2025-26 Adopted
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	2,593	2,593	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	78,700	78,700	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	1,588,086	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 Treatement 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 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

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

INSIDE Valdese City Limits

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

OUTSIDE Valdese City Limits

	<u>AQUATICS or FITNESS CENTER</u>			<u>AQUATICS and FITNESS CENTER</u>	
	<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
NO membership benefits - \$45

Carries

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/\$38 for eight classes (members)

Day Care Pool Use

\$ 4/\$5.50 per child

<p style="text-align: center;">Town of Valdese: Fiscal Year 2025-2026 Schedule of Fees</p> <p style="text-align: center;">PUBLIC WORKS</p>
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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

<p style="text-align: center;">Town of Valdese: Fiscal Year 2025-2026 Schedule of Fees</p> <p style="text-align: center;">WATER & SEWER RATES</p>

<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

<p style="text-align: center;">Town of Valdese: Fiscal Year 2025-2026 Schedule of Fees</p> <p style="text-align: center;">WATER & SEWER RATES</p>

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

Industrial Pretreatment Surcharge	\$18,500.00
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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



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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 provided 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



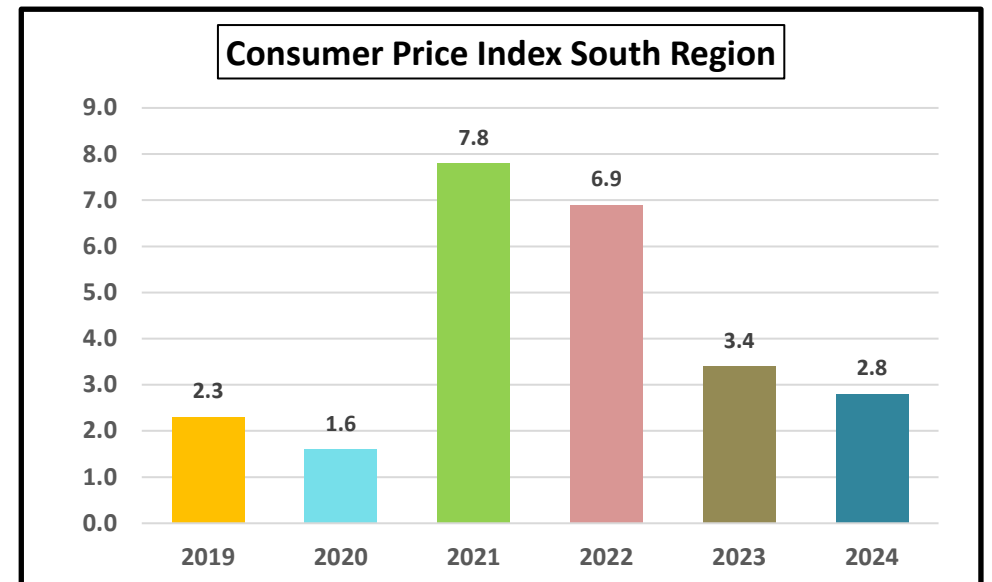
Financial Analysis

- 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

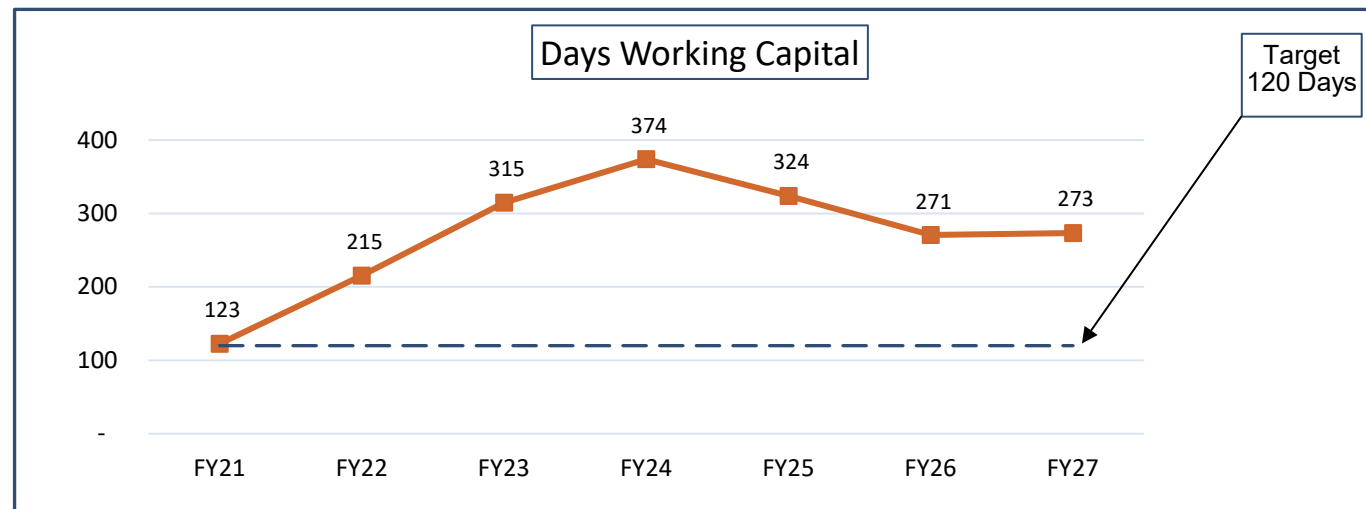
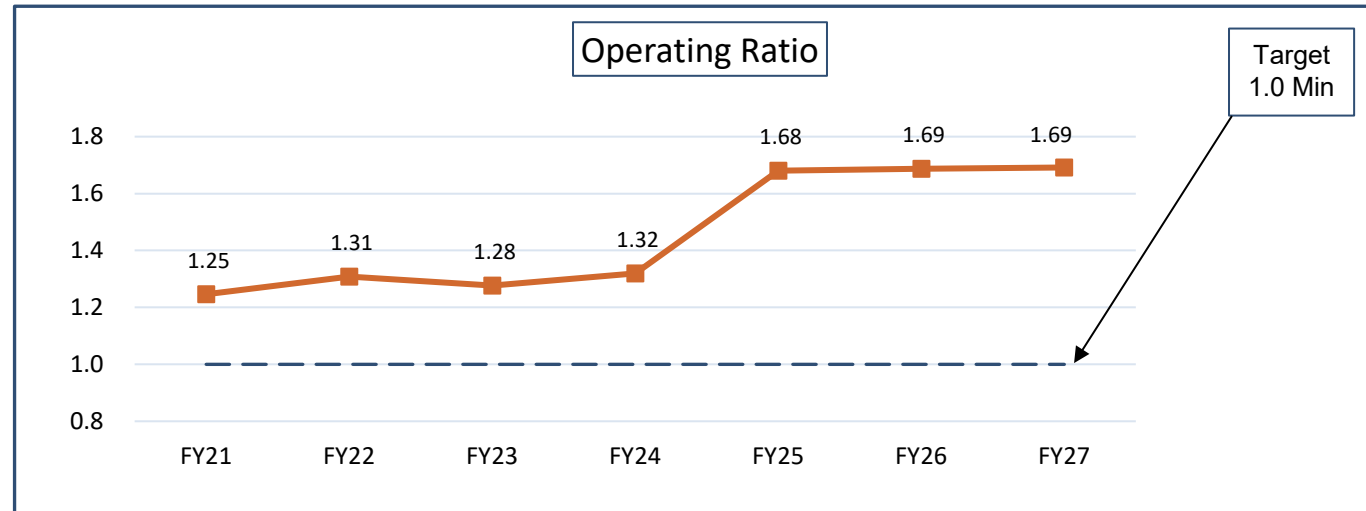


Assumptions and Model Inputs

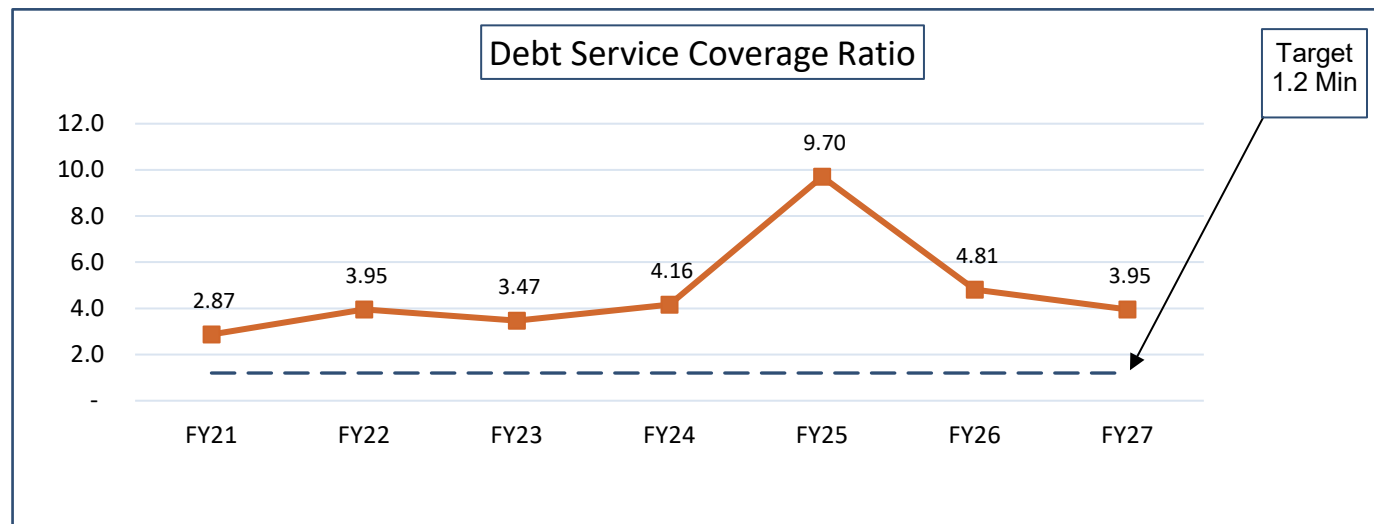
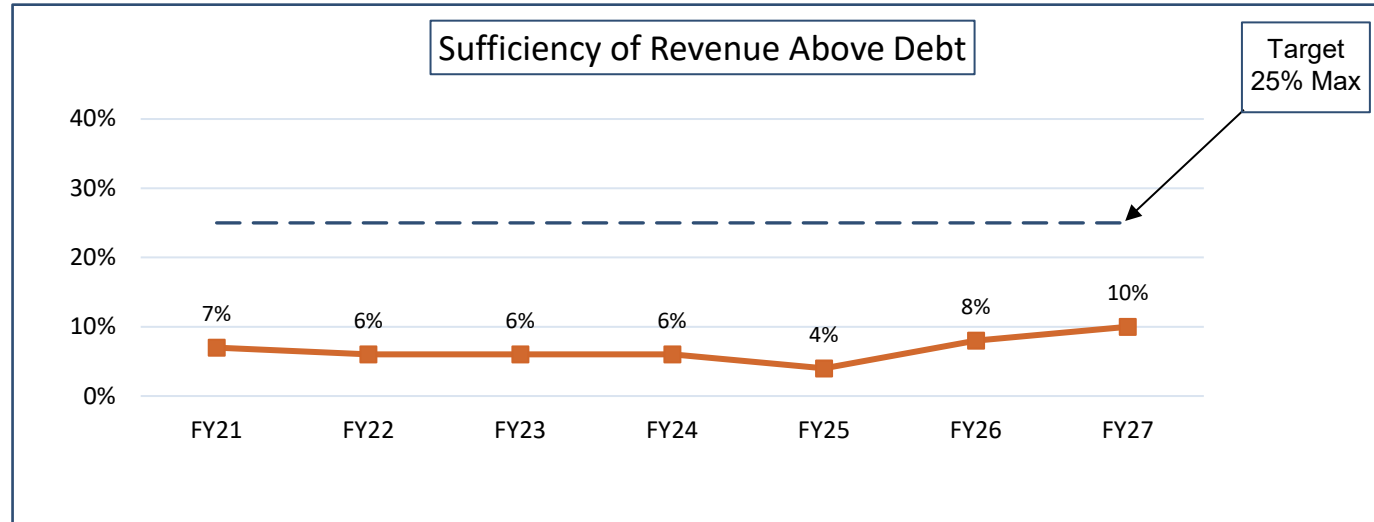
- Revenues
 - Growth Factoring (minor)
 - Impact of Rate Adjustments
- Expenses
 - Inflation
 - Capital Planning
 - Debt Strategies
- Fund Balance
 - Target Percent of Expenditures



Water Utility Financial Benchmarks



Water Utility Financial Benchmarks



Comparison to Neighbors

Inside Residential Customer Class

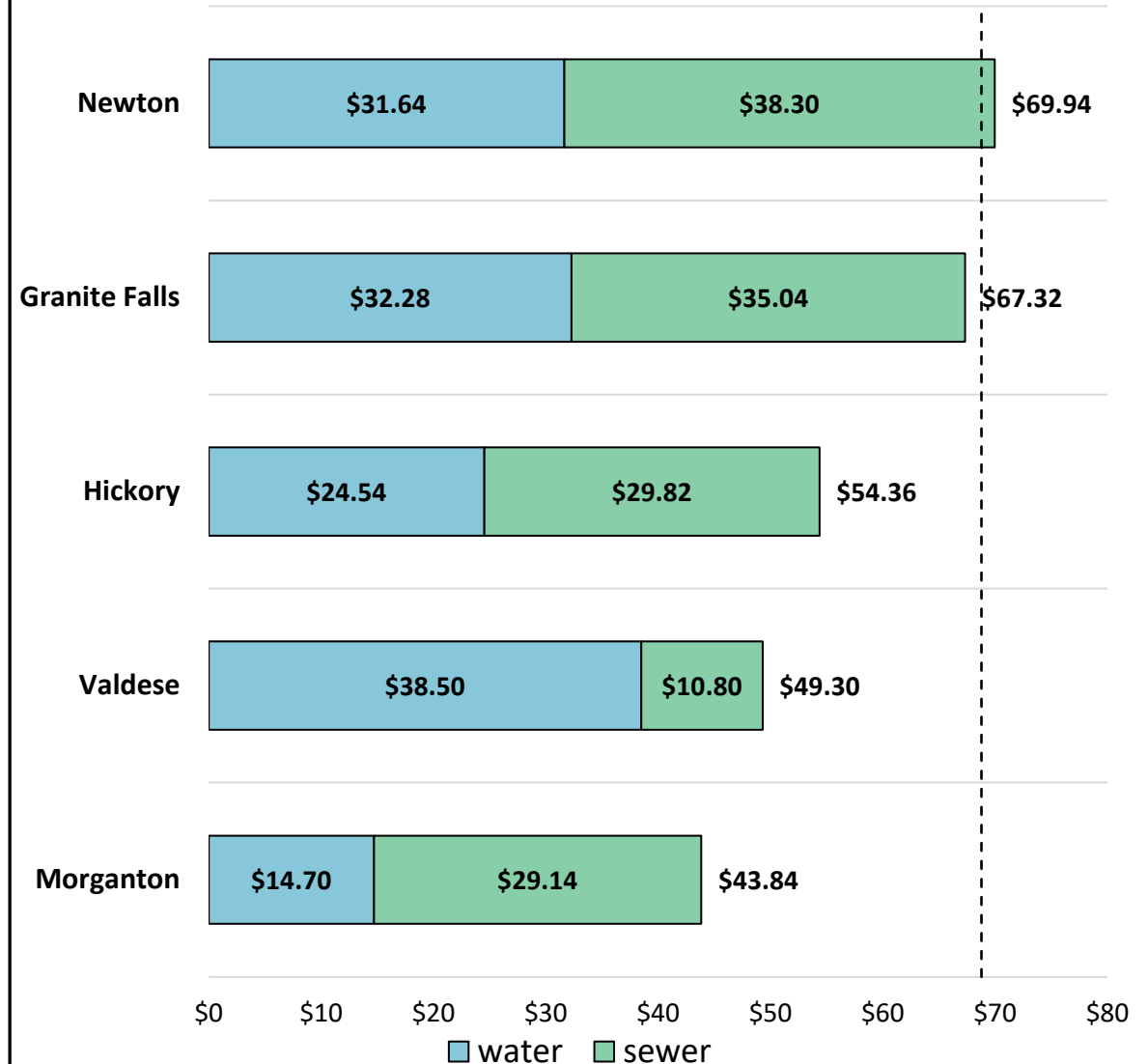
FY25 Rates

Monthly Water/Sewer Bill: 3,000 gal

Inside Residential Customer Class

Source: FY25 Approved Water and Sewer Fee Schedules

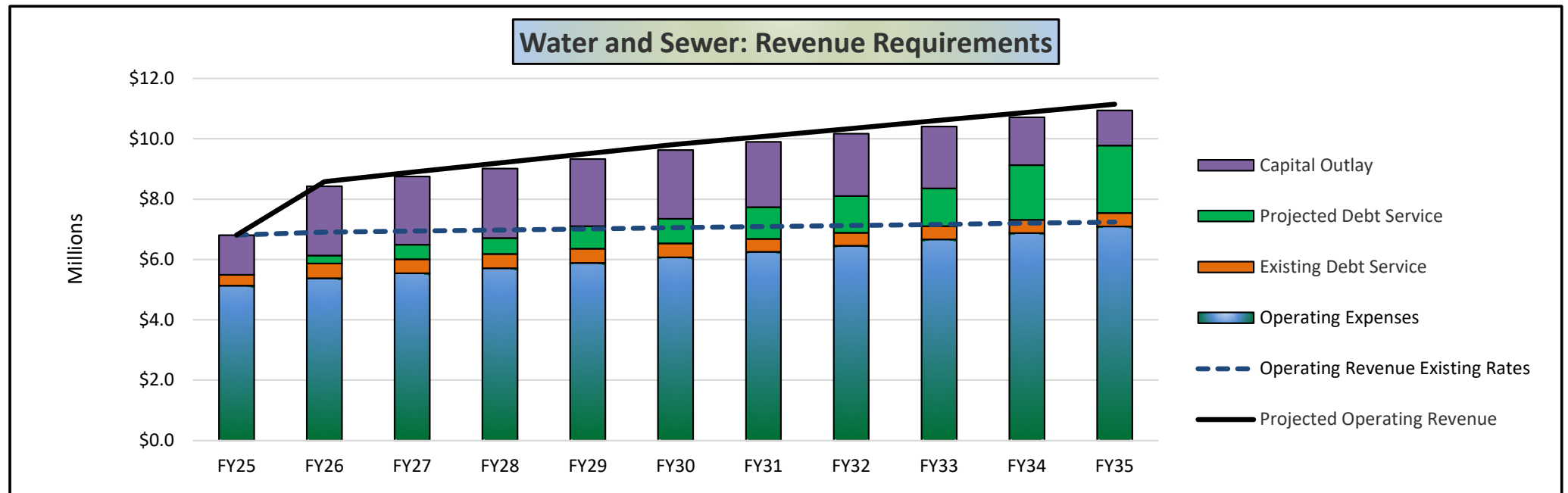
NC LGU Water Utilities
UNC Rates Dashboard
Median \$68.78



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 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

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

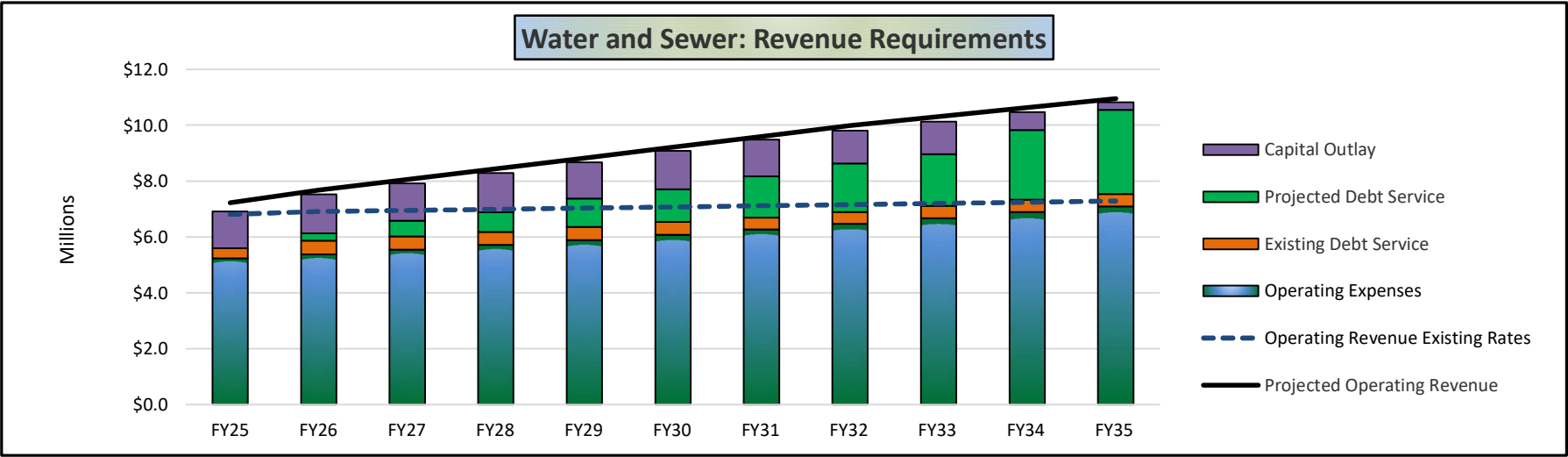
Effect on Average Customer Bill

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			FY30
				FY28	FY29		
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	FY27	Projected FY28	FY29	FY30
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
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
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
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
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
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

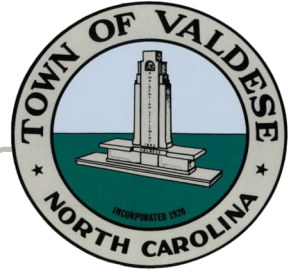
Water and Sewer Utility Fund

Current and Proposed Combined Water and Sewer Rates

Customer Class	Current Rate FY25	Proposed FY26	FY27	Projected 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: Planning Assistance Agreement

Meeting: June 23, 2025

Presenter: Bo Weichel, Assistant Town Manager/CFO

ITEM OF INTEREST:

Renew biannual agreement for technical planning assistance services from WPCOG.

BACKGROUND INFORMATION:

The current contract expires on June 30.

Planning Assistance services provided as part of the Agreement as outlined in Exhibit A. The contract amount for the period beginning July 1, 2025, and ending June 30, 2027, is not to exceed \$56,390.00

The Town may terminate the Contract by giving the WPCOG a thirty-day written notice. Furthermore, if there is a need to amend the proposal outlined in Exhibit A, either party may do so with the written consent of the other.

BUDGET IMPACT:

Included with FY25-26 budget.

RECOMMENDATION / OPTIONS:

Renew the Planning Assistance agreement.

LIST OF ATTACHMENTS:

1. Planning Assistance agreement

AGREEMENT BETWEEN THE
 WESTERN PIEDMONT COUNCIL OF GOVERNMENTS AND
 THE TOWN OF VALDESE
 FOR THE PROVISION OF
 TECHNICAL PLANNING ASSISTANCE:
JULY 1, 2025- JUNE 30, 2027

This AGREEMENT, entered into on this the first day of July, 2025, by and between the Western Piedmont Council of Governments (hereinafter referred to as the "Planning Agency") and the Town of Valdese, North Carolina (hereinafter referred to as the "Local Government"); WITNESSETH THAT:

WHEREAS, the Planning Agency is empowered to provide technical assistance by the North Carolina General Statutes and by resolution passed by the Planning Agency on April 17, 1972. Technical assistance shall consist of the provision of services as described in Attachment A, which is herein made a part of this Contract;

WHEREAS, the Local Government has requested the Planning Agency to provide such technical assistance to the Local Government and;

WHEREAS, the Planning Agency desires to cooperate with the Local Government in every way possible to the end that the proposed activities are carried out in an efficient and professional manner;

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Personnel.** That during the period of this Contract, the Planning Agency will furnish the necessary trained personnel to the Local Government.
2. **Travel/Printing.** The Local Government will pay for expenses related to conferences, conventions, seminars, local travel, etc. of the personnel when the Local Government requests or approves travel related to the Local Government's planning program, or if it is beneficial to both parties, the costs will be shared on an agreed-upon ratio.

The Local Government will also pay for expenses related to printing of report(s), mailings to advisory boards, and other costs not related to normal travel and staffing costs associated with personnel furnished by the Planning Agency.

3. **Compensation.** That for the purpose of providing the funds for carrying out this Contract, the Local Government will pay the Planning Agency a fee not to exceed **\$56,390.00** (Fifty-six thousand three hundred and ninety dollars) during the period **beginning July 1, 2025, and ending June 30, 2027**, to provide planning service for a total of one day per week. These fees will be billed quarterly.

4. **Termination/Modifications.** The Local Government may terminate the Contract by giving the Planning Agency a thirty-day written notice. Furthermore, if there is a need to amend the proposal outlined in Attachment A, either party may do so with the written consent of the other.
5. **Time of Performance.** The Planning Agency shall ensure that all services required herein shall be completed and all required reports, maps, and documents submitted during the period beginning July 1, 2025 and ending June 30, 2027.
6. **Interest of Members, Officers, or Employees of the Planning Agency, Members of the Local Government, or Other Public Officials.** No member, officer, or employee of the Planning Agency or its agents; no member of the governing body of the locality in which the program is situated; and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The Planning Agency shall incorporate, or cause to be incorporated, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.
7. **Nondiscrimination Clause.** No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination with any program or activity funded in whole or in part with funds available under the Housing and Community Development Act of 1974, Section 109.
8. **Age Discrimination Act of 1975, as amended.** No qualified person shall on the basis of age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.
9. **Section 504, Rehabilitation Act of 1973, as amended.** No qualified handicapped person shall, on the basis of handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

IN WITNESS WHEREOF, the Planning Agency and the Local Government have executed this Agreement as of the date first above written.

LOCAL GOVERNMENT:
TOWN OF VALDESE

PLANNING AGENCY:
WESTERN PIEDMONT COUNCIL
OF GOV'TS.

By: _____
Mayor

By: _____
Executive Director

PLANNING AGENCY:

By: _____
Town Manager

By: _____
Chair

Pre-audit statement:

This instrument has been preaudited in the manner prescribed by the Local Government Budget and Fiscal Control Act.

By: _____
Local Government Finance Officer

ATTACHMENT A
TOWN OF VALDESE
TECHNICAL PLANNING ASSISTANCE:
JULY 1, 2025 – JUNE 30, 2027
WORK PROGRAM/BUDGET

The following work program and budget are presented as descriptive of the work and dollar amounts called for in the agreement concerning planning activities by the Western Piedmont Council of Governments for the Town of Valdese. The product(s) of the planning activities shall be:

WORK PROGRAM:

1. Zoning and Subdivision Code Management

Technical assistance will be provided with Zoning Enforcement.

Technical assistance will be provided in the administration of the Town's Zoning Ordinance and Subdivision Regulations. Technical planning advice and opinions will also be provided to the Town Council, Town Manager, Planning Board and Board of Adjustment.

Assistance to the public in interpretation of permitting and amendment regulations will be provided as directed by the Town Manager.

2. Other Duties as Directed by Town Manager or Town Council

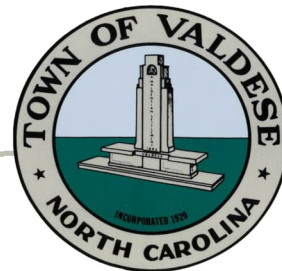
It is understood that priority changes and/or substitutions may be made by the Town Manager or Town Council as needed in other planning-related topics, not to exceed the dollar/time/travel amount of this contract.

COMPENSATION:

That for the purpose of providing the funds for carrying out this Contract, the Local Government will pay the Planning Agency a fee not to exceed **\$56,390.00** (Fifty-six thousand three hundred and ninety dollars) during the period **beginning July 1, 2025, and ending June 30, 2027**, to provide planning service for a total of one day per week. These fees will be billed quarterly.

Town of Valdese

AGENDA MEMO



☐ Resolution ☐ Ordinance ☒ Contract ☐ Discussion ☐ Information Only

To: Valdese Town Council

From: Bo Weichel, Assistant Town Manager/CFO

Subject: Stormwater Partnership Agreement

Meeting: June 23, 2025

Presenter: Bo Weichel, Assistant Town Manager/CFO

ITEM OF INTEREST:

Renew biannual agreement for technical stormwater services from WPCOG.

BACKGROUND INFORMATION:

The Town is required to provide adequate staffing and funding to support the NPDES Phase II six minimum measures, including Stormwater Public Education and Outreach, Public Involvement, and Participation, Illicit Discharge Detection and Elimination, Construction Site Stormwater Runoff Control, Post-Construction Storm Water Management in New Development and Redevelopment, and Pollution Prevention/Good Housekeeping for Municipal Operations. The WPCOG is empowered to provide technical assistance to local governments by the North Carolina General Statutes and by resolution passed by the WPCOG on April 17, 1972.

Stormwater Partnership fee for services provided as part of the Agreement as outlined in Exhibit A. The Town of Valdese's calculated Stormwater Partnership fee for the period beginning July 1, 2025, and ending June 30, 2027, is not to exceed \$27,054.00

BUDGET IMPACT:

Included with FY25-26 budget.

RECOMMENDATION / OPTIONS:

Renew the Stormwater Partnership Agreement for technical services.

LIST OF ATTACHMENTS:

1. Stormwater Partnership Agreement

AGREEMENT BETWEEN THE
 WESTERN PIEDMONT COUNCIL OF GOVERNMENTS AND
 THE TOWN OF VALDESE
 FOR ASSISTANCE IN SUPPORTING THE WESTERN PIEDMONT
 STORMWATER PARTNERSHIP
JULY 1, 2025 – JUNE 30, 2027

This AGREEMENT, to be effective on the 1st day of July, 2025, by and between the Western Piedmont Council of Governments (hereinafter referred to as the "Planning Agency") and the Town of Valdese, North Carolina (hereinafter referred to as the "Local Government");

WITNESSETH THAT:

WHEREAS, the Local Government is required to provide adequate staffing and funding to support the NPDES Phase II six minimum measures, including Stormwater Public Education and Outreach, Public Involvement, and Participation, Illicit Discharge Detection and Elimination, Construction Site Stormwater Runoff Control, Post-Construction Storm Water Management in New Development and Redevelopment, and Pollution Prevention/Good Housekeeping for Municipal Operations. ("Stormwater Partnership" hereinafter); and

WHEREAS, the Planning Agency is empowered to provide technical assistance to local governments by the North Carolina General Statutes and by resolution passed by the Planning Agency on April 17, 1972; and

WHEREAS, the Local Government has requested the Planning Agency to provide such technical assistance to support the NPDES Phase II six minimum measures through a Stormwater Partnership and;

WHEREAS, the Planning Agency desires to cooperate with the Local Government in providing technical assistance and services and that the proposed assistance and services are carried out in an efficient and professional manner.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Scope of Services.** The Planning Agency will provide technical assistance to the Western Piedmont Stormwater Partnership. Technical assistance shall consist of the services described in EXHIBIT A, which is incorporated more fully by reference herein.
2. **Personnel.** The Planning Agency will furnish the necessary trained personnel to the Local Government.
3. **Office/Equipment.** The Planning Agency will provide office space, miscellaneous office supplies, office equipment, software, and hardware necessary to perform the work described in this contract.
4. **Compensation.** The Local Government will pay the Planning Agency a regional

Stormwater Partnership fee for services provided as part of the Agreement as outlined in Exhibit A. The Town of Valdese's calculated Stormwater Partnership fee for the period beginning July 1, 2025, and ending June 30, 2027, is not to exceed **\$27,054.00** (twenty-seven thousand and fifty-four dollars). These fees will be billed in eight quarterly payments.

5. **Non-salary Expenses.** (a) The Planning Agency personnel's local travel mileage will be considered to be a part of the Scope of Work as outlined in Exhibit A.

(b) The Stormwater Partnership will pay for personnel's travel expenses related to attendance of conferences, conventions, and seminars if the events are related to the development of the Stormwater Partnership's program. Travel expenses shall include registration fees, hotel expenses, meals, and mileage. The Stormwater Partnership will pay for hotel, meals, and mileage costs at the prevailing local government rate.
6. **Termination/Modifications.** The Local Government may terminate the Contract by giving the Planning Agency a thirty-day written notice. Furthermore, if there is a need to amend the proposal outlined in Attachment A, either party may do so with the written consent of the other.
7. **Time of Performance.** The Planning Agency shall ensure that all services required herein shall be completed during the period beginning July 1, 2025, and ending June 30, 2027.
8. **Interest of Members, Officers, or Employees of the Planning Agency, Members of the Local Government, or Other Public Officials.** No member, officer, or employee of the Planning Agency or its agents; no member of the governing body of the locality in which the program is situated; and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The Planning Agency shall incorporate or cause to be incorporated in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.
9. **Nondiscrimination Clause.** No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination with any program or activity funded in whole or in part with funds available under the Housing and Community Development Act of 1974, Section 109.
10. **Age Discrimination Act of 1975, as amended.** No qualified person shall on the

basis of age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

- 11. Section 504, Rehabilitation Act of 1973, as amended.** No qualified handicapped person shall, on the basis of handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LOCAL GOVERNMENT:
TOWN OF VALDESE

PLANNING AGENCY:
WESTERN PIEDMONT COUNCIL OF
GOVERNMENTS

By: _____
Town Manager

By: _____
Executive Director

Planning Agency:

By: _____
Town Clerk

By: _____
Chair

Preaudit statement:

This instrument has been preaudited in the manner prescribed by the Local Government Budget and Fiscal Control Act.

By: _____
Local Government Finance Officer

EXHIBIT A

THE TOWN OF VALDESE WESTERN PIEDMONT STORMWATER PARTNERSHIP JULY 1, 2025 – JUNE 30, 2027

PROGRAM OVERVIEW

The following work program is presented as descriptive of the work called for in the agreements concerning stormwater program assistance activities by the Western Piedmont Council of Governments for local governments in the Stormwater Partnership.

The Western Piedmont Council of Governments staff will work with the Local Government's Staff to adapt the work plan and priorities as needed to satisfactorily implement requirements in NPDES Phase II Permits and management plans. WPCOG staff will support the local government with the Annual Audit, the Stormwater Management Plan Update and obtain a renewal for the NPDES Permit.

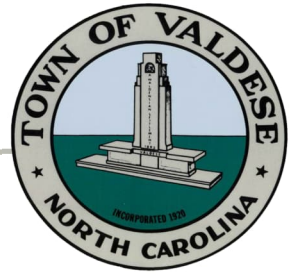
- Public Education and Outreach on Storm Water Impacts – The Planning Agency will fulfill the education and outreach component of the permit by developing workshops; arranging speakers; development of school partnerships and projects; preparing outreach materials; and presenting to various groups and at events, and other Education Outreach activities as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.
- Public Involvement and Participation – The Planning Agency will manage planning and implementation of public events for stormwater information to the general public as well as coordination of volunteer programs for stormwater programs or stream cleanups, and other Public Involvement and Participation activities as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.
- Illicit Discharge Detection and Elimination – The Planning Agency will conduct active investigation and enforcement of the Local Governments illicit discharge within the Local Governments jurisdiction and other Illicit Discharge Detection and Elimination activities as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.
- Construction Site Stormwater Runoff Control – North Carolina Division of Environmental Quality is responsible for the Local Government's Construction Site Stormwater Runoff Control Program. Follow-up by the Planning Agency will occur.
- Post-Construction Storm Water Management in New Development and Redevelopment – The Planning Agency will manage the permitting process, annual reports, inspections, and files associated with Post Construction as required by the NPDES Phase II Permit

and outlined in the Local Government's Stormwater Management Plan.

- Pollution Prevention/Good Housekeeping for Municipal Operations – The Planning Agency will conduct education to Local Government employees and inspection of Local Government facilities for Pollution Prevention/Good Housekeeping activities as required by the NPDES Phase II Permit and outlined in the Local Government's Stormwater Management Plan.

Town of Valdese

AGENDA MEMO



☐ Resolution ☐ Ordinance ☒ Contract ☐ Discussion ☐ Information Only

To: Valdese Town Council

From: Bo Weichel, Assistant Town Manager/CFO

Subject: First Tryon Advisors

Meeting: June 23, 2025

Presenter: Bo Weichel, Assistant Town Manager/CFO

ITEM OF INTEREST:

Enter agreement for services from First Tryon Advisors in accordance with FY25-26 budget presentation.

BACKGROUND INFORMATION:

During the FY25-26 budget workshops, one of the General Fund capital item requests was to enter a partnership with First Tryon Advisors to provide Financial Advisory: Capital Planning, Financing Models, & Strategic Consulting services for the Town. This investment has a upfront cost for financial modeling to open the door for maintained services such as strategic consulting and transaction management.

The Town of Valdese is at a pivotal juncture where strategic financial planning is essential to ensure sustainable growth and efficient allocation of resources. Engaging a financial advisory firm, such as First Tryon Advisors, can provide the expertise and tools necessary to develop a comprehensive General Fund capital planning and financial model, explore financing solutions, and undertake strategic planning.

The services offered by First Tryon will not only help the General Fund, but also the Utility Fund in borrowing to fund major projects.

The knowledge and depth of industry relationships gained by partnering with First Tryon Advisors will return more than invested back to the Town.

BUDGET IMPACT:

Included with FY25-26 general fund capital budget.

RECOMMENDATION / OPTIONS:

Approve the Financial Advisory Services Agreement and the Work Order #1.

LIST OF ATTACHMENTS:

1. Financial Advisory Services Agreement
2. Work Order #1

FINANCIAL ADVISORY SERVICES AGREEMENT

This Agreement (this “**Agreement**”) is made by and between the Town of Valdese, North Carolina (the “**Client**”) and First Tryon Advisors, LLC (the “**Advisor**”), as of the date acknowledged and accepted by the Client below (the “**Effective Date**”).

In consideration of the mutual covenants contained in this Agreement and the attached Terms and Conditions, the parties hereby agree with respect to financial advisory services to be provided by the Advisor to the Client as follows:

SERVICES

The Advisor, as an independent contractor and not as an employee, shall provide financial advisory services to the Client as specified from time to time in the work order or work orders in the form attached to this Agreement as Exhibit A (collectively, if more than one, the “**Work Order**”), perform all work and deliver all requisite work product (the “**Deliverables**”) in connection therewith (collectively, together with the Deliverables, the “**Services**”). The Advisor agrees to perform the Services in accordance with the highest professional standards applicable to the performance of like services. As part of such Services, Client may periodically request reasonable written reports concerning the Advisor’s progress, project status and other matters pertaining to the Services, and the Advisor shall promptly provide such reports to Client at no additional charge.

Client may, from time to time, request that the Advisor perform additional Services (“**Additional Services**”). If the Advisor accepts such assignments, the parties shall agree to the parameters of the Additional Services to be undertaken by executing a new or revised Work Order in the form of Exhibit A. The Additional Services shall be considered “**Services**” under this Agreement and shall be performed in accordance with, and subject to the terms and conditions of, this Agreement and the Work Order specifying the Services to be performed.

Nothing contained in this Agreement shall constitute making or appointing the Advisor an agent of the Client. The Advisor shall not (a) hold itself out contrary to the terms of this Agreement; (b) enter into any agreement on behalf of the Client or bind the Client in any way; or (c) make any representation, agreement, act or commission contrary to the terms of this Agreement.

The parties agree that Affiliates (as defined below) of Advisor and Affiliates of Client may execute Work Orders in accordance with the provisions of this Agreement. In such event, the applicable Affiliate of such party executing any Work Order shall, for purposes of such Work Order, be considered “Advisor” and the “Client” as those terms are used in this Agreement, insofar as it relates to any such Work Order, shall be deemed to be a two-party agreement between First Tryon or its applicable Affiliate on the one hand and Client or its applicable Affiliate on the other hand. As used in this Agreement, an “Affiliate” of an entity is another person or entity which controls, is controlled by or is under common control with such entity, and the term “control” of an entity shall mean the power to unilaterally direct the policies and management of such entity, whether through the ownership of voting securities or otherwise.

CLIENT MATTERS

With respect to any matter described in this Agreement, nothing in this Agreement shall limit the Client’s unqualified right, in the Client’s discretion, (a) to reject in whole or in part any advice, suggestion, counsel or proposal made by the Advisor; or (b) to make any decision the Client deems to be in the best interests of the Client.

The Client represents that (a) it has taken all necessary action to authorize the Client’s execution, delivery and performance of this Agreement and (b) it has obtained all consents, approvals and authorizations necessary for the Client’s execution and delivery of this Agreement and the performance of its obligations under this Agreement.

TERM

This Agreement shall commence on the Effective Date and thereafter shall remain in effect unless terminated in accordance with the provisions under the “**TERMINATION**” heading below. The Advisor shall render Services to Client for the period (the “**Term**”) set forth in the applicable Work Order.

PERSONNEL

The Advisor’s Services under this Agreement shall be rendered solely by (a) its individual employees or (b) individuals or entities that are not employees of the Advisor that have been engaged by the Advisor to perform Services under this Agreement on the Advisor’s behalf (collectively, the “**Third Parties**”), in each case as specified in the Work Order (collectively, the “**Personnel**”). The Advisor represents any such Personnel are qualified to perform the Services and have been assigned by the Advisor to work with the Client pursuant to this Agreement. The Advisor certifies that after hiring an employee to work in the United States, the Advisor shall verify the work authorization of the employee through E-Verify (or any replacement procedure).

FEES

Upon the performance by the Advisor of all of its obligations under this Agreement and in an applicable Work Order, and as full compensation for Services performed by the Advisor to Client, Client agrees to pay to the Advisor, and the Advisor agrees to accept, a fee for Services as rendered on the basis set forth in the Work Order. In no event shall Client be obligated to pay any fees accrued in excess of the Estimated Cost set forth in the Work Order, or accrued in respect of services not described in the Work Order, without the written consent of Client.

In establishing fees, the Advisor takes into account multiple factors, including the efficiency with which the work was done, the result achieved, the complexity of the matter and any special experience or expertise applied to it, any extraordinary scheduling or preemptive attention devoted to the project, and the degree of professional responsibility or liability undertaken by the firm.

Unless specifically provided otherwise in the applicable Work Order, the Advisor shall invoice Client upon completion of the Services performed under the applicable Work Order. Invoices will be paid within 30 days of Client’s receipt and acceptance of a proper invoice in accordance with the applicable Work Order.

TERMINATION

Either party shall have the right to terminate any or all of the Services, any or all Work Orders or this Agreement without cause and in its sole discretion upon 30 days’ prior written notice.

In the event of any termination of any Services, Work Order or this Agreement as set forth above, the Client shall pay the Advisor only for those Services performed, and reimbursable expenses incurred, before the effective date of termination; provided, however, that the Client shall have no liability for any further charges in respect of Services performed or expenses incurred after such termination date. Upon termination of this Agreement, the Advisor shall be relieved of any further obligations to provide services under this Agreement or any applicable Work Order.

MISCELLANEOUS

The provisions of this Agreement constitute the entire agreement of the parties as to the matters addressed in this Agreement and supersede any prior understanding not specifically incorporated in this Agreement. No changes to this Agreement or waiver of any of the terms of this Agreement shall be made except in writing signed by the Client and the Advisor. In addition, no Work Order applicable to this Agreement shall be binding on the Client unless executed by the Client and the Advisor. In the event of any inconsistency between a Work Order and the terms set forth in this Agreement, the terms of the applicable Work Order shall prevail.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of North Carolina applicable to agreements made and to be fully performed therein.

NOTICES

All notices, requests, demands or other communications in connection with this Agreement shall be in writing and shall be deemed to have been duly given if delivered in person, by a nationally recognized overnight courier service or by United States mail, postage prepaid, certified or registered, with return receipt requested, or otherwise actually delivered:

If to the Client at:

Town of Valdese, NC
Attn: Chief Financial Officer
102 Massel Avenue South West
Valdese, NC 28690

If to the Advisor, at:

First Tryon Advisors, LLC
Attn: Chief Compliance Officer
6101 Carnegie Blvd, Suite 210
Charlotte, NC 28209

LIMITATION ON LIABILITY

NEITHER PARTY SHALL BE LIABLE FOR ANY CAUSE RELATED TO OR ARISING OUT OF THIS AGREEMENT, WHETHER IN CONTRACT, NEGLIGENCE OR TORT, IN EXCESS OF THE TOTAL FEES AND CHARGES PAID BY THE CLIENT FOR SERVICES RENDERED DURING THE TERM. NEITHER PARTY'S AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS SHALL BE LIABLE FOR ANY CAUSE RELATED TO OR ARISING OUT OF THIS AGREEMENT, WHETHER IN CONTRACT, NEGLIGENCE OR TORT.

HEADINGS

The paragraph headings in this Agreement are solely for convenience of reference and shall not affect the interpretation of this Agreement.

ASSIGNMENT

Each provision of this Agreement and all Work Orders shall inure to, and shall be legally binding on, the successors and assigns of the parties to this Agreement.

COMPLIANCE WITH LAW

The Advisor will comply with all statutes, ordinances, and regulations of all federal, state, county and municipal or local governments, and of any and all the departments and bureaus thereof, applicable to the carrying on of its business and performance of the Services and its obligations under this Agreement.

SEVERABILITY

If any term of this Agreement shall be held invalid, illegal or unenforceable in whole or in part, then neither the validity of the remaining part of such term nor the validity of any other term of this Agreement shall be in any way affected.

MUNICIPAL ADVISORY CLIENT EDUCATION AND PROTECTION

The Advisor is registered with the U.S. Securities and Exchange Commission ("SEC") as a Municipal Advisor. As a registered Municipal Advisor, the Advisor is subject to the rules of the Municipal Securities Rulemaking Board ("MSRB"). The MSRB provides certain protections for municipal entities and obligated persons that are clients of a municipal advisor. For complete regulatory and educational information, visit the MSRB's website at www.msrb.org. A municipal advisory client brochure is available on the MSRB website's (currently available at <https://www.msrb.org/sites/default/files/2022-09/MSRB-MA-Clients-Brochure.pdf>). The client brochure

describes client protections that may be provided under MSRB rules, including how to file a complaint with an appropriate regulatory authority.

MUNICIPAL ADVISOR REGULATORY DUTIES

MSRB Rule G-42 requires that municipal advisors provide disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history. Such disclosures are provided in the Advisor's Municipal Advisor's Disclosure Statement, which the Advisor has to this Agreement as Exhibit B.

IN WITNESS WHEREOF, the Client and the Advisor have duly executed this Agreement, and the Client has acknowledged and accepted the terms of this Agreement, as of the ____ day of _____, 2025.

TOWN OF VALDESE, NORTH CAROLINA

By: _____
Name: _____
Title: _____

FIRST TRYON ADVISORS, LLC

By:  _____
Name: Andy Smith
Title: Managing Director


By:  _____
Name: J. Walter Goldsmith
Title: CEO

EXHIBIT A
WORK ORDER

WORK ORDER to the Agreement dated _____, by and between _____ (the “Client”) and First Tryon Advisors, LLC (the “Advisor”).

SERVICES

Pursuant to this Work Order, the Advisor’s Services will include the following:

- [To be determined]

TERM

The term with respect to the Services to be performed under this Work Order shall end 30 days after the completion of the Services, unless terminated earlier in accordance with the Agreement.

COMPENSATION

In establishing fees, the Advisor considers multiple factors, including the efficiency with which the work was done, the result achieved, the complexity of the matter and any special experience or expertise applied to it, any extraordinary scheduling or preemptive attention devoted to the project, and the degree of professional responsibility or liability undertaken by the firm.

For services to be performed in connection with this Work Order, the Advisor shall be compensated as follows:

- [To be determined]

Such fees may vary if (1) the contemplated assignment changes materially during the course of the Term or (2) unusual or unforeseen circumstances arise which require a significant increase in the type or scope of the Advisor’s responsibilities. The Advisor will consult with the Client if at any time the Advisor believes that circumstances require an adjustment to its fee.

In addition to the compensation outlined above, the Client will reimburse the Advisor for out-of-pocket expenses incurred in connection with the Services. Customary out-of-pocket expenses include, without limitation, costs of travel, meals, lodging, printing/copying, etc. The Advisor will bill the Client for such expenses at cost, with no mark-up. The Advisor will not bill the Client for indirect costs such as phone and video conference services; instead, the Client will pay the Advisor an administrative expense fee equal to 4% of any invoiced fee for Services as reimbursement for costs not reasonably allocable on a client-by-client basis.

The Advisor is firmly committed to demonstrating value to the Client throughout the financing process. If at any time the Client believes that the Services provided are not consistent with the fees charged by the Advisor, the Client may adjust the fee for such Services to any amount the Client deems appropriate.

AGREED AND ACCEPTED this ____ day of _____, 2025:

TOWN OF VALDESE, NORTH CAROLINA

By: _____
Name:
Title:

FIRST TRYON ADVISORS, LLC

By: _____
Name:
Title:

By: _____
Name: J. Walter Goldsmith
Title: CEO

EXHIBIT B

MUNICIPAL ADVISOR DISCLOSURE STATEMENT

Developing best practices for regulatory compliance and following the spirit, not just the letter, of any applicable regulation are central tenets of First Tryon Advisors, LLC (“First Tryon”). To that end, we are providing you with this Disclosure Statement of Municipal Advisor (this “Disclosure Statement”) to explain our fiduciary duties and commitment to you (the “Client”), as well as to provide you with certain disclosures that are required by the Municipal Securities Rulemaking Board (“MSRB”) Rule G-42 (“Rule G-42”), which became effective on June 23, 2016.

FIDUCIARY DUTY: In the conduct of all municipal advisory activities for the Client, First Tryon is subject to a fiduciary duty that includes a Duty of Loyalty and a Duty of Care.

First Tryon’s Duty of Care includes, but is not limited to, the following:

- First Tryon must possess the degree of knowledge and expertise needed to provide the Client with informed advice.
- First Tryon must make a reasonable inquiry as to the facts that are relevant to the Client’s determination as to whether to proceed with a course of action or that form the basis for any advice provided to the Client.
- First Tryon must undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Among other matters, First Tryon must have a reasonable basis for:
 - any advice provided to or on behalf of the Client;
 - any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the Client, any other party involved in the municipal securities transaction or municipal financial product, or investors in the Client’s securities or securities secured by payments from the Client; and
 - any information provided to the Client or other parties involved in the municipal securities transaction in connection with the preparation of an official statement for any applicable issue of municipal securities.

First Tryon’s Duty of Loyalty includes, but is not limited to, the following:

- First Tryon must deal honestly and with the utmost good faith with the Client and act in the Client’s best interests without regard to First Tryon’s financial or other interests.
- First Tryon may not engage in municipal advisory activities for the Client if First Tryon cannot manage or mitigate its conflicts of interest in a manner that will permit it to act in the Client’s best interests.

FIRST TRYON’S RECOMMENDATIONS TO CLIENTS: Rule G-42 requires that our advisors have a reasonable basis to believe that any recommendation First Tryon makes to the Client is suitable for the Client, based on the information obtained through our reasonable diligence. If the Client requests a review of another party’s recommendation, our advisors must determine, based on the information obtained through our reasonable diligence, whether the recommendation is suitable for the Client.

In addition, First Tryon must inform the Client of:

- our evaluation of the material risks, potential benefits, structure, and other characteristics of the recommended municipal securities transaction or municipal financial product; and
- the basis upon which First Tryon reasonably believes that the recommendation (or reviewed recommendation) is or is not suitable for the Client; and - whether our advisors have investigated or considered other reasonably feasible alternatives to the recommendation that might also serve the Client’s objectives.

PROHIBITED ACTIVITIES: Rule G-42 prohibits First Tryon, and any other municipal advisor, from engaging in the following activities:

- receiving compensation that is excessive in relation to the municipal advisory activities actually performed;
- delivering an invoice for fees or expenses for municipal advisory activities that is materially inaccurate in its reflection of the activities actually performed or the personnel that actually performed those activities;
- making any representation or the submission of any information that First Tryon knows or should know is either materially false or materially misleading due to the omission of a material fact about the capacity, resources or knowledge of First Tryon, in response to requests for proposals or qualifications or in oral presentations to the Client or another prospective client, for the purpose of obtaining or retaining an engagement to perform municipal advisory activities;
- making, or participating in, any fee-splitting arrangement with underwriters on any municipal securities transaction as to which it has provided or is providing advice, and any undisclosed fee splitting arrangements with providers of investments or services to the Client; and
- making payments for the purpose of obtaining or retaining an engagement to perform municipal advisory activities.

MANDATORY DISCLOSURES REGARDING CONFLICTS: Under Rule G-42, First Tryon must disclose to you in writing any actual or potential material conflicts of interest, including:

- any First Tryon affiliate that provides any advice, service or product to or on behalf of the Client that is directly related to the municipal advisory activities to be performed by First Tryon;
- any payments made by First Tryon, directly or indirectly, to obtain or retain an engagement to perform municipal advisory activities for the Client;
- any payments received by First Tryon from a third party to enlist First Tryon's recommendation to the Client of its services, any municipal securities transaction or any municipal financial product;
- any fee-splitting arrangements involving First Tryon and any provider of investments or services to the Client; and
- any conflicts of interest arising from compensation for municipal advisory activities to be performed that is contingent on the size or closing of any transaction as to which First Tryon is providing advice; and - any other actual or potential conflicts of interest, of which First Tryon is aware after reasonable inquiry, that could reasonably be anticipated to impair First Tryon's ability to provide advice to or on behalf of the Client in accordance with the fiduciary duty it owes to the Client.

Please be aware of the following actual or potential material conflicts of interest related to our role as your advisor:

- *Contingent Fees Based on closing & size of transaction:* First Tryon represents that in connection with the issuance of municipal securities, First Tryon may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, First Tryon hereby discloses, that such contingent and/or transactional compensation may present a potential conflict of interest regarding First Tryon's ability to provide unbiased advice to enter into such transaction. While this form of compensation is common in the municipal advisor sector, the contingent fee arrangement could create an incentive for the municipal advisor to recommend unnecessary financings or financings that are disadvantageous to the Client, or to advise the Client to increase the size of the issue. This potential conflict of interest will not impair First Tryon's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Client.
- *Hourly Fees:* First Tryon may be compensated using an hourly fee structure with First Tryon's aggregate fee

amount equaling the number of hours worked by its personnel multiplied by an agreed-upon hourly billing rate. While this form of compensation is common in the municipal advisor sector, it presents a potential conflict of interest because it could create an incentive for the municipal advisor to recommend alternatives that would result in more hours worked. This conflict of interest will not impair First Tryon's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Client.

- *Fixed Fees:* First Tryon may be compensated based on a fixed amount established at the outset of the assignment. The fixed fee amount is usually based upon an analysis by the Client and First Tryon's of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by First Tryon. While this form of compensation is also common in the municipal advisor sector, it presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the municipal advisor may suffer a loss. Thus, the municipal advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest will not impair First Tryon's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Client.
- *Increased Cost:* We wish to also make you aware that the fee paid to First Tryon increases the cost of transactions completed by the Client. The increased cost occurs from compensating First Tryon for municipal advisory services provided.
- *Other Advisory Clients:* First Tryon serves a wide variety of clients that may from time to time have interests that could have a direct or indirect impact on the interests of another First Tryon client. For example, First Tryon serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to the Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, First Tryon could potentially face a conflict of interest arising from these competing client interests. First Tryon fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with the Client.

We believe the following factors enable First Tryon to manage and mitigate the conflicts described above:

- *Fiduciary Duty:* First Tryon's commitment to the fiduciary duty it owes the Client serves as a general mitigating factor for any conflict of interest. Taken together, the Duty of Care and the Duty of Loyalty require First Tryon to deal honestly and in good faith with the Client and to act in the Client's best interests, without regard to First Tryon's financial or other interests.
- *Business Model and Capitalization:* First Tryon is well-capitalized, and its business model is not dependent on maximizing short-term revenues from any single advisory client or recommendation. Instead, First Tryon's business model and profitability are dependent on cultivating long-term client relationships based on a demonstrated track record of putting our clients' interests first.
- *Supervisory Structure:* First Tryon has the experience, expertise and infrastructure reasonably designed to achieve compliance with its regulatory obligations. The firm's supervisory structure, which includes a Chief Compliance Officer, and other safeguards ensure that our advisors understand, and act in accordance with, the fiduciary duty First Tryon owes to each of its clients.

MANDATORY DISCLOSURES REGARDING DISCIPLINARY EVENTS: Under Rule G-42, First Tryon must disclose to you in writing (1) any legal or disciplinary event that is material to the Client's evaluation of First Tryon or the integrity of its management or advisory personnel and (2) the date of the last material change or addition to the legal or disciplinary event disclosures on any Form MA or Form MA-I filed with the SEC by First Tryon, along with a brief explanation of the basis for the materiality of the change or addition.

- *Material Legal or Disciplinary Events:* First Tryon does not have any legal events or disciplinary history on

First Tryon's Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation.

- *How to access Form MA and Form MA-I:* First Tryon's most recent Form MA and each most recent Form MA-I filed with the SEC may be accessed electronically at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.
- *Most Recent Change in Legal or Disciplinary Event Disclosure:* There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against First Tryon, we will provide complete disclosure to the Client in detail.

FUTURE DISCLOSURES: As required by Rule G-42, First Tryon will, throughout the course of its engagement with the Client, promptly notify the Client in writing to supplement or amend this Disclosure Statement as may be necessary in connection with (1) any changed circumstance that results in new, material conflicts of interest or material changes to the conflicts of interest described above or (2) any required update to First Tryon's disciplinary event information.

If you have any questions or concerns about this Disclosure Statement or the information above, please make those questions or concerns known immediately. In addition, the Client should consult with its own legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

TOWN OF VALDESE

Terms and Conditions

1. **General.** This addendum describes the Town of Valdese's standard terms and conditions ("Terms and Conditions") applicable to all contracts entered in to with the Town of Valdese ("Town") unless otherwise provided. The Terms and Conditions are part of the contract between You and the Town (the "Contract," and together with the Terms and Conditions, the "Agreement"), and any reference to "You" or "Your" is a reference to the party or parties that have contracted with the Town.
2. **Iran Divestment Act Compliance.** You certify that, as of the date listed below, You 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, You shall not utilize in the performance of the Contract any subcontractor that is identified on the Final Divestment List.
3. **Companies Boycotting Israel Divestment Act Certification.** You certify that that You have not been designated by the North Carolina State Treasurer as a company engaged in the boycott of Israel pursuant to N.C.G.S. 147-86.80 et seq.
4. **Nondiscrimination.** To the extent permitted by North Carolina law, You, for yourself, your 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.
5. **Governmental Immunity.** Notwithstanding any other term or provision to the contrary, nothing in the Agreement shall be interpreted as waiving any claim or defense based on the principle of sovereign or governmental immunity or other State or federal constitutional or statutory provision or principle that otherwise would be available to the Town under applicable law.
6. **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. You shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes. If You utilize a subcontractor, You shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.
7. **Governing Law.** You acknowledge and agree that any dispute arising out of or related to the Agreement shall be governed by the laws of the State of North Carolina, without regard to its conflict of laws principles.
8. **Jurisdiction.** Any actions to enforce the Agreement and all disputes between the parties arising out of, connected with, related to, or incidental to the relationship established between the parties in connection with the Agreement, whether arising in contract, statute, tort, equity, common law or otherwise, shall be resolved only by a state or federal court located in Burke County, North Carolina, and the parties hereby consent and submit to the jurisdiction of such court.
9. **Binding Agreement.** The parties, respectively, bind themselves, their agents, successors, assigns, and legal representatives to the Agreement. You may not assign Your interest or obligations under the Agreement without the written consent of the Town, which consent may be withheld by the Town for any reason.
10. **No Third Party Beneficiary.** Nothing in the Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against You or the Town.
11. **Waiver.** The failure of either party to insist upon a strict performance of any of the terms or provisions of the Agreement, or to exercise any option, right, or remedy under the Agreement, shall not be construed as a waiver or relinquishment for the failure of such term, provision, option, right, or remedy, but the same shall continue and remain in full force and effect. No waiver of either party of any term or provision of the Agreement shall be deemed to have been made unless expressed in writing and signed by the party against whom the waiver is asserted.
12. **Amendment.** The Agreement may not be amended, waived, discharged or terminated orally, but only by an instrument in writing signed by all parties.
13. **Entire Agreement.** The Agreement contains the entire agreement between You and the Town and supersedes all previous understandings and agreements between the parties, whether oral or written. In the event of a conflict between the Contract and the Terms and Conditions, the Terms and Conditions shall control.

WORK ORDER NUMBER 1

WORK ORDER to the Agreement dated March 6, 2025, by and between the Town of Valdese, North Carolina (the “**Client**”) and First Tryon Advisors, LLC (the “**Advisor**”).

SERVICES

The Advisor will provide the following Services under this Work Order:

- Advice and assistance with respect to evaluating the Client’s projected revenues and expenditures within its General Fund as well as the funding the Client’s current and future capital needs.
- Develop a capital planning model in order to analyze the Client’s projected revenue sources and its ability to fund future capital needs within the General Fund. The capital planning model will allow the Client to evaluate each of the proposed projects taking the following variables into consideration:
 - Project timing and amounts
 - Available funding structures (i.e. debt, pay-go, grants)
 - Financing structure (term/amortization/interest rate)
 - Available revenue sources
 - Revenue/expenditure growth projections
 - Impact on tax rates (or other revenue sources) as well as various financial and debt ratios
- The capital planning model will also contain peer comparisons for certain General Fund financial/debt metrics.
- Attend meetings of the governing body of the Client, its staff, representatives or committees as requested when the Advisor may be of assistance or service and the subject of capital planning and potential financings or related topics are to be discussed.

TERM

This work order will remain in effect until completion of the scope of services, unless extended by mutual agreement or otherwise terminated in accordance with the Agreement.

COMPENSATION

In establishing fees, the Advisor takes into account multiple factors, including the efficiency with which the work was done, the result achieved, the complexity of the matter and any special experience or expertise applied to it, any extraordinary scheduling or preemptive attention devoted to the project, and the degree of professional responsibility or liability undertaken by the firm.

For the services to be performed in connection with the above referenced Scope of Services, the Advisor proposes a fee of \$17,500 - \$20,000 to deliver a completed model. Any additional work on, or updates to, the model after development and delivery of a final, working model would be billed at an hourly rate as set forth below. The Advisor’s hourly rates are subject to adjustment from time to time by the Advisor and all rates will be set forth on invoices detailing services performed.

- Managing Director: \$500/hour
- Director: \$425/hour
- Vice President: \$350/hour
- Associate/Analyst: \$275/hour

If at any time we believe circumstances require an adjustment of our fees, we will consult with you and any adjustment will be left to the sole discretion of the Client.

In addition to the compensation outlined above, the Client will reimburse the Advisor for out-of-pocket expenses incurred in connection with the Services. Customary out-of-pocket expenses include, without limitation, costs of travel, meals, lodging, printing/copying, etc. The Advisor will bill the Client for such expenses at cost, with no mark-up. The Advisor will not bill the Client for indirect costs such as telephone, fax, and conference call services; instead, the Client will pay the Advisor an administrative expense fee equal to 4% of any invoiced fee for Services as reimbursement for costs not reasonably allocable on a client-by-client basis.

The Advisor is firmly committed to demonstrating value to the Client throughout the financing process. If at any time the Client believes that the Services provided are not consistent with the fees charged by the Advisor, the Client may adjust the fee for such Services to any amount the Client deems appropriate.

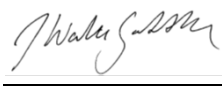
AGREED AND ACCEPTED this _____ day of _____, 2025:

TOWN OF VALDESE, NORTH CAROLINA

By: _____
Name:
Title:

FIRST TRYON ADVISORS, LLC

By: 
Name: Andy Smith
Title: Managing Director

By: 
Name: J. Walter Goldsmith
Title: CEO

Town of Valdese

AGENDA MEMO



☒ Resolution ☐ Ordinance ☐ Contract ☐ Discussion ☐ Information Only

To: Valdese Town Council

From: Bo Weichel, Assistant Town Manager/CFO

Subject: SRF Funding for Hurricane Helene - Water & Sewer Utility Projects

Meeting: June 23, 2025

Presenter: Bo Weichel, Assistant Town Manager/CFO

ITEM OF INTEREST:

Discussion about funding program opportunities arising out of Helene impacts leading to resolutions for application.

BACKGROUND INFORMATION:

Hurricane Helene's impacts left many utility systems in WNC without services or with impaired services for a long period of time. NCDEQ-DWI now has supplemental SRF funds (\$650M) from USEPA to fund more resiliency projects and repair projects in Helene affected utilities. The first application date for this rolling deadline program is 8/1/25. To give the Town of Valdese the best Chance of acquiring funding with potential large portions of principal forgiveness and loans which would carry zero percent interest rates Staff and McGill have begun developing ideas for funding applications to submit and will need a resolution from Council to apply for both water and wastewater projects.

Following Helene, the only 2 water producers in the County (Valdese and Morganton) were directly impacted in numerous ways but the most significant was loss of water production at the WTP for both Valdese and Morganton. That led to discussions between management in the days after the hurricane which were seeking to convey water all the way from Hickory to Morganton via the Valdese distribution system. This is a solution that was impossible because the infrastructure to make it a reality is not in place. The proposed funding applications would not only ask for funds to improve the raw water pump station at the Valdese WTP but it will also request funding for a new storage tank in the Triple-district that could work with a transmission main to move Valdese water to Morganton or Morganton water to Valdese (depending on the need). This project also provides for interconnection to the Town of Drexel for emergency transmission. Other important water system projects for Valdese include requesting grant funding for the electrical sub-station at the WTP which is already planned for replacement.

Other important wastewater projects for Valdese include improvements at the WWTP to handle high flows during heavy rain events, biosolids processing and disposal and sewer system improvements to better protect the collection system against flooding.

BUDGET IMPACT:

None. The application process will be completed at no cost to the Town.

RECOMMENDATION / OPTIONS:

Proceed with submission of any eligible and strong scoring projects as advised by Staff and McGill. Council will have last right of refusal for any funding award once letters of intent to fund are written and delivered to the Town

LIST OF ATTACHMENTS:

1. Resolution to apply for supplemental Helene SRF water funds
2. Resolution to apply for supplemental Helene SRF wastewater funds

RESOLUTION BY GOVERNING BODY OF APPLICANT

WHEREAS, The Town of Valdese has need for and intends to construct projects described as the Raw Water Intake Relocation, Electrical Substation Replacement (for Raw Water Intake), and the Morganton-Valdese-Drexel Water Interconnect and

WHEREAS, The Town of Valdese intends to request State loan and/or grant assistance for the project(s) listed above from the SRF Funding for Hurricane Helene (SA-HMW) program implemented by the American Relief Act 2025 (PL 118-158),

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

That Town of Valdese, the **Applicant**, will arrange financing for all remaining costs of the project, if approved for a State loan and/or grant award.

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

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

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

If applying for a regional project, that the **Applicant** will partner and work with other units of local government or utilities in conducting the project, including the City of Morganton and the Town of Drexel.

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

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

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

Adopted this the _____ of June, 2025 at the Valdese Town Hall, North Carolina.

FORM FOR CERTIFICATION BY THE RECORDING OFFICER

The undersigned duly qualified and acting Town Clerk of the Town of Valdese does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the Town Council duly held on the 23rd day of June, 2025; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of June 2025.

(Signature of Recording Officer)

(Title of Recording Officer)

Note: an Attestation by the Clerk/Recording Officer may be used in lieu of the Form for Certification by the Recording Officer.

RESOLUTION BY GOVERNING BODY OF APPLICANT

WHEREAS, The Town of Valdese has need for and intends to construct projects described as the Aeration Basin Rehabilitation, Sewer Line Rehabilitation, Biosolids Project, and Sewer Extension for Septic Removal and

WHEREAS, The Town of Valdese intends to request State loan and/or grant assistance for the project(s) listed above from the SRF Funding for Hurricane Helene (SA-HMW) program implemented by the American Relief Act 2025 (PL 118-158),

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

That Town of Valdese, the **Applicant**, will arrange financing for all remaining costs of the project, if approved for a State loan and/or grant award.

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

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

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

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

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

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

Adopted this the _____ of June, 2025 at the Valdese Town Hall, North Carolina.

FORM FOR CERTIFICATION BY THE RECORDING OFFICER

The undersigned duly qualified and acting Town Clerk of the Town of Valdese does hereby certify: That the above/attached resolution is a true and correct copy of the resolution authorizing the filing of an application with the State of North Carolina, as regularly adopted at a legally convened meeting of the Town Council duly held on the 23rd day of June, 2025; and, further, that such resolution has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this the _____ day of June 2025.

(Signature of Recording Officer)

(Title of Recording Officer)

Note: an Attestation by the Clerk/Recording Officer may be used in lieu of the Form for Certification by the Recording Officer.