



**Town of Valdese
Town Council Meeting
Valdese Town Hall
102 Massel Avenue SW, Valdese
Monday, May 1, 2023
6:00 P.M.**

- 1. Call Meeting to Order**
- 2. Invocation**
- 3. Pledge of Allegiance**

4. Informational Items:

- A. Communication Notes
- B. Reading Material

5. Open Forum/Public Comment

- A. Recognition of Appreciation – Fire Chief Greg Stafford

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 Regular Meeting Minutes of April 4, 2023
- B. Approval of Budget Workshop Minutes of April 6, 2023
- C. Approval of Budget Workshop Minutes of April 18, 2023
- D. Approval of Valdese ABC Board Travel Policy

7. New Business

- A. Valdese ABC Store Presentation
- B. VEDIC Presentation
- C. Proposed Work at Lakeside Park Presentation
- D. Employee Promotions
- E. 2022 NC Departmental of Labor Safety Awards
- F. Public Hearing for Re-zoning Application #2-3-23 - Lakeside Park
- G. Tax Rate Discussion
- H. FY 23-24 Proposed Budget and Scheduling of Public Hearing for Monday, June 5, 2023
- I. Capital Project Ordinance

8. Manager's Report

- A. Granville Morrow Fun Fish Day is scheduled for Saturday, May 13, 2023, 9:00 a.m. – 1:00 p.m. at McGalliard Falls. Rain Date: May 20, 2023. Register online at www.valdese.recdesk.com.
- B. Family Friday Nights Kickoff Celebration is scheduled for Friday, May 26, 2023, 7:00 p.m. – 10:00 p.m., with Ace Party Band, at the Temple Field. Concerts will continue every Friday until September 1, 2023.
- C. Town Offices Closed on Monday, May 29, 2023, in Observance of Memorial Day

D. Next Regular Council meeting scheduled for Monday, June 5, 2023, 6:00 p.m.

9. Mayor and Council Comments

10. Closed Session Pursuant to NC General Statute 143-318.11(a)(6) to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee.

11. Adjournment

COMMUNICATION NOTES

To: Mayor Watts
Town Council

From: Seth Eckard, Town Manager

Date: April 28, 2023

Subject: Monday, May 1, 2023 Council Meeting

4. Consent Agenda

- A. Approval of Regular Meeting Minutes of April 4, 2023
- B. Approval of Budget Workshop Minutes of April 6, 2023
- C. Approval of Budget Workshop Minutes of April 18, 2023
- D. Approval of Valdese ABC Board Travel Policy

Enclosed in the agenda packet is the Valdese ABC Board Travel Policy for FY 23-24. It is required that the appointing authority annually approve the policy as the Valdese ABC Board does not use the State's ABC travel policy. After approval, the Clerk will certify the minutes, and Ms. Clark-Caruso will submit the approved policy to the ABC Commission in Raleigh.

5. New Business

A. Valdese ABC Store Presentation

Karen Clark-Caruso, Manager of the Valdese ABC Store, will present the Town with a \$50,556.86 quarterly distribution check.

B. VEDIC Presentation

Enclosed in the agenda packet is a presentation from VEDIC's Executive Director, Kerri Poteat. Ms. Poteat, Business Development Eddie McGimsey with VEDIC, and Chairman Sherry Long will provide an overview of Valdese Economic Development Investment Corporation (VEDIC).

C. Proposed Work at the Lakeside Park Presentation

Beth Heile, President of the Friends for the Valdese Rec, will update Council on proposed plans at Lakeside Park. A presentation from Ms. Heile is enclosed in the agenda packet.

D. Employee Promotions

Town Manager Seth Eckard will introduce the promotion of Truman Walton to Fire Chief, and Fire Chief Truman Walton will introduce the promotion of Levi Henry to Assistant Fire Chief.

E. 2022 NC Department of Labor Safety Awards

Enclosed in the agenda packet is a memo from Fire Chief/Safety Director Truman Walton. Mr. Walton will present the departmental safety awards for 2022.

F. Public Hearing for Re-Zoning Application #2-3-23 - Lakeside Park

Planning Director Larry Johnson will present the proposed Re-zoning Application #2-3-23 for properties located on Lake Rhodhiss Drive NE, Lovelady Road NE, Crescent Street NE, and McGalliard Pointe Drive NE, from current designation M-1 Manufacturing and R-12 Residential to R-12A Residential District. Enclosed in your agenda packet is a memo for Planning Director Larry Johnson, a Valdese Planning Board Zoning Map Amendment Consistency/Inconsistency Statement, and a Town Council Zoning Map Amendment Consistency/Reasonableness Statement for your approval. Mr. Johnson will also present a presentation at the meeting.

Requested Action: Staff recommends that Council approve the Re-zoning Application #2-3-22 and the Town Council Zoning Map Amendment Consistency/Reasonableness Statement, as presented.

G. Tax Rate Discussion

Assistant Town Manager/CFO Bo Weichel will review the proposed budget's property tax projectors.

H. FY 23 – 24 Proposed Budget and Scheduling of Public Hearing

Town Manager Seth Eckard will present the FY 2023 - 2024 Proposed Budget to Council.

Requested Action: Staff requests that Council set the Public Hearing date for Monday, June 5, 2023, at 6:00 p.m., at Valdese Town Hall.

I. Capital Project Ordinance

Enclosed in the agenda packet is a Capital Project Ordinance prepared by Assistant Town Manager/CFO Director Bo Weichel for street improvements. This will move funds to the appropriate account. Mr. Weichel will be at the meeting to present.

Requested Action: Staff recommends that Council approve the Capital Project Ordinance as presented.

READING MATERIAL

VALDESE FIRE DEPARTMENT - MONTHLY ACTIVITY REPORT**March 1st-31st, 2023**

THE BELOW REPORT OUTLINES THE ACTIVITIES PERFORMED BY THE FIRE DEPARTMENT DURING THE MONTH OF March, 2023. THE REPORT SHOWS THE AMOUNT OF TIME SPENT ON EACH ACTIVITY AND THE TYPE AND NUMBER OF EMERGENCY FIRE DEPARTMENT RESPONSES.

<u>ACTIVITY / FUNCTION</u>	<u>MONTHLY TOTAL</u>		
STATION DUTY	163 HOURS		
VEHICLE DUTY	143 HOURS		
EQUIPMENT DUTY	75 HOURS		
EMERGENCY RESPONSES (ON DUTY)	67 HOURS		
TRAINING (ON DUTY)	87 HOURS		
FIRE ADMINISTRATION	295 HOURS		
TRAINING ADMINISTRATION	22 HOURS		
MEETINGS	32 HOURS		
FIRE PREVENTION ADMINISTRATION	81 HOURS		
FIRE PREVENTION INSPECTIONS	32 HOURS		
	<u>TYPE</u>	<u>NUMBER OF INSPECTIONS</u>	<u>VIOLATIONS</u>
	ASSEMBLY	2	8
	BUSINESS	0	0
	DAYCARE	0	0
	EDUCATIONAL	0	0
	FACTORY	0	0
	HAZARDOUS	0	0
	INSTITUTIONAL	1	0
	MERCANTILE	0	0
	RESIDENTIAL	0	0
	STORAGE	0	0
	FOSTER HOME	0	0
	REINSPECTIONS	17	28
	TOTAL:	20	36
PUBLIC RELATIONS	2 HOURS		
HYDRANT MAINTENANCE	6 HOURS		
SAFETY ADMINISTRATION	6 HOURS		
SAFE KIDS ADMIN/CRS INSPECTIONS	7 HOURS		
EXTRA DUTY FIRES	23 HOURS		
NON-DEPARTMENTAL DUTIES	0 HOURS		
EXTRA DUTY TRAINING	28 HOURS		
EXTRA DUTY FIRE/MED STANDBY	0 HOURS		
PHYSICAL TRAINING	32 HOURS		
EXTRA DUTY MEDICAL RESPONSES	35 HOURS		
VOLUNTEER FIREFIGHTER TRAINING	171 HOURS		
TOTAL TRAINING MANHOURS:	286 HOURS		

FIRE DEPARTMENT EMERGENCY RESPONSES:

<u>FIRE:</u>	<u>MONTHLY TOTAL</u>
FIRE ALARM	1
CARBON MONOXIDE ALARM	0
MUTUAL AID TO STATION 63	3
MUTUAL AID TO STATION 67	2
MUTUAL AID TO STATION 76	0
STRUCUTRE FIRE	1
FIRE INVESTIGATION	1
ELECTRICAL HAZARD	0
STANDBY	1
SERVICE CALL	1
OUTSIDE FIRE	3
TREE DOWN	<u>0</u>
	13
<u>MEDICAL:</u>	
ABDOMINAL PAIN	0
ALLERGIC REACTION	0
ANIMAL BITE	0
ASSAULT	1
ASSIST EMS	0
BACK PAIN	0
CANCELLED ENROUT	0
CARDIAC	0
CHEST PAIN	4
CHOKING	0
CODE BLUE	0
DIABETIC	0
DOA	1
FAINTING	0
FALL	10
GUNSHOT	0
HEADACHE	0
HEMORRHAGE	2
MOTOR VEHICLE ACCIDENT	5
MEDICAL STANDBY	0
OTHER	4
OVERDOSE/INTOXICATED	6
PREGNACY	0
PSYCHIATRIC	0
RESPIRATORY	4
SEIZURE	1
SICK	4
STROKE	1
TRAUMATIC	2
UNCONSCIOUS	0
UNKNOWN	<u>0</u>
	45
<u>TOTAL RESPONSES:</u>	<u>58</u>

GREG STAFFORD, CHIEF
VALDESE FIRE DEPARTMENT

Town of Valdese Personnel Report

	<u>Employee Name</u>	<u>Position</u>	<u>Previous Position</u>	<u>Department</u>	<u>Date of Event</u>
<i>Promotions</i>	Truman Walton	Fire Chief	Assistant Fire Chief	Fire Department	5/1/2023
	Levi Henry	Assistant Fire Chief	Fire Marshal	Fire Department	5/1/2023
<i>New Hires</i>					
<i>Transfers</i>					

Community Affairs & Tourism Monthly Stats

April 2023

Tourism Statistics

visitvaldese.com Visits (last 28 days) 11,041

townofvaldese.com Visits (last 28 days) 9,029

Top 5 Pages Viewed (townofvaldese):Utilities, Recreation, Aquatics, Water Dept, Rec Program Schedules

Facebook

of followers 16,040

Post Engagement (last 28 days) 21,775

Post Reach (last 28 days) 91,216

Zoho Social Media Monthly Report: Positive vs. Negative Feedback

Positive: 99.85%

Negative: .15%

TOP FIVE MARKETS: Morganton, Valdese, Hickory, Drexel, Granite Falls

Approximate # of Visitors to the Tourism/CA Office 470

Community Affairs Stats

Old Rock School Rental Breakdown

AUDITORIUM	7
TEACHER'S COTTAGE	8
WALDENSIAN ROOM	12
CLASSROOMS	3
MAJOR EVENT (ENTIRE SCHOOL)	0
Major Events Held at the Old Rock School	Average Number of Attendees
N/A	N/A
Monthly Old Rock School Rentals	30
Old Rock School Total Attendance	3,300

CA Summary for April 2023

Community Affairs has their eyes on Summer events as preparation and promotion for the FFN concert series, Independence Day, and Waldensian Festival are underway. Promotional materials such as flyers and rack cards have been created and distributed, and were included in the business resource bags that were delivered to the Valdese merchants at the beginning of the month. Work continues on the upcoming Spring Craft Market, which is to be held April 29th and will host over 80 vendors on Temple Field. The 23-24 Bluegrass at the Rock lineup has been announced and generated a great deal of positive feedback. Over 50 season tickets have been sold so far. Another Spring event in the works is the Mother's Day Shop Hop. The department will partner with participating local businesses to encourage foot traffic downtown and give shoppers entries into a grand prize drawing. Finally, monthly rentals remain busy as ever and the department has also seen an increase of Spring tours. Most recently, Burke Leadership toured the Old Rock School in addition to other Valdese attractions, such as the Waldensian Heritage Museum.

VALDESE POLICE DEPARTMENT

Jack W. Moss
Chief of Police
Post Office Box 339
121 Faet Street
Valdese, North Carolina 28690

Telephone 828-879-2109
Fax 828-879-2106

April 27, 2023

To: Seth Eckard
From: Chief Moss
Re: Boots on the ground

Progress reports: Boots on the Ground

<u>Location:</u>	<u>Officer Visits:</u>
McGalliard Falls	91 Visual Checks / Walk around
Old Rock School	77 Visuals Checks / Walk around
Children's Park	76 Visual Checks / Walk around
Community Center	79 Visual Checks / Walk around
Lakeside Park	49 Community Contact
Main St Extra Patrol	Nightly Door Checks
Business/Residential Contact	58 Community Policing
Family Fun Night	0 Community policing
Myra's Car show	N/A

Our officer have logged 495 residential/business security checks, 685 extra patrols and 58 community policing contacts in 30 days for a total of 1,238 events related to the safety, security and public interest. These checks and extra patrols include all of the standard residential checks, business, and boots on the ground CAD logs.

April 3, 2023, MB#32

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

The Town of Valdese Town Council met on Monday, April 3, 2023, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The following were present: Mayor Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, Councilman Tim Barus, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent: None

A quorum was present.

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

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

Rule 5. Public Comment

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

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

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

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

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

No comments from the public.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF MARCH 6, 2023

APPROVED SPECIAL MEETING MINUTES OF MARCH 16, 2023

APPROVED BUDGET RETREAT MINUTES OF MARCH 23 & 24, 2023

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

April 3, 2023, MB#32

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

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

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

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

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

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

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

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

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

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

RESOLUTION BY VALDESE, TOWN COUNCIL

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

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

April 3, 2023, MB#32

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

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

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

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

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

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

Adopted the 3rd day of April 2023.

/s/ Charles Watts, Mayor

ATTEST:

/s/ Town Clerk

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

APPROVED RESOLUTION AUTHORIZING APPLICATION FOR GRANT FUNDING: STORMWATER:

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

RESOLUTION BY GOVERNING BODY OF APPLICANT

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

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

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

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

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

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

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

April 3, 2023, MB#32

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

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

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

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

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

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

(Signature of Mayor)

Charles Watts, Town Mayor

(Title)

FORM FOR CERTIFICATION BY THE RECORDING OFFICER

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

(Signature of Recording Officer)

Jessica Lail, Town Clerk

Title of Recording Officer

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

APPROVED RESOLUTION AUTHORIZING APPLICATION FOR GRANT FUNDING: LEAD SERVICE

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

RESOLUTION BY GOVERNING BODY OF APPLICANT

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

April 3, 2023, MB#32

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

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

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

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

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

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

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

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

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

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

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

Signature of Mayor

Charles Watts, Town Mayor
(Title)

FORM FOR CERTIFICATION BY THE RECORDING OFFICER

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

April 3, 2023, MB#32

(Signature of Recording Officer)

Jessica Lail, Town Clerk

 Title

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

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

RESOLUTION AUTHORIZING SALE OF REAL PROPERTY

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

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

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

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

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

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

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

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

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

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

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

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

April 3, 2023, MB#32

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

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

/s/ Charles Watts, Mayor

ATTEST:
/s/ Town Clerk

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

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

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

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

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

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

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

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

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

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

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

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

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

Town Clerk

Mayor

jl

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

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

Absent: None

A quorum was present.

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

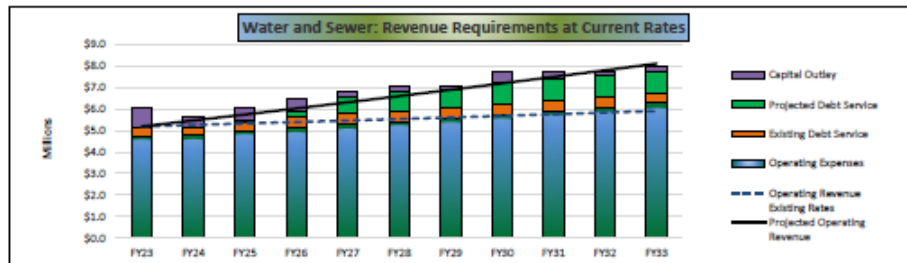
Mayor Watts opened the meeting with an invocation, led in the Pledge of Allegiance to the Flag, and invited members of Council to enjoy dinner catered by Twin Brother's Pizza.

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

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

Revenue											
Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Operating Revenue Existing Rates	5,194,000	5,265,000	5,332,000	5,400,000	5,470,000	5,541,000	5,613,000	5,687,000	5,762,000	5,838,000	5,916,000
New Revenue (Cumulative amount)		208,000	418,000	632,000	847,000	1,066,000	1,288,000	1,512,000	1,739,000	1,970,000	2,203,000
Projected Operating Revenue	5,194,000	5,473,000	5,750,000	6,032,000	6,317,000	6,607,000	6,901,000	7,199,000	7,501,000	7,808,000	8,119,000
Expenses											
Operating Expenses	4,742,000	4,794,000	4,994,000	5,132,000	5,275,000	5,425,000	5,581,000	5,743,000	5,913,000	6,091,000	6,276,000
Capital Outlay	914,000	504,000	660,000	533,000	384,000	284,000	157,000	561,000	315,000	152,000	236,000
Existing Debt Service	361,000	361,000	360,000	480,000	498,000	481,000	479,000	477,000	475,000	472,000	471,000
Projected Debt Service	-	-	82,000	307,000	762,000	899,000	879,000	998,000	1,030,000	1,005,000	980,000
Percent Increase Applied											
Overall Revenue Adjustment		4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Financial Outcomes											
Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Expenses to Cover	8,017,000	5,659,000	6,096,000	6,452,000	6,819,000	7,089,000	7,096,000	7,779,000	7,733,000	7,720,000	7,963,000
Difference / (Shortage)		(186,000)	(346,000)	(420,000)	(502,000)	(482,000)	(195,000)	(590,000)	(232,000)	88,000	156,000
Effect on Customer Bills											
Combined Residential Bill 3,000 gal	\$44.50	\$46.35	\$48.25	\$50.20	\$52.30	\$54.45	\$56.65	\$59.00	\$61.40	\$63.90	\$66.50
Monthly Combined Residential Bill Change		\$1.85	\$1.90	\$1.95	\$2.10	\$2.15	\$2.20	\$2.35	\$2.40	\$2.50	\$2.60
Financial Indicators											
Fund Balance Tracker	2,845,000	2,659,000	2,313,000	1,899,000	1,391,000	909,000	714,000	134,000	(98,000)	(10,000)	146,000
Fund Balance % of Expenses to Cover	47%	47%	38%	29%	20%	13%	10%	2%	-1%	0%	2%

Summary Chart

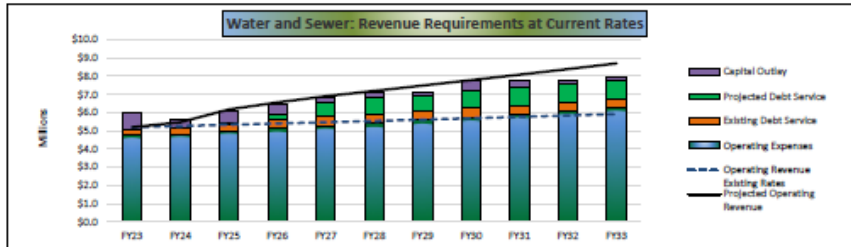


Water/Sewer 10-Year Capital Investment											
Description	Total CIP	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Water Treatment	11,086,000	76,000	4,794,300	158,300	49,900	-	-	139,000	21,000	5,610,700	236,300
Wastewater Treatment	8,523,000	175,000	2,259,100	142,900	5,184,800	176,400	157,000	172,000	104,100	152,000	-
Distribution / Collection	8,392,000	252,700	910,600	2,731,500	149,600	1,807,900	-	1,750,000	790,000	-	-
Total Water/Sewer CIP	28,001,000	503,700	7,964,000	3,032,700	5,384,300	1,984,300	157,000	2,061,000	915,100	5,762,700	236,300

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

Revenue											
Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Operating Revenue Existing Rates	5,194,000	5,265,000	5,332,000	5,400,000	5,470,000	5,541,000	5,613,000	5,687,000	5,762,000	5,838,000	5,916,000
New Revenue (Cumulative amount)		208,000	839,000	1,159,000	1,429,000	1,648,000	1,869,000	2,094,000	2,321,000	2,551,000	2,785,000
Projected Operating Revenue	5,194,000	5,473,000	6,171,000	6,559,000	6,899,000	7,189,000	7,482,000	7,781,000	8,083,000	8,389,000	8,701,000
Expenses											
Operating Expenses	4,742,000	4,794,000	4,994,000	5,132,000	5,275,000	5,425,000	5,581,000	5,743,000	5,913,000	6,091,000	6,276,000
Capital Outlay	914,000	504,000	660,000	533,000	284,000	284,000	157,000	561,000	315,000	152,000	236,000
Existing Debt Service	361,000	361,000	360,000	480,000	498,000	481,000	479,000	477,000	475,000	472,000	471,000
Projected Debt Service	-	-	82,000	307,000	762,000	899,000	879,000	998,000	1,030,000	1,005,000	980,000
Percent Increase Applied											
Overall Revenue Adjustment		4%	12%	6%	5%	4%	4%	4%	4%	4%	4%
Financial Outcomes											
Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Expenses to Cover	6,017,000	5,659,000	6,096,000	6,452,000	6,819,000	7,089,000	7,096,000	7,779,000	7,733,000	7,720,000	7,963,000
Difference / (Shortage)		(186,000)	75,000	107,000	80,000	100,000	386,000	2,000	350,000	669,000	738,000
Effect on Customer Bills											
Combined Residential Bill 3,000 gal	\$44.50	\$46.35	\$51.95	\$55.15	\$57.95	\$60.35	\$62.80	\$65.35	\$68.00	\$70.75	\$73.65
Monthly Combined Residential Bill Change		\$1.85	\$5.60	\$3.20	\$2.80	\$2.40	\$2.45	\$2.55	\$2.65	\$2.75	\$2.90
Financial Indicators											
Fund Balance Tracker	2,845,000	2,659,000	2,734,000	2,841,000	2,921,000	3,021,000	3,407,000	3,409,000	3,759,000	4,428,000	5,166,000
Fund Balance % of Expenses to Cover	47%	47%	45%	44%	43%	43%	48%	44%	49%	57%	65%

Summary Chart

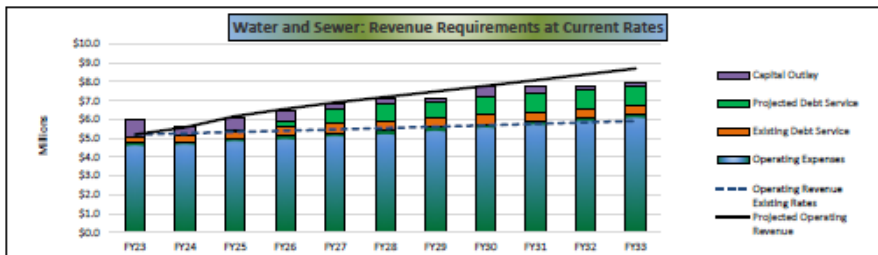


Water/Sewer 10-Year Capital Investment											
Description	Total CIP	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Water Treatment	11,086,000	76,000	4,794,300	158,300	49,900	-	-	139,000	21,000	5,610,700	236,300
Wastewater Treatment	8,523,000	175,000	2,259,100	142,900	5,184,800	176,400	157,000	172,000	104,100	152,000	-
Distribution / Collection	8,392,000	252,700	910,600	2,731,500	149,600	1,807,900	-	1,750,000	790,000	-	-
Total Water/Sewer CIP	28,001,000	503,700	7,964,000	3,032,700	5,384,300	1,984,300	157,000	2,061,000	915,100	5,762,700	236,300

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

Revenue											
Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Operating Revenue Existing Rates	5,194,000	5,265,000	5,332,000	5,400,000	5,470,000	5,541,000	5,613,000	5,687,000	5,762,000	5,838,000	5,916,000
New Revenue (Cumulative amount)		312,000	838,000	1,159,000	1,429,000	1,648,000	1,868,000	2,092,000	2,320,000	2,550,000	2,783,000
Projected Operating Revenue	5,194,000	5,577,000	6,170,000	6,559,000	6,899,000	7,187,000	7,481,000	7,779,000	8,082,000	8,388,000	8,699,000
Expenses											
Operating Expenses	4,742,000	4,794,000	4,994,000	5,132,000	5,275,000	5,425,000	5,581,000	5,743,000	5,913,000	6,091,000	6,276,000
Capital Outlay	914,000	504,000	660,000	533,000	284,000	284,000	157,000	561,000	315,000	152,000	236,000
Existing Debt Service	361,000	361,000	360,000	480,000	498,000	481,000	479,000	477,000	475,000	472,000	471,000
Projected Debt Service	-	-	82,000	307,000	762,000	899,000	879,000	998,000	1,030,000	1,005,000	980,000
Percent Increase Applied											
Overall Revenue Adjustment		6%	10%	6%	5%	4%	4%	4%	4%	4%	4%
Financial Outcomes											
Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Expenses to Cover	6,017,000	5,659,000	6,096,000	6,452,000	6,819,000	7,089,000	7,096,000	7,779,000	7,733,000	7,720,000	7,963,000
Difference / (Shortage)		(82,000)	74,000	106,000	79,000	98,000	385,000	-	349,000	668,000	736,000
Effect on Customer Bills											
Combined Residential Bill 3,000 gal	\$44.50	\$47.20	\$51.95	\$55.15	\$57.95	\$60.35	\$62.80	\$65.35	\$68.00	\$70.75	\$73.65
Monthly Combined Residential Bill Change		\$2.70	\$4.75	\$3.20	\$2.80	\$2.40	\$2.45	\$2.55	\$2.65	\$2.75	\$2.90
Financial Indicators											
Fund Balance Tracker	2,845,000	2,763,000	2,837,000	2,943,000	3,022,000	3,120,000	3,505,000	3,505,000	3,854,000	4,522,000	5,258,000
Fund Balance % of Expenses to Cover	47%	49%	47%	46%	44%	44%	49%	45%	50%	59%	66%

Summary Chart



Water/Sewer 10-Year Capital Investment											
Description	Total CIP	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Water Treatment	11,086,000	76,000	4,794,300	158,300	49,900	-	-	139,000	21,000	5,610,700	236,300
Wastewater Treatment	8,523,000	175,000	2,259,100	142,900	5,184,800	176,400	157,000	172,000	104,100	152,000	-
Distribution / Collection	8,392,000	252,700	910,600	2,731,500	149,600	1,807,900	-	1,750,000	790,000	-	-
Total Water/Sewer CIP	28,001,000	503,700	7,964,000	3,032,700	5,384,300	1,984,300	157,000	2,061,000	915,100	5,762,700	236,300

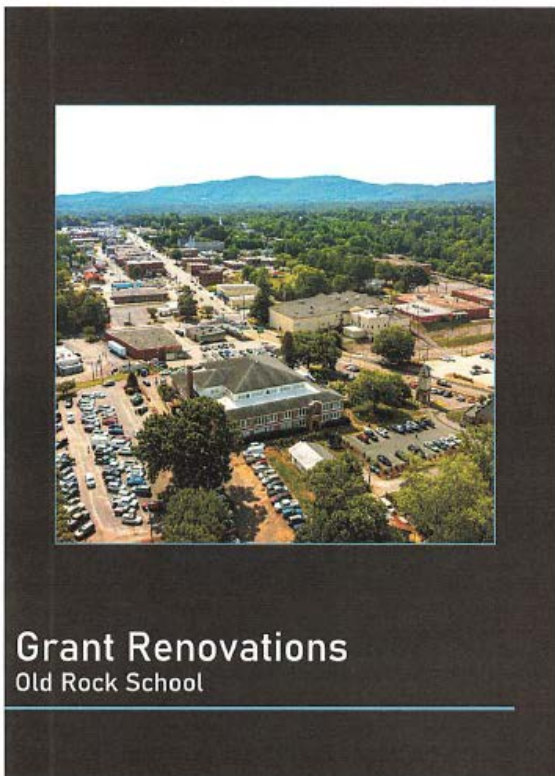
EMPLOYEE HEALTH INSURANCE UPDATE Dwayne Wilson of Dwayne Wilson Insurance & Financial Services discussed Blue Cross Blue Shield's first renewal quote for Medical insurance, which showed a 33% increase in the premiums. Mr. Wilson has it down to 27%. Mr. Wilson said there were some significant high claims,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

COMMUNITY AFFAIRS PROJECTS

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

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

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



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

Renovation Includes:

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

Equipment Upgrades

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

Construction Timeline – March & April 2024

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

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

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

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

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

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

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

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

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

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

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

/s/ Charles Watts, Mayor

ATTEST:
/s/ Town Clerk

STATE OF NORTH CAROLINA

GROUND LEASE

COUNTY OF BURKE

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

WITNESSETH:

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

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

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

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

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

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

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

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

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

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

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

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

6. RENT.

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

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

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

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

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

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

10. INSURANCE.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. LEASE TERMINATION AND SURRENDER OF LAND.

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

16. PROVISIONS RELATED TO WORK PERFORMED BY LESSEE.

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

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

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

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

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

17. LESSEE'S DEFAULT.

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

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

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

18. LESSOR'S DEFAULT

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

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

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

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

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

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

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

23. ENVIRONMENTAL REPRESENTATIONS; WARRANTIES AND INDEMNITY.

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

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

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

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

24. INDEMNIFICATION.

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

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

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

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

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

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

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

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

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

26. MISCELLANEOUS PROVISIONS.

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

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

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

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

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

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

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

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

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

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

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

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

April 6, 2023, MB#32

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

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

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

April 6, 2023, MB#32

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

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

CHARLES WATTS, Mayor (Seal)

ATTEST:

JESSICA LAIL, Town Clerk

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

BO WEICHEL, Chief Financial Officer

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

TIMOTHY D. SWANSON, Attorney

STATE OF NORTH CAROLINA
COUNTY OF BURKE

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

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

Notary Public

[AFFIX NOTARIAL SEAL]

My Commission Expires: _____.

April 6, 2023, MB#32

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

FOOTHILLS BROADBAND, LLC

By: _____
Zachary Chiz
Chief Operating Officer

By _____
Jodi Chiz
Chief Executive Officer

Date: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

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

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

[NOTARIAL SEAL]

Notary Public
My commission expires: _____

EXHIBIT A

Legal Description

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

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

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

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

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

Town Clerk
jl

Mayor

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

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

Absent: None

A quorum was present.

Others present: Dwayne Wilson Insurance & Financial Services

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

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

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

HSA Plans

	BCBS Current Quote # 401176 Blue Options HSA	BCBS Original Renewal Quote # 423352 Blue Options HSA	Option #1 AFA CPOSII 2250 HSA 100/50 PY V22 ISL 20 SGP	Option #2 AFA CPOSII 2250 HSA 80/50 PY V22 ISL 20 SGP	Option #3 AFA CPOSII 6250 HSA 100/50 E PY V22 ISL 20 SGP
In-Network Deductible					
Employee Only	\$2,000	\$2,000	\$2,250	\$2,250	\$6,250
Family Member	\$4,000	\$4,000	\$4,500	\$4,500	\$6,250
Family Total	\$4,000	\$4,000	\$4,500	\$4,500	\$12,500
In-Network Out of Pocket Maximum					
Employee Only OOP Limit	\$4,000	\$4,000	\$3,450	\$3,450	\$6,900
Family Member OOP Limit	\$7,000	\$7,000	\$6,900	\$6,900	\$6,900
Family Total OOP Limit	\$8,000	\$8,000	\$6,900	\$6,900	\$13,800
In-Network Coinsurance					
Inpatient Hospital Services	20% after ded	20% after ded	0% after ded	20% after ded	0% after ded
Outpatient Hospital Services	20% after ded	20% after ded	0% after ded	20% after ded	0% after ded
Physician Office Visit					
In-Network Primary Care Visit	20% after ded	20% after ded	\$25 copay after ded.	\$35 copay after ded.	0% after ded
In-Network Specialist Visit	20% after ded	20% after ded	\$75 copay after ded.	\$75 copay after ded.	0% after ded
Telehealth Visit	20% after ded	20% after ded	\$25 copay after ded.	\$35 copay after ded.	0% after ded
Preventive Care	No Charge	No Charge	No Charge	No Charge	No Charge
Urgent Care	20% after ded	20% after ded	\$75 copay after ded.	\$75 copay after ded.	0% after ded
Emergency Room Care	20% after ded	20% after ded	\$500 copay after ded.	\$500 copay after ded.	\$500 copay after ded.
Prescription Drugs					
Generic Tier 1A Drugs	20% after ded	20% after ded	\$3 copay after ded.	\$3 copay after ded.	\$3 copay after ded.
Generic Tier 1 Drugs	20% after ded	20% after ded	\$10 copay after ded.	\$15 copay after ded.	\$15 copay after ded.
Preferred Brand Drugs	20% after ded	20% after ded	\$50 copay after ded.	\$50 copay after ded.	\$50 copay after ded.
Non-Preferred Generic & Brand Drugs	20% after ded	20% after ded	\$80 copay after ded.	\$100 copay after ded.	\$100 copay after ded.
Preferred Specialty Drugs	20% after ded	20% after ded	20% up to \$250 max after ded.	20% up to \$250 max after ded.	20% up to \$250 max after ded.
Non-Preferred Specialty Drugs	N/A	N/A	40% up to \$500 max after ded.	40% up to \$500 max after ded.	40% up to \$500 max after ded.
Employee Only	83 \$673.18	\$896.08	\$818.78	\$767.29	\$632.14
Employee + Child	1 \$981.48	\$1,292.74	\$1,571.18	\$1,470.44	\$1,206.05
Employee + Children	1 \$1,290.42	\$1,690.34	\$1,571.18	\$1,470.44	\$1,206.05
	85 \$58,145.84	\$77,357.72	\$71,101.10	\$66,825.95	\$54,879.72
		33.0%	22.3%	14.8%	-5.8%
Admin Credit			\$3,541.67	\$3,541.67	\$3,541.67
Net Monthly Premium			\$67,559.43	\$63,084.28	\$51,338.05
			16.2%	8.5%	-11.7%

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

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

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

Employee / Member Advantages:

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

Employer Advantages:

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

Disadvantages:

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

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

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

Employee / Member Advantages:

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

Employee / Member Disadvantages:

- Members May Have To Submit Claims For Reimbursement

Employer Advantages:

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

Disadvantages:

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

Aetna Funding Advantage

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

Aetna Funding Advantage comes with a lot of extras too.

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



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

REVENUE NEUTRAL RATE (RNR)

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

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

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

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

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

Town Clerk

Mayor

jl



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

TRAVEL POLICY

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

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

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

1. Reimbursement of travel expenses-

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

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

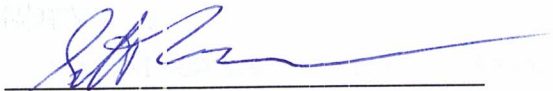
When on a trip not involving an over-night stay, expenses (i.e. mileage, meals) will be eligible for reimbursement on a reasonable and actual basis (receipts required).

Lodging will be covered for reasonable and actual cost (receipt required). Unless attending a conference, the Federal Per Diem Listing should be used as a guideline in determining reasonable cost.
2. Board credit cards may be used to reserve lodging. Travel related cost however, should not be charged to the credit cards. All travel expenses will be covered through travel advances and / or reimbursements.
3. It is the responsibility of the General Manager to determine which meal allowances are eligible for reimbursement to employees for partial day travel. Reimbursement will be for reasonable and actual cost (receipt required).
4. All requests for travel expense reimbursement (i.e. meals, lodging, mileage, etc.) must be accompanied by a travel expense report.


5. Other issues-


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

Adopted this the 17th day of April, 2023


Chairman

Attest:


Secretary/Treasurer

A faint, light-colored outline map of the state of Virginia is visible in the background, centered behind the text.

VEDIC

"Helping Businesses Start, Grow and Thrive"

**VALDESE
ECONOMIC
DEVELOPMENT
INVESTMENT
CORPORATION**



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



CONTACT US

(828) 874-6731

admin@vedicnc.com

www.vedicnc.com

Hours by appointment



VEDIC HISTORY

Presented by: Eddie McGimsey
Business Development



VEDIC UPDATES

Presented by: Sherry Long
Chairman



OF LOANS

7/1/2021 – 6/30/2022

OF LOANS

7/1/2020 – 6/30/2021

21 Loans Total

7 = ARC

Total= \$739,500

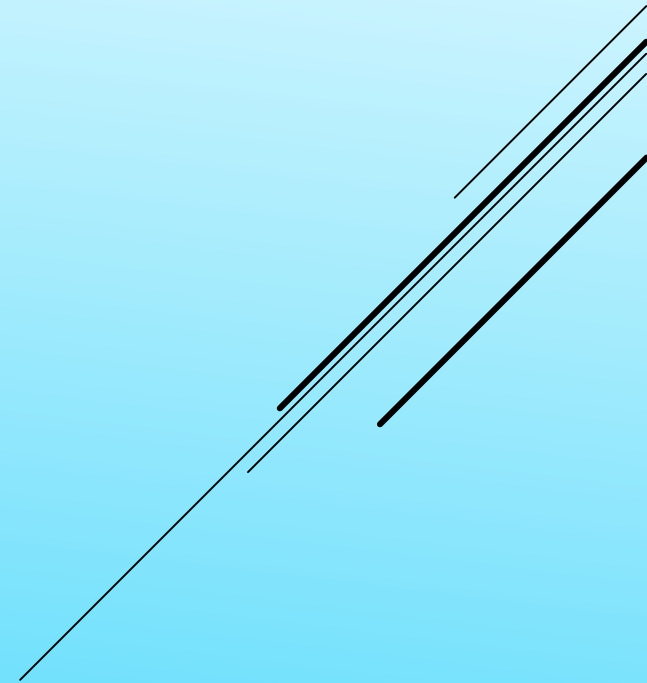
22 Loans Total

7 = ARC

Total= \$935,972

OF LOANS BY COUNTY 2021-2022

- ▶ Alexander 2
- ▶ Burke 12
- ▶ Caldwell 5
- ▶ Catawba 1
- ▶ McDowell 1



of Loans: 167

Total Loan Production:
\$7,616,583.31

TOTAL LOAN PRODUCTION TO DATE:



4.2%- 7 loans
out of 167

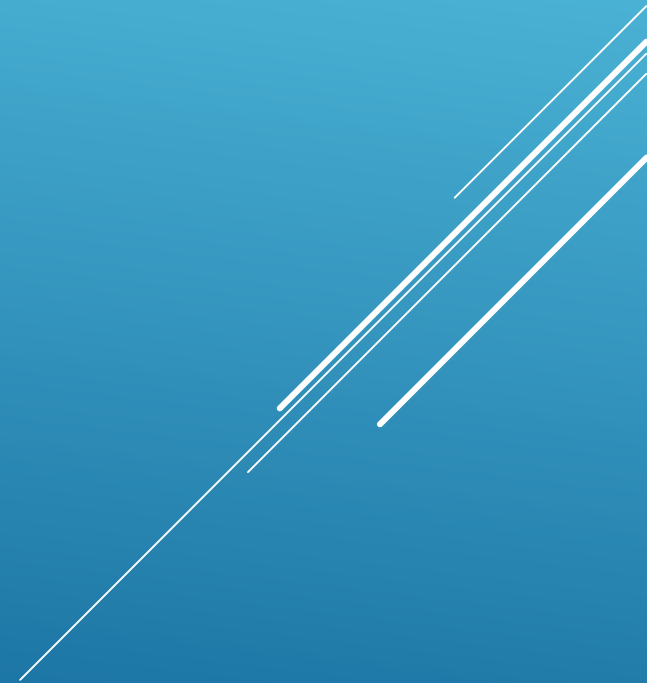
DEFAULT RATE

1.7% (\$126,500)

LOAN LOSS % SINCE INCEPTION:



BURKE COUNTY GOLDEN LEAF REVOLVING LOAN FUND TO DATE:



Original Grant
from RC:
\$125,000

Revolved Loan
Fund Total:
\$372,285

VALDESE RURAL CENTER
REVOLVING LOAN FUND TO DATE:

75 of the 167 Total Loans

45% = \$3,515,609.64

MINORITY LENDING:

2019 GRANT:
\$100,000

VEDIC has
funded \$195,000
totaling 21 loans

APPALACHIAN REGIONAL COMMISSION
GRANT- REVOLVING LOAN FUND TO
DATE:

2022 Additional
Grant from
ARC:

\$100,000

APPALACHIAN REGIONAL COMMISSION
REVOLVING LOAN FUND GRANT

58 Loans

Original Loan Amount:

\$2,730,323.50

Outstanding Balance:

\$1,977,087.66

CURRENT LOAN PORTFOLIO



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

**JOBS
CREATED
AND OR
RETAINED TO
DATE:**

Decorative white lines consisting of several parallel diagonal lines extending from the bottom right towards the top right of the page.

100% MUNICIPALITY SUPPORTED

VEDIC HIGHLIGHTS

Presented by: Kerri Poteat
Executive Director



PAYOFFS
RECEIVED
FROM
APRIL 1, 2020,
TO PRESENT

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

- 53 Loans
- \$2,422,555.34



Your NC Secretary of State • Business Starts Here!



SECRETARY OF STATE PARTNERSHIP

Board Members

Jessica Bargsley	Butch McSwain
Timothy Barus	Scott Mulwee
Robert Benfield	Nancy Page
John Branstrom	Karen Robinson
Seth Eckard	T. R. Robinson
Kylie Gera	Marla Thompson
Sharon Jablonski	Suzanne Wallace
Rick Justice	Donna Zamora
Lily Laramie	

Executive Board Members

Sherry Long- Chairman
Tonia Stephenson- Vice Chairman
Johnny Berry- Treasurer
Sherri Bradshaw- Secretary

VEDIC BOARD OF DIRECTORS
2022-2023





VEDIC BOARD OF DIRECTORS

2022-2023

LOAN REVIEW COMMITTEE

Charles Conley

Office Manager, Burke County United Way

Lisa Crump

Financial Services Manager, First Citizens Bank

Sharon Jablonski

Director of the Department of Cultural and Creative Development, City of Morganton

Lily Laramie

Director, Small Business Center

Western Piedmont Community College

Sherry Long

Assistant Executive Director, Western Piedmont Council of Governments

Nancy Page

Retired- Personal Banker, Wells Fargo Bank

Tonia Stephenson

President & CEO, Burke County Chamber of Commerce

Marla Thompson

Mayor, Town of Long View

Suzanne Wallace

Director, Small Business Center

Catawba Valley Community College

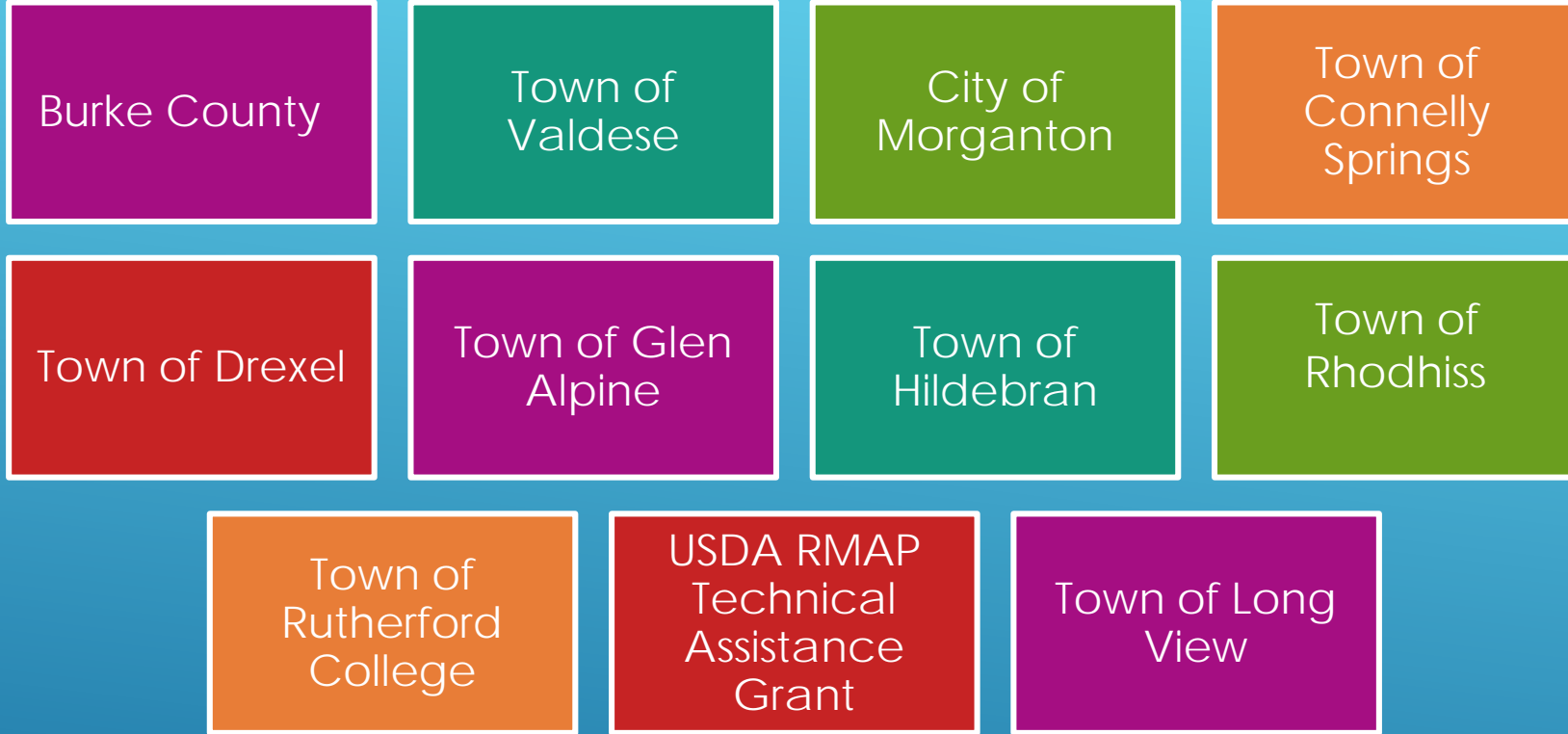
STAFF

Kerri Poteat
Executive Director

Eddie McGimsey
Business Development

Chuck Moseley
On-Call Help





2022-2023 CONTRIBUTORS

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

THANK YOU

A decorative graphic consisting of several parallel white lines of varying lengths, slanted upwards from left to right, located in the bottom right corner of the slide.



Greenway is Complete

March Visitation
to Valdese Lakeside Park

March 4-5: Over 900 visitors

Daily Average: 275

*VLP side Greenway was closed
March 6-April 14*



FVR April - March

Park Improvements

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

Events/Programs

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

- Free Tennis for kids with racquets and balls
- Trail Camera - ongoing
- Monthly Lunch and Learn
- 1st Sunday & Every Wed Group Hikes
- VLP Interactive Map/App

Workdays

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

In the Works

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



COMMUNITY GATHERING

CLASSES ~ MEALS ~ AWARDS ~ EXERCISE ~ MEET UPS



Site



Style Pavilion

With 300 acres, there is plenty to explore - but no place to gather whether for organized programming or just spontaneous convening

The Valdese Lakeside Park property has been available for public use as a forest since 2018. In 2021 amenities were added - parking, restroom, overlook, greenway, dog park, hiking trails and a fishing pier on the way.

Seeing how the 250 people per day use the park, the obvious need is a gathering spot. There are some scattered benches and picnic tables, but not a place for a presenter, an entertainer, a wedding or a teacher to "take the stage."

Quotes are coming in at \$90,000. FVR has \$30,000 and are requesting \$30,000 from the Cannon Foundation.

friendsofthevaldeserec.org

Who would use it?

- Silver Sneakers
- Adjacent High School
- Hiking Groups
- Civic Organizations
- Community Members

Valdese Stats

- Pop: 4420
- Children below Poverty Line: 19%

FVR Updates

Pavilion - \$90K - At Valdese Lakeside Park

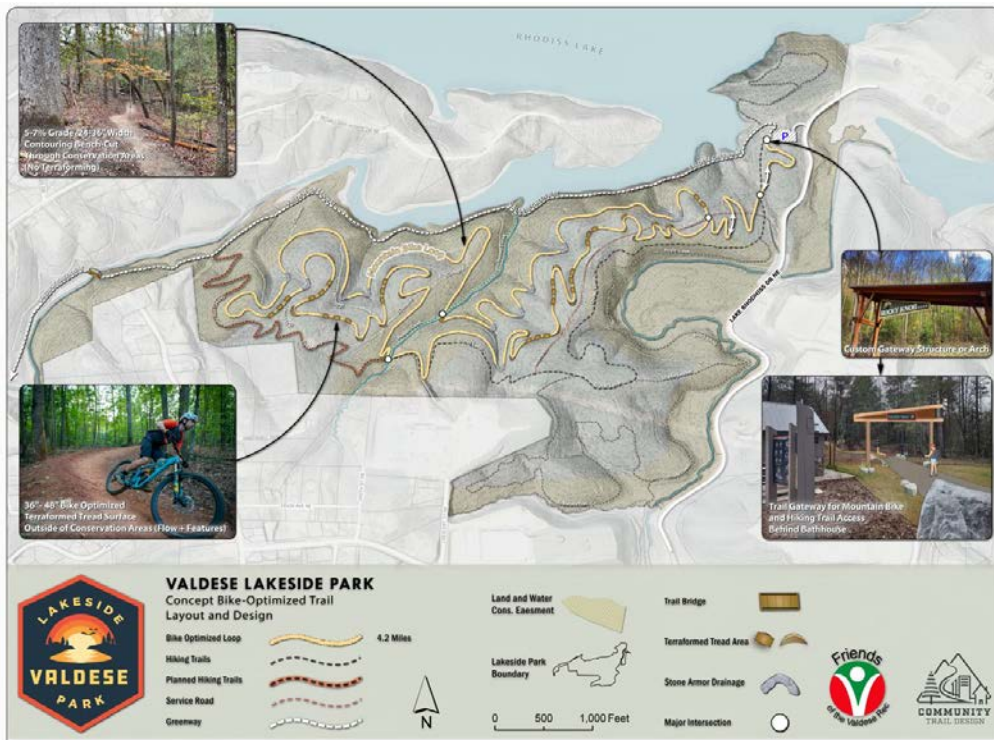
Applied for Cannon Foundation Grant

Duke – run Power to Site - \$15K

Met with Contractor and Architect



Flyer created for donation ask



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

Applied for Glass Foundation
Grant

Planning - \$22K – happening
now

4-5 miles





FVR Upcoming Events

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

Free Concert – Shelby Rae Moore Band

May 7 – 2pm at Valdese Lakeside Park

First Sunday Group Hike

Every Wednesday – 9:30am at Valdese Lakeside Park

Group Hike, 3-4 miles

Every Third Thursday – Noon

Lunch and Learn

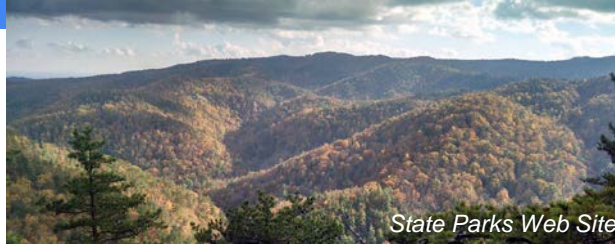




Wilderness Gateway State Trail



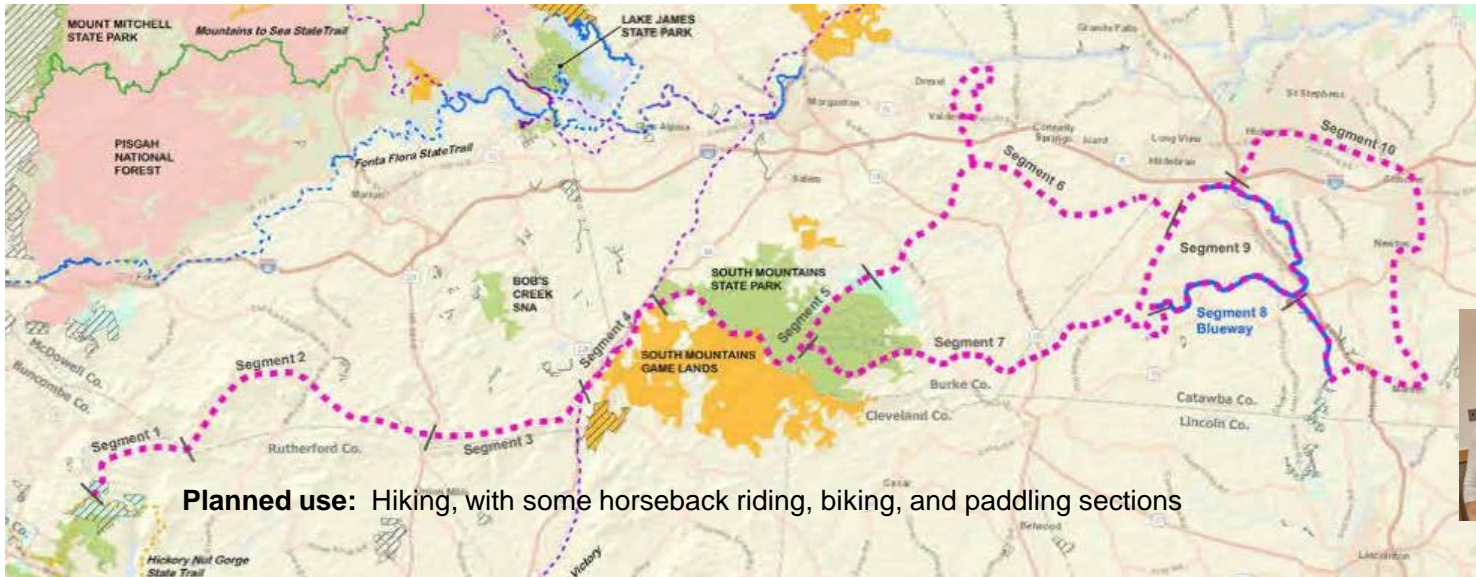
Brings Funding



State Parks Web Site



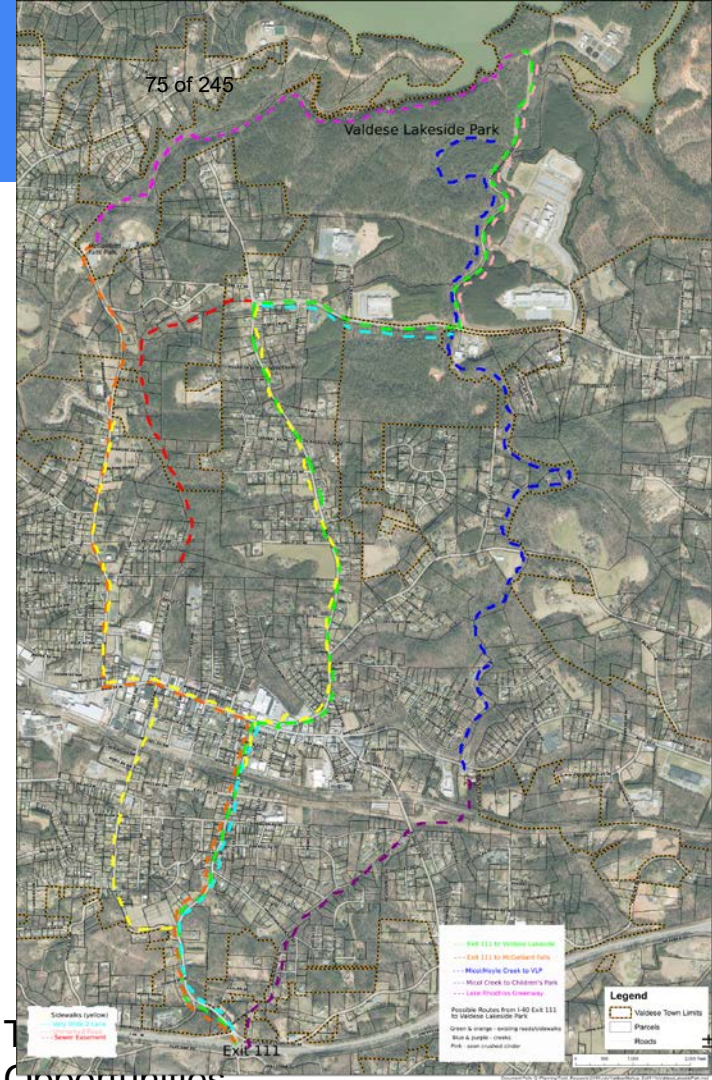
- 300 miles
- Bakers Mtn to South Mtns to Chimney Rock
- **Connection to Valdese**



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



Trails Through Valdese

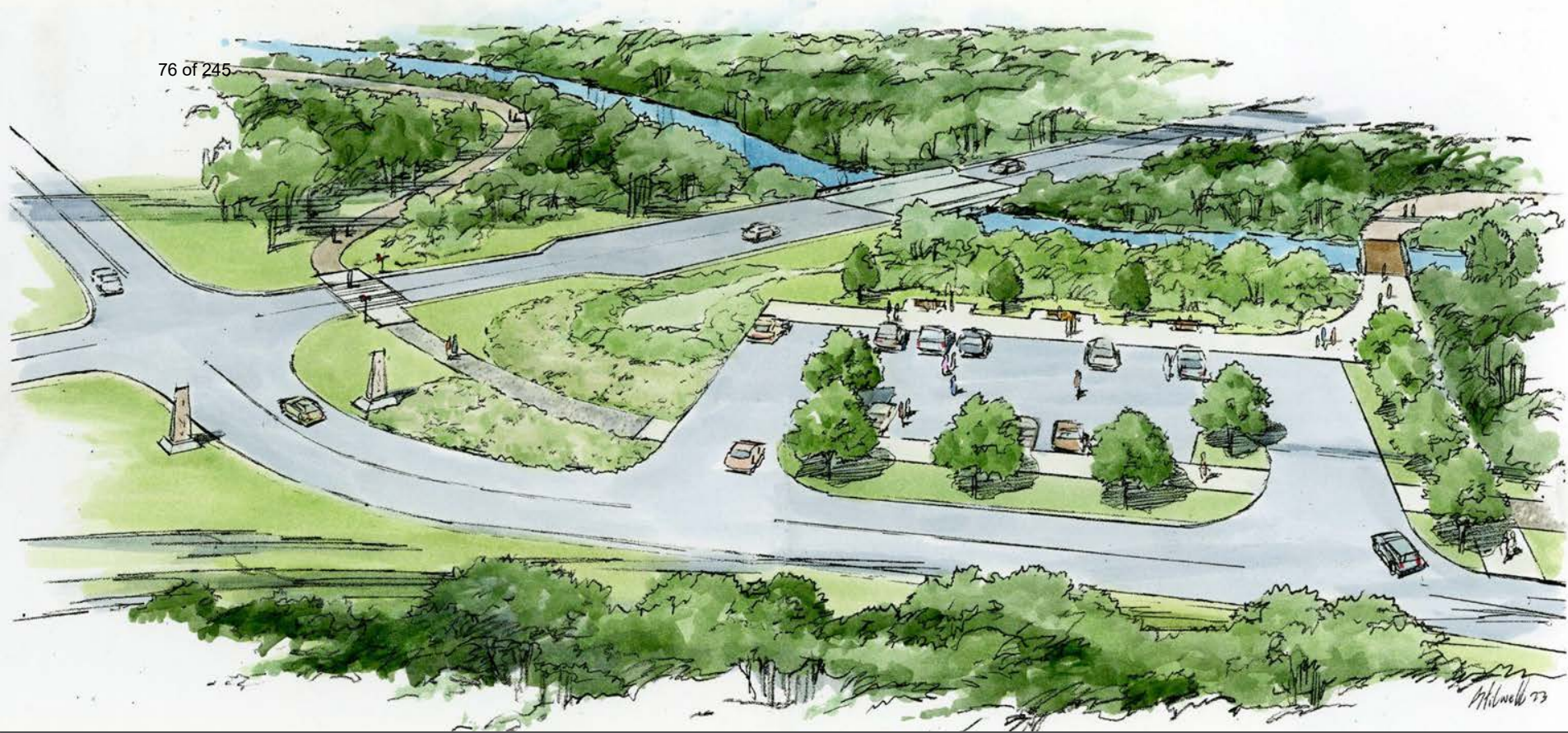


- **WGST route is Main Street Valdese**
- **WGST - Visitor Center** for Western NC Outdoor Rec - **Exit 111** (potential)
- **Outfitter Needed** – rent bikes and kayaks
- **6 airbnb rentals** now in Valdese – could grow, hotel? camping?
- **Burke River Trail** – 20 miles Morganton to Hickory



Trail Visitation in Valdese

- 900 over a weekend in March
- 275 per day



LOVELADY TRAILHEAD & WILDERNESS GATEWAY STATE TRAIL ALIGNMENT - VALDESE, NC

ROAD CROSSING & TRAILHEAD (Existing)

77 of 245



Scope of Work

- Propose potential improvements at the intersection of Lovelady Road NE and Lake Rhodhiss Drive NE to include:
 - Lovelady Trailhead for the Wilderness Gateway State Trail (WGST) and
 - trail crossing of Lovelady Road NE.
- Examine feasibility of a DOT sidepath location within the Lake Rhodhiss Drive NE/Hoyle Creek corridor between Lovelady Road NE and the entrance to Valdese Lakeside Park (VLP).

Program Elements

- Lovelady Road Crossing and Trailhead (WGST):
 - Parking
 - Picnic area
 - Connection to existing Hoyle Creek Trail
 - Connection to Town property south of Lovelady Road
- Wilderness Gateway State Trail DOT Sidepath:
 - Off-road connection between proposed Lovelady Trailhead and VLP Parking Area

ROAD CROSSING & TRAILHEAD (Proposed)





ROAD CROSSING & TRAILHEAD (Proposed)

Key Features

- Trailhead sign
- Parking (18 typical, 2 ADA)
- Picnic area (x 3 pads with tables)
- Bridge connection to existing Hoyle Creek Trail
- Kiosk
- Benches (x 2)
- Gateway monuments
- High visibility crosswalk
- Pedestrian activated rapid-flashing beacon
- Connection to Town property south of Lovelady Road

WGST ALIGNMENT



Key Features

- Multi-use DOT side path - six (6) feet wide crushed granite
- ADA loop at Lovelady Trailhead
- Overlooks (x 3)
- Natural surface trail loop
- Connection with Burke River Trail
- Connection with Outer Loop Trail
- ADA loop at Valdese Lakeside Park Trailhead

Funding

- Foothills Conservancy of NC as the nonprofit for Wilderness Gateway State Trail
- NC DOT since Lake Rhodhiss Dr is now a DOT managed road

VALDESE FIRE DEPARTMENT



Serving The Community With Pride,
Integrity And Courage.

M. Truman Walton
Fire Chief Appointee / Safety Director
Post Office Box 339
121 Faet Street
Valde, North Carolina 28690

Telephone: 828-879-2103
Fax: 828-879-2106

TO: Seth Eckard, Town Manager
Valde Town Council

FROM: Truman Walton, Safety Director

DATE: April 4, 2023

REF: 2022 North Carolina Department of Labor Safety Awards

The goal of the North Carolina Department of Labor Safety Awards Program is to recognize those entities that go the extra mile to promote safety in the workplace. For calendar year 2022, all of our town departments received recognition for their efforts to prevent work place injuries and illnesses. These achievements are largely due to our department heads and employees working and training together to ensure that safe workplace practices are followed and that safety is the top priority of every Town of Valde employee.

In order to qualify for a NCDOL Safety Achievement Silver Award the rate of days away from work must be at least 50% below the industry average. The following town departments received NCDOL Safety Achievement Silver Awards for calendar year 2022:

- Public Works Department (1st year)
- Waste Water Department (1st year)

In order to qualify for a NCDOL Safety Achievement Gold Award the rate of days away from work, job transfer or restriction must be at least 50% below the industry average. The following town departments received NCDOL Safety Achievement Gold Awards for calendar year 2022:

- Recreation Department (1st year)
- Police Department (2nd consecutive year)
- Water Department (6th consecutive year)
- Fire Department (8th consecutive year)
- Community Affairs Department (12th consecutive year)
- Administrative Department (35th consecutive year)

The Administrative Department's 35th consecutive year of achievement is the 3rd longest active awards streak in the State of North Carolina according to NCDOL Commissioner Josh Dobson.

Particular attention should be paid to those departments receiving consecutive Safety Awards, especially those departments where accident rates are usually elevated due to the nature of their work.

Thank you.

Planning Department

TO: Valdese Planning Board

FROM: Larry Johnson, Planning Director

DATE: April 26, 2023

SUBJECT: Rezoning Application 2-3-23
Town of Valdese

Property Location: McGalliard Pointe Drive NE, Lake Rhodhiss Drive NE, Crescent Street NE, and Lovelady Road NE

Real Estate Identification Numbers (REID): 64274, 59764, 64263, and 64264

ACREAGE: 320.34 acres

Requested Action: Rezone properties from R-12 Residential District and M-1 Manufacturing District to R-12A Residential District

BACKGROUND: The four parcels under consideration for rezoning were annexed into the corporate limits of the Town of Valdese in 2006 and subsequently zoned for residential and manufacturing uses. Remaining undeveloped, a master plan for the properties was developed in 2017 for outdoor recreation. In 2018, the Town purchased the parcels to create recreational opportunities outlined in the 2018 master plan. Park amenities currently are proposed to include walking trails, a dog park, a greenway, a kayak launch, mountain bike trails, and possible primitive camping. A bridge has been constructed to connect the existing McGalliard Falls Park to Lakeside.

During a recent meeting of the Valdese Planning Board, the staff informed the Board of the need to change the zoning designations of the parcels to a designation appropriate to the current and future uses. The current zoning designations of R-12 Residential and M-1 Manufacturing do not list parks as a use permitted by right. A rezoning to R-12A Residential will allow the recreational uses to continue without nonconformity.

The Planning Board has recommended an R-12A Residential District designation for the four parcels.

REVIEW CRITERIA:

1. Existing land uses in the general vicinity of the subject's property are residential, vacant land, and industrial.

- **North:** The properties are zoned R-2 and R-3 Residential by Burke County, R-12A Residential and R-8 Residential occupied by single-family homes.
- **South:** The property is zoned R-1 and R-2 by Burke County, R-2 and M-1 Manufacturing and contains manufacturing and residential uses.
- **East:** The properties to the East are zoned M-1 Manufacturing. These properties are occupied mainly by a secondary school or vacant.
- **West:** The properties to the West are zoned R-1 and R-2 by Burke County. The properties are mostly single-family residences and vacant.

To the extent to which zoning will detrimentally affect properties in the general vicinity of the applicant's properties, the requested R-12A Residential District permit uses are similar to those in the area, except for manufacturing.

2. Traffic

Lake Rhodhiss Drive NE is the primary entrance to Lakeside Park parcels. It is considered a local or minor street. The street provides ingress and egress for park attendees and school buses.

In April, the Town's Public Works Department conducted a two-week traffic study for Lake Rhodhiss Drive NE. The results revealed an (ADT) Average Daily Traffic count of 257 vehicles per day.

3. Public Services;

The proposed amendment will not cause public services to fall below acceptable levels. Public services are in place to service the area. These public services include water and sewer, police, and fire protection.

4. Consistency of the proposed zoning with the Valdese Vision: A Land Use Action Plan for the Future. The proposed zoning designation of R-12A Residential is *inconsistent* with the future land use of “natural” in the Valdese Vision: A Land Use Action Plan for the Future adopted by the Valdese Town Council in 2014.

REVIEW:

1. The Town of Valdese requested a zoning map amendment in March 2023 to rezone four parcels with zoning designations of M-1 Manufacturing and R-12 Residential to R-12A Residential District.
2. The four parcels comprise Lakeside Park.
3. The four parcels are contiguous with residential uses, vacant land, and industrial uses. The proposed rezoning to R-12A Residential permits “parks” and “neighbor and outdoor recreation.”

4. The Valdese Vision: A Land Use Action Plan for the Future. The Land Use Action Plan identifies the four parcels for natural and industrial development, which need to be revised with existing and planned development of the area for recreation.
5. Staff confirmed the following steps were taken in advance of the public hearing on Rezoning Petition 2-3-23:
 - a. adjoining property owners received first-class mail notifications.
 - b. The Town Clerk advertised the public hearing in the local paper.
 - c. Staff placed Rezoning Public Hearing signs along with the properties.

RECOMMENDED ACTIONS:

PLANNING BOARD

The Planning Board took up the issue of amending the Town's Zoning Map around the parcels described by REIDs: 64274, 59764, 64263, and 64264 from their currently designated zoning to R-12A Residential District. The Land Use Plan calls for natural and industrial uses on four parcels of interest.

The Planning Board found the Rezoning Petition 2-3-22 map amendment *inconsistent* with the Town of Valdese 2014 Valdese Vision: A Land Use Action Plan. However, in a five to zero vote, the Planning Board recommends that Town Council amend the Town's zoning map regarding the parcels of interest from M-1 Manufacturing and R-12 Residential to R-12A Residential District. The Planning Board Zoning Map Amendment Consistency Statement is included with this memorandum.

TOWN COUNCIL ACTION:

Before taking such lawful action as it may deem advisable, the Town Council shall consider the Planning Board's recommendations. Town Council must adopt a written statement (Consistency Statement) documenting its consideration of the land-use plan when making rezoning map amendment decisions. Town Council actions do not have to be consistent with The Valdese Vision: A Land Use Action Plan.

Additionally, when adopting or rejecting any petition for a zoning map amendment, the Town Council shall approve a statement analyzing the reasonableness of the proposed Rezoning (Reasonableness Statement). This statement of reasonableness may consider, among other factors, (i) the size, physical conditions, and other attributes of the area proposed to be rezoned, (ii) the benefits and detriments to the landowners, the neighbors, and the surrounding community, (iii) the relationship between the current actual and permissible development on the tract and adjoining areas and the development that would be permissible under the proposed amendment; (iv) why the action taken is in the public interest; and (v) any changed conditions warranting the amendment.

if Town Council approves the petition, the approval shall also amend the existing and any future land use map, and no additional request or application for a plan amendment shall be required.

The Valdese Planning Board finds Rezoning Petition 2-3-23 **inconsistent** with the Valdese Vision: A Land Use Action Plan for the Future; however, the Planning Board recommends the Town Council's approval of the Rezoning Petition.

The Consistency and Reasonableness statement is required for Council's review and consideration for adoption. Town Council may approve both as a single combined statement.

CITIZEN INPUT

A Notice of Public Hearing will appear in the News-Herald in April 2023. All adjoining property owners will receive notices of the hearing. Notice of Public Hearing was posted before the appearance of the public hearing in an area of high traffic.



TOWN OF VALDESE

NORTH CAROLINA'S FRIENDLY TOWN

P.O. BOX 339

VALDESE, NORTH CAROLINA 28690-0339

PHONE (828) 879-2120 | FAX (828) 879-2139 | TOWNOFVALDESE.COM



VALDESE PLANNING BOARD ZONING MAP AMENDMENT CONSISTENCY/INCONSISTENCY STATEMENT

The Town of Valdeese Planning Board has considered rezoning the following parcels from their currently designated zoning (as set forth below) to Zone R-12A Residential District.

1. A 20.3-acre parcel commonly known as McGalliard Pointe Drive NE, Valdeese, NC, Parcel ID Number 2734843186, Zoned R-12 Residential;
2. A 294.91-acre parcel commonly known as 1149 Lake Rhodhiss Drive NE, Valdeese, NC, Parcel ID Number 2744445905, Zoned R-12 Residential and M-1 Manufacturing;
3. A 2.65-acre parcel commonly known as Crescent Street NE, Valdeese, NC, Parcel ID Number 2744329127, Zoned M-1 Manufacturing; and
4. A 2.48-acre parcel commonly known as Lovelady Road NE, Valdeese, NC, Parcel ID Number 2743037173, Zoned M-1 Manufacturing.

The Valdeese Vision: A Land Use Plan For the Future identifies parcels #1 and #2 for “natural” uses. Parcels #3 and #4 are designated for “industrial” uses.

The Planning Board finds the Petitioner’s (Town of Valdeese) request to amend the Town’s Zoning Map around the parcels described above from their currently designated zoning to Zone R-12A Residential District to be *inconsistent* with the adopted Town of Valdeese 2014, The Valdeese Vision: A Land Use Action Plan.

Even though the Planning Board found the Rezoning Petition 2-3-2023 map amendment request to R-12A Residential District to be inconsistent with the Town of Valdeese 2014 Valdeese Vision: A Land Use Action Plan, per NCGS 160A-383 in a five to zero vote, the Planning Board recommends that Town Council amend the Town’s zoning map regarding the four parcels of interest from M-1 Manufacturing and R-12 Residential to R-12A Residential District.

Roy Sweezy, Chairman

Date



TOWN OF VALDESE

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VALDESE TOWN COUNCIL ZONING MAP AMENDMENT CONSISTENCY AND REASONABLENESS STATEMENT

On May 1, 2023, the Valdese Town Council met to consider Rezoning Petition 2-3-23 and received a recommendation from the Valdese Planning Board. After considering the Plan (defined below), ordinances, maps, recommendations, and other materials presented, the Valdese Town Council makes the following findings and conclusions:

1. In 2014 the Town of Valdese adopted a comprehensive land use plan entitled “The Valdese Vision: A Land Use Action Plan for the Future” (hereinafter the “Plan”).
2. The Town of Valdese submitted a Rezoning Petition to the Town of Valdese Planning Board requesting to rezone McGalliard Pointe Drive NE (Tax PIN: 2734843186; Zoned R-12 Residential) (“Parcel 1”), 1149 Lake Rhodhiss Drive NE (Tax PIN: 2744445905; Zoned R-12 Residential) (“Parcel 2”), Crescent Street NE, Valdese (Tax PIN: 2744329127; Zoned M-1 Manufacturing) (“Parcel 3”), and Lovelady Road NE (Tax PIN: 2743037173; Zoned M-1 Manufacturing) (“Parcel 4”) to Zone R-12A Residential District.
3. Town of Valdese desires to use Parcels 1-4 for park and outdoor recreation purposes.
4. R-12A Residential District uses permitted by right include residential development, single-family, multi-family, parks and neighborhood recreation, government buildings, and essential service.
5. Parcels 1 and 2 are currently zoned R-12 and M-1 under the Plan.
6. Parcels 3 and 4 are currently zoned M-1 Manufacturing, which designation by right provides for industrial uses and the Land Use Action Plan.
7. The Valdese Vision: A Land Use Action Plan identifies the four parcels as “natural” and “industrial.” However, the designations do not provide for use for parks and outdoor recreation. The Town of Valdese desires to use Parcels 1-4 for park and outdoor recreation purposes.
8. North Carolina General Statute 160D-605(a) provides, in pertinent part, as follows:

When adopting or rejecting any zoning text or map amendment, the governing board shall approve a brief statement describing whether its action is consistent or inconsistent with an adopted comprehensive or land-use plan. The requirement for

a plan consistency statement may also be met by a clear indication in the minutes of the governing board that at the time of action on the amendment the governing board was aware of and considered the planning board's recommendations and any relevant portions of an adopted comprehensive or land-use plan. If a zoning map amendment is adopted and the action was deemed inconsistent with the adopted plan, the zoning amendment has the effect of also amending any future land-use map in the approved plan, and no additional request or application for a plan amendment is required. A plan amendment and a zoning amendment may be considered concurrently.

9. The Town of Valdese's request for amendment was duly considered at a meeting of the Town of Valdese Planning Board. The Planning Board found the Town of Valdese's request to amend the Town's Zoning Map around Parcels 1 and 2 from their currently designated zoning to Zone R-12A Residential District to be *inconsistent* with the Plan and the Town of Valdese's request to amend the Town's Zoning Map around Parcels 3 and 4 from their currently designated zoning to Zone R-12A Residential District to be *inconsistent* with the Plan.
10. The Planning Board voted five to zero to recommend that Town Council amend the Town's Zoning Map regarding Parcels 1-4 from M-1 Manufacturing and R-12 Residential Districts to R-12A Residential District.
11. The Valdese Town Council hereby finds Rezoning Petition 2-3-22 in regards to rezoning Parcels 1 and 2 from their currently designated zoning to Zone R-12A Residential District to be *inconsistent* with the Plan and rezoning Parcels 3 and 4 from their currently designated zoning to Zone R-12A Residential District to be *inconsistent* with the Plan.
12. North Carolina General Statute 160D-605(b) provides, in pertinent part, as follows:
13. When adopting or rejecting any petition for a zoning map amendment, a statement analyzing the reasonableness of the proposed rezoning shall be approved by the governing board. This statement of reasonableness may consider, among other factors, (i) the size, physical conditions, and other attributes of the area proposed to be rezoned, (ii) the benefits and detriments to the landowners, the neighbors, and the surrounding community, (iii) the relationship between the current actual and permissible development on the tract and adjoining areas and the development that would be permissible under the proposed amendment; (iv) why the action taken is in the public interest; and (v) any changed conditions warranting the amendment.
14. The Town Council finds that the zoning amendment is reasonable and in the public interest based on the following:
 - a. The total acreage of Parcels 1-4 is of sufficient size so as not to be construed as "spot" zoning.

- b. The surrounding zoning designations are R-2 Residential (County), R-8 Residential, R-12 Residential, and M-1 Manufacturing. The surrounding land uses include residential development, outdoor recreation, and manufacturing.
- c. With the zoning designation of M-1 Manufacturing, Parcels 3 and 4 could be developed for industrial and related uses, which could include, by way of example and not limited to, an automotive body repair shop, automotive repair, automotive service station, recycling center, a collection point or plant, manufacturing, truck terminal, and warehousing.
- d. With the zoning designation of R-12 Residential, Parcels 1 and 2 could provide for agricultural uses and single-family development. Uses interfering with the quiet, less urban residential nature of single-family neighborhoods, such as multifamily and commercial uses, would not be considered appropriate for the R-12 Residential District.
- e. The R-12A Residential District is intended to be a moderately quiet, medium-high-density residential living area with many types of residential development, home occupations, and limited private and public community uses.
- f. R-12A Residential District development will not harm the surrounding land uses in that the permitted uses of the district consist of moderately quiet, medium-high density, residential living, and private and public community use.
- g. The zoning amendment will allow the continued development of the Town's municipal park, according to the park's master plan.
- h. The Plan was adopted in 2014. The Town of Valdese rezoned Parcels 1-4 manufacturing and residential upon the subsequent annexation in October 2006. The Town of Valdese then purchased Parcels 1-4 in 2018 with recreational opportunities in mind following the creation of a master plan for the properties in 2017. Town Council finds that conditions have changed since adopting the Plan, warranting this zoning amendment.

Based upon the recommendation of the Valdese Planning Board and the findings from the public hearing, the Valdese Town Council, having found Rezoning Petition 2-3-22 in regards to rezoning Parcels 1 and 2 from their currently designated zoning to Zone R-12A Residential District to be *inconsistent* with the Plan and rezoning Parcels 3 and 4 from their currently designated zoning to Zone R-12A Residential District to be *inconsistent* with the Plan, approves Rezoning Petition 2-3-22 and the recommendation from the Valdese Planning Board to amend the Town's Zoning Map regarding Parcels 1-4 from M-1 Manufacturing and R-12 Residential Districts to R-12A Residential District.

Based on those above and the findings from the public hearing, the Valdese Town Council further finds Rezoning Petition 2-3-22 reasonable and approves Rezoning Petition 2-3-22.

The Town Council therefore approves Rezoning Petition 2-3-22.

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

ATTEST:

JESSICA LAIL, Town Clerk

CHARLES WATTS, Mayor (Seal)

Rezoning Application

2-3-23

Filed by

Town of Valdese

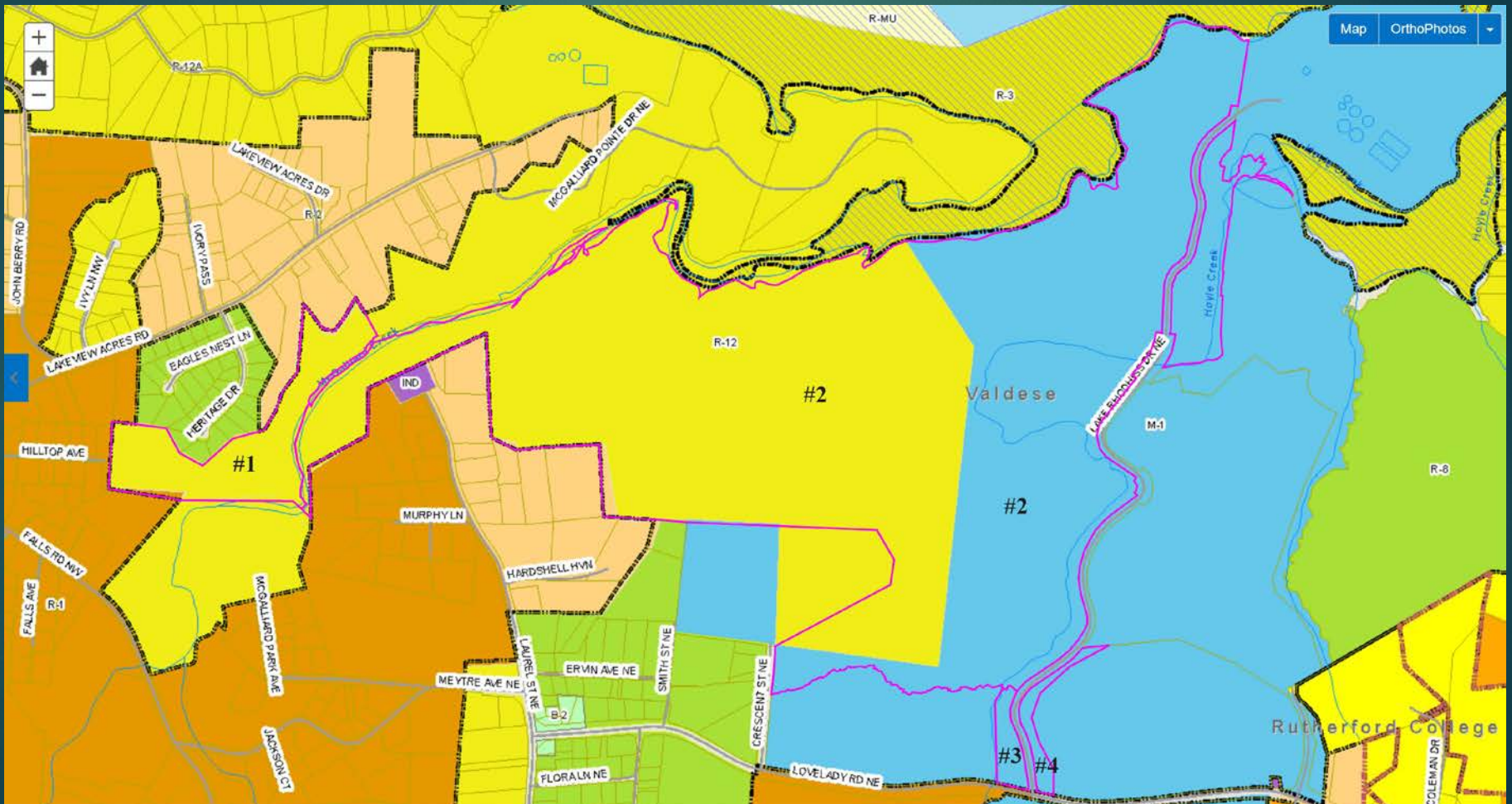
Introduction

An application was filed in March 2023 by the Town of Valdese to rezone four parcels to comprise Lakeside Park. The current zoning designation of the parcels is M-1 Manufacturing District and R-12 Residential District.



Zoning and Location

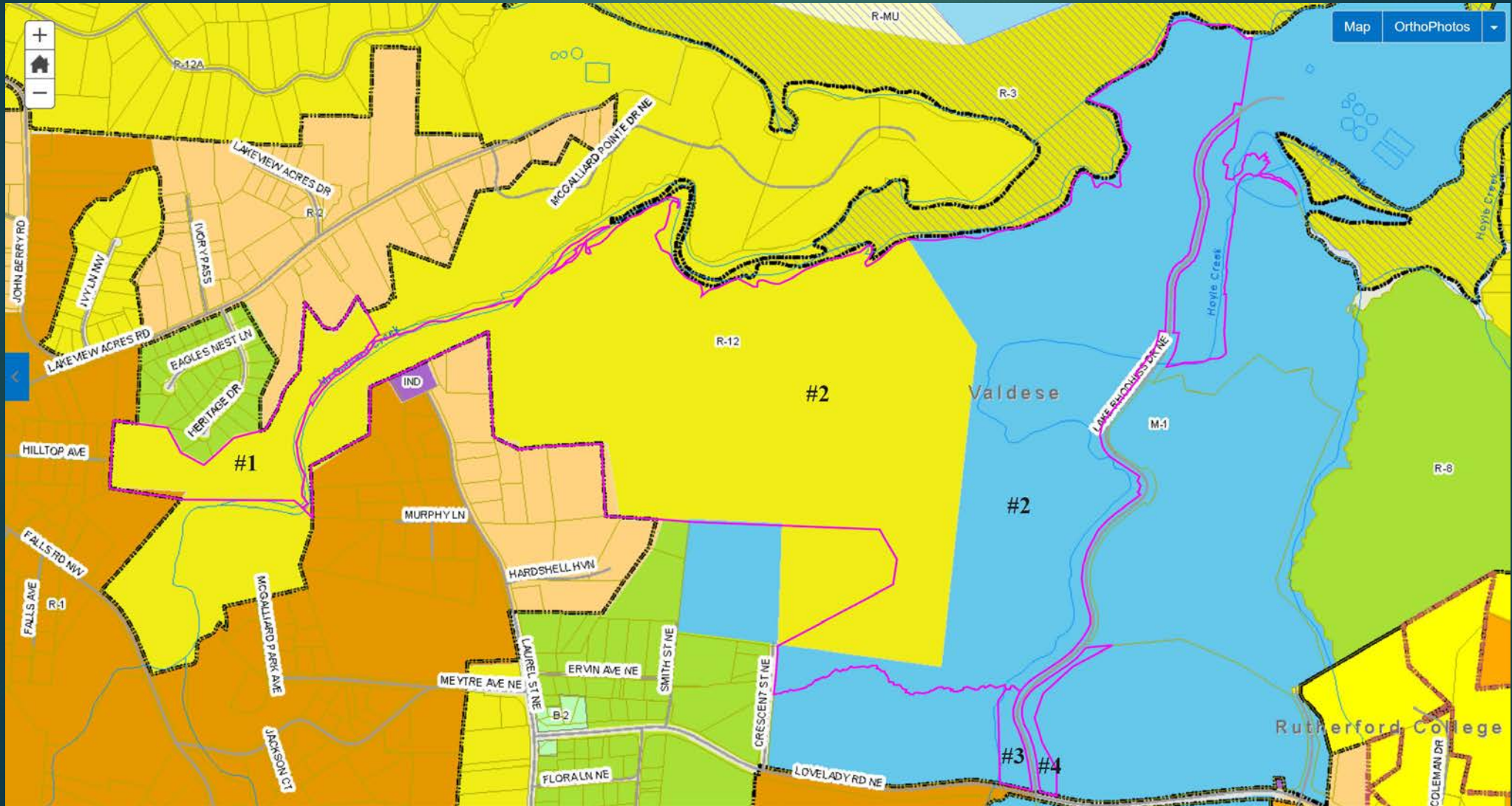
Parcel #1 McGillaird Pointe Dr. NE (20.3 Acres)

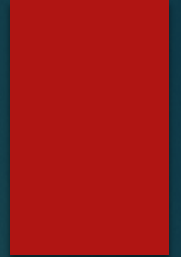


- ▶ The 20.3-acre parcel is located behind Heritage Subdivision and connects to McGalliard Falls Park.
- ▶ The parcel has a zoning designation of R-12 Residential district.



Parcel #2 1149 Lake Rhodhiss Dr NE (294.91 Acres)

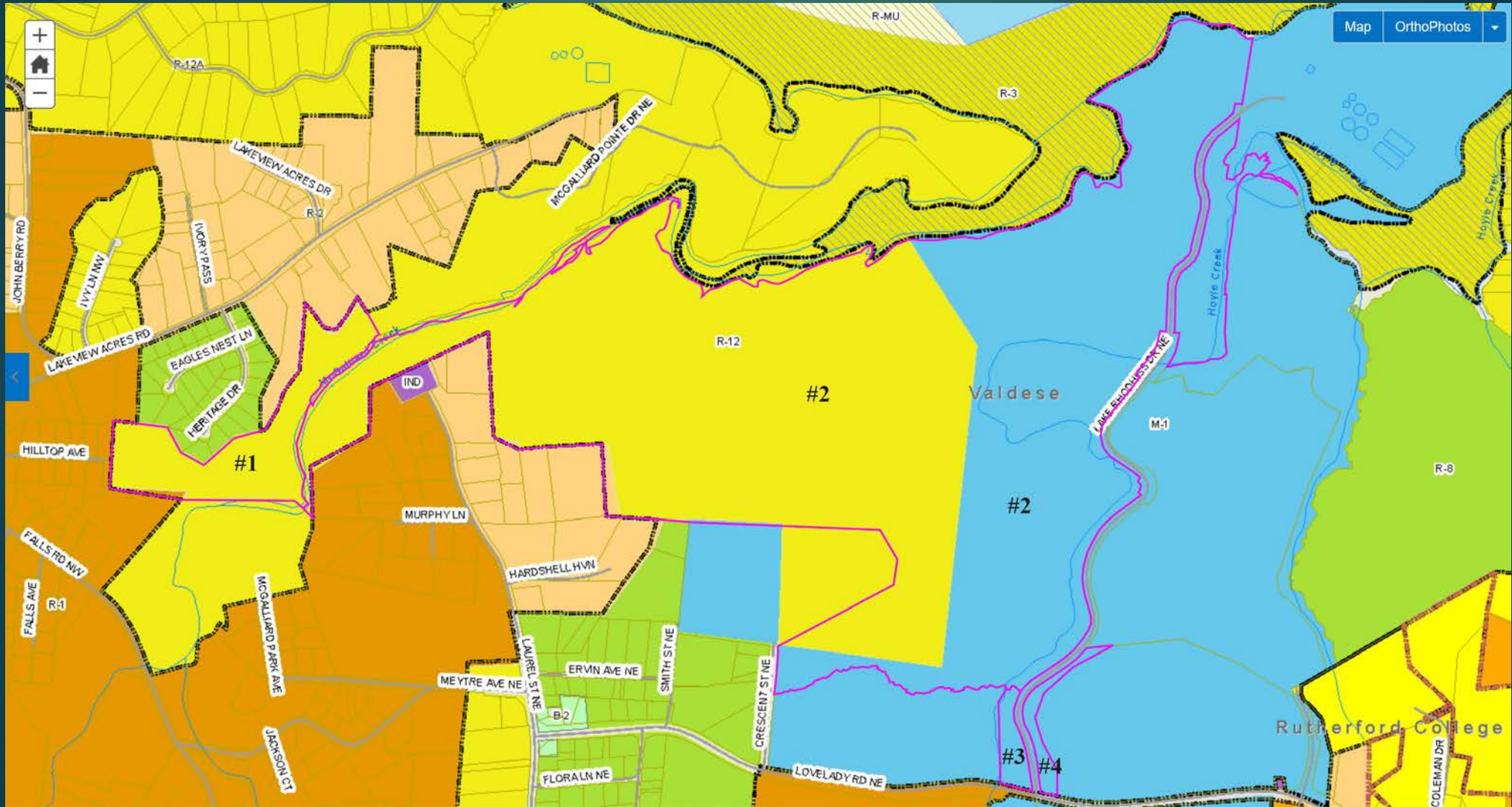




- ▶ The 294.91-acre parcel is located at 1149 Lake Rhodhiss Drive NE.
- ▶ This parcel has two zoning designations, M-1 Manufacturing District and R-12 Residential district.



Parcel #3 Crescent Street NE (2.65 Acres)

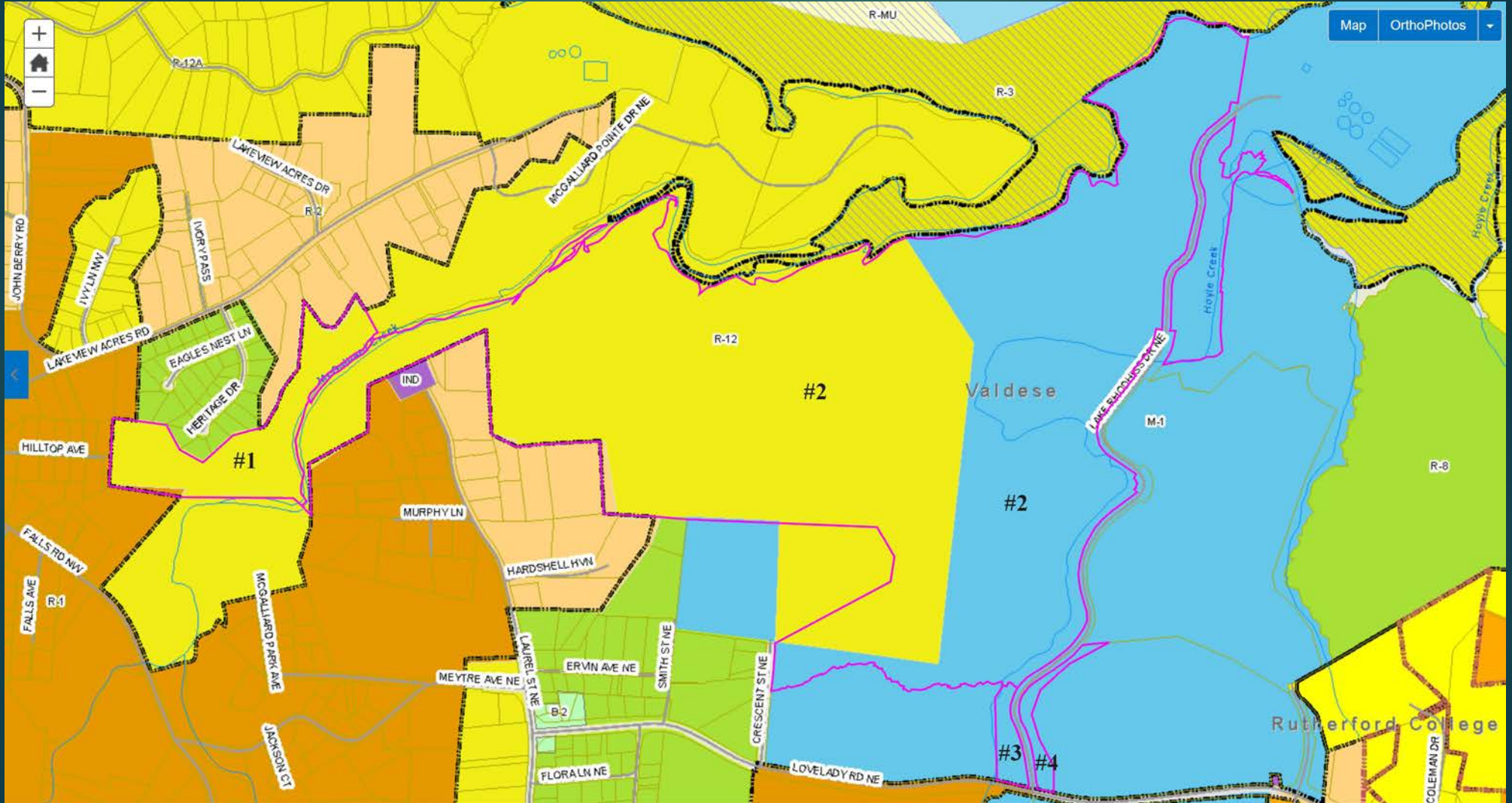




- ▶ The 2.65-acre parcel commonly known as Crescent Street and is vacant and wooded and is bordered to the north by Parcel #2.
- ▶ This parcel has a zoning designation of M-1 Manufacturing District.



Parcel #4 Lovelady Road NE (2.48 Acres)

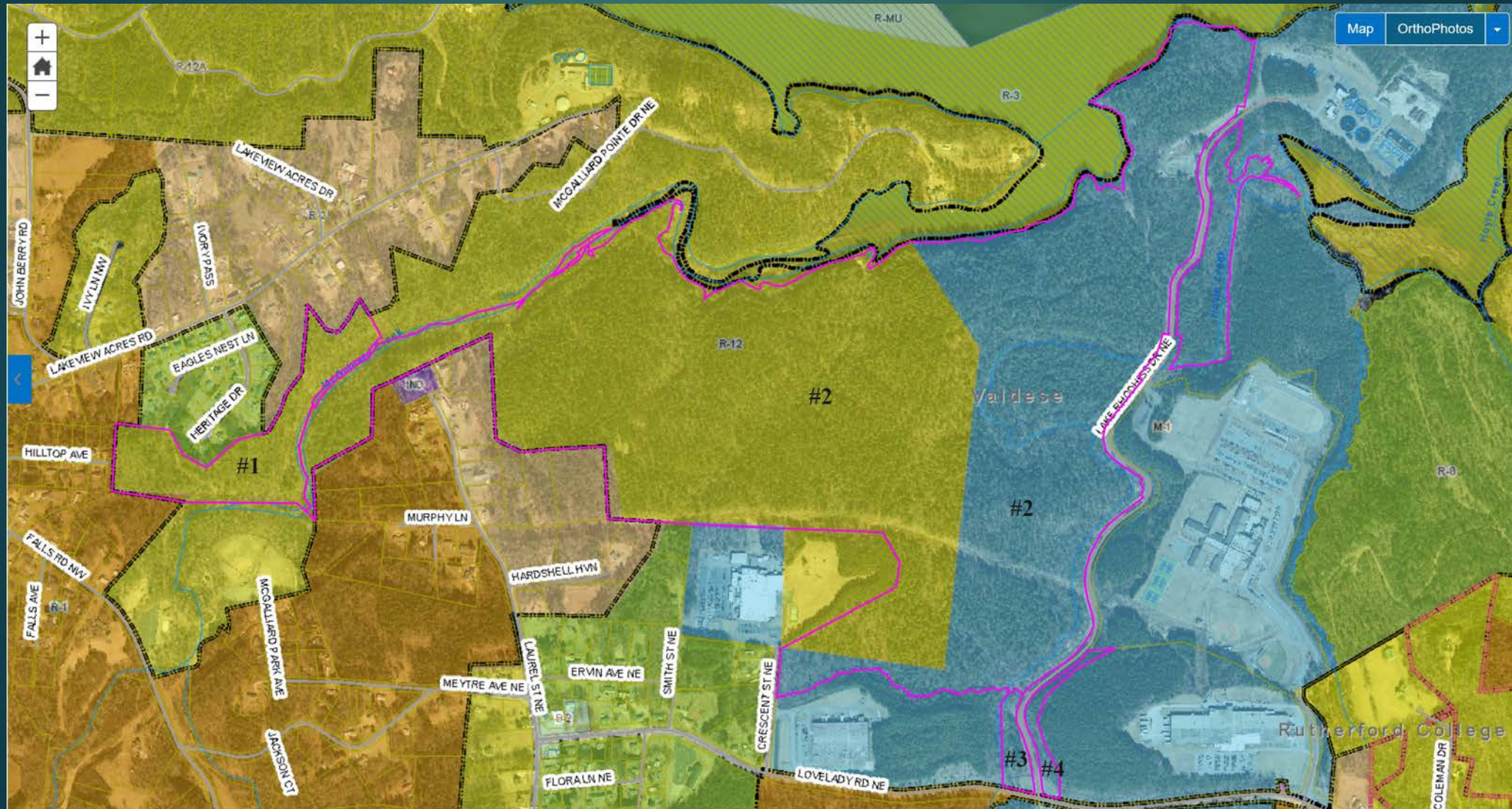


- ▶ The 2.48-acre parcel commonly known as Lovelady Road NE, is vacant and serves as part of the entrance to the park.
- ▶ This parcel has a zoning designation of M-1 Manufacturing District.



Request

Amendment of the Valdese Zoning Map to reclassify four parcels to R-12A Residential District

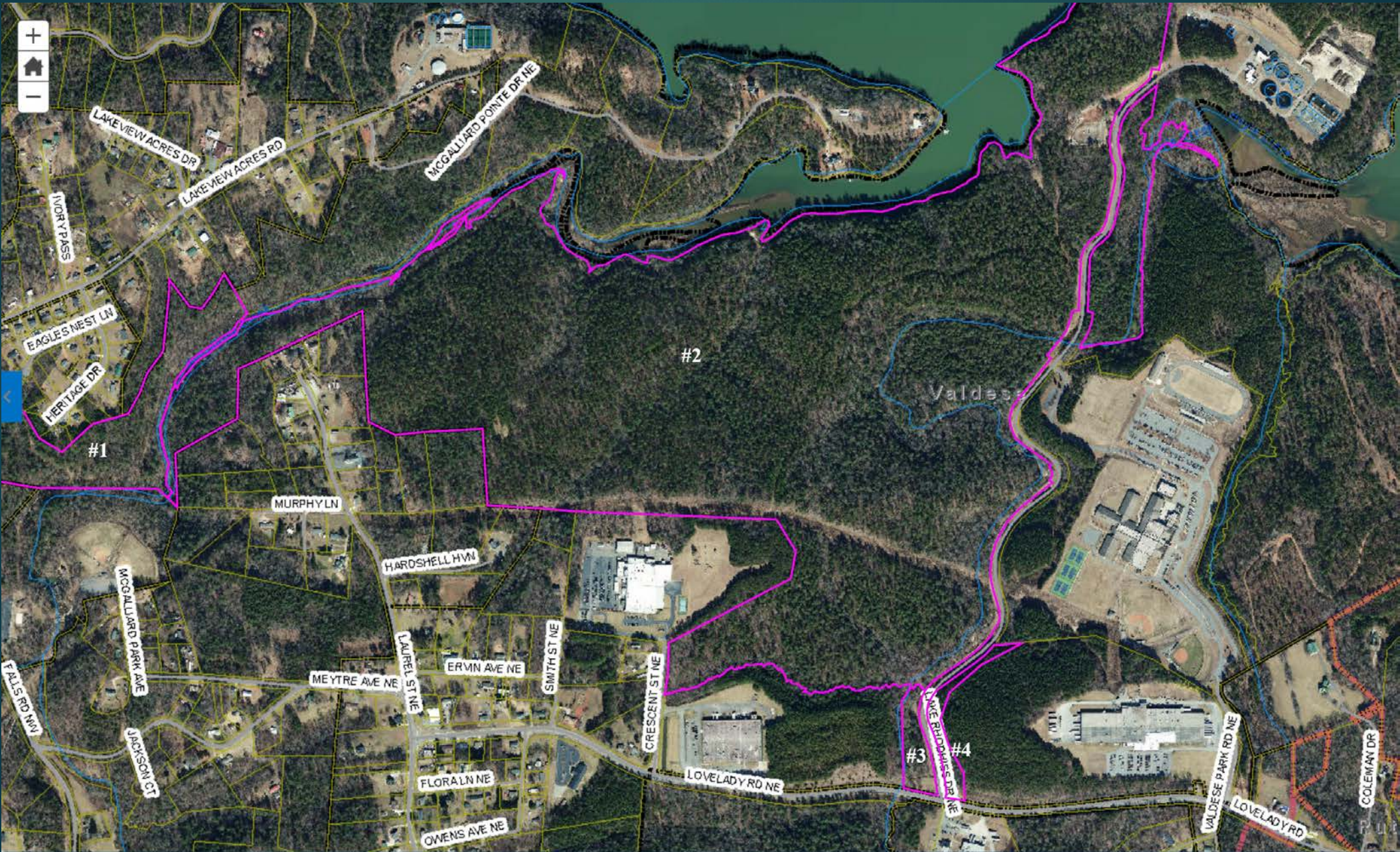


9-3052 R-12A Residential District B-2

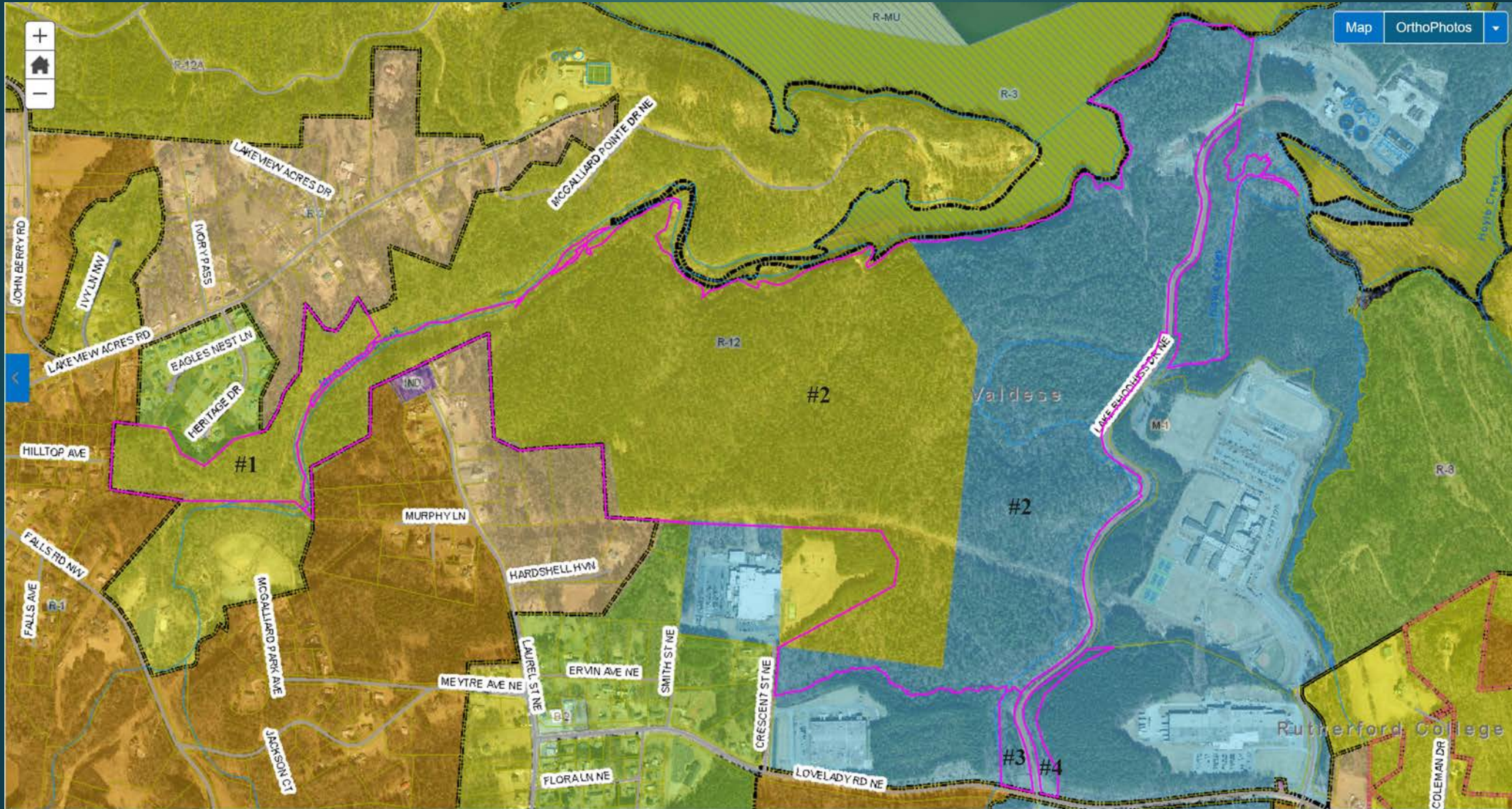
9-3051.1 Permitted Uses

- (1) Board House
- ▶ (2) Cemeteries
- ▶ (3) Churches
- ▶ (4) Essential Services 1 and 2
- ▶ (5) Family Care Homes
- ▶ (6) Government Buildings up to 5,000 SF
- ▶ (7) Modular Home
- ▶ (8) *Neighborhood and Outdoor Recreation*
- ▶ (9) *Parks*
- ▶ (10) Single-family Homes, excluding Manufacturing
- ▶ (11) Two-family Homes (duplexes)

Surrounding Land Use



Surrounding Zoning



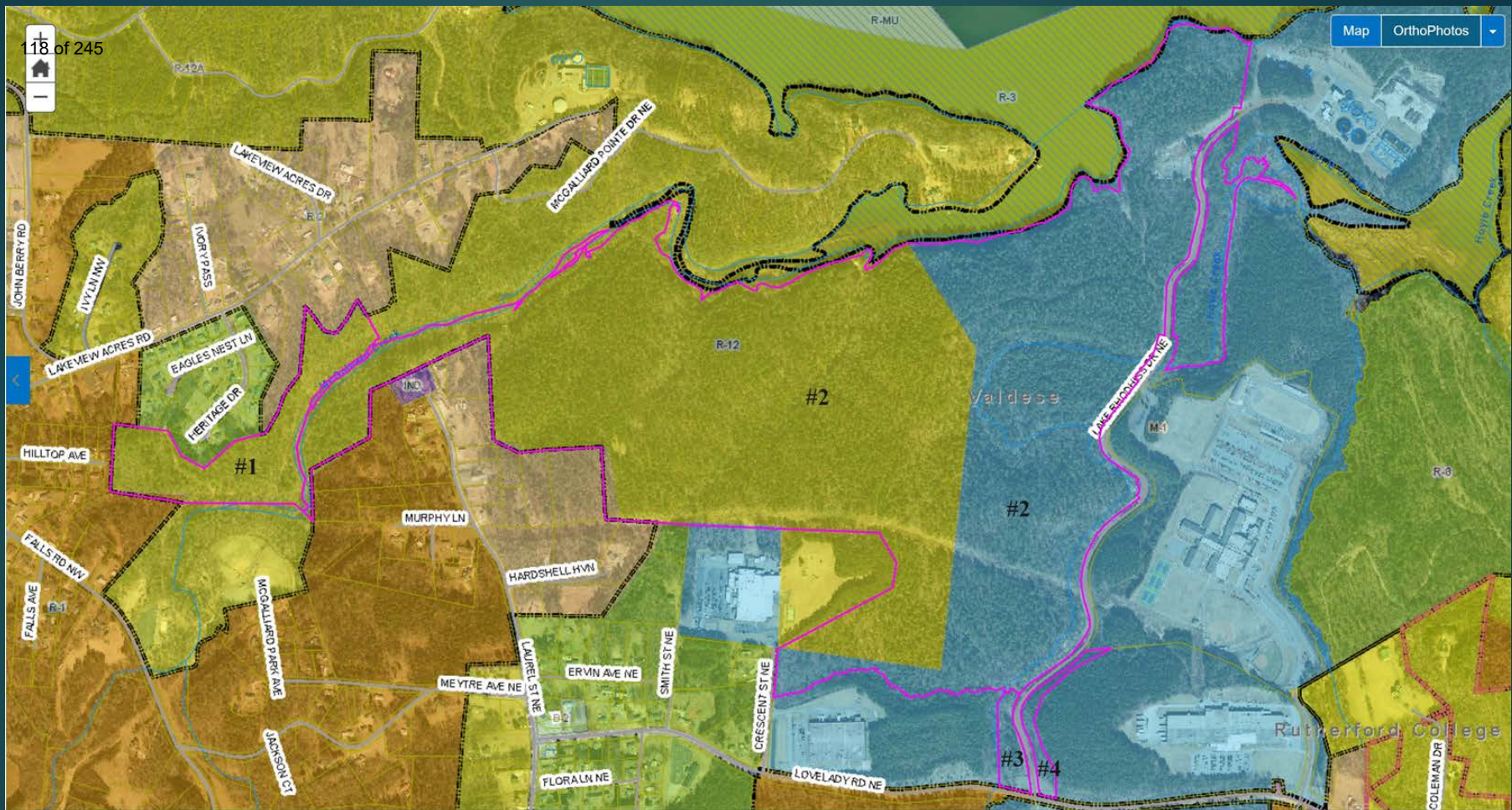
Approval Considerations

- Traffic Impact
- Zoning Use Consistency
- The Valdese Vision - Land Use Action Plan for the Future

Traffic Impact

- ▶ The primary entrance into the park is through Lake Rhodhiss Drive NE, which also serves as the entrance to the Valdese Waste Water Treatment Plant and the Draughn High School buses.
- ▶ A traffic study on Lake Rhodhiss Drive NE by Valdese Public Works over a 14-day period in April revealed an Average Daily Traffic count (ADT) of **257 vehicles per day**.

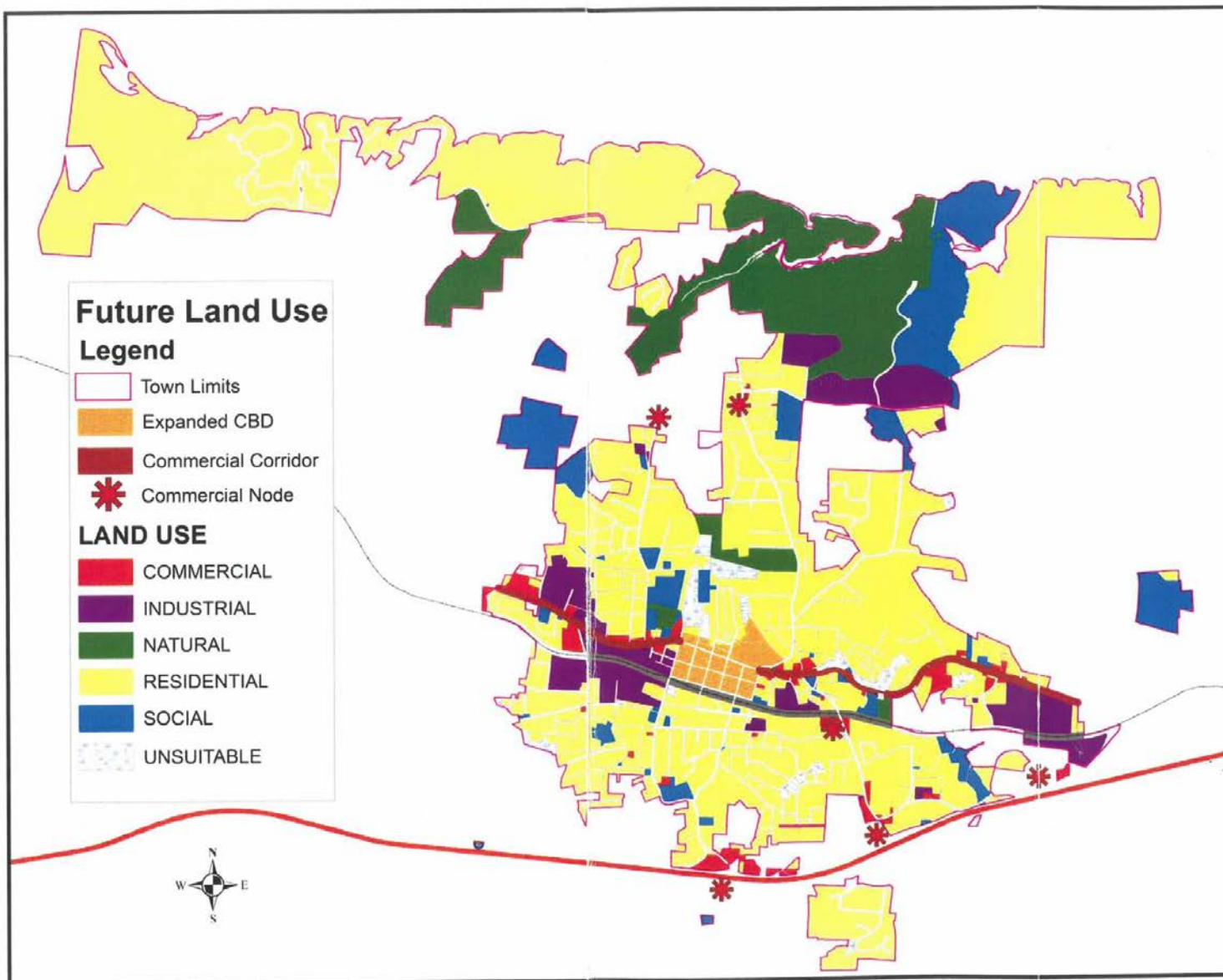
Zoning Consistency



The four parcels are contiguous with residential and industrial uses within the corporate limits and residential uses in the County. A zoning change from M-1 Manufacturing and R-12 Residential to R-12A Residential will not have a negative impact on the surrounding land uses. The R-12A Residential District supports most surrounding land uses, including residential, parks, neighborhoods and outdoor recreation.

The Valdese Vision: A Land Use Action Plan

Future Land Use Map



The Valdese Vision - Land Use Action Plan for Future

- ▶ Adopted by Town Council in 2014, the Valdese Vision: A Land Use Plan established a vision for future growth and constitutes the legal basis for land-use decision-making.
- ▶ The current zoning designations are *inconsistent* with the Land Use Action Plan
- ▶ The proposed rezoning classification is *inconsistent* with the Land Use Action Plan.
- ▶ However, Town Council is not bound by the comprehensive or land use plan and may adopt an amendment even though inconsistent with the land use plan.
- ▶ But, if Town Council adopts an amendment inconsistent with the plan, the decision has the effect of amending the future land-use map.

The Valdese Vision - Land Use Action Plan Current Zoning Designations

- ▶ The Valdese Vision identifies McGalliard Pointe Drive NE (parcel #1) as Natural. This designation is inconsistent with the current zoning classification of the R-12 Residential District.
- ▶ The Valdese Vision identifies 1149 Lake Rhodhiss Drive NE (parcel #2) as Natural. This designation is inconsistent with the current zoning classifications of R-12 Residential District and M-1 Manufacturing District zoning.

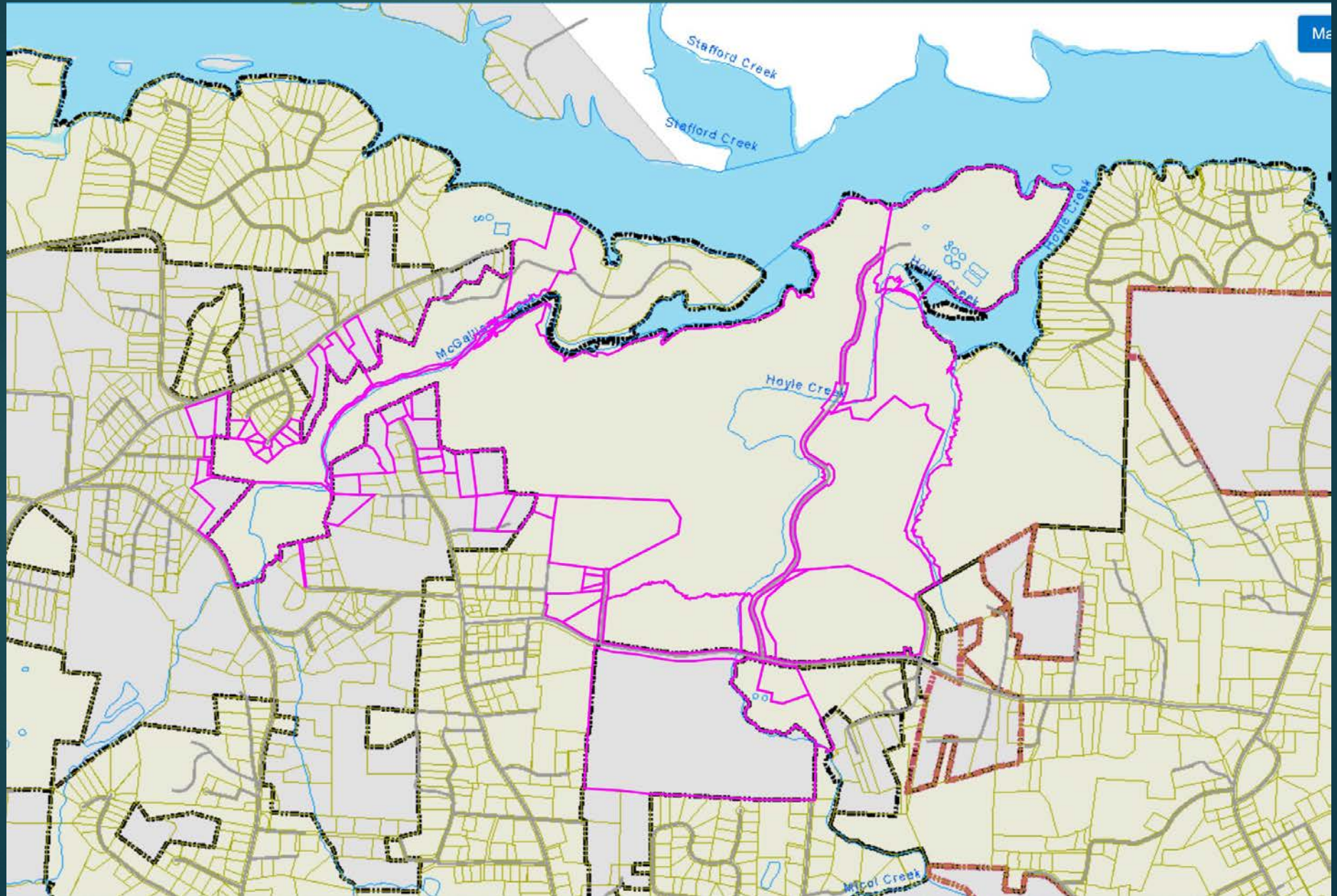
- ▶ The Valdese Vision identifies Crescent Street NE (parcel #3) as industrial, consistent with the future land use plan.
- ▶ The Valdese Vision Land Use Action Plan identifies the Lovelady Road NE (parcel #4) as industrial, consistent with the future land use plan.

Review and Discussion

- ▶ Town of Valdese requested a zoning map amendment in March 2023 to rezone four parcels with zoning designations of M-1 Manufacturing and R-12 Residential to R-12A Residential District.
- ▶ The four parcels are contiguous with residential uses within and outside the corporate limits and manufacturing uses.

- ▶ The current zoning designation, M-1 Manufacturing, and R-12 Residential do not permit list “parks” and “neighborhood and outdoor recreation” as uses permitted by right or with a Special Use Permit.
- ▶ The proposed rezoning to R-12A Residential identifies “parks” and “neighborhood and outdoor recreation” as uses permitted by right.
- ▶ The Industrial zoned Parcels #3 and #4 are *consistence* with the Valdese Vision: A Land Use Action Plan for the Future.
- ▶ The Petition to rezone *Parcels* 1-4 to R-12A Residential is ***inconsistent*** with the Valdese Vision: Land Use Action Plan for the Future.

Property Owners



- The petitioner (Town) and the adjoining property owners were notified of the May 1st public hearing. Forty adjoining property owners were notified of the public hearing by first-class mailings.
- The four parcels that comprise Lakeside Park were posted with Notices of Public Hearing Signage.
- Planning Department received one call from adjoining property owners.

Planning Board's Recommendation

The Planning Board met on March 20, 2023, to consider four parcels under the ownership of the Town of Valdese for a rezoning change from M-1 Manufacturing and R-12 Residential to R-12A Residential District.

Planning Board Recommendation

The Planning Board considered and adopted a statement affirming that the petition's request is inconsistence with the Valdese Vision: A Land Use Action Plan; In a vote of five to zero, recommends the approval of petition 2-3-23 to the Valdese Town Council.

TOWN COUNCIL ACTION


- ▶ G.S. 160D-605 - For an amendment to the zoning Map or the governing board must consider the recommendation from the Planning Board
- ▶ Town Council must adopt a statement describing whether that action is consistent or inconsistent with an adopted plan (The Valdese Vision: A Land Use Action Plan)
- ▶ For zoning map amendments, the governing board (Town Council) must also adopt a Statement of Reasonableness.

CONSISTENCY AND REASONABLENESS STATEMENT



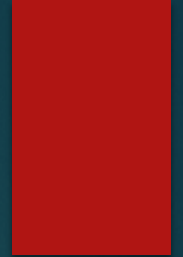
On May 1, 2023, the Valdese Town Council met to consider Rezoning Petition 2-3-23 and received a recommendation from the Valdese Planning Board. After considering the Plan (defined below), ordinances, maps, recommendations, and other materials presented, the Valdese Town Council makes the following findings and conclusions:

1. In 2014, the Town of Valdese adopted a comprehensive land use plan entitled "The Valdese Vision: A Land Use Action Plan for the Future" (hereinafter the "Plan")
2. The Town of Valdese submitted a Rezoning Petition to the Town of Valdese Planning Board requesting to rezone McGalliard Pointe Drive NE (Tax PIN: 2734843186; Zoned R-12 Residential) ("Parcel 1"), 1149 Lake Rhodhiss Drive NE (Tax PIN: 2744445905; Zoned R-12 Residential) ("Parcel 2"), Crescent Street NE, Valdese (Tax PIN: 2744329127; Zoned M-1 Manufacturing) ("Parcel 3"), and Lovelady Road NE (Tax PIN: 2743037173; Zoned M-1 Manufacturing) ("Parcel 4") to Zone R-12A Residential District.

- 
3. Town of Valdese desires to use Parcels 1-4 for park and outdoor recreation purposes.

 4. R-12A Residential District uses permitted by right include residential development, single-family, multi-family, ***parks and neighborhood recreation***, government buildings, and essential service.

5. Parcels 1 and 2 are currently zoned R-12 Residential and M-1 Manufacturing.
6. Parcels 3 and 4 are currently zoned M-1, which designation by right provides for industrial uses in the Land Use Action Plan.
7. The Valdese Vision: Land Use Action Plan identifies the four parcels as “natural” and “industrial. However the designations do not provide for use for parks and outdoor recreation. Town of Valdese desires to use Parcels 1-4 for park and outdoor recreation purposes.



8. North Carolina General Statute 160D-605(a) provides, in pertinent part, as follows:

When adopting or rejecting any zoning text or map amendment, the governing board shall approve a brief statement describing whether its action is consistent or inconsistent with an adopted comprehensive or land-use plan. The requirement for a plan consistency statement may also be met by a clear indication in the minutes of the governing board that at the time of action on the amendment, the governing board was aware of and considered the planning board's recommendations and any relevant portions of an adopted comprehensive or land-use plan.

If a zoning map amendment is adopted and the action is deemed inconsistent with the adopted plan, the zoning amendment has the effect of also amending any future land-use map in the approved plan, and no additional request or application for a plan amendment is required. A plan amendment and a zoning amendment may be considered concurrently.

9. The Town of Valdese's request for amendment was duly considered at a meeting of the Town of Valdese Planning Board. The Planning Board found the Town of Valdese's request to amend the Town's Zoning Map around Parcels 1 and 2 from their currently designated zoning to Zone R-12A Residential District to be ***inconsistent*** with the Plan and the Town of Valdese's request to amend the Town's Zoning Map around Parcels 3 and 4 from their currently designated zoning to Zone R-12A Residential District to be ***inconsistent*** with the Plan.

10. The Planning Board voted five to zero to recommend that Town Council amend the Town's Zoning Map regarding Parcels 1-4 from M-1 Manufacturing and R-12 Residential Districts to R-12A Residential District.

11. The Valdese Town Council hereby finds Rezoning Petition 2-3-22 in regards to rezoning Parcels 1 and 2 from their currently designated zoning to Zone R-12A Residential District to be **consistent** with the Plan and rezoning Parcels 3 and 4 from their currently designated zoning to Zone R-12A Residential District to be **inconsistent** with the Plan.

12. North Carolina General Statute 160D-605(b) provides, in pertinent part, as follows:

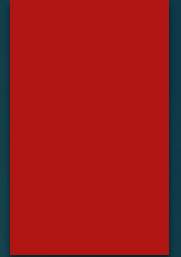
13. When adopting or rejecting any petition for a zoning map amendment, a statement analyzing the reasonableness of the proposed rezoning shall be approved by the governing board. This statement of reasonableness may consider, among other factors, (i) the size, physical conditions, and other attributes of the area proposed to be rezoned, (ii) the benefits and detriments to the landowners, the neighbors, and the surrounding community, (iii) the relationship between the current actual and permissible development on the tract and adjoining areas and the development that would be permissible under the proposed amendment; (iv) why the action taken is in the public interest; and (v) any changed conditions warranting the amendment.

14. The Town Council finds that the zoning amendment is reasonable and in the public interest based on the following:

a. The total acreage of Parcels 1-4 is of sufficient size so as not to be construed as “spot” zoning.


b. The surrounding zoning designations are R-2 Residential (County), R-8 Residential, R-12 Residential, and M-1 Manufacturing. The surrounding land uses include residential development, outdoor recreation, and manufacturing.

c. With the zoning designation of M-1 Manufacturing, Parcels 3 and 4 could be developed for industrial and related uses, which could include, by way of example and not limited to, an automotive body repair shop, automotive repair, automotive service station, recycling center, a collection point or plant, manufacturing, truck terminal, and warehousing.



d. With the zoning designation of R-12 Residential, Parcels 1 and 2 could provide for agricultural uses and single-family development. Uses interfering with the quiet, less urban residential nature of single-family neighborhoods, such as multifamily and commercial uses, would not be considered appropriate for the R-12 Residential District.

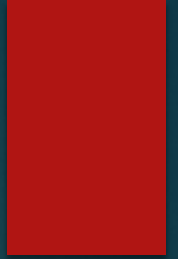
e. The R-12A Residential District is intended to be a moderately quiet, medium-high-density residential living area with many types of residential development, home occupations, and limited private and public community uses.

- 
- f. R-12A Residential District development will not harm the surrounding land uses in that the permitted uses of the district consist of moderately quiet
- g. The zoning amendment will allow the continued development of the Town's municipal park, according to the park's master plan.
- h. The Plan was adopted in 2014. The Town of Valdese rezoned Parcels 1-4 manufacturing and residential upon the subsequent annexation in October 2006. The Town of Valdese then purchased Parcels 1-4 in 2018 with recreational opportunities in mind following the creation of a master plan for the properties in 2017. Town Council finds that conditions have changed since adopting the Plan, warranting this zoning amendment.

Based upon the recommendation of the Valdese Planning Board and the findings from the public hearing, the Valdese Town Council, having found Rezoning Petition 2-3-23 in regards to rezoning Parcels 1 and 2 from their currently designated zoning to Zone R-12A Residential District to be inconsistent with the Plan and rezoning Parcels 3 and 4 from their currently designated zoning to Zone R-12A Residential District to be inconsistent with the Plan, approves Rezoning Petition 2-3-23 and the recommendation from the Valdese Planning Board to amend the Town's Zoning Map regarding Parcels 1-4 from M-1 Manufacturing and R-12 Residential Districts to R-12A Residential District.

Based on those above and the findings from the public hearing, the Valdese Town Council further finds Rezoning Petition 2-3-23 reasonable and approves Rezoning Petition 2-3-23.

QUESTIONS?





Fiscal Year 2023-2024
Recommended BUDGET

Table of Contents

BUDGET MESSAGE	1
GENERAL FUND:	
Summary	5
Revenue	7
Expenditure	9
Capital Improvement Plan	22
UTILITY FUND:	
Summary	25
Revenue	27
Expenditure	29
Capital Improvement Plan	33
WATER and SEWER RATE STUDY and PLAN	37
RATE and FEE SCHEDULES	90

**TOWN OF VALDESE
BUDGET MESSAGE
2023 – 2024**

TO: Mayor Charlie Watts
Councilman Tim Barus – Ward 1
Councilman Paul Mears – Ward 2
Councilwoman Rexanna Lowman – Ward 3
Councilwoman Frances Hildebran – Ward 4
Councilman Tim Skidmore – Ward 5

FROM: Seth Eckard, Town Manager

DATE: May 1, 2023

SUBJECT: Proposed 2023 – 2024 Town of Valdese Budget

Honorable Mayor Watts and Members of the Valdese Town Council:

In accordance with the North Carolina Local Government Fiscal Control Act, the recommended budget for fiscal year 2023-2024 is presented for your consideration. The budget document represents balanced revenues and expenditures. The fiscal year 2023-2024 budget continues investment in our community's services and infrastructure needs. The capital budget includes equipment replacements, facility improvements, and substantial utility system investments.

The proposed combined fiscal year 2023-2024 operating and capital budgets are \$13,375,607. This includes a total General Fund budget of \$7,693,609 and a total Utility Fund budget of \$5,681,998.

Economic Improvements and Constraints

Inflation

Our community is facing several economic challenges. Inflation is at a 40-year high, and the cost of goods and services is rising rapidly. This is putting a strain on our residents and businesses, and it is making it more expensive for us to provide the same level of service that our citizens expect.

In addition to inflation, we face other economic challenges, such as supply chain disruptions, the rising cost of labor, and rising interest rates. These challenges are making it difficult for our town to control costs.

As a result of these challenges, we are facing a number of difficult choices regarding our budget. We must ensure that we provide the essential services our residents need while also being mindful of our financial constraints.

North Carolina Local Government Pension System

The Board of Trustees of the Local Government Employees' Retirement System (LGERS) voted to increase the employer contribution rate to 12.91% for general employees and 14.04% for law enforcement.

It is important to remember that these rates are not a pay increase to employees; it is a mandatory expenditure imposed by the State.

General Fund

In 2022 Burke County conducted a reappraisal of real property. Property revaluation is the process of updating the assessed value of all properties. This is necessary to ensure that property taxes are fair and equitable. Property values can change over time due to various factors, such as inflation, market changes, and property improvements.

The initial assessment in Valdese (before appeals) is an average increase of 44.3% of all property. Using the Local Government Commission's prescribed formula, calculates a revenue-neutral rate of 41.5 cents.

The proposed budget includes a total General Fund budget of \$7,693,609 and proposes lowering the current tax rate of 54.5 cents per \$100 to 51.5 cents per \$100 valuation. This will generate approximately \$400,000 in additional property tax revenue for the Town of Valdese. The proposed budget allocates \$350,000 of these funds for street resurfacing and the remaining \$50,000 to increase part-time pay for lifeguards and part-time firefighters.

We are currently in one of the tightest labor markets in US history. The unemployment rate for Burke County is 3.3%, and there are presently two jobs open for every person looking for a job. The proposed budget includes several strategies to help with the recruitment and retention of employees, including a five percent cost of living adjustment for full-time employees, increasing the longevity cap from \$1,500 to \$2,000, and adjusting the Town's pay plan to reflect the current labor market more accurately. In addition, we have redesigned our employee health insurance plan to maintain the same benefit level for our employees while keeping insurance premium costs level.

Sanitation and Recycling

Republic Services contractually increases its solid-waste and recycling contract with the Town based on its annual consumer price index. This year's increase is five percent.

Long Term Debt

The percentage of the General Fund's annual operating budget used to service existing debt is 3.37 percent. No additional debt is proposed in this budget cycle.

ABC Distributions

North Carolina General Statutes allow ABC Stores with a substantial operating reserve to make quarterly distributions to the local government in which they operate. Staff projects that the Valdese ABC Store will distribute \$100,0000 to the Town of Valdese in 2023-2024. In addition, ABC funds will be placed in the Town's public safety building capital project account.

Parks and Recreation

Aquatics and Fitness membership fees will decrease for Valdese residents and increase for non-residents.

Burke County Library

The proposed budget includes a \$40,000 donation to the Burke County Library.

Public Safety Building

On March 7th, 2022, The Valdese Town Council voted to authorize the architect (CBSA) to develop construction documents for a new facility, advertise for construction bids, and staff to develop alternative bids that will reduce the size and cost of the proposed facility. We anticipate receiving bids for the Town Council's consideration in late 2023.

General Fund Capital Projects:

In the Fiscal Year 2022-2023 budget, the Town plans to make strategic capital investments amongst all departments to ensure efficient and effective service delivery and repair our aging infrastructure. The General Fund Budget reflects expenditures of \$473,800 in capital projects across multiple departments. Highlights include:

Community Affairs

- Clock Tower Repairs
- Village Park Mural improvements (Canvas Print Installation)
- New Town Entrance Signs

Police Department

- Patrol vehicle and equipment (replace unit 118)

Public Works

- Replace HVAC
- Update Fuel Management System
- Replace Broken Rollup Doors

Street Department

- Street Rerurfacing

Sanitation Department

- Replace the 2001 Trash Truck

Administration

- Repair Town Owned Street Lights
- Repair Fence Around HVAC Units
- Update Printed Zoning Maps

Utility Fund

The Utility Fund budget for Fiscal Year 2022-2023 is \$5,681,998. This includes \$503,700 of capital improvement needs. No additional debt is proposed in this budget cycle.

In the Fiscal Year 2015-2016 budget, the Town conducted a comprehensive capital improvement plan for the utility system. The study revealed that the Town has pressing needs to be addressed to ensure high-quality water and wastewater treatment for our citizens. The Town is heading into implementation year seven of our 10-year plan.

The Capital Improvement Plan contains a recommended funding model that restructures our utility rates to ensure we can pay for all our capital needs. This budget proposes a five percent increase in residential and commercial rates and an eight percent increase in industrial and bulk customer rates. These rate adjustments are needed to combat significant material inflation and ensure we continue replacing our aging infrastructure.

The Town of Valdese Utility Capital Improvement Plan calls for several investments next fiscal year.

Utility Fund Capital Projects:

Water Plant

- Roof Replacement – Finish Water Pump Station
- Install Security System
- Replace 2004 Ford F-150

Waste Water Plant

- Replace 1998 Biosolids Truck
- Sludge Trailer
- Centrifuge #1 Overhaul
- Spare Pump (Cline Street)
- Install Security System

Water Distribution

- Replace 2014 Mini Trackhoe
- Replace 2006 Chevy Dump Truck (1.5 Ton)
- Spare Meter Stock

Conclusion

I appreciate the dedicated employees of the Town of Valdese for their hard work and good stewardship of the Town's resources. Our team works hard and takes pride in carrying out their duties. I also thank Mayor Watts and the Town Council for their dedication in carrying out their responsibilities in providing leadership and guidance during the budgeting process.

Respectfully,



Seth Eckard, ICMA-CM
Town Manager

GENERAL FUND

SUMMARY

2023-2024 Budget
General Fund Summary

OPERATING BUDGET

Department	FY21-22 Budget	FY22-23 Budget	FY23-24 Recommended
GOVERNING BODY	70,846	82,835	76,989
ADMINISTRATION	1,043,162	1,139,938	1,199,605
PUBLIC WORKS ADMIN	237,388	193,523	195,689
MAINTENANCE & GROUNDS	234,828	261,432	283,573
PLANNING	65,673	66,944	127,144
POLICE	1,123,965	1,210,334	1,295,208
FIRE	934,819	972,961	1,211,715
STREET	412,189	408,041	643,820
POWELL BILL	144,500	146,300	146,300
SANITATION	321,720	335,472	368,199
RECREATION	929,973	938,939	981,680
COMMUNITY AFFAIRS	559,459	607,540	689,887
Operating Total	6,078,522	6,364,259	7,219,809

CAPITAL BUDGET

GOVERNING BODY	0	23,000	0
ADMINISTRATION	10,000	2,000	20,000
PUBLIC WORKS ADMIN	50,000	20,000	41,000
MAINTENANCE & GROUNDS	0	0	0
PLANNING	2,000	16,000	3,000
POLICE	45,000	45,000	45,000
FIRE	32,200	175,000	0
STREET	277,000	32,000	0
POWELL BILL	0	0	0
SANITATION	0	32,000	165,000
RECREATION	138,000	0	104,800
COMMUNITY AFFAIRS	81,000	60,000	95,000
Capital Total	635,200	405,000	473,800

TOTAL BUDGET	6,713,722	6,769,259	7,693,609
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REVENUES

TOTAL REVENUES	7,693,609
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GENERAL FUND REVENUES

2023-2024 Budget Allocation
GENERAL FUND REVENUES

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
2019 AD VALOREM TAXES	10-3010-191	16,067	9,097	10,757	16,000	8,000
2020 AD VALOREM TAXES	10-3010-201	2,061,537	20,690	13,625	22,000	15,000
2021 AD VALOREM TAXES	10-3010-211	0	2,088,946	2,040,795	50,000	20,000
2022 AD VALOREM TAXES	10-3010-221	0	0	0	2,081,302	45,000
2023 AD VALOREM TAXES	10-3010-231	0	0	0	0	2,440,668
MOTOR VEHICLE TAXES	10-3100-000	198,216	215,212	180,000	192,000	216,000
TAX REFUNDS	10-3120-001	-14,813	-13,811	-13,811	-10,679	-8,256
TAX PENALTY & INTEREST	10-3170-000	15,157	26,139	10,000	10,000	10,000
OCCUPANCY TAX	10-3200-000	29,943	66,648	75,000	110,000	152,000
INTEREST ON INVESTMENTS	10-3290-000	1,145	12,150	1,000	0	100,000
RENTS	10-3310-000	68,932	66,676	67,104	68,400	68,400
DONATIONS	10-3350-000	25,000	35,000	0	0	0
DONATIONS-RECREATION	10-3350-002	0	0	50,000	0	0
OTHER	10-3350-030	241,305	-29,346	2,500	2,500	2,500
UTILITY FRANCHISE TAX	10-3370-000	433,899	436,229	457,000	440,000	440,000
ALCOHOL/BEVERAGE TAX	10-3410-000	18,903	18,562	19,000	19,000	18,500
POWELL BILL ST ALLOCATION	10-3430-000	135,606	162,972	144,500	146,300	146,300
UNRESTRICTED SALES TAX	10-3450-010	1,354,203	1,597,037	1,282,942	1,465,039	1,720,144
ALARM PERMIT FEES	10-3530-010	1,420	1,380	1,500	1,500	1,300
JAIL FEES	10-3580-000	914	400	1,500	500	400
REFUSE COLLECTION FEES	10-3590-000	206,191	209,071	202,000	202,000	205,000
RECYCLE FEES	10-3590-010	45,028	45,643	44,200	44,200	45,000
SOLID WASTE DISPOSAL TX	10-3590-020	3,362	3,550	3,400	3,400	3,400
CEMETERY REVENUES	10-3610-000	8,525	18,525	6,000	5,000	5,000
SALES TAX CERTIFICATION REFUND	10-3670-000	0	31,718	7,000	7,000	7,000
SALE OF REAL PROPERTY	10-3820-000	61,800	1,250	0	0	0
SALE OF FIXED ASSETS	10-3830-000	9,340	7,450	0	0	0
ABATEMENTS	10-3930-001	7,050	1,478	0	0	0
HOUSING AUTHORITY	10-3970-020	22,743	20,162	21,000	21,000	20,000
PARAMOUNT FORD	10-3970-021	1,500	1,819	1,910	1,910	1,910
XTREME MACHINES	10-3970-022	1,900	901	809	809	809
ORS FACILITY RENTALS	10-3970-025	7,926	17,301	19,100	15,700	23,075
ORS AUDITORIUM & TICKET SALES	10-3970-026	12,382	52,041	30,000	50,000	54,000
ORS LEASES	10-3970-027	23,832	25,395	23,760	24,300	30,480
C.A. TOURS	10-3970-028	1,350	2,450	400	500	1,000
YOUTH SPORTS REGISTRATION FEES	10-3970-029	4,500	9,994	9,900	11,000	14,500
COMMUNITY CENTER MEMBERSHIPS	10-3970-030	67,603	142,777	144,000	144,000	153,000
COMMUNITY CENTER CONCESSIONS	10-3970-031	14,589	32,869	33,600	33,600	37,000
SUMMER SWIM TEAM	10-3970-032	3,707	3,972	2,000	4,000	4,500
BOWLING	10-3970-033	34,001	46,483	46,325	46,325	55,000
VENDING	10-3970-034	959	1,181	800	1,000	1,200
RECREATION CREDIT CARD FEES	10-3970-035	799	2,141	1,280	1,500	2,000
WALDENSIAN FOOTRACE	10-3970-036	0	2,845	2,400	3,000	3,000
MCGALLIARD FALLS CONCESSIONS	10-3970-038	3,255	4,193	2,000	2,500	4,000
RECREATION MISC REV & PARK RENT	10-3970-039	16,796	29,800	27,000	32,000	32,000
ORS FACILITY FEES	10-3970-126	1,119	2,261	1,500	1,500	2,000
TEACHERS COTTAGE RENTALS	10-3970-127	1,119	2,261	1,500	1,500	8,000
MERCHANDISE SALES	10-3970-128	1,119	2,261	1,500	1,500	2,000
C. A. CONCESSIONS	10-3970-129	1,068	3,131	2,500	3,500	3,500
PRO RATA	10-3970-300	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
CAPITAL PROJECTS	10-3970-302	221,000	221,000	221,000	221,000	221,000
FESTIVAL	10-3970-920	5,769	23,715	15,000	15,000	20,000
TRANSFER FROM CAPITAL RESERVE	10-3970-930	0	0	139,101	0	0
FUND BALANCE APPROPRIATED	10-3990-000	0	133,830	0	150,653	238,279
POWELL BILL FUND BALANCE	10-3991-000	0	0	0	0	0
PROCEEDS FROM FINANCING	10-3995-001	0	245,292	250,000		0
PROCEEDS FROM GRANTS	10-3995-002	0	0	0	0	0
TOTAL		6,477,765	7,162,741	6,704,397	6,763,259	7,693,609

GENERAL FUND EXPENDITURES

2023-2024 Budget Allocation
GOVERNING BODY

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	10-4100-020	18,300	18,300	18,300	18,300	18,300
PROFESSIONAL SERVICES	10-4100-040	0	0	0	0	0
FICA TAX	10-4100-050	907	972	1,400	1,400	1,400
GROUP INSURANCE	10-4100-060	35,594	33,004	47,846	59,535	53,689
TRAINING	10-4100-140	0	930	1,500	1,500	2,500
DEPT SUPPLIES	10-4100-330	0	120	100	100	100
IT	10-4100-490	0	0	0	0	0
DUES AND SUBSCRIPTIONS	10-4100-530	0	0	0	0	0
MISCELLANEOUS	10-4100-570	1,052	1,086	1,700	2,000	1,000
CAPITAL OUTLAY	10-4100-740	0	8,703	0	23,000	0
CONTINGENCY	10-4100-999	109,404	0	0	0	0
TOTAL		165,258	63,115	70,846	105,835	76,989

2023-2024 Budget Allocation
ADMINISTRATION

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	10-4200-020	360,440	376,149	373,202	423,393	414,826
PART TIME PAY	10-4200-022	0	0	0	3,840	0
PROFESSIONAL SERVICES	10-4200-040	29,212	45,574	47,875	77,375	90,225
HEALTH REIMBURSEMENT (HRA)	10-4200-041	0	0	0	3,840	55,500
FICA TAX	10-4200-050	27,214	28,309	28,363	32,497	31,548
GROUP INSURANCE	10-4200-060	50,026	54,722	54,979	60,175	45,774
RETIREMENT	10-4200-070	36,018	41,747	41,619	50,548	52,464
UNEMPLOYMENT CHARGES	10-4200-080	1,145	0	4,000	4,000	3,000
TELEPHONE & INTERNET	10-4200-110	22,209	17,885	23,150	23,150	23,150
POSTAGE	10-4200-111	3,500	2,970	4,600	4,000	4,000
PRINTING	10-4200-120	2,399	2,284	7,975	7,100	3,100
ELECTRIC	10-4200-130	7,422	7,252	8,460	8,460	9,000
TRAINING	10-4200-140	9,237	7,576	10,810	13,310	13,310
MAINT & REPAIR BLDG & GROUNDS	10-4200-150	3,794	22,178	5,540	17,021	17,021
MAINT & REPAIR - EQUIP	10-4200-160	2,244	3,051	4,020	4,500	4,400
MAINT & REPAIR - AUTO	10-4200-170	40	0	250	250	250
ADVERTISING	10-4200-260	2,255	1,412	2,850	2,850	2,850
AUTO SUPPLIES GAS	10-4200-311	110	409	400	500	1,000
AUTO SUPPLIES TIRES	10-4200-313	0	0	0	0	0
AUTO SUPPLIES OIL	10-4200-314	0	0	40	40	40
DEPT SUPPLIES & MATL	10-4200-330	8,418	12,903	15,700	15,700	15,700
CONTRACTED SERVICES	10-4200-450	34,121	25,193	40,976	44,416	43,956
IT	10-4200-490	67,397	45,573	73,732	74,570	73,070
DUES & SUBSCRIPTIONS	10-4200-530	10,417	9,153	15,000	15,000	15,500
INSURANCE & BONDS	10-4200-540	106,754	102,696	140,092	140,092	140,092
MISC EXPENSE	10-4200-570	11,351	8,045	10,650	10,950	10,950
CAPITAL OUTLAY	10-4200-740	48,409	0	10,000	2,000	20,000
ECONOMIC DEVELOPMENT GRANT	10-4200-763	0	0	0	0	0
BURKE COUNTY LIBRARY	10-4200-930	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
TRANSFER TO CAPITAL RESERVE	10-4200-963	0	0	0	0	0
CONTINGENCY	10-4200-990	0	0	0	0	0
TOTAL		973,009	943,959	1,053,161	1,168,455	1,219,605

2023-2024 Budget Allocation
PUBLIC WORKS ADMIN

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	10-4250-020	145,123	122,970	122,262	88,723	93,094
OVER TIME PAY	10-4250-021	377	1,791	3,400	1,448	1,448
PART TIME PAY	10-4250-022	0	0	0	0	0
PROFESSIONAL SERVICES	10-4250-040	279	220	1,200	550	550
FICA TAX PAYABLE	10-4250-050	10,670	9,082	9,534	6,858	7,193
GROUP INSURANCE	10-4250-060	30,101	27,043	26,799	29,295	17,818
RETIREMENT PAYABLE	10-4250-070	14,748	14,116	14,219	10,902	12,138
PRINTING	10-4250-120	0	0	500	500	500
ELECTRIC	10-4250-130	6,627	6,569	6,720	7,200	7,200
NATURAL GAS	10-4250-131	2,405	2,991	3,000	3,000	3,000
TRAINING	10-4250-140	0	0	0	0	3,000
MAINT & REPAIR BLDGS & GROUNDS	10-4250-150	10,586	16,603	15,100	12,524	13,024
MAINT & REPAIR EQUIP	10-4250-160	1,362	1,669	3,985	3,100	3,500
MAINT & REPAIR AUTO	10-4250-170	458	440	1,949	917	1,500
AUTO SUPPLIES GAS	10-4250-311	4,137	4,208	6,180	4,332	6,000
AUTO SUPPLIES TIRES	10-4250-313	40	2,120	2,120	1,420	1,420
AUTO SUPPLIES OIL	10-4250-314	304	72	383	184	184
DEPT SUPPLIES & MATERIAL	10-4250-330	15,135	11,236	13,500	13,500	14,500
CHEMICALS	10-4250-332	0	0	0	500	500
UNIFORMS	10-4250-360	2,968	1,329	2,380	1,380	1,580
CONTRACTED SERVICES	10-4250-450	3,735	1,356	3,216	5,216	5,216
IT	10-4250-490	0	0	0	0	0
DUES & SUBSCRIPTIONS	10-4250-530	940	0	940	2,325	2,325
MISC EXPENSE	10-4250-570	0	0	0	0	0
CAPITAL OUTLAY	10-4250-740	0	0	50,000	20,000	41,000
TOTAL		249,997	223,815	287,389	213,874	236,689

2023-2024 Budget Allocation
GROUNDS AND MAINTENANCE

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	10-4350-020	99,016	101,106	100,453	144,556	151,646
OVER TIME PAY	10-4350-021	1,162	5,005	8,750	4,973	4,973
PART TIME PAY	10-4350-022	4,864	11,842	9,600	10,400	10,400
FICA TAX	10-4350-050	7,614	8,586	8,969	9,126	12,658
GROUP INSURANCE	10-4350-060	24,789	26,936	26,523	38,548	34,652
RETIREMENT	10-4350-070	10,089	11,929	12,282	13,242	20,018
TRAINING	10-4350-140	85	14	200	400	400
MAINT & REPAIR BLDGS & GROUND	10-4350-150	4,424	12,395	4,150	4,150	7,150
MAINT & REPAIR EQUIP	10-4350-160	1,192	2,111	3,480	3,480	3,480
MAINT & REPAIR AUTO	10-4350-170	232	472	2,253	2,253	2,253
AUTO SUPPLIES - GAS	10-4350-311	2393	4018	4,620	6,160	6,500
AUTO SUPPLIES DIESEL	10-4350-312	171	133	812	928	928
AUTO SUPPLIES - TIRES	10-4350-313	642	1346	1,350	1,350	1,350
AUTO SUPPLIES - OIL	10-4350-314	224	537	566	566	566
DEPT SUPPLIES & MATERIAL	10-4350-330	2763	3224	3,400	3,600	3,600
CHRISTMAS DECORATIONS	10-4350-331	0	9884	10,000	7,500	0
CHEMICALS	10-4350-332	2035	2101	2,300	2,500	2,500
UNIFORMS	10-4350-360	1800	1765	1,800	1,590	2,400
CONTRACT SERVICES	10-4350-450	600	0	250	500	500
HELPING HANDS	10-4350-451	5850	0	8,269	4,800	4,800
IT	10-4350-490	0	0	0	0	0
MISC EXPENSE	10-4350-570	0	5127	11,000	0	2,000
CAPITAL OUTLAY	10-4350-740	0	0	0	0	0
ARBOR BEAUTIFICATION	10-4350-927	2,260	3,583	13,800	10,800	10,800
TOTAL		172,205	212,114	234,827	271,422	283,573

2023-2024 Budget Allocation
PLANNING

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	10-4900-020	670	610	670	60,920	40,920
PART TIME PAY	10-4900-022	34,344	33,576	34,800	37,240	39,660
PROFESSIONAL SERVICES	10-4900-040	52,764	967	7,500	7,000	7,000
FICA TAX	10-4900-050	2,571	2,518	2,713	7,469	6,125
GROUP INSURANCE	10-4900-060	0	0	0	9,529	9,055
RETIREMENT	10-4900-070	0	0	0	7,345	5,216
TRAINING	10-4900-140	0	0	500	500	500
MAINT & REPAIR BLDG & GROUNDS	10-4900-150	0	0	750	750	0
MAINT & REPAIR EQUIP	10-4900-160	0	1,896	2,720	2,720	3,500
ADVERTISING	10-4900-260	356	0	1,125	1,125	1,125
DEPT SUPPLIES & MATL	10-4900-330	437	557	695	695	700
CONTRACTED SERVICES	10-4900-450	3,400	3,631	4,000	3,000	3,000
ABATEMENTS	10-4900-451	7,791	526	9,000	9,000	9,000
IT	10-4900-490	0	0	0	0	0
DUES & SUBSCRIPTIONS	10-4900-530	0	200	200	344	344
MISC EXPENSE	10-4900-570	337	964	1,000	1,000	1,000
CAPITAL OUTLAY	10-4900-740	0	1,250	2,000	16,000	3,000
TOTAL		102,671	46,695	67,673	164,637	130,144

2023-2024 Budget Allocation

POLICE

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	10-5100-020	575,577	613,073	633,225	667,184	727,693
OVER TIME PAY	10-5100-021	12,971	8,250	9,830	9,830	16,624
PART TIME PAY	10-5100-022	11,700	15,491	16,560	16,560	10,560
EXTRA DUTY HOURS	10-5100-024	24,148	19,588	24,363	24,363	29,186
PROFESSIONAL SERVICES	10-5100-040	5,816	885	1,350	1,650	1,800
FICA TAX	10-5100-050	46,170	49,190	51,807	54,445	59,503
GROUP INSURANCE	10-5100-060	108,580	126,262	124,760	136,588	129,734
DEFERRED COMP 401K	10-5100-065	25,226	29,322	31,027	32,887	35,357
RETIREMENT	10-5100-070	65,130	76,341	79,290	90,317	104,601
TELEPHONE	10-5100-110	5,013	6,364	5,951	6,471	6,471
POSTAGE	10-5100-111	242	556	1,090	1,090	1,286
PRINTING	10-5100-120	144	0	1,174	1,174	1,174
TRAINING	10-5100-140	0	1,197	500	2,500	2,500
MAINT & REPAIR BLDG & GROUNDS	10-5100-150	5,542	3,924	1,570	1,570	2,588
MAINT & REPAIR EQUIP	10-5100-160	2,241	2,486	3,942	4,192	4,517
MAINT & REPAIR AUTO	10-5100-170	16,409	11,686	15,995	11,495	13,275
ADVERTISING	10-5100-260	0	0	354	354	100
AUTO SUPPLIES GAS	10-5100-311	20,996	48,320	28,875	40,000	45,000
AUTO SUPPLIES TIRES	10-5100-313	5,218	5,021	7,647	5,500	5,500
AUTO SUPPLIES OIL	10-5100-314	37	763	1,851	2,850	2,000
DEPT SUPPLIES & MATL	10-5100-330	18,873	13,007	18,820	21,945	21,125
UNIFORMS	10-5100-360	11,858	13,681	14,770	16,300	14,920
CONTRACTED SERVICES	10-5100-450	8,892	13,668	13,944	27,892	27,962
IT	10-5100-490	12,521	13,668	14,334	12,242	10,772
DUES & SUBSCRIPTIONS	10-5100-530	94	31	400	400	424
INSURANCE & BONDS	10-5100-540	0	0	2,065	2,065	2,065
MISC EXPENSE	10-5100-570	0	0	0	0	0
CAPITAL OUTLAY	10-5100-740	37,899	121,431	45,000	45,000	45,000
DEBT SERVICE - CARS	10-5100-910	18,470	18,470	18,471	18,471	18,471
TOTAL		1,039,765	1,212,675	1,168,965	1,255,335	1,340,208

2023-2024 Budget Allocation
FIRE

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	10-5300-020	310,590	325,193	319,556	336,034	348,043
OVER TIME PAY	10-5300-021	217	605	1,000	1,000	1,000
PART TIME PAY	10-5300-022	73,560	67,623	76,055	65,555	67,875
EXTRA DUTY HOURS	10-5300-024	31,334	27,006	39,741	39,741	39,741
PROFESSIONAL WAGES	10-5300-040	1,635	1,383	5,900	5,900	7,980
FICA TAX	10-5300-050	31,119	31,596	33,262	33,719	34,815
GROUP INSURANCE	10-5300-060	61,618	65,844	75,519	75,842	80,601
RETIREMENT	10-5300-070	34,841	40,077	40,932	45,626	49,991
TELEPHONE	10-5300-110	418	418	457	457	457
POSTAGE	10-5300-111	0	106	200	200	200
PRINTING	10-5300-120	150	0	700	700	700
ELECTRIC	10-5300-130	10,741	10,710	14,400	14,400	14,400
NATURAL GAS	10-5300-131	3,436	3,912	4,550	4,550	4,550
TRAVEL	10-5300-140	8,037	11,537	14,672	14,672	18,800
MAINT & REPAIR BLDGS & GROUNDS	10-5300-150	5,292	5,696	5,950	6,598	6,568
MAINT & REPAIR EQUIP	10-5300-160	8,493	8,440	9,995	10,065	10,165
MAINT & REPAIR AUTO	10-5300-170	8,764	9,349	17,220	17,120	16,450
ADVERTISING	10-5300-260	0	0	500	500	500
AUTO SUPPLIES GAS	10-5300-311	81	1,978	1,150	1,600	2,580
AUTO SUPPLIES DIESEL	10-5300-312	3,614	4,785	4,200	5,565	7,650
AUTO SUPPLIES TIRES	10-5300-313	0	0	0	1,200	4,800
AUTO SUPPLIES OIL	10-5300-314	958	1,859	1,531	1,628	2,019
DEPT SUPPLIES & MATL	10-5300-330	42,020	14,246	38,305	38,805	39,705
UNIFORMS	10-5300-360	8,114	2,120	7,000	7,000	7,000
CONTRACTED SERVICES	10-5300-450	3,200	3,200	3,200	1,600	0
IT	10-5300-490	5,189	3,941	4,660	3,560	3,735
DUES & SUBSCRIPTIONS	10-5300-530	5,070	4,193	5,845	5,855	5,345
INSURANCE & BONDS	10-5300-540	19,530	21,465	21,100	21,650	22,735
MISC EXPENSE	10-5300-570	0	0	0	0	0
SAFETY	10-5300-572	4,024	6,207	7,550	8,180	9,640
TRANSFER TO PUBLIC SAFETY BUILDING	10-5300-720	100,000	100,000	100,000	124,000	324,000
CAPITAL OUTLAY	10-5300-740	44,974	27,278	32,200	175,000	0
DEBT SERVICE - ENG #1	10-5300-910	26,908	26,908	26,908	26,908	26,908
DEBT SERVICE LADDER TRK	10-5300-912	52,761	52,761	52,761	52,761	52,761
TOTAL		906,689	880,436	967,019	1,147,991	1,211,715

2023-2024 Budget Allocation
STREET

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	10-5600-020	113,272	118,540	136,001	128,877	144,791
OVER TIME PAY	10-5600-021	298	3,911	3,600	4,459	4,787
PART TIME PAY	10-5600-022	0	0	0	0	0
PROFESSIONAL SERVICES	10-5600-040	214	0	1,000	1,000	1,000
FICA TAX	10-5600-050	8,381	9,048	10,520	10,041	11,284
GROUP INSURANCE	10-5600-060	26,227	29,694	35,293	38,620	34,724
RETIREMENT	10-5600-070	11,444	13,771	15,691	15,961	19,042
ELECTRIC	10-5600-130	1,338	1,574	1,701	1,860	1,860
ELECTRIC - STREET LIGHTS	10-5600-133	62,085	60,930	78,520	66,980	66,980
ELECTRIC - TRAFFIC LIGHTS	10-5600-134	1,361	791	1,224	1,224	1,224
TRAINING	10-5600-140	65	42	350	350	350
MAINT & REPAIR BLDGS & GROUNDS	10-5600-150	15,078	9,918	16,100	16,100	16,100
MAINT & REPAIR EQUIP	10-5600-160	7,653	2,962	12,046	12,046	12,046
MAINT & REPAIR AUTO	10-5600-170	6,089	5,660	8,173	8,173	8,173
AUTO SUPPLIES GAS	10-5600-311	1,832	2,198	2,775	3,700	3,800
AUTO SUPPLIES DIESEL	10-5600-312	8,319	12,269	14,058	16,047	16,047
AUTO SUPPLIES TIRES	10-5600-313	3,831	3,213	5,836	5,836	5,836
AUTO SUPPLIES OIL	10-5600-314	450	187	2,954	2,954	2,954
DEPT SUPPLIES & MATL	10-5600-330	10,145	3,355	7,150	7,900	8,600
CHEMICALS	10-5600-332	1,410	1,379	1,500	2,000	2,000
UNIFORMS	10-5600-360	2,271	2,264	2,454	1,590	2,400
CONTRACTED SERVICES	10-5600-450	1,059	2,268	1,500	1,080	1,080
IT	10-5600-490	0	0	0	0	0
CAPITAL OUTLAY	10-5600-740	325,000	246,063	277,000	32,000	0
TRANSFER TO STREETS PROJECT FUN	10-5600-900	0	0	0	0	225,000
DEBT SERVICE	10-5600-910	53,743	53,743	53,743	53,743	53,743
TOTAL		661,565	583,780	689,189	432,541	643,820

2023-2024 Budget Allocation
POWELL BILL

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	10-5700-020	0	0	0	0	0
OVER TIME PAY	10-5700-021	0	0	0	0	0
PROFESSIONAL SERVICES	10-5700-040	0	0	0	0	0
PROF SERVICES PAVING PROJECT	10-5700-041	0	0	0	0	0
FICA TAX	10-5700-050	0	0	0	0	0
GROUP INSURANCE	10-5700-060	0	0	0	0	0
RETIREMENT	10-5700-070	0	0	0	0	0
MAINT & REPAIR BLDG & GRDS	10-5700-150	1,294	1,294	3,000	4,000	4,000
MAINT & REPAIR - PATCHING	10-5700-151	1,319	1,319	7,000	8,000	8,000
RIGHT OF WAY	10-5700-153	0	0	0	0	0
DRAINAGE AND STORM SEWER	10-5700-154	1,097	1,097	3,000	3,000	3,000
SNOW AND ICE REMOVAL	10-5700-155	0	0	4,000	3,800	3,800
MAINT & REPAIR EQUIP	10-5700-160	0	0	0	0	0
MAINT & REPAIR VEHICLE	10-5700-170	0	0	0	0	0
DEPT SUPPLIES & MATL	10-5700-330	1,832	1,832	2,500	2,500	2,500
CONTRACTED SERVICES	10-5700-450	0	0	0	0	0
MISC EXPENSE	10-5700-570	0	0	0	0	0
CAPITAL OUTLAY OTHER	10-5700-720	0	0	0	0	0
CRACK SEALING	10-5700-721	0	0	0	0	0
CAPITAL OUTLAY SIDEWALKS	10-5700-730	0	0	0	0	0
CAPITAL OUTLAY	10-5700-740	100,609	100,609	0	0	0
DEBT SERVICE	10-5700-910	0	0	125,000	125,000	125,000
TOTAL		106,151	106,151	144,500	146,300	146,300

2023-2024 Budget Allocation
SANITATION

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	10-5800-020	30,349	31,553	30,948	32,028	35,217
OVER TIME PAY	10-5800-021	0	1,070	1,000	1,084	1,138
PART TIME PAY	10-5800-022	0	0	0	0	0
PROFESSIONAL SERVICES	10-5800-040	0	0	0	0	0
FICA TAX	10-5800-050	2,282	2,456	2,404	2,493	2,741
GROUP INSURANCE	10-5800-060	8,251	8,989	8,841	9,673	8,699
RETIREMENT	10-5800-070	3,052	3,663	3,586	3,963	4,626
POSTAGE	10-5800-111	0	939	1,000	1,000	3,000
PRINTING EXPENSE	10-5800-120	70	356	750	750	900
TRAINING	10-5800-140	0	0	0	0	0
MAINT. & REPAIR EQUIPMENT	10-5800-160	171	0	2,000	2,000	2,000
MAINT. & REPAIR AUTO & TRUCK	10-5800-170	387	628	2,134	2,134	2,134
ADVERTISEMENT	10-5800-260	0	0	0	0	0
AUTO SUPPLIES GAS	10-5800-311	1,700	2,983	3,639	4,852	4,000
AUTO SUPPLIES DIESEL	10-5800-312	973	1,366	1,750	2,000	1,700
AUTO SUPPLIES TIRES	10-5800-313	755	2,290	2,290	2,290	2,290
AUTO SUPPLIES OIL	10-5800-314	0	600	628	628	628
DEPT SUPPLIES & MATERIALS	10-5800-330	678	192	1,400	1,400	1,400
CHEMICAL	10-5800-332	0	0	200	200	200
UNIFORMS	10-5800-360	930	937	970	690	1,260
CONTRACTED SERVICES	10-5800-450	248,543	262,231	258,180	266,424	296,267
IT	10-5800-490	0	0	0	0	0
MISCELLANEOUS EXPENSE	10-5800-570	0	0	0	0	0
CAPITAL OUTLAY	10-5800-740	0	0	0	32,000	165,000
DEBT SERVICE	10-5800-910	0	0	0	0	0
TOTAL		298,142	320,253	321,720	365,609	533,199

2023-2024 Budget Allocation
RECREATION

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	10-6200-020	226,616	226,616	256,826	246,278	281,126
OVER TIME PAY	10-6200-021	0	0	0	0	0
PART-TIME PAY	10-6200-022	106,049	106,049	212,065	243,920	263,259
PROFESSIONAL SERVICES	10-6200-040	5,924	5,924	1,000	1,000	1,000
FICA TAX	10-6200-050	24,854	24,854	35,830	37,460	41,566
GROUP INSURANCE	10-6200-060	51,562	51,562	59,989	65,989	59,151
RETIREMENT	10-6200-070	23,130	23,130	29,244	29,884	36,159
TELEPHONE	10-6200-110	390	390	1,200	1,200	1,200
POSTAGE	10-6200-111	0	0	0	0	0
PRINTING	10-6200-120	0	0	0	0	0
ELECTRIC	10-6200-130	34,494	34,494	48,000	46,000	40,000
NATURAL GAS	10-6200-131	48,542	48,542	46,000	49,000	54,000
TRAINING	10-6200-140	0	0	1,500	1,500	2,500
MAINT & REPAIR BLDGS	10-6200-150	32,804	32,804	29,350	32,550	33,150
PARK REPAIRS	10-6200-151	11,789	11,789	60,000	10,000	8,000
MAINT & REPAIR EQUIPMENT	10-6200-160	10,468	10,468	15,950	15,950	16,850
MAINT & REPAIR AUTO	10-6200-170	757	757	1,200	1,200	1,000
ADVERTISING	10-6200-260	284	284	500	500	1,000
AUTO SUPPLIES GAS	10-6200-311	893	893	1,560	1,820	2,340
AUTO SUPPLIES TIRES	10-6200-313	0	0	0	0	0
AUTO SUPPLIES OIL	10-6200-314	0	0	240	240	240
DEPT SUPPLIES & MATERIALS	10-6200-330	20,393	20,393	21,200	21,900	22,525
CHEMICALS	10-6200-332	7,678	7,678	12,350	16,000	17,000
UNIFORMS	10-6200-360	860	860	1,000	1,000	1,000
CONTRACTED SERVICES	10-6200-450	29,627	29,627	32,986	38,986	35,586
WALDENSIAN FOOTRACE	10-6200-454	0	0	4,000	4,000	4,500
SWIM TEAM	10-6200-480	1,226	1,226	1,500	1,500	2,000
P F R CONCESSIONS	10-6200-481	11,570	11,570	24,000	24,000	25,000
P F R OTHER	10-6200-484	6,840	6,840	8,000	8,000	8,000
DUES AND SUBSCRIPTIONS	10-6200-530	3,696	3,696	5,000	5,000	4,045
CAPITAL OUTLAY	10-6200-740	13,811	13,811	138,000	0	104,800
DEBT SERVICE	10-6200-910	19,483	19,483	19,483	19,483	19,483
TOTAL		693,739	693,739	1,067,973	924,360	1,086,480

2023-2024 Budget Allocation
COMMUNITY AFFAIRS

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	10-6250-020	141,235	151,121	145,651	160,274	171,855
OVER TIME PAY	10-6250-021	0	0	0	0	0
PART-TIME PAY	10-6250-022	9,930	19,711	20,000	26,000	30,000
PROFESSIONAL SERVICES	10-6250-040	0	0	1,500	1,380	1,380
FICA TAX	10-6250-050	11,305	12,816	12,593	14,131	15,323
GROUP INSURANCE	10-6250-060	24,978	28,221	27,075	36,910	32,994
RETIREMENT	10-6250-070	14,344	17,124	16,500	19,300	21,985
TELEPHONE	10-6250-110	130	0	400	0	100
POSTAGE	10-6250-111	1,663	3,693	4,800	5,500	5,500
PRINTING	10-6250-120	4,166	3,548	4,100	4,600	4,600
ELECTRIC	10-6250-130	21,139	31,298	33,000	35,500	31,000
NATURAL GAS	10-6250-131	8,847	11,400	9,000	9,000	11,500
TRAINING	10-6250-140	55	98	100	200	200
MAINT. & REPAIR BLDGS	10-6250-150	21,077	24,702	22,000	22,000	24,900
MAINT & REPAIR EQUIPMENT	10-6250-160	2,074	2,000	2,000	1,700	1,700
ADVERTISING	10-6250-260	5,098	6,486	5,000	7,000	8,000
DEPT SUPPLIES & MATERIAL	10-6250-330	6,563	7,905	7,000	6,400	6,600
EVENT SUPPLIES & DÉCOR	10-6250-331	468	500	500	500	14,000
CONCESSION STAND TRAILER	10-6250-332	2,378	2,884	2,500	3,500	4,000
CONTRACTED SERVICES	10-6250-450	38,371	36,113	38,040	23,500	30,500
CONT SERVICES ENTERTAINMENT	10-6250-452	20,479	90,111	95,500	84,000	86,000
CONT SERVICES TOURISM	10-6250-453	0	462	500	500	500
IT	10-6250-490	328	486	500	500	500
DUE AND SUBSCRIPTIONS	10-6250-530	371	1,187	1,200	800	1,050
WELLNESS	10-6250-572	6,483	6,409	7,000	7,000	7,000
CAPITAL OUTLAY	10-6250-740	55,294	117,000	81,000	60,000	95,000
BUILDING REUSE & FACADE	10-6250-920	0	2,500	5,000	5,000	5,000
FESTIVAL	10-6250-922	2,949	19,999	20,000	20,000	28,700
MAIN STREET PROGRAM	10-6250-924	2,927	3,000	3,000	3,000	3,000
VALDESE TOURISM COMMISSION	10-6250-925	32,483	74,214	75,000	100,000	142,000
TOTAL		435,135	674,988	640,459	658,195	784,887

**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>
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<i>Capital Expenditures by Department</i>									
Administration	23,000	27,500	106,000	6,000	31,000	17,000	30,000	-	-
Public Works	41,000	-	59,000	8,000	20,000	6,000	46,000	-	-
Streets	-	60,000	60,000	26,000	140,000	47,000	275,000	74,000	120,000
Sanitation	165,000	5,000	7,000	4,000	7,000	-	30,000	-	-
Grounds	-	44,000	44,000	100,000	-	45,000	-	15,000	-
Police	45,000	47,000	47,000	50,000	110,000	45,000	67,000	50,000	50,000
Fire	-	75,000	80,000	175,000	75,000	1,000,000	250,000	-	22,000
Community Affairs	95,000	65,000	60,000	350,000	50,000	50,000	50,000	100,000	30,000
Parks & Recreation	104,800	190,000	155,000	61,000	122,000	80,000	55,000	68,000	35,000
<i>Expense</i>	473,800	513,500	618,000	780,000	555,000	1,290,000	803,000	307,000	257,000
<i>Financing Sources</i>									
Operating Revenues	256,099	221,000	239,471	293,214	293,214	293,214	239,471	239,471	239,471
Grants	-	-	-	-	-	-	-	-	-
Loan Proceeds	-	-	-	-	-	1,000,000	505,000	-	-
Reserved/Project Funds	-	-	-	-	-	-	-	-	-
Fund Balance Appropriated	217,701	292,500	378,529	486,786	261,786	(3,214)	58,529	67,529	17,529
<i>Revenue</i>	473,800	513,500	618,000	780,000	555,000	1,290,000	803,000	307,000	257,000
10 year Fund Balance Effect:	1,748,204								

General Fund Capital Improvement Plan (CIP)

	Capital Budget		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Year 8		Year 9		Year 10										
	2023-24		2024-25		2025-26		2026-27		2027-28		2028-29		2029-30		2030-31		2031-32		2032-33										
DEPARTMENT	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount									
Administration	Town Hall Lobby Furniture Replace	4,000	Computer-Clerk (2018)	2,000	Council Tablets	4,000	Computers(3)-Front (2019)	6,000	Parking lot sealcoat	6,000	Computer-Planning (2020)	2,000	Replace Town Hall Roof	30,000															
	Zoning Map	3,000	Leadership Programming	25,500	Computer-Asst Manager (2019)	2,000			Pay Study	25,000	Replace Carpets	15,000																	
	Fencing Around HVAC Units	12,000			Land Use Master Plan	100,000																							
	Outside Lighting Repairs	4,000																											
Public Works	Replace HVAC	6,500			Replace HVAC	7,000	Replace InGround Lift	8,000	Roll Up Door(s) (3)	20,000	Replace office flooring	6,000	Replace 2019 Chevy Silverado 1500	46,000						Garage lighting upgrade	6,000								
	Fuel Management System	12,000			Air Compressor	7,000																							
	Replace 3 office desk	2,500			Replace 2014 F150	45,000																							
	Roll Up Door(s) (4)	20,000																											
Street			Replace 1987 Ford Tractor	40,000	Replace 2001 Ford Bucket Truck	40,000	6' Bush Hog	6,000	Replace 1987 Ford Flatbed Dump	110,000	Replace 2018 John Deere Gator	15,000	(L) Replace 1995 Single Axel Dump	80,000	Replace 2020 Chevy Silverado 1500	48,000	Replace 1987 Flatbed	100,000	Replace 2015 asphalt roller	15,000									
			Sidewalk Repairs	20,000	Sidewalk Repairs	20,000	Sidewalk Repairs	20,000	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									
									Sidewalk Repairs	20,000	Sidewalk Repairs	20,000	Sidewalk Repairs	20,000	Sidewalk Repairs	20,000	Sidewalk Repairs	20,000	Sidewalk Repairs	20,000									
Sanitation	Replace 2001 Trash Truck with used	165,000	Roll off dumpster	5,000	Replace town trash cans and recycle	7,000	Replace small user trash cans	4,000	Roll off dumpster (replace unit 125)	7,000			Utility Building	30,000						Replace small user trash cans	6,000								
Grounds			Replace 1999 F-150	44,000	Replace 2012 F150	44,000	Replace 2016 Grasshopper Mower	25,000			Replace 2018 F150	45,000			Replace 2020 Bobcat Mower	15,000				Replace 2000 utility trailer 7x14	6,000								
							Replace 2006 F350 and snowplow	75,000																					
Police	Patrol Vehicle (replace unit 118)	45,000	Patrol Vehicle (replace unit 113)	47,000	Patrol Vehicle (replace unit 115)	47,000	Patrol Vehicle (replace unit 112)	50,000	Detective Vehicle (replace unit 125)	50,000	Animal Control (replace unit 123)	45,000	Patrol Vehicle (replace unit 110)	50,000	Patrol Vehicle (replace unit 111)	50,000	Patrol Vehicle (replace unit 166)	50,000	Patrol Vehicle (replace unit 120)	50,000									
									Chief Vehicle	60,000			Replace Tasers	17,000															
Fire			Replace Medic Truck	75,000	Replace (2) Thermal Imaging Cameras	15,000	Demolish Existing Public Safety facility	175,000	Replace Utility Truck	75,000	(L) Replace Engine Three	1,000,000	(L) Replace all SCBA equipment	250,000			Replace (2) Thermal Imaging Cameras	22,000											
					Fire Chief Vehicle	65,000																							
Community Affairs	Clock Tower Repairs	13,000	Parking Lots Surrounding ORS	65,000	3rd Floor Soffit, Gutters, & Paint	50,000	East Windows - Paint, Tuck & Point	50,000	West Windows - Paint, Tuck & Point	50,000	South Windows - Paint, Tuck & Point	50,000	North Windows - Paint, Tuck & Point	50,000	First Floor Bathroom Renovation	100,000	Waldensian Room Flooring	30,000	Classroom Hardwood Floors	30,000									
	Mural	12,000			Black Auditorium Curtain Replacement	10,000	Rodoret & Main Street Patio	300,000											Hallway Hardwood Floors	30,000									
	Entrance Signs	70,000																											
Parks & Recreation	4 door, 4WD Ford Truck	45,000	Pool Blower & Heater	150,000	HVAC Unit - Office	15,000	Fitness Center Equip	10,000	Tennis Court Rplacement	90,000	Fitness Center Equip	10,000	Fitness Center Equip	30,000	Fitness Center Equip	10,000	Fitness Center Equip	10,000	Fitness Center Equip	10,000									
	Fitness Center Equip	40,000	Bowling Painting/ Carpet/Amenities	20,000	Fletcher Field Refurbishment	100,000	Lakeside Park Restroom Paint	6,000	Fitness Center Equip.	10,000	Locker Rooms/ Fitness Center Paint	25,000	Bowling Center Painting/ Carpet	15,000	Parks Mower	13,000	HVAC for Bowling Center (2)	25,000	Splash Pad Painting	7,000									
	Bowling Lane Oil Machine	15,000	Master Plan	20,000	Fitness Center Painting	10,000	McGalliard Falls Park Shelter/ Curbing	25,000	Splash Pad Painting	7,000	Gymnasium/ Lobby Painting	45,000	Office Painting	10,000	Vehicle/Truck	45,000					Department Master Plan	20,000							
	Pool Vacuum Replacement	4,800			Fitness Center Equip.	30,000	Fitness Center Painting	10,000	Fitness Center Equip.	10,000	Parks Mower	15,000																	
							Fitness Center Equip.	10,000																					
		473,800			513,500			618,000			780,000			555,000			1,290,000			803,000			307,000			257,000			210,000

UTILITY FUND

SUMMARY

2023-2024 Budget
Utility Fund Summary

OPERATING BUDGET

Department	FY21-22 Budget	FY22-23 Budget	FY23-24 Recommended
WATER PLANT	1,871,061	1,907,590	2,103,250
WASTE WATER PLANT	1,689,112	1,739,692	1,746,881
WATER & SEWER CONSTRUCTION	1,235,157	1,263,359	1,328,166
Operating Total	4,795,330	4,910,641	5,178,298

CAPITAL BUDGET

WATER PLANT	165,000	400,000	76,000
WASTE WATER PLANT	274,300	364,600	175,000
WATER & SEWER CONSTRUCTION	82,000	0	252,700
Capital Total	521,300	764,600	503,700
TOTAL BUDGET	5,316,630	5,675,241	5,681,998

REVENUE

TOTAL REVENUES	5,681,998
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UTILITY FUND

REVENUES

2023-2024 Budget Allocation
UTILITY FUND REVENUES

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
INTEREST ON INVESTMENTS	30-3290-000	222	1,336	300	300	5,000
RENTS	30-3310-000	1,800	2,150	1,800	1,800	1,800
OTHERS	30-3350-030	3,325	474	0	0	0
UTILITY BILL PENALTIES	30-3350-040	72,453	61,013	51,000	51,000	51,000
WATER CHARGES - RES	30-3710-010	2,445,881	2,565,350	2,300,000	2,450,000	2,677,500
WATER CHARGES - COMM	30-3710-011	263,040	275,531	250,000	262,000	294,000
WATER CHARGES - IND	30-3710-012	388,776	471,762	500,000	450,000	479,520
WASTE WATER CHARGES	30-3710-020	1,027,966	1,159,053	1,199,950	1,199,950	1,199,950
LONG TERM MONITORING	30-3710-021	18,500	18,900	18,500	18,500	18,500
SPRINKLER SERVICE CHARGES	30-3710-030	0	0	0	0	0
TAP & CONNECTION FEES	30-3730-000	43,340	53,130	10,000	10,000	10,000
RECONNECTION FEES	30-3750-000	17,680	14,641	20,000	15,000	35,000
TOWN OF DREXEL	30-3810-020	229,031	177,328	204,740	175,000	216,000
BURKE CNTY-E BURKE SYST-WW	30-3810-030	163,180	110,486	145,790	108,000	116,640
BURKE COUNTY WATER	30-3810-032	101,109	92,670	108,120	94,000	108,000
RC WATER CORP	30-3810-040	183,760	222,420	188,490	188,490	232,200
RC WW	30-3810-042	15,983	17,504	13,890	13,890	16,500
ICARD WATER CORP	30-3810-070	136,646	144,773	128,400	128,400	128,400
CONNELLY SPRINGS MAINT	30-3810-080	23,000	11,500	23,000	23,000	23,000
SALE OF FIXED ASSETS	30-3830-000	78,388	78,388	0	0	0
TRANSFER FROM CAPITAL RESERVE	30-3970-700	0	260,000	260,000	375,000	0
PROCEEDS FROM FINANCING	30-3970-812	0	27,935	117,000	0	0
FUND BALANCE-APPROPRIATED	30-3990-000	-42,084	-15,708	-224,350	110,911	68,988
TOTAL		5,171,997	5,750,636	5,316,630	5,675,241	5,681,998

UTILITY FUND

EXPENDITURES

2023-2024 Budget Allocation
WATER PLANT

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	30-8100-020	385,248	379,274	392,567	401,392	423,871
OVER TIME PAY	30-8100-021	194	3,640	3,000	3,000	3,000
PART TIME PAY	30-8100-022	0	0	0	0	0
PROFESSIONAL SERVICES	30-8100-040	899	3,364	11,500	11,500	11,500
FICA TAX	30-8100-050	28,769	28,368	30,141	30,817	32,536
GROUP INSURANCE	30-8100-060	73,844	74,197	80,722	88,210	79,442
RETIREMENT	30-8100-070	39,194	43,453	44,956	48,984	54,908
TELEPHONE & INTERNET	30-8100-110	1,009	1,078	1,400	1,400	1,300
ELECTRIC	30-8100-130	204,113	210,071	245,892	220,008	275,892
FUEL OIL	30-8100-132	2,562	4,451	5,000	5,000	5,000
TRAINING	30-8100-140	170	2,203	3,000	2,000	2,500
MAINT & REPAIR BLDGS	30-8100-150	18,728	32,981	27,770	29,270	29,270
MAINT. & REPAIR EQUIPMENT	30-8100-160	12,829	91,150	29,000	29,000	29,000
MAINT. & REPAIR AUTO & TRUCKS	30-8100-170	27	588	680	680	680
ADVERTISING	30-8100-260	0	0	600	600	600
AUTO SUPPLIES GAS	30-8100-311	1,701	4,271	2,500	2,500	4,500
AUTO SUPPLIES DIESEL	30-8100-312	159	94	1,000	1,000	400
AUTO SUPPLIES TIRES	30-8100-313	503	0	625	625	625
AUTO SUPPLIES OIL	30-8100-314	0	150	162	162	162
DEPT SUPPLIES & MATERIALS	30-8100-330	6,338	2,075	3,400	3,400	3,400
CHEMICALS	30-8100-332	57,251	76,202	78,500	78,500	198,900
LAB SUPPLIES	30-8100-333	14,582	16,114	18,500	18,500	18,500
WATER TESTING-PROFESSIONAL	30-8100-334	7,015	9,704	10,900	11,900	11,900
UNIFORMS	30-8100-360	0	6,981	7,100	3,328	5,200
CONTRACTED SERVICES	30-8100-450	3,738	3,214	5,040	5,040	6,540
IT	30-8100-490	0	0	4,800	4,800	500
DUES AND SUBSCRIPTIONS	30-8100-530	9,994	9,989	10,624	10,424	10,064
INSURANCE AND BONDS	30-8100-540	24,342	24,137	24,342	24,342	24,342
MISCELLANEOUS EXPENSE	30-8100-570	0	0	0	0	0
SAFETY	30-8100-572	3,031	3,132	3,400	3,400	3,000
CAPITAL OUTLAY	30-8100-740	35,336	65,457	165,000	400,000	76,000
DEBT SERVICE	30-8100-910	0	31,453	35,920	73,414	71,324
PRO RATA	30-8100-920	550,000	550,000	550,000	550,000	550,000
VEDIC	30-8100-930	10,000	12,500	12,500	12,500	12,500
ECONOMIC DEVELOPMENT BPED	30-8100-931	9,695	9,904	9,904	10,894	10,894
ECONOMIC GRANTS	30-8100-935	108,127	0	0	0	0
CONTINGENCY	30-8100-990	221,000	221,000	221,000	221,000	221,000
TOTAL		1,830,397	1,921,195	2,041,445	2,307,590	2,179,250

2023-2024 Budget Allocation

WASTE WATER PLANT

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	30-8110-020	362,577	365,324	374,886	398,209	396,842
OVER TIME PAY	30-8110-021	0	0	0	0	0
PART TIME PAY	30-8110-022	0	0	0	0	0
PROFESSIONAL SERVICES	30-8110-040	80	0	2,500	2,500	2,500
FICA TAX	30-8110-050	27,030	26,927	28,560	30,344	30,239
GROUP INSURANCE	30-8110-060	72,805	78,633	80,398	87,814	85,332
RETIREMENT	30-8110-070	36,899	41,510	42,596	48,232	51,031
TELEPHONE & INTERNET	30-8110-110	2,479	2,992	3,264	3,264	3,264
ELECTRIC	30-8110-130	248,499	141,621	225,000	225,000	225,000
FUEL OIL	30-8110-132	6,934	6,432	7,500	7,500	7,500
TRAINING	30-8110-140	5,317	2,294	4,925	4,925	4,925
MAINT. & REPAIR BLDGS	30-8110-150	102,242	94,030	110,000	110,000	110,000
MAINT. & REPAIR EQUIPMENT	30-8110-160	11,354	11,895	12,000	12,000	12,000
MAINT. & REPAIR AUTO	30-8110-170	177	597	2,090	2,090	2,090
ADVERTISING	30-8110-260	0	0	100	100	100
AUTO SUPPLIES GAS	30-8110-311	1,254	4,222	4,860	5,670	5,670
AUTO SUPPLIES DIESEL	30-8110-312	0	0	0	0	0
AUTO SUPPLIES TIRES	30-8110-313	944	469	2,900	2,900	2,900
AUTO SUPPLIES OIL	30-8110-314	0	0	750	750	750
DEPT. SUPPLIES & MATERIALS	30-8110-330	6,036	11,837	12,000	12,000	12,000
CHEMICALS	30-8110-332	41,745	57,577	59,014	77,318	77,318
LAB SUPPLIES	30-8110-333	7,484	8,989	9,000	12,000	12,000
WOOD CHIPS	30-8110-336	40,040	61,000	51,000	51,000	51,000
UNIFORMS	30-8110-360	3,131	3,530	3,750	3,750	3,750
CONTRACTED SERVICES	30-8110-450	12,116	12,244	13,060	13,860	14,160
IT	30-8110-490	0	0	500	500	500
LONG TERM MONITORING	30-8110-500	17,399	17,737	18,500	18,500	21,000
DUES AND SUBSCRIPTIONS	30-8110-530	8,010	7,960	8,670	8,670	10,381
INSURANCE AND BONDS	30-8110-540	28,000	24,040	28,000	28,000	28,000
MISCELLANEOUS EXPENSE	30-8110-570	0	0	0	0	0
SAFETY	30-8110-572	1,500	1,261	2,500	2,500	2,500
CAPITAL OUTLAY	30-8110-740	0	209,903	274,300	364,600	175,000
DEBT SERVICE	30-8110-910	154,115	0	7,650	0	0
PRO RATA	30-8110-920	550,000	550,000	550,000	550,000	550,000
VEDIC	30-8110-930	10,000	12,500	12,500	12,500	12,500
ECONOMIC DEV BPED	30-8110-931	5,161	10,272	10,639	11,630	11,630
TOTAL		1,763,329	1,765,796	1,963,412	2,108,126	1,921,881

2023-2024 Budget Allocation
WATER SEWER CONSTRUCTION

Line Item Description	Account Code	2020-21 Actual	2021-22 Actual	2021-22 Budget	2022-23 Budget	2023-24 Recommended
SALARIES & WAGES	30-8120-020	319,389	322,592	352,177	380,473	399,296
OVER TIME PAY	30-8120-021	6,508	10,973	18,030	18,030	19,400
PART TIME PAY	30-8120-022	0	0	0	0	0
PROFESSIONAL SERVICES	30-8120-040	56,531	39,922	76,806	76,996	77,727
HEALTH REIMBURSEMENT (HRA)	30-8120-041	23,668	24,889	27,963	30,127	27,700
FICA TAX	30-8120-050	23,668	24,889	27,963	30,127	31,672
GROUP INSURANCE	30-8120-060	69,913	78,681	86,104	95,164	79,118
RETIREMENT	30-8120-070	32,291	36,691	40,320	46,168	51,623
TELEPHONE & INTERNET	30-8120-110	4,057	2,485	2,700	2,700	2,700
POSTAGE	30-8120-111	0	0	510	510	650
PRINTING	30-8120-120	0	105	1,481	1,481	1,500
ELECTRIC	30-8120-130	19,313	18,305	18,108	20,088	20,088
NATURAL GAS	30-8120-131	366	0	0	0	0
TRAINING	30-8120-140	2,287	2,958	2,970	2,970	6,370
MAINT. & REPAIR BLDGS	30-8120-150	48,896	22,441	43,250	43,250	44,500
MAINT. & REPAIR EQUIPMENT	30-8120-160	4,121	9,742	10,650	10,650	10,650
MAINT & REPAIR AUTO	30-8120-170	2,615	3,623	3,693	3,693	3,693
ADVERTISING	30-8120-260	0	0	100	100	100
AUTO SUPPLIES GAS	30-8120-311	7,287	8,223	8,763	8,763	13,500
AUTO SUPPLIES DIESEL	30-8120-312	946	3,620	3,668	3,668	3,668
AUTO SUPPLIES TIRES	30-8120-313	0	5,200	5,200	5,200	5,200
AUTO SUPPLIES OIL	30-8120-314	86	718	2,180	2,180	2,180
DEPT. SUPPLIES & MATERIALS	30-8120-330	52,772	69,818	57,418	68,902	80,514
METERS	30-8120-331	1,084	951	5,000	8,000	10,000
CHEMICALS	30-8120-332	1,582	1,250	1,700	1,700	1,700
UNIFORMS	30-8120-360	6,350	2,079	6,730	3,328	3,328
CONTRACTED SERVICES	30-8120-450	71,166	79,055	102,283	102,063	106,103
IT	30-8120-490	0	0	1,000	1,000	1,000
DUES AND SUBSCRIPTIONS	30-8120-530	2,825	2,275	5,449	5,449	5,449
INSURANCE AND BONDS	30-8120-540	28,612	24,628	28,612	28,612	28,612
MISCELLANEOUS EXPENSE	30-8120-570	0	0	0	0	0
SAFETY	30-8120-572	310	254	1,400	2,660	3,060
CAPITAL OUTLAY	30-8120-740	111,805	154,213	82,000	0	252,700
DEBT SERVICE	30-8120-910	199,088	290,597	308,681	287,066	287,066
TOTAL		1,097,533	1,241,177	1,332,909	1,260,991	1,580,866

**CAPITAL
IMPROVEMENT
PLAN

UTILITY FUND**

Town of Valdese Water and Sewer Utility Fund 10-YEAR Capital Improvements Plan FISCAL YEAR 2024

Water Distribution / Wastewater Collection

Project Number	Project Description	10-Yr CIP Cost Cost	Test Year 2023	FY 1 2024	FY 2 2025	FY 3 2026	FY 4 2027	FY 5 2028	FY 6 2029	FY 7 2030	FY 8 2031	FY 9 2032	FY 10 2033	Years 11+ 2034
Vehicles and Equipment														
1	2022 Chevy 3500 Diesel 4x4	-												76,100
2	2014 Cat Mini Trackhoe	90,000		90,000										
3	2009 Pipe Hunter Jet M 35418	45,800				45,800								
4	2018 Ford F150 Meter Truck	40,000						40,000						
5	Trailer	16,700					16,700							
6	2021 Chevy 4x4	40,000									40,000			
7	2011 Ford 4x4 F350	62,000		62,000										
8	2006 Chevy Dump Truck 1.5 Ton	80,000		80,000										
9	2017 Ford F250 4x4	60,200					60,200							
10	2016 Ford F150 4x4	30,500				30,500								
Subtotal Vehicles and Equipment		465,200	-	232,000	-	76,300	76,900	40,000	-	-	40,000	-	-	76,100
Infrastructure Improvements														
11	Advent St. Tank and Booster Station	-												3,850,500
12	Spare Meter Stock	20,700		20,700										
13	Large Meter Replacement	72,700					72,700							
14	Renew Arc-Flash Study	7,200			3,400			3,800						
15	Harris Avenue PS Gravity Sewer Extension	-												2,091,500
16	Holly Hills Sewer System Extension	-												4,403,700
17	Ridgewood-18S Loop	907,200			907,200									
18	Mt. Home - Hawkins Loop	1,764,100						1,764,100						
19	Jacumin Rd. Loop	-												3,837,720
20	Rodoret St. Water and Sewer	1,155,200				1,155,200								
21	Water Main Replacement	750,000									750,000			
22	Sewer Main Rehabilitation	3,250,000				1,500,000				1,750,000				
Subtotal - Infrastructure Improvements		7,927,100	-	20,700	910,600	2,655,200	72,700	1,767,900	-	1,750,000	750,000	-	-	14,183,420
10-Yr CIP: Water Distribution / Wastewater Collection FY24-33		8,392,300	-	252,700	910,600	2,731,500	149,600	1,807,900	-	1,750,000	790,000	-	-	14,259,520

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

FISCAL YEAR 2024

Water Treatment Division

Project Number	Project Description	10-Yr CIP Cost Cost	Test Year 2023	FY 1 2024	FY 2 2025	FY 3 2026	FY 4 2027	FY 5 2028	FY 6 2029	FY 7 2030	FY 8 2031	FY 9 2032	FY 10 2033	Years 11+ 2034
Vehicles and Equipment														
1	2018 Explorer	43,000				43,000								
2	2017 Ford F-250	44,000					44,000							
3	2004 Ford F-150	40,000		40,000										
4	New 4-Wheel Drive Lawnmower	17,500				17,500								
Subtotal Vehicles and Equipment		144,500	-	40,000	-	60,500	44,000	-	-	-	-	-	-	-
Plant Upgrades and Improvements														
5	Roof Replacement - Finished Water PS	21,000		21,000										
6	Chemical Feed Pump	17,500			5,800	5,800	5,900							
7	Water Treatment Plant Upgrades	4,763,900			4,763,900									
8	Raw Water Pump, Piping and Valve Replacement	5,610,700										5,610,700		
9	Pave Raw Water PS Access Road	236,300											236,300	
10	Renew Arc-Flash Study	37,600			16,600						21,000			
11	SCADA Upgrades (add #2 and #3 FWP)	26,000				12,000				14,000				
12	Move #2 and #3 fwp mcc to roof (upstairs)	-												240,200
13	Tank Maintenance	88,000			8,000	80,000								
14	WTP Equipment Rehab & Replacement	125,000								125,000				
15	WTP Security System	15,000		15,000										
Subtotal - Plant Upgrades and Improvements		10,941,000	-	36,000	4,794,300	97,800	5,900	-	-	139,000	21,000	5,610,700	236,300	240,200
10-Yr CIP: Water Treatment FY24-33		11,085,500	-	76,000	4,794,300	158,300	49,900	-	-	139,000	21,000	5,610,700	236,300	240,200

 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

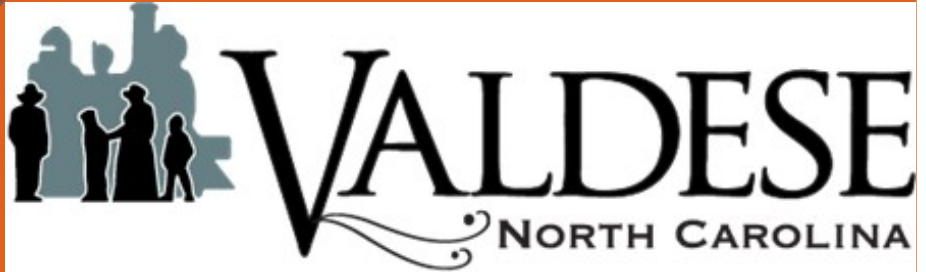
10-YEAR Capital Improvements Plan

FISCAL YEAR 2024

Wastewater Treatment Division

Project Number	Project Description	10-Yr CIP Cost Cost	Test Year 2023	FY 1 2024	FY 2 2025	FY 3 2026	FY 4 2027	FY 5 2028	FY 6 2029	FY 7 2030	FY 8 2031	FY 9 2032	FY 10 2033	Years 11+ 2034
Vehicles and Equipment														
1	1998 Biosolids Truck	35,000		35,000										
2	Sludge Trailer	50,000		50,000										
3	2014 Plant Truck	42,000				42,000								
4	Maint Vehicle 2013	65,000								65,000				
5	2017 Lab Truck	45,000						45,000						
6	Riding Mower (2004)	15,000							15,000					10,100
Subtotal Vehicles and Equipment		252,000	-	85,000	-	42,000	-	45,000	15,000	65,000	-	-	-	10,100
Plant Upgrades and Improvements														
7	Seal Replacement for Influent Pumps 1&2	7,400						7,400						18,300
8	Seal Replacement for Influent Pumps 3&4	35,900				16,900						19,000		6,000
9	Seal Replacement for Sludge Recycle Pumps	11,000			11,000									
10	Centrifuge #2 Overhaul	70,000								70,000				
11	Centrifuge #1 Overhaul	141,000		70,000							71,000			
13	Admin Building Roof	70,000				70,000								
14	Dewatering Building Roof	80,000							80,000					
15	Sludge Recycle PS Building Roof	56,000						56,000						
16	Sludge Grinder #1	15,000								15,000				
17	Sludge Grinder #2	16,000									16,000			
18	Aeration Basin	5,184,800					5,184,800							
19	Spare Pump Cline Street	5,000		5,000										
20	Cline Street PS Modifications	1,490,000			1,490,000									
21	Spare Pump Morgan Trace	7,000			7,000									
22	Spare Pump High Meadows	7,000			7,000									
23	Spare Pump John Berry	-												108,000
24	Spare Pump Seitz	42,000							42,000					
25	SCADA	31,100				14,000					17,100			
26	Renew Arc-Flash Study	32,100			14,100			18,000						
27	6" Compound Flow Meter	-												96,100
28	Biosolids Drying Equipment	-												10,800,000
29	Alternative Disinfection	700,000			700,000									
30	Concrete Work at Compost Pad	30,000			30,000									
31	WWTP Equipment Rehab & Replacement	225,000						50,000	20,000	22,000		133,000		
32	WWTP Security System	15,000		15,000										
Subtotal Plant Upgrades and Improvements		8,271,300	-	90,000	2,259,100	100,900	5,184,800	131,400	142,000	107,000	104,100	152,000	-	11,028,400
10-Yr CIP: Wastewater Treatment FY24-33		8,523,300	-	175,000	2,259,100	142,900	5,184,800	176,400	157,000	172,000	104,100	152,000	-	11,038,500
Total System Capital Improvements Plan														
10-Yr CIP: Total Water and Wastewater FY24-33		28,001,100		503,700	7,964,000	3,032,700	5,384,300	1,984,300	157,000	2,061,000	915,100	5,762,700	236,300	25,538,220

WATER and SEWER RATE PLAN STUDY



Capital Improvements Plan Water & Sewer Rate Study 2023 Update

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Project Manager

Dale R. Schepers
Senior Consultant

TABLE OF CONTENTS

1.0 EXECUTIVE SUMMARY and KEY FINDINGS 1-2

2.0 BACKGROUND 3

3.0 APPROACH and METHODOLOGY 4

4.0 CAPITAL IMPROVEMENTS PLAN UPDATE..... 5

5.0 FINANCIAL MODEL UPDATE..... 6-7

6.0 RECOMMENDATIONS 8-9

TABLES

Table 1 – Summary of Annual Rate Adjustments 1

Table 2 – Proposed Rate Adjustments 2

Table 3 – Summary of Capital Investment Projections 5

APPENDIX

March 2023 Council Retreat Presentation Materials
 Capital Improvements Plan
 Financial Model Output Summary
 Rate Tables for Water, Sewer and Combined Water and Sewer

1.0 EXECUTIVE SUMMARY and KEY FINDINGS

1.1 Executive Summary:

McGill Associates (McGill) was retained by the Town of Valdese for the eighth 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.
- 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 Manager, Assistant Manager, Water Resources Director and Public Works Director throughout the project to ensure the adequacy of data and accuracy of analyses. 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 rate adjustments (increases) are needed in each year of 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 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. These recommended changes are assumed to be applied uniformly to all customer classes.

Projected Annual Revenue Increases

Percent Increase Applied	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Overall Revenue Adjustment	8%	7%	6%	6%	4%	4%	4%	4%	4%	4%



- Revenue adjustments are driven primarily by the following factors:
 - Debt issuances anticipated 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. Water sales forecasts are 2% growth for residential and commercial water customers and 1.5% for industrial and contract sales. Sewer sales forecasts are 1% growth for contract sales 0% growth for residential, commercial and industrial.

- Capital Improvements Schedule: Review and refinement of the CIP resulted in a total need of \$28 million over the 10-year planning period, FY24 through FY33.
 - McGill updated the existing water and sewer system capital construction projects to determine 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 increased significantly due to the current construction bid market which has been affected by COVID, workforce shortages and supply chain issues.

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

- 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; 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				
FY23	FY24	FY25	FY26	FY27	FY28
\$44.50	\$48.10	\$51.50	\$54.60	\$57.90	\$60.30
\$ change	\$3.60	\$3.40	\$3.10	\$3.30	\$2.40
% change	8%	7%	6%	6%	4%

2.0**BACKGROUND****2.1 Background:**

The Town of Valdese water and sewer utilities serve a population of approximately 12,700, with an average daily water demand of 2.16 million gallons per day (MGD) based on statistics gathered from the North Carolina Division of Water Resources, Local Water Supply Plan. 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 5,377 service connections located within the Town's corporate boundaries, Triple Community District 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 approximately 2,230 connections with an average daily flow of 1.65 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 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.
- Five rehabilitation projects for the water treatment plant were combined into a single larger project in order 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 in order to minimize potential cost impacts and limit rate increases to an annual average of 6.3% over the first 5 years and 5.4% 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	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Water Treatment	11,086,000	76,000	4,794,300	158,300	49,900	-	-	139,000	21,000	5,610,700	236,300
Wastewater Treatment	8,523,000	175,000	2,259,100	142,900	5,184,800	176,400	157,000	172,000	104,100	152,000	-
Distribution / Collection	8,392,000	252,700	910,600	2,731,500	149,600	1,807,900	-	1,750,000	790,000	-	-
Total Water/Sewer CIP	28,001,000	503,700	7,964,000	3,032,700	5,384,300	1,984,300	157,000	2,061,000	915,100	5,762,700	236,300

The detailed CIP schedule is included in the March 2023 Council Retreat 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 necessity 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 projecting revenue and expenses:

Water Revenue growth Metered Sales – Residential/Commercial:	2.0%
Water Revenue growth Metered Sales – Industrial:	0.0%
Water Revenue growth Metered Sales – Contract:	1.5%
Sewer Revenue growth Metered Sales – All Customers:	0.0%
Sewer Revenue growth Metered Sales – Contract:	1.0%
Revenue growth all other sources:	2.0%
Expenses Salaries and Benefits growth:	5.0%
Expenses all other operations growth:	2.5%
Unrestricted Net Assets Target:	35 to 50%
Operating Ratio Target:	1.0 or Greater
Days of Working Capital	120 or Greater

5.2 Findings:*Consumption:*

Overall, water and sewer revenue has trended upward, just over 5% in 2022, and nearly 4% per year over the past 5 years. Growth is primarily in residential and commercial water customers. Industrial customers remain flat and contract sales show smaller growth rates during the 5-year period. Annual sewer revenue trended 1.6% higher over the past 5-years, primarily in contract sales. Therefore, for the purposes of the revenue model, the growth in annual revenue for each customer class are projected are as follows:

Residential and Commercial Water:	2.0%
Industrial Water:	0.0%
Contract Sales Water:	1.5%
Residential and Commercial Sewer:	0.0%
Industrial Sewer:	0.0%
Contract Sales Sewer:	1.0%

Sufficiency of Revenues:

Sufficiency of revenues above debt requirements remains very strong. Annual debt obligation is 6% for the current fiscal year and projected to remain under 20% for the next 3 years of the planning horizon. This falls well within an industry standard value of less than 25%, and less than the average debt service obligation (29%) of over 115 water utilities reporting to the National Association of Clean Water Agencies.

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 projects capital funding through equity sources to be slightly below this industry benchmark, averaging 18% through the 10-year planning period.

Unrestricted Net Assets & Days Working Capital:

One area where the Town's current standing has room for improvement 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 expenditures. This percentage is 47% in FY23, and remains steady near this value through year 7, then increases to 59% in FY32 and 66% FY33.

Industry benchmarks for days of working capital are set normally at 120 days or more. That means that if the utility system were to stop receiving revenue, the system would have enough liquid assets to operate for a period of 3 months. This is another metric that the Town's utility system and this revenue requirements evaluation is working to improve. In FY23, this metric stands at 118 days and is projected to increase to 135 days FY24, then improve and remain above the target for the remainder of the 10-year planning period.

Rates:

Continuation of annual revenue increases will be necessary to fully support the ongoing O&M costs, debt service obligations and revenue-financed system renewal and replacements of the water and sewer utility over the 10-year planning horizon. The recommended rate increases to fully fund the utility through the 10-year planning period forecast new revenue averaging approximately 7.5% per year through the first 5 years followed by an average approximately of 4% for the remaining 5-years through FY33.

6.0**RECOMMENDATIONS***Rate Adjustments:*

Implement overall revenue increases beginning with 8% in FY24, followed by revenue increases of 7%, 6% and 4% for the remainder of the first 5 years of the planning horizon. 4% increases will be needed for FY29 through FY33. These increases are assumed to be applied across-the-board to all customer classes. The recommended rate adjustments are provided in the Rate Summary Tables that are included in the Appendix.

Unrestricted net position (assets) is a common indicator for tracking the general health of the utility fund. In the Town's 2022 Audited Financial Statement, the Enterprise Fund, which accounts for the water and sewer activities, reported an increase in unrestricted net position in the amount of \$117,793 bringing the fiscal year-end total to \$2,845,266. This single year measurement along with the FY21 increase of \$413,111 FY21 shows meaningful short-term improvement in the Utility's overall financial condition. The financial model, using the recommended rate adjustments, forecasts a general trend of increases in Unrestricted Net Income throughout the remainder of the 10-year planning period, signaling continued improvement in the Utility's overall health over time.

Alignment of Revenues and Expenses:

Historically, water revenue has been approximately 70% of total utility revenues, and sewer revenue approximately 30%. Water expenses are 49% and sewer expenses are 51%. This translates into sewer system revenue only covering approximately 60% of sewer system expenses. Some consideration should be given to adjusting sewer rates more aggressively than water to bring greater alignment between revenues and expenses for each utility system.

Higher sewer rates, to generate revenue in greater alignment with expenses, would also move the Town toward better financing terms with funding agencies like NC Department of Water Infrastructure.

In 2020, industrial customers consumed 37% of the water, while producing 11% of revenue from rate charges. Conversely residential customers consumed 30% of the water and produced 70% of the revenue. FY22 rate adjustments for industrial customers were set above residential and commercial as a first step toward reducing this inequity. Continuing with industrial rate increase above residential and commercial is recommended along with developing reasonable target values and milestones to ensure progress continues and targets are met.

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 March 23, 2023, Council Retreat and responded to questions concerning approach, methodology and calculations. A copy of the pertinent presentation information is attached including tables from the financial model summarizing Capital Improvements, Financial Analysis and Proposed Rates.

Following the retreat, 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 FY24 budget. A number of scenarios have been requested, and McGill has provided financial model output summaries projecting revenues, expenses, financial outcomes, effects on customer bills and tracking key financial indicators corresponding to alternate inputs for rate increases. A copy of each Financial Model Output Summary related to each scenario request is included in the Appendix.

APPENDIX

March 2023 Council Retreat Presentation Materials
Capital Improvements Plan
Financial Model Output Summary
Water, Sewer and Combined Bill Rate Tables
Financial Model Output Summaries for Alternate Scenarios

MARCH 23, 2023 BUDGET RETREAT PRESENTATION



Capital Improvements Plan Water & Sewer Rate Study

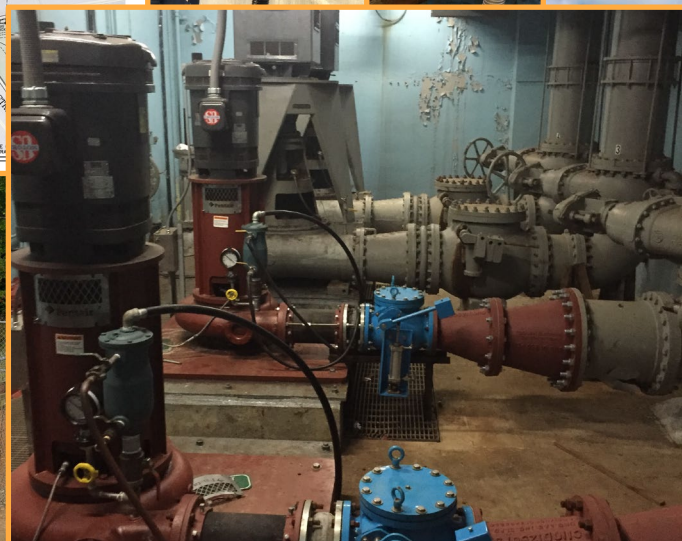
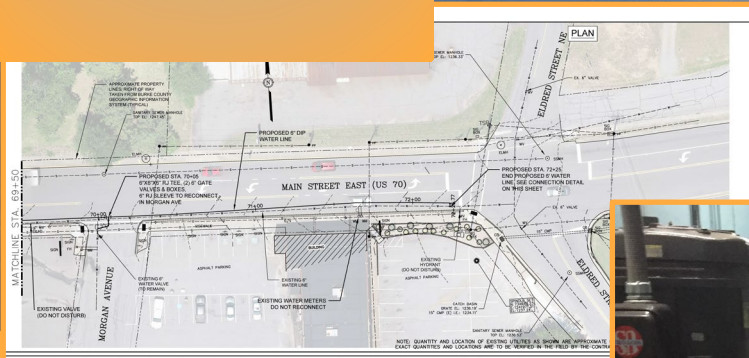
March 2023



Prepared by:
196 of 245

RJ Mozeley, PE
Senior Project Manager

Dale R. Schepers
Senior Consultant



Projects in Progress

- Water Asset Inventory & Assessment Grant
- Cline Avenue Basin Improvements
- Valdese Bluffs Water & Sewer Service
- WTP Electrical Sub-Station Replacement



Upcoming/Continuing Projects

- WTP Treatment Process Replacements
- Lenoir Interconnect
- Failing Sewer Line Replacement
- Water Line Replacement
- Lead Service Line Inventory
Inventory soon
Replacement on horizon



Why Develop a CIP

- Planned Infrastructure Replacement
- System Renewal, Reliability & Regulatory Readiness
- System Stability

Financial & Operational

- Advantageous Position for Funding
- Manage Future Financial Condition

Why Develop a CIP



Replace Failing Main Street Water Main ~ 80+ years old.

Why Develop a CIP



Replace Grit Removal System – Wastewater Treatment Plant

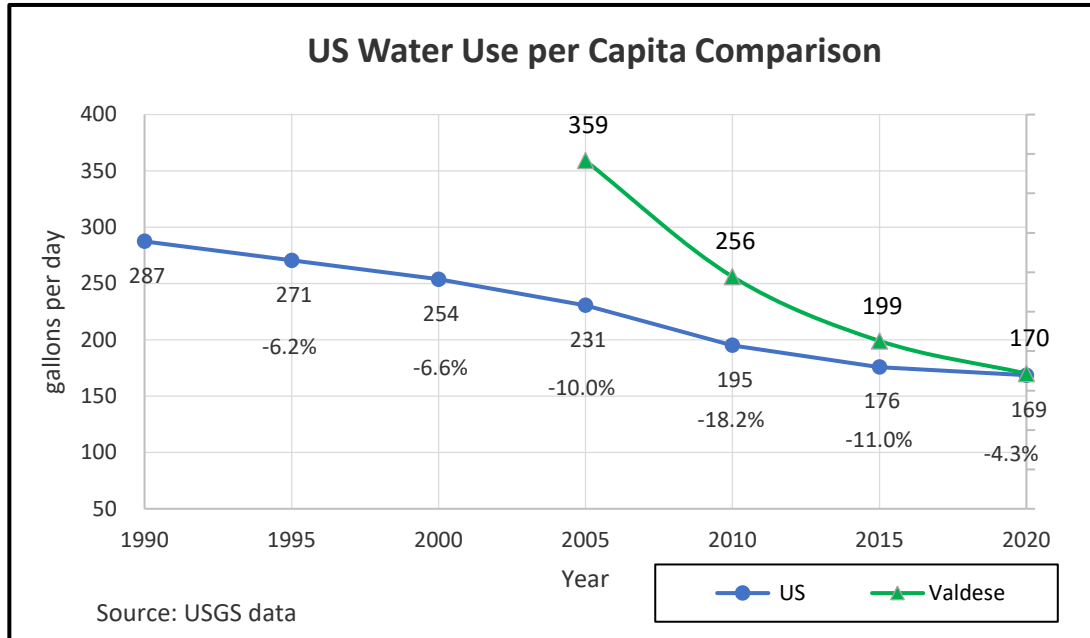
What Projects Make Up The CIP?

- Assure Infrastructure **Viability**
- Improve Infrastructure **Efficiency**
- Satisfy **Regulatory** Requirements
- System **Growth** (i.e. new development = new revenue)

Market Considerations

- Energy Sector Inflation 7.9% increase from 01/2022 – 01/2023
- Consumer Price Index Up 6.9%
- Construction Bid Market Impacted by COVID Continues
- Supply Chain Strained – Pricing Risk for Contractors
- BABA (Build America Buy American)
- System Growth Forecast is 2%, but Inflation is Higher
- Duke Energy seeking 16% rate increase

Water Consumption – National Trend





Capital Improvements Plan

2023 – 2024 Proposed CIP Table

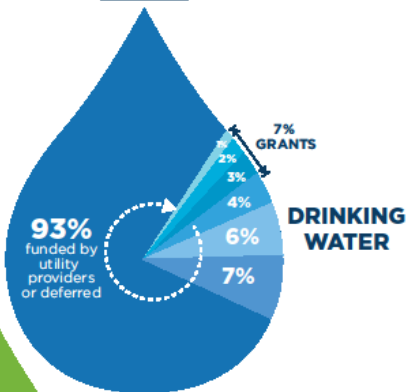
North Carolina

Statewide Water and Wastewater Infrastructure Master Plan:

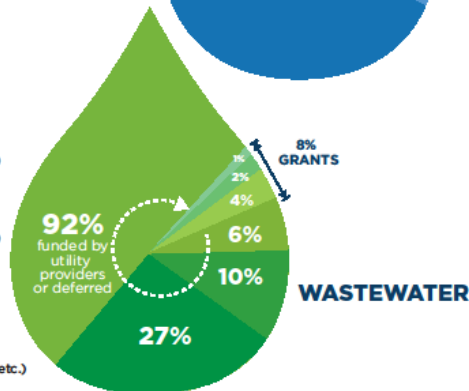
Estimated Drinking Water and Wastewater INFRASTRUCTURE NEEDS and FUNDING SOURCES for FY2017 and FY2018



- State Drinking Water Reserve Grants (1%)
- Community Development Block Grant - Infrastructure (2%)
- Drinking Water Connect NC bond grants (3%)
- USDA - Rural Development (4%)
(3% loans + 1% grants)
- Drinking Water State Revolving Funds (6%)
- Drinking Water Connect NC bond loans (7%)
- Drinking water needs deferred or funded by other means (bonds, etc.)



- State Wastewater Reserve grants (1%)
- Community Development Block Grant - Infrastructure (2%)
- Wastewater Connect NC bond grants (4%)
- USDA - Rural Development (6%)
(5% loans + 1% grants)
- Wastewater Connect NC bond loans (10%)
- Clean Water State Revolving Funds (27%)
- Wastewater needs deferred or funded by other means (bonds, etc.)



Water Infrastructure
ENVIRONMENTAL QUALITY

2023 – 2024 Proposed Revenue Requirements Summary Table

FY2023 Rate Recommendations

Water

- 8% Residential
- 8% Commercial & Industrial
- 8% Wholesale

Sewer

- 8% All Classes

Percentage Increase	Monthly Residential Increase (3,000 gal)	Resulting 2024 Enterprise Fund Revenue
8%	\$3.60	\$416,000

Wisdom in Affordability & Balance

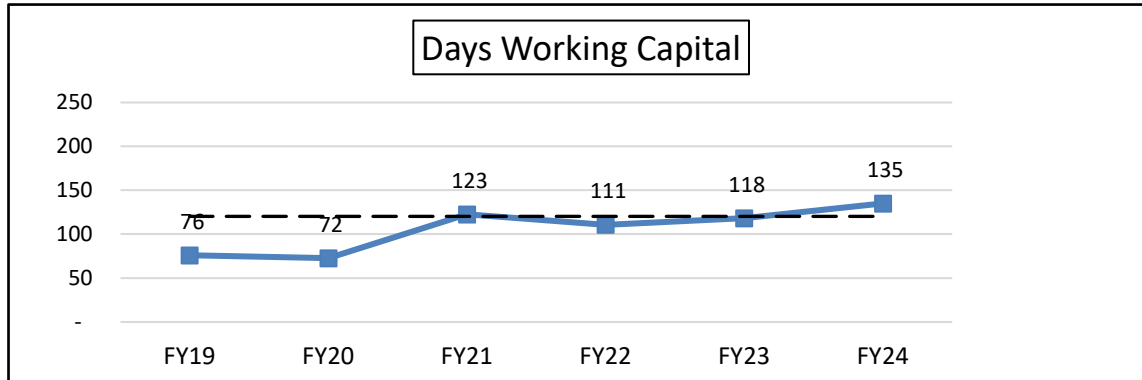
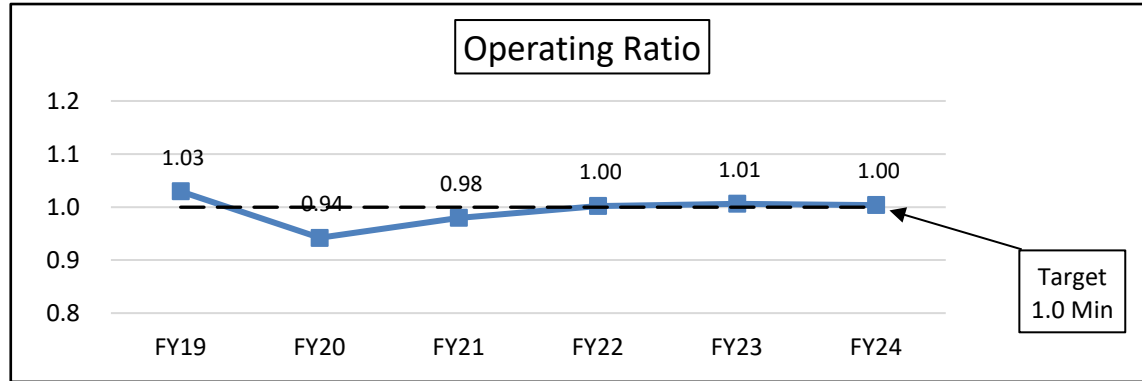
- Manage the Enterprise Fund's Health
- Avoid Deferrals, Costs Always Escalate
- Accomplish Projects
 - Spend Cash / Borrow / Manage Rate Increases
- Manage Debt Load
- Town's Regional Presence & Longevity
- Viability & the Utility Industry

Financial Benchmarks

Metric	2023 Value	Proposed 2024 Value	Benchmark
Operating Ratio	1.01	1.00	1.0 or greater
Days Working Capital	118 days	135 days	120 days or greater
Debt Service Coverage Ratio	3.79	2.61	1.2 or greater
Sufficiency of Revenue above Debt	6%	8%	25% or less

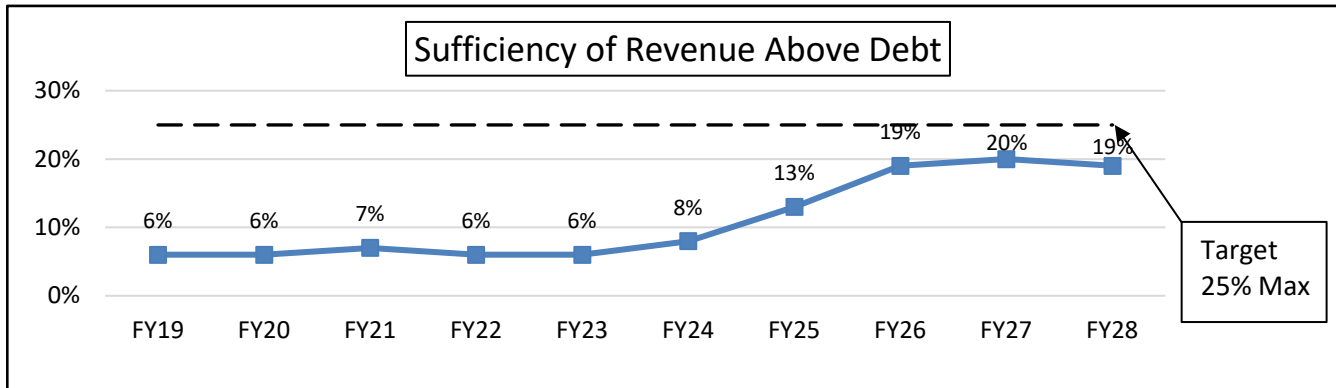
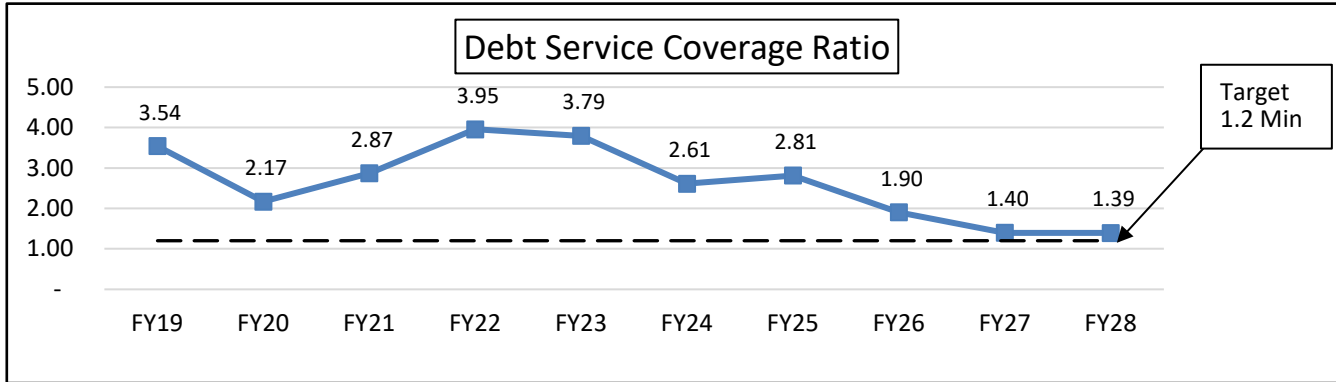
Note: All benchmark values are projected from FY22 Audit values.

Financial Benchmark Trend Projections



Note: All benchmark values are projections using FY22 Audit values.

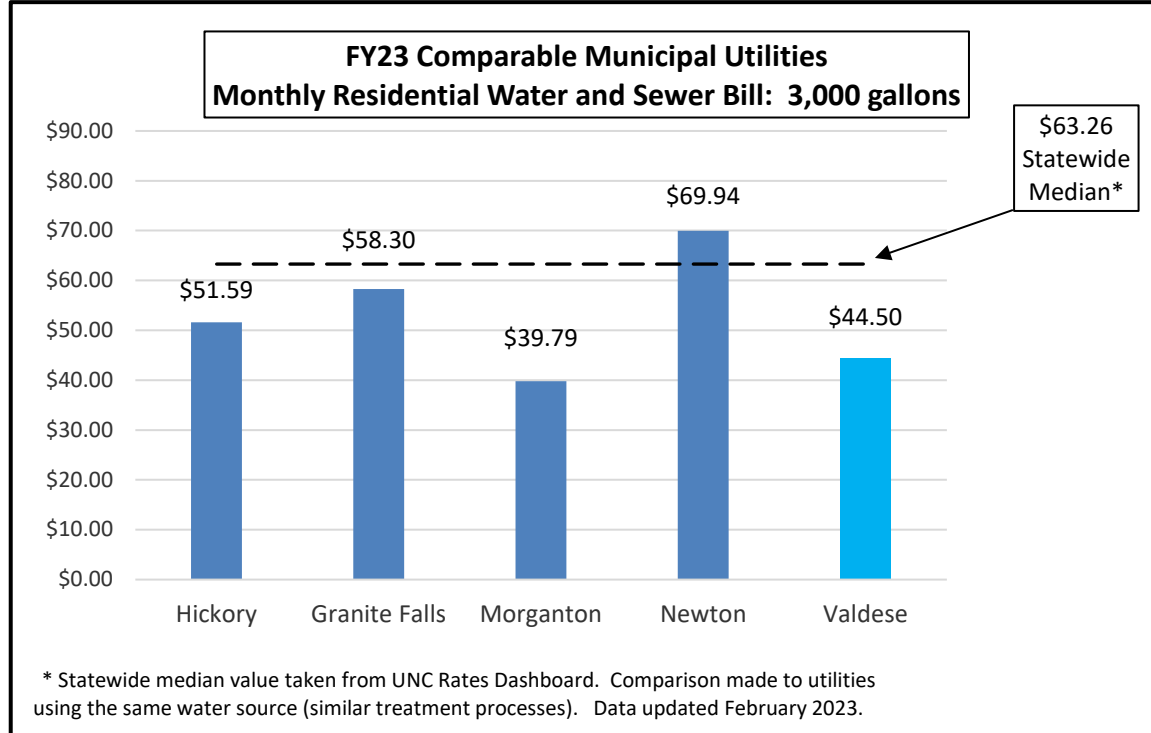
Financial Benchmark Trend Projections



Note: All benchmark values are projections using FY22 Audit values.

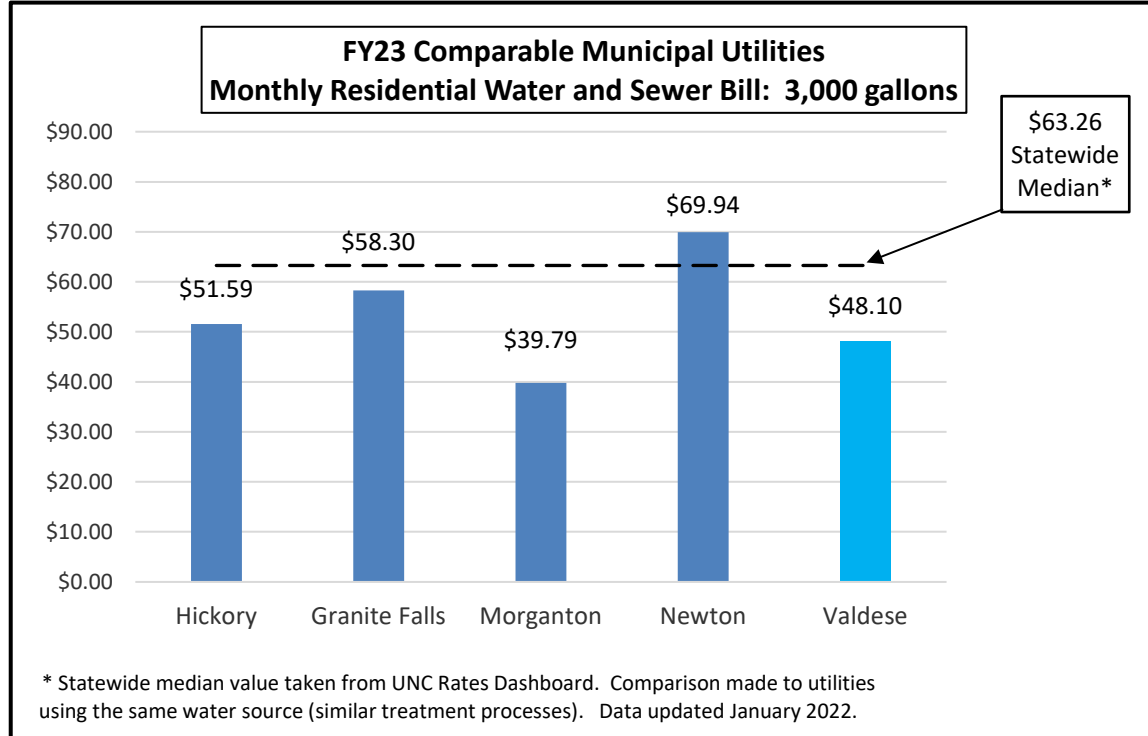
Residential Water Bill Comparison

Monthly Residential Bill: Existing Rates



Residential Water Bill Comparison

Monthly Residential Bill: Proposed Rates



Anticipated Increases

Hickory + 10%

Conover + 13%

Granite Falls + 10%

Morganton + 4%

Recap / Conclusions

- 8th Year of CIP & Financial Model Planning Process
- CIP Guides Decision Making, Budgeting & Operations
- Balance Cash vs Debt vs Rate Increases
- Future Capital Needs
- Healthy and Sustainable Enterprise Fund

Percentage Increase	Monthly Residential Increase (3,000 gal)	Resulting 2024 Enterprise Fund Revenue
8%	\$3.60	\$416,000

CAPITAL IMPROVEMENTS PLAN

Town of Valdese Water and Sewer Utility Fund 10-YEAR Capital Improvements Plan FISCAL YEAR 2024

Water Distribution / Wastewater Collection

Project Number	Project Description	10-Yr CIP Cost Cost	Test Year 2023	FY 1 2024	FY 2 2025	FY 3 2026	FY 4 2027	FY 5 2028	FY 6 2029	FY 7 2030	FY 8 2031	FY 9 2032	FY 10 2033	Years 11+ 2034
Vehicles and Equipment														
1	2022 Chevy 3500 Diesel 4x4	-												76,100
2	2014 Cat Mini Trackhoe	90,000		90,000										
3	2009 Pipe Hunter Jet M 35418	45,800				45,800								
4	2018 Ford F150 Meter Truck	40,000						40,000						
5	Trailer	16,700					16,700							
6	2021 Chevy 4x4	40,000									40,000			
7	2011 Ford 4x4 F350	62,000		62,000										
8	2006 Chevy Dump Truck 1.5 Ton	80,000		80,000										
9	2017 Ford F250 4x4	60,200					60,200							
10	2016 Ford F150 4x4	30,500				30,500								
Subtotal Vehicles and Equipment		465,200	-	232,000	-	76,300	76,900	40,000	-	-	40,000	-	-	76,100
Infrastructure Improvements														
11	Advent St. Tank and Booster Station	-												3,850,500
12	Spare Meter Stock	20,700		20,700										
13	Large Meter Replacement	72,700					72,700							
14	Renew Arc-Flash Study	7,200			3,400			3,800						
15	Harris Avenue PS Gravity Sewer Extension	-												2,091,500
16	Holly Hills Sewer System Extension	-												4,403,700
17	Ridgewood-18S Loop	907,200			907,200									
18	Mt. Home - Hawkins Loop	1,764,100						1,764,100						
19	Jacumin Rd. Loop	-												3,837,720
20	Rodoret St. Water and Sewer	1,155,200				1,155,200								
21	Water Main Replacement	750,000									750,000			
22	Sewer Main Rehabilitation	3,250,000				1,500,000				1,750,000				
Subtotal - Infrastructure Improvements		7,927,100	-	20,700	910,600	2,655,200	72,700	1,767,900	-	1,750,000	750,000	-	-	14,183,420
10-Yr CIP: Water Distribution / Wastewater Collection FY24-33		8,392,300	-	252,700	910,600	2,731,500	149,600	1,807,900	-	1,750,000	790,000	-	-	14,259,520

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 FISCAL YEAR 2024

Water Treatment Division

Project Number	Project Description	10-Yr CIP Cost Cost	Test Year 2023	FY 1 2024	FY 2 2025	FY 3 2026	FY 4 2027	FY 5 2028	FY 6 2029	FY 7 2030	FY 8 2031	FY 9 2032	FY 10 2033	Years 11+ 2034
Vehicles and Equipment														
1	2018 Explorer	43,000				43,000								
2	2017 Ford F-250	44,000					44,000							
3	2004 Ford F-150	40,000		40,000										
4	New 4-Wheel Drive Lawnmower	17,500				17,500								
Subtotal Vehicles and Equipment		144,500	-	40,000	-	60,500	44,000	-	-	-	-	-	-	-
Plant Upgrades and Improvements														
5	Roof Replacement - Finished Water PS	21,000		21,000										
6	Chemical Feed Pump	17,500			5,800	5,800	5,900							
7	Water Treatment Plant Upgrades	4,763,900			4,763,900									
8	Raw Water Pump, Piping and Valve Replacement	5,610,700										5,610,700		
9	Pave Raw Water PS Access Road	236,300											236,300	
10	Renew Arc-Flash Study	37,600			16,600						21,000			
11	SCADA Upgrades (add #2 and #3 FWP)	26,000				12,000				14,000				
12	Move #2 and #3 fwp mcc to roof (upstairs)	-												240,200
13	Tank Maintenance	88,000			8,000	80,000								
14	WTP Equipment Rehab & Replacement	125,000								125,000				
15	WTP Security System	15,000		15,000										
Subtotal - Plant Upgrades and Improvements		10,941,000	-	36,000	4,794,300	97,800	5,900	-	-	139,000	21,000	5,610,700	236,300	240,200
10-Yr CIP: Water Treatment FY24-33		11,085,500	-	76,000	4,794,300	158,300	49,900	-	-	139,000	21,000	5,610,700	236,300	240,200

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

FISCAL YEAR 2024

Wastewater Treatment Division

Project Number	Project Description	10-Yr CIP Cost Cost	Test Year 2023	FY 1 2024	FY 2 2025	FY 3 2026	FY 4 2027	FY 5 2028	FY 6 2029	FY 7 2030	FY 8 2031	FY 9 2032	FY 10 2033	Years 11+ 2034
Vehicles and Equipment														
1	1998 Biosolids Truck	35,000		35,000										
2	Sludge Trailer	50,000		50,000										
3	2014 Plant Truck	42,000				42,000								
4	Maint Vehicle 2013	65,000								65,000				
5	2017 Lab Truck	45,000						45,000						
6	Riding Mower (2004)	15,000							15,000					10,100
Subtotal Vehicles and Equipment		252,000	-	85,000	-	42,000	-	45,000	15,000	65,000	-	-	-	10,100
Plant Upgrades and Improvements														
7	Seal Replacement for Influent Pumps 1&2	7,400						7,400						18,300
8	Seal Replacement for Influent Pumps 3&4	35,900				16,900						19,000		6,000
9	Seal Replacement for Sludge Recycle Pumps	11,000			11,000									
10	Centrifuge #2 Overhaul	70,000								70,000				
11	Centrifuge #1 Overhaul	141,000		70,000							71,000			
13	Admin Building Roof	70,000				70,000								
14	Dewatering Building Roof	80,000							80,000					
15	Sludge Recycle PS Building Roof	56,000						56,000						
16	Sludge Grinder #1	15,000								15,000				
17	Sludge Grinder #2	16,000									16,000			
18	Aeration Basin	5,184,800					5,184,800							
19	Spare Pump Cline Street	5,000		5,000										
20	Cline Street PS Modifications	1,490,000			1,490,000									
21	Spare Pump Morgan Trace	7,000			7,000									
22	Spare Pump High Meadows	7,000			7,000									
23	Spare Pump John Berry	-												108,000
24	Spare Pump Seitz	42,000							42,000					
25	SCADA	31,100				14,000					17,100			
26	Renew Arc-Flash Study	32,100			14,100			18,000						
27	6" Compound Flow Meter	-												96,100
28	Biosolids Drying Equipment	-												10,800,000
29	Alternative Disinfection	700,000			700,000									
30	Concrete Work at Compost Pad	30,000			30,000									
31	WWTP Equipment Rehab & Replacement	225,000						50,000	20,000	22,000		133,000		
32	WWTP Security System	15,000		15,000										
Subtotal Plant Upgrades and Improvements		8,271,300	-	90,000	2,259,100	100,900	5,184,800	131,400	142,000	107,000	104,100	152,000	-	11,028,400
10-Yr CIP: Wastewater Treatment FY24-33		8,523,300	-	175,000	2,259,100	142,900	5,184,800	176,400	157,000	172,000	104,100	152,000	-	11,038,500
Total System Capital Improvements Plan														
10-Yr CIP: Total Water and Wastewater FY24-33		28,001,100	-	503,700	7,964,000	3,032,700	5,384,300	1,984,300	157,000	2,061,000	915,100	5,762,700	236,300	25,538,220

FINANCIAL MODEL OUTPUT SUMMARY

Town of Valdese Water and Sewer Utility Fund Financial Model Output Summary FISCAL YEAR 2024

Revenue

Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Operating Revenue Existing Rates	5,194,000	5,265,000	5,332,000	5,400,000	5,470,000	5,541,000	5,613,000	5,687,000	5,762,000	5,838,000	5,916,000
New Revenue (Cumulative amount)		416,000	784,000	1,104,000	1,428,000	1,646,000	1,868,000	2,092,000	2,320,000	2,550,000	2,783,000
Projected Operating Revenue	5,194,000	5,681,000	6,116,000	6,504,000	6,898,000	7,187,000	7,481,000	7,779,000	8,082,000	8,388,000	8,699,000

Expenses

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

Percent Increase Applied

Overall Revenue Adjustment	8%	7%	6%	6%	4%	4%	4%	4%	4%	4%
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Financial Outcomes

Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Expenses to Cover	6,017,000	5,659,000	6,096,000	6,452,000	6,819,000	7,089,000	7,096,000	7,779,000	7,733,000	7,720,000	7,963,000
Difference / (Shortage)		22,000	20,000	52,000	79,000	98,000	385,000	-	349,000	668,000	736,000

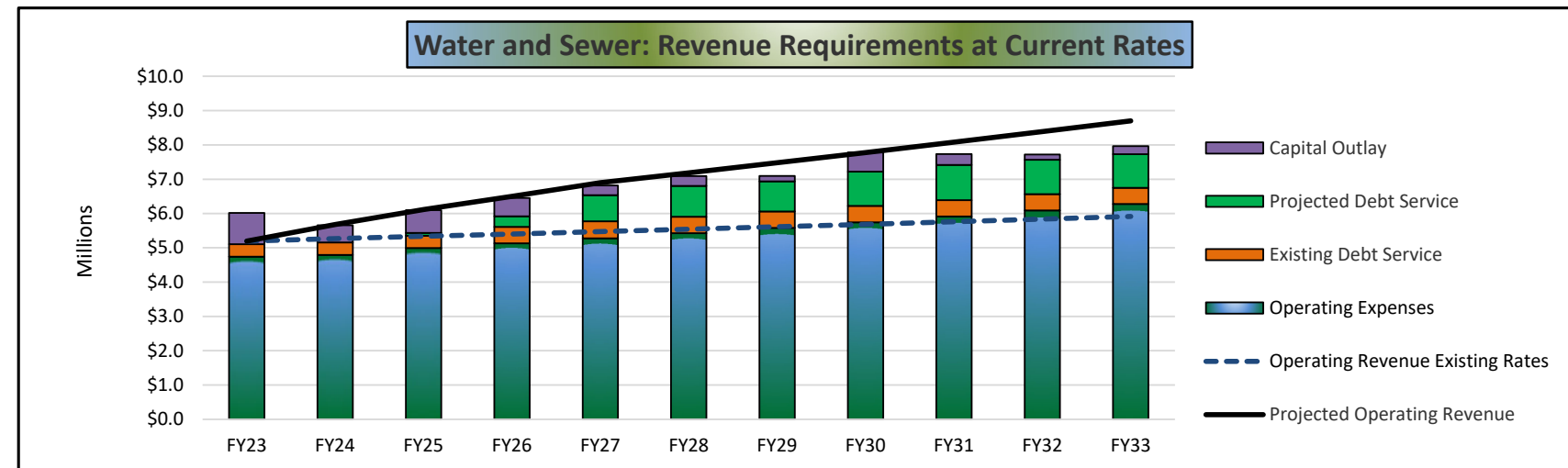
Effect on Customer Bills

Combined Residential Bill 3,000 gal	\$44.50	\$48.10	\$51.50	\$54.60	\$57.90	\$60.30	\$62.75	\$65.30	\$67.95	\$70.70	\$73.60
Monthly Combined Residential Bill Change		\$3.60	\$3.40	\$3.10	\$3.30	\$2.40	\$2.45	\$2.55	\$2.65	\$2.75	\$2.90

Financial Indicators

Fund Balance Tracker	2,555,000	2,577,000	2,597,000	2,649,000	2,728,000	2,826,000	3,211,000	3,211,000	3,560,000	4,228,000	4,964,000
Fund Balance % of Expenses to Cover	42%	46%	43%	41%	40%	40%	45%	41%	46%	55%	62%

Summary Chart



Water/Sewer 10-Year Capital Investment

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

WATER, SEWER AND COMBINED BILL RATE TABLES

Town of Valdese
Water and Sewer Utility Fund

Current and Proposed Water Rates

Customer Class	Current Rate	Projected				
	FY23	FY24	FY25	FY26	FY27	FY28
Inside Water Residential						
Minimum 3,000 gallons	36.65	39.60	42.40	44.95	47.65	49.60
Volume Charge (per 1,000 gal); 3,001+ gallons	3.70	4.00	4.30	4.60	4.90	5.10
Outside Water Residential						
Minimum 3,000 gallons	54.80	54.80	54.80	54.80	54.80	54.80
Volume Charge (per 1,000 gal); 3,001+ gallons	6.50	6.50	6.50	6.50	6.50	6.50
Inside Water Commercial						
Minimum 3,000 gallons	38.00	41.05	43.95	46.60	49.40	51.40
Volume Charge (per 1,000 gal); 3,001+ gallons	3.85	4.20	4.50	4.80	5.10	5.35
Outside Water Commercial						
Minimum 3,000 gallons	76.00	82.10	87.85	93.15	98.75	102.70
Volume Charge (per 1,000 gal); 3,001+ gallons	7.50	8.10	8.70	9.25	9.85	10.25
Inside Water Industrial						
Minimum 3,000 gallons	14.80	16.00	17.15	18.20	19.30	20.10
Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	2.85	3.10	3.35	3.60	3.85	4.05
Volume Charge (per 1,000 gal); 3,000,001+ gal	1.45	1.60	1.75	1.90	2.05	2.15
Outside Water Industrial						
Minimum 3,000 gallons	29.50	31.90	34.15	36.20	38.40	39.95
Volume Charge (per 1,000 gal); 3,001 - 300,000 gallons	5.70	6.20	6.65	7.05	7.50	7.80
Volume Charge (per 1,000 gal); 300,001+ gal	2.65	2.90	3.15	3.35	3.60	3.75
Burke County & Rutherford College						
Volume Charge (per 1,000 gal); 3,001+ gallons	4.05	4.40	4.75	5.05	5.40	5.65
Icard						
Minimum 10,000,000 gal	10,700.00	10,800.00	10,900.00	11,000.00	11,100.00	11,200.00
Volume Charge (per 1,000 gal) 10,000,000+ gal	volume charge not to exceed current Hickory Rate					

Sample Monthly Water Charges	Current Rate	Projected				
	FY23	FY24	FY25	FY26	FY27	FY28
Residential Inside 3,000 gal	36.65	39.60	42.40	44.95	47.65	49.60
Residential Outside 3,000 gal	54.80	54.80	54.80	54.80	54.80	54.80
Commercial Inside 10,000 gal	64.95	70.45	75.45	80.20	85.10	88.85
Commercial Outside 10,000 gal	128.50	138.80	148.75	157.90	167.70	174.45
Commercial Inside 50,000 gal	218.95	238.45	255.45	272.20	289.10	302.85
Commercial Outside 50,000 gal	428.50	462.80	496.75	527.90	561.70	584.45
Industrial Inside 500,000 gal	1,151.25	1,256.70	1,362.10	1,467.40	1,572.75	1,652.95

Town of Valdese
Water and Sewer Utility Fund

Current and Proposed Sewer Rates

Customer Class	Current Rate	Projected				
	FY23	FY24	FY25	FY26	FY27	FY28
Inside Sewer Residential						
Minimum 3,000 gallons	7.85	8.50	9.10	9.65	10.25	10.70
Volume Charge (per 1,000 gal); 3,001+ gallons	2.65	2.90	3.15	3.35	3.60	3.75
Outside Sewer Residential						
Minimum 3,000 gallons	14.70	15.90	17.05	18.10	19.20	20.00
Volume Charge (per 1,000 gal); 3,001+ gallons	5.00	5.40	5.80	6.15	6.55	6.85
Inside Sewer Commercial						
Minimum 3,000 gallons	8.35	9.05	9.70	10.30	10.95	11.40
Volume Charge (per 1,000 gal); 3,001+ gallons	2.90	3.15	3.40	3.65	3.90	4.10
Outside Sewer Commercial						
Minimum 3,000 gallons	16.50	17.85	19.10	20.25	21.50	22.40
Volume Charge (per 1,000 gal); 3,001+ gallons	5.65	6.15	6.60	7.00	7.45	7.75
Inside Sewer Industrial						
Minimum 0 gallons	8.00	8.65	9.30	9.90	10.50	10.95
Volume Charge (per 1,000 gal)	2.65	2.90	3.15	3.35	3.60	3.75
Outside Sewer Industrial						
Minimum 0 gallons	15.85	16.50	17.20	17.90	18.65	19.40
Volume Charge (per 1,000 gal)	5.30	5.50	5.70	5.95	6.20	6.45
Burke County						
Volume Charge (per 1,000 gal)	2.85	3.10	3.35	3.60	3.85	4.05
Drexel						
Volume Charge (per 1,000 gal)	2.85	3.10	3.35	3.60	3.85	4.05
Rutherford College						
Volume Charge (per 1,000 gal)	2.85	3.10	3.35	3.60	3.85	4.05

Sample Monthly Sewer Charges	Current Rate	Projected				
	FY22	FY23	FY24	FY25	FY26	FY27
Residential Inside 3,000 gal	7.85	8.50	9.10	9.65	10.25	10.70
Residential Outside 3,000 gal	14.70	15.90	17.05	18.10	19.20	20.00
Commercial Inside 10,000 gal	28.65	31.10	33.50	35.85	38.25	40.10
Commercial Outside 10,000 gal	56.05	60.90	65.30	69.25	73.65	76.65
Commercial Inside 50,000 gal	144.65	157.10	169.50	181.85	194.25	204.10
Commercial Outside 50,000 gal	282.05	306.90	329.30	349.25	371.65	386.65
Industrial Inside 500,000 gal	1,333.00	1,458.65	1,584.30	1,684.90	1,810.50	1,885.95

Town of Valdese
Water and Sewer Utility Fund

Current and Proposed Combined Water and Sewer Rates

Customer Class	Current Rate	Projected				
	FY23	FY24	FY25	FY26	FY27	FY28
Inside Combined Residential						
Minimum 3,000 gallons	44.50	48.10	51.50	54.60	57.90	60.30
Volume Charge (per 1,000 gal); 3,001+ gallons	6.35	6.90	7.45	7.95	8.50	8.85
Outside Combined Residential						
Minimum 3,000 gallons	69.50	70.70	71.85	72.90	74.00	74.80
Volume Charge (per 1,000 gal); 3,001+ gallons	11.50	11.90	12.30	12.65	13.05	13.35
Inside Combined Commercial						
Minimum 3,000 gallons	46.35	50.10	53.65	56.90	60.35	62.80
Volume Charge (per 1,000 gal); 3,001+ gallons	6.75	7.35	7.90	8.45	9.00	9.45
Outside Combined Commercial						
Minimum 3,000 gallons	92.50	99.95	106.95	113.40	120.25	125.10
Volume Charge (per 1,000 gal); 3,001+ gallons	13.15	14.25	15.30	16.25	17.30	18.00
Inside Combined Industrial						
Water Minimum 3,000 Gallons, Sewer Minimum 0 gallons	22.80	24.65	26.45	28.10	29.80	31.05
Water Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	2.85	3.10	3.35	3.60	3.85	4.05
Water Volume Charge (per 1,000 gal); 3,000,000+ gallons	1.45	1.60	1.75	1.90	2.05	2.15
Sewer Volume Charge (per 1,000 gal)	2.65	2.90	3.15	3.35	3.60	3.75
Outside Combined Industrial						
Water Minimum 3,000 Gallons, Sewer Minimum 0 gallons	45.35	48.40	51.35	54.10	57.05	59.35
Water Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	5.70	6.20	6.65	7.05	7.50	7.80
Water Volume Charge (per 1,000 gal); 3,000,000+ gallons	2.65	2.90	3.15	3.35	3.60	3.75
Sewer Volume Charge (per 1,000 gal)	5.30	5.50	5.70	5.95	6.20	6.45
Burke County						
Water Volume Charge (per 1,000 gal); 3,001+ gallons	4.05	4.40	4.75	5.05	5.40	5.65
Sewer Volume Charge (per 1,000 gal)	2.85	3.10	3.35	3.60	3.85	4.05
Rutherford College						
Water Volume Charge (per 1,000 gal); 3,001+ gallons	4.05	4.40	4.75	5.05	5.40	5.65
Sewer Volume Charge (per 1,000 gal)	2.85	3.10	3.35	3.60	3.85	4.05
Icard						
Minimum 10,000,000 gal	10,700.00	10,800.00	10,900.00	11,000.00	11,100.00	11,200.00
Volume Charge (per 1,000 gal) 10,000,000+ gal	volume charge not to exceed current Hickory Rate					
Drexel						
Sewer Volume Charge (per 1,000 gal)	2.85	3.10	3.35	3.60	3.85	4.05
Sample Monthly Combined Water and Sewer Charges						
	Current Rate	Projected				
	FY23	FY24	FY25	FY26	FY27	FY28
Residential Inside 3,000 gal	44.50	48.10	51.50	54.60	57.90	60.30
Residential Outside 3,000 gal	69.50	70.70	71.85	72.90	74.00	74.80
Commercial Inside 10,000 gal	93.60	101.55	108.95	116.05	123.35	128.95
Commercial Outside 10,000 gal	184.55	199.70	214.05	227.15	241.35	251.10
Commercial Inside 50,000 gal	363.60	395.55	424.95	454.05	483.35	506.95
Commercial Outside 50,000 gal	710.55	769.70	826.05	877.15	933.35	971.10
Industrial Inside 500,000 gal	2,484.25	2,715.35	2,946.40	3,152.30	3,383.25	3,538.90

FINANCIAL MODEL OUTPUT SUMMARY: ALTERNATIVE SCENARIO 1

Town of Valdese Water and Sewer Utility Fund

Financial Model Output Summary - FISCAL YEAR 2024

Scenario 1: 4% Across the Board

Revenue

Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Operating Revenue Existing Rates	5,194,000	5,265,000	5,332,000	5,400,000	5,470,000	5,541,000	5,613,000	5,687,000	5,762,000	5,838,000	5,916,000
New Revenue (Cumulative amount)		208,000	418,000	632,000	847,000	1,066,000	1,288,000	1,512,000	1,739,000	1,970,000	2,203,000
Projected Operating Revenue	5,194,000	5,473,000	5,750,000	6,032,000	6,317,000	6,607,000	6,901,000	7,199,000	7,501,000	7,808,000	8,119,000

Expenses

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

Percent Increase Applied

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

Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Expenses to Cover	6,017,000	5,659,000	6,096,000	6,452,000	6,819,000	7,089,000	7,096,000	7,779,000	7,733,000	7,720,000	7,963,000
Difference / (Shortage)		(186,000)	(346,000)	(420,000)	(502,000)	(482,000)	(195,000)	(580,000)	(232,000)	88,000	156,000

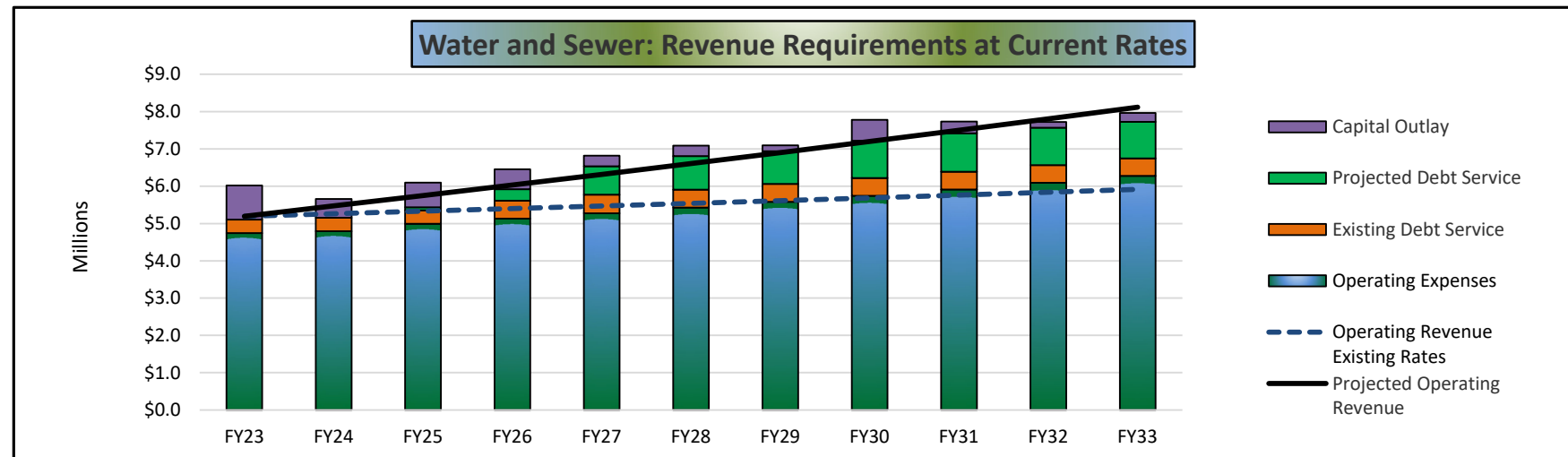
Effect on Customer Bills

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

Financial Indicators

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

Summary Chart



Water/Sewer 10-Year Capital Investment

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

FINANCIAL MODEL OUTPUT SUMMARY: ALTERNATIVE SCENARIO 2

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

Revenue

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

Expenses

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

Percent Increase Applied

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

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

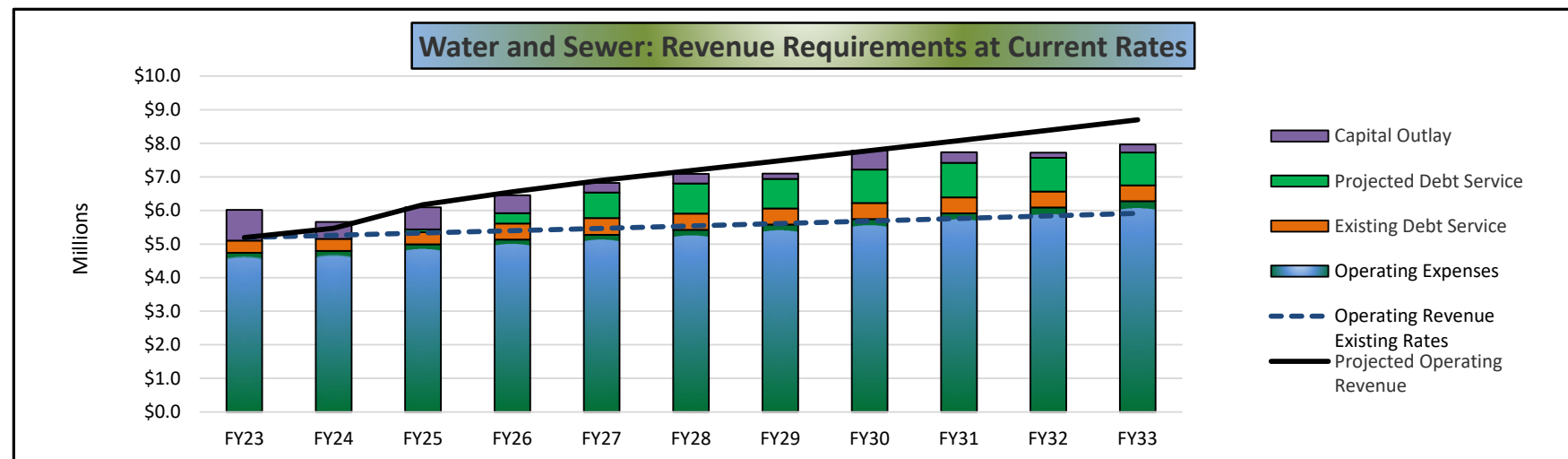
Effect on Customer Bills

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

Financial Indicators

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

Summary Chart



Water/Sewer 10-Year Capital Investment

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

FINANCIAL MODEL OUTPUT SUMMARY: ALTERNATIVE SCENARIO 3

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

Revenue

Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Operating Revenue Existing Rates	5,194,000	5,265,000	5,332,000	5,400,000	5,470,000	5,541,000	5,613,000	5,687,000	5,762,000	5,838,000	5,916,000
New Revenue (Cumulative amount)		312,000	838,000	1,158,000	1,428,000	1,646,000	1,868,000	2,092,000	2,320,000	2,550,000	2,783,000
Projected Operating Revenue	5,194,000	5,577,000	6,170,000	6,558,000	6,898,000	7,187,000	7,481,000	7,779,000	8,082,000	8,388,000	8,699,000

Expenses

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

Percent Increase Applied

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

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

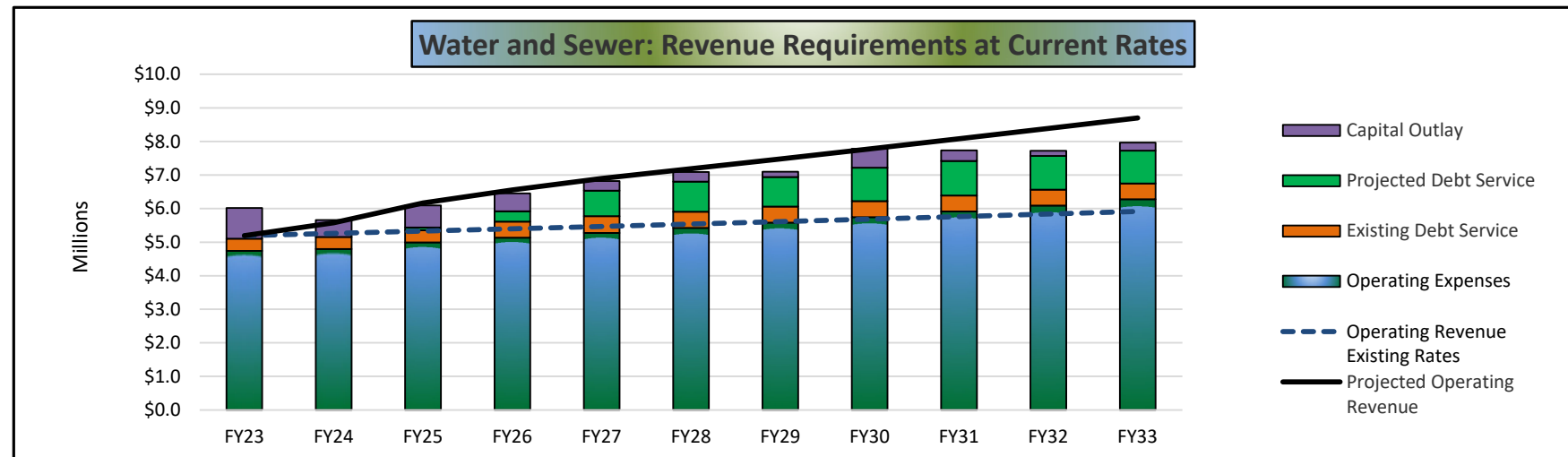
Effect on Customer Bills

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

Financial Indicators

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

Summary Chart



Water/Sewer 10-Year Capital Investment

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

FINANCIAL MODEL OUTPUT SUMMARY: ALTERNATIVE SCENARIO 4

Town of Valdese Water and Sewer Utility Fund

Financial Model Output Summary - FISCAL YEAR 2024

Scenario 4: 5% Residential/Commercial, 8% Industrial in FY24 then Catch-Up

Revenue

Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Operating Revenue Existing Rates	5,194,000	5,265,000	5,332,000	5,400,000	5,470,000	5,541,000	5,613,000	5,687,000	5,762,000	5,838,000	5,916,000
New Revenue (Cumulative amount)		289,000	868,000	1,187,000	1,457,000	1,676,000	1,848,000	2,017,000	2,187,000	2,360,000	2,535,000
Projected Operating Revenue	5,194,000	5,554,000	6,200,000	6,587,000	6,927,000	7,217,000	7,461,000	7,704,000	7,949,000	8,198,000	8,451,000

Expenses

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

Percent Increase Applied

Overall Revenue Adjustment	5%	11%	6%	5%	4%	3%	3%	3%	3%	3%
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Financial Outcomes

Description	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Expenses to Cover	6,017,000	5,659,000	6,096,000	6,452,000	6,819,000	7,089,000	7,096,000	7,779,000	7,733,000	7,720,000	7,963,000
Difference / (Shortage)		(105,000)	104,000	135,000	108,000	128,000	365,000	(75,000)	216,000	478,000	488,000

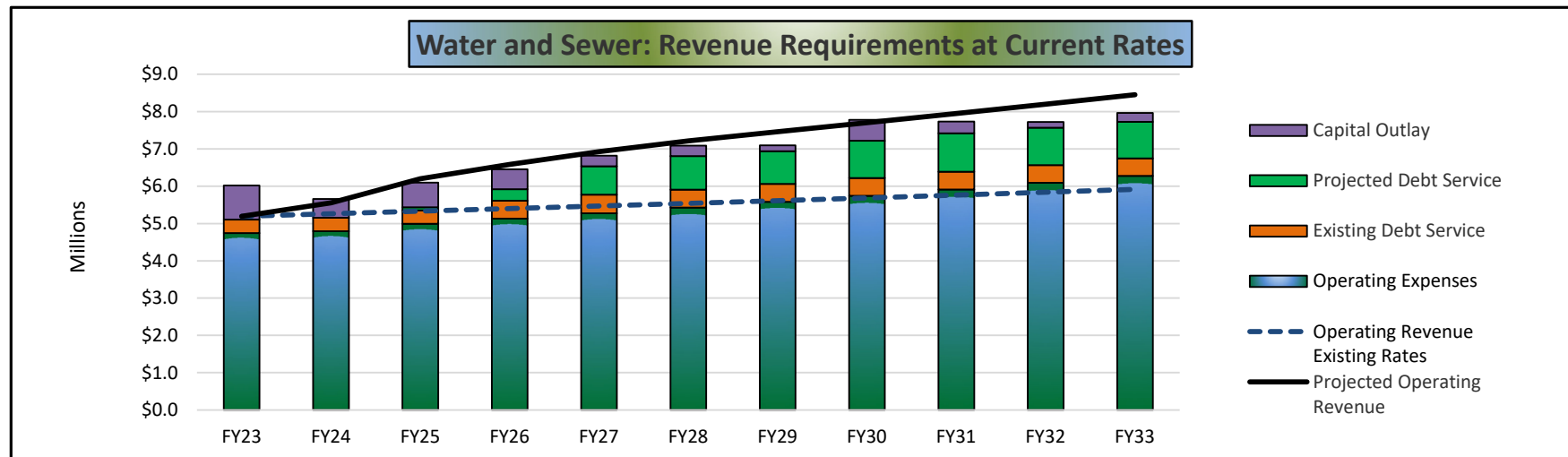
Effect on Customer Bills

Combined Residential Bill 3,000 gal	\$44.50	\$46.75	\$51.95	\$55.15	\$57.95	\$60.35	\$62.20	\$64.10	\$66.05	\$68.10	\$70.20
Monthly Combined Residential Bill Change		\$2.25	\$5.20	\$3.20	\$2.80	\$2.40	\$1.85	\$1.90	\$1.95	\$2.05	\$2.10

Financial Indicators

Fund Balance Tracker	2,845,000	2,740,000	2,844,000	2,979,000	3,087,000	3,215,000	3,580,000	3,505,000	3,721,000	4,199,000	4,687,000
Fund Balance % of Expenses to Cover	47%	48%	47%	46%	45%	45%	50%	45%	48%	54%	59%

Summary Chart



Water/Sewer 10-Year Capital Investment

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

RATE and FEE SCHEDULES

OLD ROCK SCHOOL RATE & FEE SCHEDULE 2023-2024

Major Event Rental			
Monday - Thursday Profit			
	<4 hours	4-6 hours	6-12 hours
Auditorium	\$400.00	\$500.00	\$600.00
Waldensian Room	\$150.00	\$150.00	\$150.00
Monday - Thursday Non-Profit			
Auditorium	\$300.00	\$400.00	\$500.00
Waldensian Room	\$150.00	\$150.00	\$150.00
Friday-Sunday Profit			
	<4 hours	4-6 hours	6-12 hours
Auditorium	\$450.00	\$550.00	\$650.00
Waldensian Room	\$200.00	\$200.00	\$200.00
Friday- Sunday Non-Profit			
Auditorium	\$300.00	\$400.00	\$500.00
Waldensian Room	\$175.00	\$175.00	\$175.00
Waldensian Room			
	Rate	Additional Hours	
Base Price (5 hours of use)	\$200.00	\$30.00	
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	
Businesses			
	Square Footage	Annual Lease Rate	
Dream Connections	3350	\$13,200.00	
David Harmon Studios	800	\$4,410.00	
Tranquility Day Spa	700	\$4,410.00	
Modern Treatment Healthcare	120	\$700.00	
Meals on Wheels	TC Rental M-F (8am-12pm)	\$3,000.00	

Town of Valdese: Fiscal Year 2023-2024 Schedule of Fees
JIMMY C. DRAUGHN AQUATIC & FITNESS CENTER

Daily Swim/Fitness Center Fees - \$5.00

INSIDE Valdese City Limits

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

OUTSIDE Valdese City Limits

	AQUATICS <u>or</u> FITNESS CENTER		AQUATICS <u>and</u> FITNESS CENTER	
	<u>3 month</u>	<u>Annual</u>	<u>3 month</u>	<u>Annual</u>
Individual	\$70	\$220	\$103	\$330
Household	\$140	\$440	\$206	\$660

10 Visit Punch Cards

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

Fitness Class Benefits

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

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

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

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

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

Town of Valdese: Fiscal Year 2023-2024 Schedule of Fees
PARKS & RECREATION FACILITIES

Splash Park Multi-Purpose Room
 \$ 100 for two hours (minimum)
 \$ 50 for each additional hour

Picnic Shelters
 (Rotary Park, Childrens Park, Splash Park)
 \$ 50 for two hours (minimum)
 \$ 25 for each additional hour

 (McGalliard Falls Entire Shelter)
 \$60 for two hours (minimum)
 \$30 per hour extra

Bowling Center Party Room
 \$ 40 for 2 hours

Bowling Party Package (food, bowling on 4 lanes, party room)
 \$150 minimum for 10 people/ \$10 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 per table for 1.50 hours

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

Private Pool Parties
 Sunday afternoons when the bubble is up (3 hrs.) All tables available.

 \$ 250 up to 50 persons
 \$ 275 for over 50 persons

Daily Pool Use
 \$5 All Ages

Daily Fitness Center Use
 \$5 per person

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

Day Care Pool Use
 \$ 4 per child

Town of Valdese: Fiscal Year 2023-2024 Schedule of Fees
PUBLIC WORKS

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	\$2.30
	Small User Fee (small businesses)	\$13.30
	Construction Debris per load	\$75.00

Town of Valdese: Fiscal Year 2023-2024 Schedule of Fees PLANNING

	<u>Each</u>
CONDITIONAL USE PERMIT	\$350
REZONING PERMIT	\$350
VARIANCE APPLICATION	\$350

Town of Valdese: Fiscal Year 2023-2024 Schedule of Fees

FIRE

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:	\$50.00
Second and subsequent reinspections for noncompliance:	\$100.00

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>Chapter Number</u>	<u>Title</u>	<u>Fee Amount</u>
1	Scope and Administration	\$100.00
2	Definitions	\$0.00
3	General Requirements	\$100.00
4	Emergency planning and preparedness	\$100.00
5	Fire service features	\$100.00
6	Building services and systems	\$100.00
7	Fire and Smoke Protection Features	\$100.00
8	Interior finish, decorative materials and furnishings	\$100.00
9	Fire protection systems	\$200.00
10	Means of egress	\$200.00
20	Aviation facilities	\$100.00
21	Dry cleaning	\$100.00
22	Combustible dust producing operations	\$100.00
23	Motor Fuel-Dispensing Facilities and Repair Garages	\$100.00
24	Flammable finishes	\$100.00
25	Fruit and crop ripening	\$100.00
26	Fumigation and insecticidal fogging	\$100.00
27	Semiconductor fabrication facilities	\$100.00
28	Lumber yards and Agro-Industrial, Solid Biomass and Wood Working Facilities	\$100.00

Town of Valdese: Fiscal Year 2023-2024 Schedule of Fees
FIRE (cont.)

29	Manufacture of organic coatings	\$100.00
30	Industrial ovens	\$100.00
31	Tents and other membrane structures	\$100.00
32	High piled combustible storage	\$100.00
33	Fire Safety During Construction and Demolition	\$100.00
34	Tire rebuilding and tire storage	\$100.00
35	Welding and other hot work	\$100.00
36	Marinas	\$100.00
37	Combustible fibers	\$100.00
50	Hazardous materials – general provisions	\$100.00
51	Aerosols	\$100.00
53	Compressed gases	\$100.00
54	Corrosive materials	\$100.00
55	Cryogenic fluids	\$100.00
56	Explosives and fireworks	\$100.00
57	Flammable and combustible liquids	\$100.00
58	Flammable gases and Flammable Cryogenic Fluids	\$100.00
59	Flammable solids	\$100.00
60	Highly toxic and toxic materials	\$100.00
61	Liquefied petroleum gases	\$100.00
62	Organic peroxides	\$100.00
63	Oxidizers, Oxidizing Gases and Oxidizing Cryogenic Fluids	\$100.00
64	Pyrophoric materials	\$100.00
65	Pyroxylin (cellulose nitrate) plastics	\$100.00
66	Unstable (reactive) materials	\$100.00
67	Water-reactive solids and liquids	\$100.00
80	Referenced standards	\$0.00

Alarm Permit Fees:

\$10.00

<p>Town of Valdese: Fiscal Year 2023-2024 Schedule of Fees</p> <p>WATER & SEWER RATES</p>
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<i>Inside Water – Residential</i>	
Minimum 3,000 gallons	\$38.50
Volume Charge (per 1,000 gal); 3,001 + gallons	\$3.90
<i>Outside Water – Residential</i>	
Minimum 3,000 gallons	\$54.80
Volume Charge (per 1,000 gal); 3,001 + gallons	\$6.50
<i>Inside Water – Commercial</i>	
Minimum 3,000 gallons	\$40.00
Volume Charge (per 1,000 gal); 3,001 + gallons	\$4.05
<i>Outside Water – Commercial</i>	
Minimum 3,000 gallons	\$79.85
Volume Charge (per 1,000 gal); 3,001 + gallons	\$7.90
<i>Inside Water - Industrial</i>	
Minimum 3,000 gallons	\$16.05
Volume Charge (per 1,000 gal); 3,001 – 300,000 gallons	\$3.10
Volume Charge (per 1,000 gal); 300,000 +	\$1.60
<i>Outside Water - Industrial</i>	
Minimum 3,000 gallons	\$31.90
Volume Charge (per 1,000 gal); 3,001 – 300,000 gallons	\$6.20
Volume Charge (per 1,000 gal); 300,000 +	\$2.90
<i>Inside Sewer – Residential</i>	
Minimum 3,000 gallons	\$8.30
Volume Charge (per 1,000 gal); 3,001 + gallons	\$2.85
<i>Outside Sewer – Residential</i>	
Minimum 3,000 gallons	\$15.45
Volume Charge (per 1,000 gal); 3,001 + gallons	\$5.25
<i>Inside Sewer – Commercial</i>	
Minimum 3,000 gallons	\$8.80
Volume Charge (per 1,000 gal); 3,001 + gallons	\$3.05
<i>Outside Sewer – Commercial</i>	
Minimum 3,000 gallons	\$17.35
Volume Charge (per 1,000 gal); 3,001 + gallons	\$5.95
<i>Inside Sewer - Industrial</i>	
Minimum 0 gallons	\$8.65
Volume Charge (per 1,000 gal)	\$2.95
<i>Outside Sewer - Industrial</i>	
Minimum 0 gallons	\$17.15
Volume Charge (per 1,000 gal)	\$5.80

<p>Town of Valdese: Fiscal Year 2023-2024 Schedule of Fees</p> <p>WATER & SEWER RATES</p>
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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%
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Industrial Pretreatment Surcharge	\$18,500.00
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TOWN OF VALDESE
STREET IMPROVEMENTS
CAPITAL PROJECT ORDINANCE

Be it ordained by the Town Council of the Town of Valdese that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following project ordinance is hereby adopted.

Section 1. The project authorized is Street Improvements. Project proposes repairs and resurfacing of Town of streets which will be recommended by the appointed Street Paving Committee. The project is to be financed by Town funds.

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the program ordinance and the budget contained herein.

Section 3. The following revenues are anticipated to be available to contribute to this project:

<u>Source</u>	<u>Amount</u>	<u>Assigned Account Number</u>
Transfer from General Fund	\$ 350,000	76.3000.000
	----- \$ 350,000 =====	

Section 4. The following amounts are appropriated for the project:

<u>Source</u>	<u>Amount</u>	<u>Assigned Account Number</u>
2024 Street Improvements	\$ 350,000	76.5600.450
	----- \$ 350,000 =====	

Section 5. The finance officer is hereby directed to maintain within the Project Fund sufficient specific detailed accounting records to provide the accounting to town council required by the program procedures, loan agreement(s), grant agreement(s) and state regulations.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due.

Section 7. The finance officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total revenues received or claimed.

Section 8. The budget officer is directed to include a detailed analysis of the past and future cost and revenues on this project in every budget submission made to this board.

Section 9: Copies of this project ordinance shall be made available to the budget officer and the finance officer for direction in carrying out this project.

Adopted this 1st day of May 2023.

Charles Watts, Mayor

Jessica Lail, Town Clerk