

**TOWN OF VALDESE
TOWN COUNCIL MEETING
MARCH 3, 2025**

The Town of Valdese Town Council met on Monday, March 3, 2025, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The Council meeting was live-streamed on YouTube @Townofvaldese. The following were present: Mayor Charles Watts, Mayor Pro Tem Gary Ogle, Councilwoman Rexanna Lowman, Councilwoman Heather Ward, Councilwoman Melinda Zimmerman, and Councilman Glenn Harvey. Also present were: Interim Town Manager Bo Weichel, Town Clerk Jessica Lail, Town Attorney Tim Swanson, and various Department Heads.

Absent:

A quorum was present.

Pastor Tamika Garrison offered the invocation. Following the invocation, Mayor Watts led in the Pledge of Allegiance to the Flag.

REGOGNITION OF THE HERITAGE MIDDLE SCHOOL WRESTLING TEAM: Coach Matthew Smith, a Valdese police officer and coach at Heritage Middle School, recognized the school's wrestling team for their achievements. The team finished the season with a 6-4 record, securing second place in the Foothills Athletic Conference. During the tournament, the team had five individual conference champions, one runner-up, and three third-place finishers. Coach Smith highlighted three wrestlers who finished their seasons undefeated, with special recognition for Joseph Yang, who remained undefeated throughout both years of middle school wrestling. He expressed pride in the team's accomplishments and noted that Draughn High School will be fortunate to have these athletes next year.

OPEN FORUM/PUBLIC COMMENT: Mayor Pro Tem Gary Ogle read the following open forum/public comment guidelines: The council shall provide at least one period for public comment per month during a regular meeting, unless no regular meeting is held that month. Any individual or group who wishes to address the council shall inform the Town clerk, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Person(s) must be present if they wish to address the Council. Comments should be limited to five minutes per speaker. Open Forum is not intended to require Council or staff to answer impromptu questions. Speakers will address all comments to the entire Council as a whole and not one individual member. Discussions between speakers and the audience will not be permitted. Speakers will maintain decorum at all times. Speakers are expected to be courteous and respectful at all times regardless of who occupies the Council chairs. These guidelines will help ensure that a safe and productive meeting is held and all those wishing to address the Council will be afforded the opportunity.

CHARTER – MIKE FARRIS, 112 PHILLIP AVE, VALDESE: Mr. Farris addressed the Town Council regarding the discussion on reducing the mayoral term from four years to two years. He strongly opposed the change, calling it a “disaster of an idea.” He referenced past decisions, noting that in November 1999, Jim Hatley was elected Mayor of Valdese and quickly realized that two years was insufficient to effectively serve. As a result, in June 2000, the Town Charter was amended to establish four-year mayoral terms to provide the necessary time for leadership and progress. Mr. Farris also cited former Mayor Chip Black, who served as both a councilman and mayor, stating that a mayor needs two years to learn the role and another two to be effective. Black emphasized the importance of a four-year term, stating, “If the person running for mayor isn’t willing to commit four years to the position, then they shouldn’t run.” Mr. Farris argued that most surrounding Towns have four-year mayoral terms and that reducing the term could undermine the Town’s credibility. Additionally, he expressed concerns about delays in Town projects and questioned the rationale behind the proposed change. He warned that if the Council proceeded with the reduction, “this community will band together, and you will have a fight on your hands. And just like Chip Black, you can quote me on that.”

POOL – RICK MCCLURD, 408 GARROU AVE SE, VALDESE: Mr. McClurd addressed the Town Council on several topics, focusing primarily on the pool cover project and Town finances. He recommended reinstalling the blow-up pool cover rather than pursuing a more expensive alternative, suggesting that the \$1.2 million savings be used to cover maintenance costs and future replacements. He proposed setting aside funds over time to eventually replace the cover with a permanent structure in 15 years. He also

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expressed concerns about upcoming major expenses, including \$4–5 million for the fire department and a couple million for the police department, and cautioned against depleting the Town's \$7 million fund balance, which could lead to financial instability and potential state intervention. Instead, he urged the Council to avoid raising taxes, noting that many residents, especially those on fixed incomes, cannot afford additional increases. Additionally, McClurd addressed recent allegations of illegal discussions between two council members, clarifying that, according to the Town Charter, discussions between two members are not illegal, whereas a discussion involving three members would constitute a majority. He noted that "The Paper" a local newspaper, wrote an article inaccurately suggesting wrongdoing and emphasized the importance of verifying facts before making accusations. Lastly, urged the Council to make financially responsible decisions while avoiding tax increases.

CONCERN – ANNETTE SKIDMORE, 312 BECKER AVE, VALDESE: Ms. Skidmore addressed the Town Council to express her deep connection to Valdese, where she has lived since 1959. She shared her personal history, highlighting her longtime residency, community involvement, and career as an educator at Valdese Elementary School for 23 years. She also noted the contributions of her neighbors, including a first responder, firefighter, and elementary school teacher, as well as her husband, a former Town Councilman. Ms. Skidmore took issue with recent references made by council members regarding the East and West sides of Town, particularly the characterization of Wards 4 and 5 as the "poorest areas". She stated that she had never viewed Valdese as two separate Towns and found these descriptions divisive. She emphasized that while some homes may be older or classified as affordable housing, they represent the Town's heritage, present, and future. She urged the Council to choose positive language when discussing the community, rather than making negative generalizations. She stressed that all residents, regardless of location or income, contribute to the Town's success and should not be categorized in a way that diminishes their worth. Ms. Skidmore concluded by stating that, unlike some council members, she sees her neighbors and her Town in a different light—one of unity, pride, and shared community spirit. She affirmed, "We are Valdese. We are one Town."

YES – ANDREW QUINN, 114 HILLTOP AVE, VALDESE: Mr. Quinn addressed the Town Council with concerns about tax revenue, infrastructure issues, and public services. He noted that property values, including his own, have increased significantly over the past five years, and he questioned how the additional tax revenue is being allocated. He raised concerns about Debbie Huffman's Dance Academy, stating that it has been flooded with septic water, yet the Town has denied claims for assistance. He emphasized the impact on his daughter and other young dancers who are unable to properly practice for competitions due to the issue. Mr. Quinn also expressed frustration over the lack of progress on the police and fire station projects and the community focus on the pool while law enforcement officers are underfunded. He highlighted that one private citizen is personally funding essential equipment for officers, and he criticized discussions about charging officers fees for take-home patrol cars. He called the Town's handling of these issues an embarrassment and urged officials to take action. Additionally, he raised concerns about political distractions preventing the Council from focusing on its duty to serve and protect the community. He called for accountability and integrity, particularly regarding the septic issue at the dance studio, and encouraged the Council to find solutions, seek community support, and take responsibility. Mr. Quinn concluded by urging the Council to prioritize the needs of residents, law enforcement, and community services rather than engaging in political divisions or delays.

YES – KEITH HUFFMAN, 3285 MONTANYA VIEW CIR, VALDESE: Mr. Huffman addressed the Council, expressing concerns regarding indecision and lack of forward-thinking. He posed questions about the long-term vision for the Town, emphasizing the need for sustainable planning to ensure a vibrant and secure future rather than declining infrastructure and economic stagnation. He criticized the decision to reduce the property tax rate to 41.5 cents, arguing that it is unsustainable given the Town's financial challenges, including the need for capital improvements and competitive salaries for employees. Mr. Huffman also raised concerns about council members voting in alignment without independent consideration, noting public frustration and negative media attention. He urged the Council to act on the strategic plan rather than relying on additional surveys. Additionally, he stressed the importance of utilizing state and federal grants effectively, warning against dismissing them and discouraging those who work to secure funding. He concluded by reiterating that indecision is itself a decision and called on the Council to define a clear vision and legacy for the Town.

POOL ENCLOSURE – JEAN-MARIE COLE, 705 BERTIS ST, VALDESE: Ms. Cole addressed the Council regarding the pool structure options, reiterating the information previously provided. She outlined two choices: a permanent aluminum structure or a bubble structure. The permanent aluminum structure has a

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higher initial cost but is offset by grant funding, pledged donations, and a fundraising plan. It also has lower long-term maintenance and operating costs, which can be handled in-house. In contrast, the bubble structure has a lower upfront cost but relies entirely on taxpayer dollars. It requires recurring annual expenses for installation, removal, and storage, has a shorter lifespan, and incurs higher operating costs. Additionally, as demand for bubbles declines, maintenance services may become more expensive. Ms. Cole urged the Council to consider long-term benefits and technological advancements rather than adhering to past decisions. She emphasized that the choice made today will impact future councils and taxpayers. She concluded by stressing the importance of having a functional pool for recreation, skill development, competition, and health benefits for residents.

CONSENT AGENDA: (enacted by one motion)

APPROVED PRE- AGENDA MEETING MINUTES OF JANUARY 27, 2025

APPROVED CLOSED SESSION MINUTES OF JANUARY 27, 2025

APPROVED REGULAR MEETING MINUTES OF FEBRUARY 3, 2025

APPROVED CLOSED SESSION MINUTES OF FEBRUARY 3, 2025

APPROVED LEASE AGREEMENT AT THE OLD ROCK SCHOOL WITH DR. KYLE BARNES Lease agreement with Dr. Kyle Barnes for rental space at the Old Rock School, in the amount of \$60.00 per month.

APPROVED CAPITAL PROJECT ORDINANCE AMENDMENT – BERRYTOWN WATERLINE

Valdese Town Council Meeting

Monday, March 3, 2025

Capital Project Ordinance Amendment # 1-55

Subject: Berrytown Waterline Project

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the capital project ordinance for various capital projects funded from a variety of sources is hereby amended as follows.

Section I:

Revenues available to the Town to complete the projects are hereby amended as follows:

Account	Description	Decrease/ Debit	Increase/ Credit
55.3300.002	CDBG-Neighborhood Revitalization		200,000
Total		\$0	\$200,000

Amounts appropriated for capital projects are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
55.8120.005	Water Connections (CDBG-NR)	161,775	
55.8120.006	Administration (CDBG-NR)	38,225	
Total		\$200,000	\$0

Section II:

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

APPROVED CAPITAL PROJECT ORDINANCE AMENDMENT – WATER PLANT UPGRADES

Capital Project Ordinance Amendment # 1-54

Subject: Water Plant Upgrades project

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the capital project ordinance for various capital projects funded from a variety of sources is hereby amended as follows.

Section I:

Revenues available to the Town to complete the projects are hereby amended as follows:

Account	Description	Decrease/ Debit	Increase/ Credit
54.3480.000	State Appropriation		105,000
	Total	\$0	\$105,000

Amounts appropriated for capital projects are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
54.8100.760	Construction	105,000	
	Total	\$105,000	\$0

Section II:

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

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

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

APPROVED REQUEST FROM OLD COLONY PLAYERS TO SELL ALCOHOL Interim Town Manager Bo Weichel addressed the Council regarding a request from Old Colony Players to sell alcohol. He confirmed that they have obtained the necessary permit from the North Carolina ABC Board and that proper insurance requirements have been verified. He also noted that similar verification will be conducted for future alcohol sales requests at Town events and on Town property.

- Something Rotten, April 18 – 27, 2025, Thursdays, Fridays, Saturdays at 7:30 pm, Sunday Matinee at 2:30 pm at the Old Rock School Auditorium

Councilman Harvey made a motion to approve the request to sell alcohol, seconded by Councilwoman Lowman. The vote was unanimous and motion carried.

Councilman Harvey explained that he requested the removal of the item from the consent agenda at the pre-agenda meeting to confirm that the Town had sufficient liability coverage, including host liquor liability coverage. He noted that, as Mr. Weichel stated, the necessary coverage has been obtained and is in good standing.

APPROVED COMMUNITY CENTER ADA CONSTRUCTION Mr. Weichel provided an update on the accessibility improvements included in the overall pool structure project, which involve constructing two ADA-compliant ramps—one at the tennis courts and one at the front of the Community Center. He noted that the only current ADA access is at the rear of the building, which is inconvenient for many users. The project scope includes permitting, demolition, site work, concrete, fencing, handrails, and some masonry

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work, including brick replacement. He reported that a new quote had been received, reducing the project cost to \$73,835, with a 10% contingency bringing the total to approximately \$80,000—about \$30,000 less than the initial estimate. If approved, he will present a capital project ordinance amendment at the next meeting to incorporate the costs into the project budget.

Councilman Harvey made a motion to approve the expenditure, seconded by Councilwoman Ward. The vote was unanimous and motion carried.

Councilman Harvey expressed his support for the accessibility improvements, noting his surprise that the Recreation Center has been difficult for people to access for so many years. He stated that he hopes these improvements will resolve such issues and make the Recreation Center more accessible for everyone.

ADOPTED RESOLUTION ADOPTING UNIFOUR REGIONAL HAZARD MITIGATION PLAN Mr. Weichel provided an update on the mitigation plan, which is updated approximately every five years in coordination with North Carolina Emergency Management, the fire chief, and the former planning director. The plan covers Alexander, Burke, Caldwell, and Catawba counties. While the Town could develop its own plan, it would incur costs, whereas the state fully funds this regional plan. Maintaining an updated plan is also a requirement for receiving FEMA reimbursement for storm-related damages. He noted that the Council adopts the updated plan every five years.

RESOLUTION
ADOPTING UNIFOUR REGIONAL
HAZARD MITIGATION PLAN

WHEREAS, the citizens and property within the Town of Valdese are subject to the effects of natural hazards that pose threats to lives and cause damage to property, and with the knowledge and experience that certain areas of the Town are particularly vulnerable to drought, extreme heat, hailstorm, hurricane and tropical storm, lightning, thunderstorm wind/high wind, tornado, winter storm and freeze, flood, hazardous material incident, and wildfire; and

WHEREAS, the Town desires to seek ways to mitigate the impact of identified hazard risks; and

WHEREAS, the Legislature of the State of North Carolina has in Article 5, Section 160D-501 of Chapter 160D of the North Carolina General Statutes, delegated to local governmental units the responsibility to adopt regulations designed to promote the public health, safety, and general welfare of its citizenry; and

WHEREAS, the Legislature of the State of North Carolina has enacted General Statute Section 166A-19.41 (*State emergency assistance funds*) which provides that for a state of emergency declared pursuant to G.S. 166A-19.20(a) after the deadline established by the Federal Emergency Management Agency pursuant to the Disaster Mitigation Act of 2002, P.L. 106-390, the eligible entity shall have a hazard mitigation plan approved pursuant to the Stafford Act; and

WHEREAS, Section 322 of the Federal Disaster Mitigation Act of 2000 states that local governments must develop an All-Hazards Mitigation Plan in order to be eligible to receive future Hazard Mitigation Grant Program Funds and other disaster-related assistance funding and that said Plan must be updated and adopted within a five year cycle; and

WHEREAS, the Town has performed a comprehensive review and evaluation of each section of the previously approved Hazard Mitigation Plan and has updated the said plan as required under regulations at 44 CFR Part 201 and according to guidance issued by the Federal Emergency Management Agency and the North Carolina Division of Emergency Management.

WHEREAS, it is the intent of the Town Council of Valdese to fulfill this obligation in order that the County will be eligible for federal and state assistance in the event that a state of disaster is declared for a hazard event affecting the Town;

NOW, THEREFORE, be it resolved that the Town Council of the Town of Valdese hereby:

1. Adopts the Unifour Regional Hazard Mitigation Plan.

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2. Vests Valdese Emergency Management with the responsibility, authority, and the means to:
 - (a) Inform all concerned parties of this action.
 - (b) Cooperate with Federal, State and local agencies and private firms which undertake to study, survey, map and identify floodplain areas, and cooperate with neighboring communities with respect to management of adjoining floodplain areas in order to prevent exacerbation of existing hazard impacts.
3. Appoints Valdese Emergency Management to assure that the Hazard Mitigation Plan is reviewed annually and every five years as specified in the Plan to assure that the Plan is in compliance with all State and Federal regulations and that any needed revisions or amendments to the Plan are developed and presented to the Town Council for consideration.
4. Agrees to take such other official action as may be reasonably necessary to carry out the objectives of the Hazard Mitigation Plan.

Adopted this the 3rd day of March, 2025.

/s/ Charles Watts, Mayor

ATTEST:

/s/ Town Clerk

Councilwoman Zimmerman made a motion to adopt the Hazard Mitigation Plan, seconded by Councilwoman Ward. The vote was unanimous and motion carried.

APPROVED APPOINTMENTS TO BOARDS/COMMISSIONS/COMMITTEES

- i. **DRUG AND HOMELESS TASK FORCE** Mayor Watts stated that the individuals up for reappointment are already serving on the committee and are requesting to be reappointed.

Councilwoman Lowman made a motion to reappoint all the members listed for another term (Josh Lail, Annette Skidmore, Marc Sharpe, William Beck, Heather Ward, Mark Queen), seconded by Councilwoman Zimmerman. The vote was unanimous and motion carried.

- ii. **VALDESE ABC BOARD** Mayor Watts noted the gentleman up for reappointment to the ABC Board, Mr. John Heilman, who currently serves as chairman.

Councilwoman Lowman made a motion to reappoint John Heilman to the ABC Board, seconded by Councilman Harvey. The vote was unanimous and motion carried.

APPROVED RESOLUTION WITHDRAWING LOVELADY RD SIDEWALK PHASE I PROJECT APPLICATION

Mr. Weichel stated that the Resolution presented is the same as last month's and is in response to the January meeting. Council decided not to pursue the project at this time, leaving two options: adopting the Resolution to withdraw the grant application, allowing the funds to be reallocated, or taking no action and revisiting the matter in the future. If adopted, the Resolution will formally withdraw the application.

Motion: Councilman Harvey made a motion to remove the tabled Resolution from the table and vote on it, seconded by Councilman Ogle.

Discussion: Councilman Harvey clarified that the funds in question are not grant funds but a federal allocation managed by the Greater Hickory Metropolitan Planning Organization for four counties. In 2024, \$3.5 million was available for municipalities to apply for pedestrian-related projects, with another \$3.5 million available this year. He emphasized that the Town currently has \$1.1 million allocated but decided not to use it in January. If released, those funds would increase the available amount to \$4.6 million for new applications. Councilman Harvey highlighted potential future projects the Town could apply for, such as a marked bicycle path for safe passage to the recreation center or a sidewalk connecting Town Hall to a future public safety building. He also noted that releasing the funds could support a pedestrian loop through key Town locations. Unlike traditional grants, he stressed that declining this allocation does not mean losing

future opportunities, as the decision-making body is a local committee that may favor reallocation for projects with broader community impact.

Councilwoman Lowman questioned the Resolution's wording, noting that paragraphs three and four refer to the funds as a grant, specifically a LAPP Grant and a Surface Transportation Block Grant. She pointed out that the total funding was \$1.4 million, with a required 20% match of \$286,000 from Town funds, which had previously been a concern. She asked why the Town would consider reapplying if it is choosing to return the funds after initially applying, being awarded the allocation, and now deciding not to use it.

Councilman Harvey explained that the funding was a federal grant allocated to the four-county area, with project selection based on scoring by COG staff and approval by the Transportation Advisory Committee. He recalled that the previous planning director did not submit a formal plan but instead relied on the Burke Trails Association's broader trail plan, which included a \$3.6 million request—exceeding the total available funds. Ultimately, the Town received only a portion of the request, specifically for a sidewalk project. He noted that the full sidewalk completion would require an additional \$2.3 million, making its completion unlikely. He suggested that the Town either continue holding the funds or return them so they can be reallocated to Valdese and neighboring municipalities for other projects.

It was clarified that the funding was always designated for the Town and not transferred to the Burke Trails Association. An email from COG confirmed that nonprofits could not participate and that the Town was responsible for the grant. Discussion highlighted that while letters of support were provided by outside groups, the project remained a Town initiative. Councilwoman Zimmerman noted that the Lovelady Corridor was identified as a priority in the 2016 pedestrian plan, aligning with the current project. Concerns were raised about project priorities, with suggestions that Carolina Street may be a more urgent need for pedestrian and bike path improvements due to its connection to the recreation center and downtown businesses. It was proposed that returning the current funds and redirecting efforts toward Carolina Street could be a more cost-effective and beneficial approach.

Councilwoman Lowman noted that Carolina Street had already been identified for sidewalk and bike path improvements as part of the Exit 111 renovation plan. Additionally, clarification was provided that these federal funds operate on a reimbursement basis, requiring the Town to front \$1.2 million before receiving federal reimbursement, which could take at least 30 days.

Vote: The vote was unanimous and motion carried to remove the tabled Resolution.

Councilman Harvey asked to return back to the motion he made at the February meeting to withdraw from the Lovelady Rd. Sidewalk Phase I Project, BL-0140A, seconded by Councilwoman Ward.

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

TOWN of VALDESE
RESOLUTION

Resolution to withdraw the Lovelady Rd. Sidewalk Phase I Project, BL-0140A,
From the Statewide Transportation Improvement Plan

WHEREAS, the Greater Hickory Metropolitan Planning Organization (GHMPO) issued a call for projects to agencies in its jurisdiction for Locally Administered Projects Program (LAPP); and

WHEREAS, the Town of Valdese submitted an application and funding was programmed for Preliminary Engineering, Right-of-Way & Utility Acquisition, and Construction for a curb and gutter sidewalk along Lovelady Rd. Valdese starting at Laurel St. NE and ending at Crescent St NE, identified as BL-0140A in GHMPO's Transportation Improvement Plan (TIP); and

WHEREAS, the Town of Valdese has determined that the sidewalk required by the LAPP Grant is cost prohibitive both as a singular project as well as it being cost prohibitive overall to the Town budget due to other competing projects which rose in costs; and

WHEREAS, the Town of Valdese is returning \$1,144,800 in Surface Transportation Block Grant – Direct Attributable (STBG-DA) funds to GHMPO's LAPP discretionary funding.

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NOW, THEREFORE, BE IT RESOLVED, the Town of Valdese Town Council requests that the Western Piedmont Council of Governments withdraw the Lovelady Rd. Sidewalk Phase I Project, BL-0140A, from the Statewide Transportation Improvement Plan.

THE FOREGOING RESOLUTION IS ADOPTED THIS 3rd DAY OF March 2025.

/s/ Charles Watts, Mayor

ATTEST:

/s/ Town Clerk

APPROVED BUDGET AMENDMENT – COMMUNITY CENTER COMPROMISED WATER PIPE REPLACEMENT AND REPAIRS

Mr. Weichel reported that at the end of January, a water line broke in the mechanical area of the Community Center, flooding the space up to knee height. The pipes were old galvanized lines, which are no longer commonly used. The flooding caused damage to HVAC equipment, a water heater, and some tools. Staff obtained quotes to replace the damaged pipes with copper, as PVC is not permitted due to building code requirements. Insurance will cover the cost of the damaged equipment but not the pipe replacement. A budget amendment of \$32,805 was proposed, with \$10,346 covered by insurance, leaving approximately \$22,000 to be funded from the general fund. Staff has since cleaned up the affected area, but repairs are necessary to prevent future incidents.

Valdese Town Council Meeting

Monday, March 3, 2025

Budget Amendment #

9-10

Subject:

Community Center basement waterline repairs

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2025:

Section I:

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
10.3990.000	General Fund Balance Appr.		32,805
Total		\$0	\$32,805

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.6200.150	Maint. Repair of Buildings	32,805	
Total		\$32,805	\$0

Section II:

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

Councilwoman Ward made a motion to approve the budget amendment as presented, seconded by Councilman Ogle. The vote was unanimous and carried.

FINANCIAL PERFORMANCE INDICATOR OF CONCERN (FPIC) Mr. Weichel reported that the Town received a good audit; however, the Local Government Commission (LGC) identified one indicator of concern related to the capital assets condition ratio. The Town’s ratio was 0.45, slightly below the LGC’s threshold of 0.5. This ratio measures depreciable assets against their useful life, primarily focusing on aging

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infrastructure such as the water and wastewater plants. Mr. Weichel said to improve this ratio, investment in new water and sewer lines, as well as equipment upgrades, will be necessary. The issue will be considered in the upcoming budget process, with proposed projects to be presented in the coming months. The purpose of this discussion was to inform the Council, and no action was required other than signing the FPIC.

March 3, 2025

NC Department of State Treasurer – Local Government Division
3200 Atlantic Avenue
Raleigh, NC 27604

Re: Response to the Auditor’s Findings, Recommendations, and Fiscal Matters for the Fiscal Year Ended June 30, 2024

Per 20 NCAC 20 03 .0508 which requires the governing body to develop a “Response to the Auditor’s Findings, Recommendations, and Fiscal Matters” signed by a majority of the members of the governing body and submitted to the Local Government Commission (LGC) within 60 days of the auditor’s presentation, Valdese is responding to the ratio of 0.45 on Capital Assets Condition in the Water/Sewer Fund per the “Performance Indicators of Concern” worksheet.

The Capital Assets Condition Ratio calculates the remaining useful life of all depreciable assets in the fund. A remaining useful asset value of less than 0.50 may signal the need to replace the assets in the near future.

The Town has completed a sewer inventory assessment and is currently conducting a water system inventory assessment. McGill Associates has been contracted to evaluate the full system, identify its needs, and collaborate with Town staff to develop a 10-year Capital Improvement Plan (CIP). Management reviews this data annually, exploring funding options to ensure a strategic approach to infrastructure improvements.

This process establishes a clear path for the future, guiding the Board in approving necessary asset replacements and prioritizing key projects. Additionally, Valdese will utilize the data to assess potential rate adjustments for water and sewer customers in the coming fiscal years, ensuring adequate funding for long-term capital investments.

For the upcoming fiscal year, the CIP will propose to Town Council to replace major aging assets for the following identified projects: Curville water line replacement, Rodoret sewer line replacement, Water Plant electrical substation replacement, and Berrytown water line replacement. The estimated investment for these infrastructure upgrades is projected to be several million dollars.

Bo Weichel (Interim Manager / CFO)	Gary Ogle (Councilman)
Charles Watts (Mayor)	Rexanna Lowman (Councilwoman)
Heather Ward (Councilwoman)	Glenn Harvey (Councilman)
Melinda Zimmerman (Councilman)	

Councilmembers signed the FPIC.

(APPROVED POOL DOME) POOL STRUCTURE DESIGN-BUILD DISCUSSION Mr. Weichel introduced an alternative approach for addressing the pool structure using the design-build method. Unlike the traditional design-bid-build process, which involves hiring an architect and then bidding out the project, design-build consolidates the process by involving a general contractor who manages both design and construction. This approach could provide a more streamlined and cost-effective solution, as seen in the police and fire department projects. The previous bid under the traditional method came in at approximately \$1.8 million. The Council may consider this alternative in the future, with a potential six-month lead time to initiate the process. This was presented for discussion only, with no action required at this time.

Councilman Harvey shared the flowing presentation:




A Brief History
2022 - 2025
SERVING
ALL SWIMMERS
WINTER & SUMMER
ALL TAXPAYERS



POOL

JUNE 2022 BUDGET PLANNING

MANAGER SAID
"Exterior Lining is Fine
Interior Lining was Repaired
BUBBLE GOOD FOR 10+ YEARS!"



FINAL GASP! JANUARY 2024

Not 10 Years – 1 Year!



POOL

JANUARY 2024 OPTIONS

- #1 New Bubble -\$429,000
- #2 Retractable - \$1,800,000
- #3 Rigid Frame w Plastic Panels \$455,000 to \$750,000



POOL

MARCH-APRIL RECOMMENDED

Rigid Frame w Plastic Panels
\$569,000 - But Big Unknowns
Site, Construction Cost, Warranty



POOL

AUGUST UPDATE

Architect and Site fees of \$115,000
plus Structure & Construction
\$569,000 Became
\$1,300,000!



POOL

DECEMBER CONSTRUCTION
BID

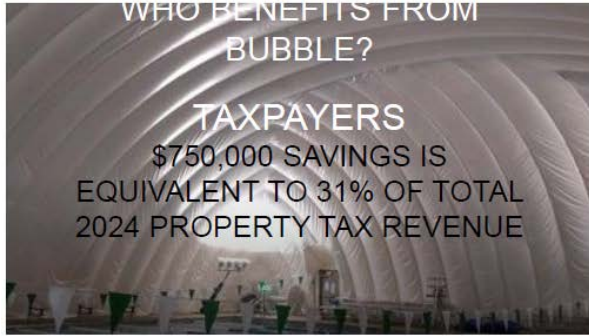
\$1,800,000 (25% over Aug est)
+Architect and Site fees of \$115,000

TOTAL COST NOW OVER
\$1,900,000!



POOL

MARCH 3, 2025 OPTIONS
Rigid Frame w Roof and Panels
After Grant = \$1,400,000
Earliest Open Date – April 2026
Replacement Dome
Foregoing Grant = \$650,000
Can be Open by– Oct 2025



POOL
TONIGHT'S OPTIONS
Act Now to Save \$750,000
For Covered Pool
THIS FALL - LIKE IT WAS SINCE 2000
or
CLOSE FOR 3rd YEAR & REVISIT IN JUNE

Motion: Councilman Harvey made a motion to authorize the manager to execute a contract to purchase the Yeadon inflatable dome and backup power supply for installation no later than October 2025 and to take any actions necessary to terminate the existing architect contract, seconded by Councilwoman Ward.

Councilwoman Lowman expressed strong support for year-round swimming, emphasizing its benefits to the community, including swim events, employment opportunities for young lifeguards, and exercise programs. She referenced updated usage estimates from a former aquatic supervisor, indicating that approximately 6,500 people utilized the year-round pool during a 30-week indoor season, countering a previously cited lower figure.

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She then reviewed the timeline of decisions regarding the pool structure. After the bubble collapsed, the Parks and Recreation Commission recommended a permanent structure. In August, the Town received a \$500,000 grant for ADA accessibility and the permanent structure. In December, the Council unanimously voted to proceed with the permanent structure and accept the grant. However, in January, a motion was passed to delay the project for six months to assess costs related to the Public Safety Facility. Now, in March—well before the six-month period has elapsed—a motion has been introduced to proceed with a dome structure instead of a permanent one, despite the Town not yet receiving final bids on the public safety facilities. Councilwoman Lowman questioned this sudden shift in direction, asking why the Council was now willing to move forward with the dome structure despite previously prioritizing public safety costs before making a final decision on the pool. She sought clarity on what had changed to justify this new approach.

The discussion centered around the approval process for a new pool covering at the Aquatic and Fitness Center. It was clarified that the December motion was to accept a bid and approve a grant application for ADA compliance, not to approve a contract. Concerns were raised regarding the initial pursuit of a rigid structure without clear cost estimates, which later proved to be significantly more expensive than anticipated. The debate then focused on whether the Town should invest \$650,000 now to install a dome structure for winter swimming or delay the decision and potentially spend over \$1.4 million for a rigid structure.

Council members discussed public input from strategic planning, noting that citizens had expressed a preference for a permanent structure, though interpretations of the planning document varied. Additional concerns included the long-term costs of maintenance and storage for either option, the financial impact on taxpayers, and the need for expert services to handle the seasonal setup and removal of the dome. The Parks and Recreation Commission's role was also debated, with some advocating for further input from the committee before finalizing a decision, while others urged the council to move forward immediately.

Logistical considerations such as site preparation, timeline, and storage for the structure were reviewed. It was noted that if the dome option were approved, necessary site work could be completed before summer, with the dome installation taking place in the fall, ensuring the pool would be available for winter swimming. Some council members emphasized the urgency of making a decision to avoid further delays and costs, while others preferred waiting for additional recommendations from the Parks and Recreation Commission.

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

FY 24-25 YEAR-TO-DATE FINANCIALS Mr. Weichel provided an overview of revenues and expenditures for the General and Utility Funds from July through January, representing 58% of the fiscal year. He noted that expenditure percentages serve as a guide rather than a definitive measure. For the General Fund, total expenditures are at 61%, slightly above the 58% benchmark, while total revenue stands at 69%, which is favorable compared to 60% at this time last year. In the Utility Fund, expenditures are at 44%, lower than expected due to pending capital projects that have not yet been contracted. Once these projects move forward, expenditures will increase. Utility Fund revenues are just below 58%, with expectations to improve in the latter half of the fiscal year.

Councilwoman Lowman inquired about the collection process for unpaid taxes after the January 5th deadline, specifically regarding penalties assessed and whether those funds are allocated back to the General Fund.

Mr. Weichel explained that penalties on unpaid taxes are collected when the taxpayer eventually makes their payment. A percentage penalty accrues each month until payment is made. The county collects these funds and then remits them to the Town, with penalties and interest recorded under the designated tax penalty and interest line. These revenues are received monthly, though most collections occur after January. Prior-year unpaid taxes may also be received throughout the year. The Town budgeted \$10,000 for tax penalties and interest, with \$3,000 collected in January alone. This amount is expected to increase in the coming months.

The financial update highlighted several positive trends. Tax revenues are higher than budgeted, with an estimated \$80,000 more collected than anticipated due to back taxes and new properties coming online. Interest income has already exceeded the annual budget by \$213,000, with projections suggesting a

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potential surplus of \$400,000 by year-end, depending on fund balance expenditures. Additionally, the Powell Bill allocation came in \$35,000 higher than expected, and the ABC store is performing well, though revenue will cap at the budgeted amount. Mr. Weichel noted regarding FEMA reimbursements, the Town incurred nearly \$800,000 in damages from the recent storm, with \$700,000 affecting the Utility Fund and \$100,000 impacting the General Fund. The Town has been proactive in submitting projects for reimbursement, and initial funds have begun rolling in, particularly for General Fund projects. Valdese is among the first municipalities to receive FEMA funds, reflecting the efficiency of staff and department heads in handling the process.

STATUS OF ONGOING OR APPROVED PROJECTS

- i. **Public Safety Facilities Update** Mr. Weichel provided an update on the Public Safety Facility project. The review panel has completed scoring the submitted Statements of Qualifications, and the data is being compiled into a weighted scoring matrix. The panel will meet again on March 6 to review the total scores and identify the top two or three firms for interviews, which are scheduled for mid-March. The selected firm will then be notified, with a Phase 1 contract expected in early April for legal review. If the process remains on schedule, the Phase 1 contract will be presented to Council at the May meeting. This phase will include a 30% schematic design study, anticipated to take a few months to develop cost estimates for all three options.
- ii. **Water Plant Upgrade Project/Lenoir Interconnect Project** Mr. Weichel noted that there have been no significant changes since the last update, as this is a long-term project where progress may be gradual over months. An added complexity is coordinating with the City of Lenoir, a project partner, which means some steps are dependent on their actions. However, staff is actively engaged, with McGill working on drawings and surveys to keep the process moving forward.
- iii. **Town Manager Search Process** Mayor Watts said we have 11 applications and the cutoff date for receiving applications is March 18.

INTERIM MANAGER’S REPORT:

MAIN STREET SEWER BACK-UP UPDATE Mr. Weichel reported that in February, a sewer backup occurred on Main Street in front of the building housing the dance studio and gym. Public Works responded after hours and determined that grease accumulation caused the issue, leading to flooding in the building. The Town filed an insurance claim, assuming liability for the damages. However, after reviewing work records and investigating the cause, the insurance adjuster determined the claim was not covered. The decision was based on state law, which exempts municipalities from liability for sewer backups caused by factors beyond their control, such as grease buildup. Mr. Weichel noted to assist the affected tenant, the Town is allowing the dance studio to use the Rock School at no charge. The property owner, rather than the tenants, is responsible for repairs, though tenants may seek coverage through their renters' insurance. Mr. Weichel emphasized that the Town did not deny the claim; the decision was made by the insurance provider.

Old Colony Players Presents: Last Five Years Old Rock School - Waldensian Room February 28-March 9 | Fridays & Saturdays at 7:30pm | Sunday Matinee at 2:30pm oldcolonyplayers.com

Outdoor Adaptive Recreation Day, Friday, March 7, 2025, at 10:00 a.m. - 3:00 p.m., at McGalliard Falls Park

Bluegrass at the Rock presents: Special Consensus, Saturday, March 8, 2025 at 7:30 p.m., at the Old Rock School

Lucky Leprechaun Hunt, Friday, March 14, 2025, Main Street

Bluegrass at the Rock presents: Illrd Tyme Out, Saturday, March 22, 2025 at 7:30 p.m., at the Old Rock School

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Next Agenda Review Council meeting is scheduled for Monday, March 31, 2025, 6:00 p.m., Council Chambers, Valdese Town Hall

Bluegrass at the Rock presents: Lonesome River Band, Saturday, April 5, 2025 at 7:30 p.m., at the Old Rock School

Next Regular Council meeting is scheduled for Monday, April 7, 2025, 6:00 p.m., Council Chambers, Valdese Town Hall

MAYOR AND COUNCIL COMMENTS:

Councilwoman Lowman expressed her support for year-round swimming in Valdese, emphasizing its importance to the community. However, she voiced concern over the Council returning \$1.14 million in grant funding from the Greater Hickory Metro area and a \$500,000 Parks and Recreation grant. She cautioned that returning grant funds is not sound financial practice and stressed the importance of fully understanding grant purposes, funding requirements, and matching obligations before applying. She urged the Council to ensure better planning and awareness in future grant applications.

Councilman Harvey provided a copy of his comments to the Town Clerk:

“I would like to thank my fellow council members and the hundreds of Valdese residents for the support and patience extended to me, which enabled me to check off one of the most eye-opening experiences on my bucket list. It is with mixed feelings that I look forward to October and my last meeting in this seat on the town council. Meanwhile, I hope that the citizens and taxpayers of Valdese realize the significance of the steps this council took tonight toward our commitments a year ago to fulfill the highest priorities in the town’s – first-ever, citizen-based strategic plan. There is an essential contribution that citizens could make that might help the council to fulfill our remaining commitments – the most important of which the council has agreed, is hiring the best possible manager. A public environment reflecting a little more patience and a little less harsh criticism, would surely help to attract the best possible applicants for the town manager position. Perhaps someone as old as I am, who has ridden in numerous rodeos in many places, can ignore unjustified criticism more readily than council members who are among lifelong friends and whose careers were in serving the public. Nonetheless, the optics of our meetings and the news articles could give pause to young, talented town managers who would like to work in the greatest little town in North Carolina. And, of all the citizens out there who could help this council achieve the goals of all citizens, the most influential are those who have occupied these seats in the past. I have to say it has been puzzling to observe in council meetings and on social media three former occupants of these seats attempting to foment discontent – three who have occupied the three seats right across the front from my seat through Councilman Ogle’s. Wouldn’t it be wonderful if we could all accept the results of the last election and focus on attracting proactive council members and a manager to strengthen Valdese’s ranking as The Greatest Little Town in NC?”

Councilwoman Ward expressed her gratitude for the Drug and Homeless Task Force, emphasizing their compassionate approach in helping individuals get back on their feet. She highlighted the positive impact of their efforts, noting that people are securing jobs and finding stable living situations. She praised the upcoming LEAD program through Catawba Valley Healthcare, encouraging others to learn more about it. Councilwoman Ward reaffirmed her commitment to addressing drug and homelessness issues in Valdese, stating that while not everyone may agree with her decisions, she always acts with the community's best interests in mind.

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

Town Clerk

Mayor

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