



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 ORDINANCE
FISCAL YEAR 2023-2024**

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

Section 1: The following amounts are hereby appropriated to the fund set forth for the operation of the town government and its activities for the fiscal year beginning July 1, 2023, and ending June 30, 2024, in accordance with the chart of accounts heretofore established for this town:

GENERAL FUND - OPERATIONS		\$	7,219,809
Governing Body	\$		76,989
Administration			1,199,605
Public Works			195,689
Maintenance & Grounds			283,573
Planning			127,144
Police			1,295,208
Fire			1,211,715
Street			643,820
Powell Bill			146,300
Sanitation			368,199
Recreation			981,680
Tourism/Community Affairs			689,887
 GENERAL FUND - CAPITAL OUTLAY		 \$	 473,800
Governing Body	\$		-
Administration			20,000
Public Works			41,000
Maintenance & Grounds			-
Planning			3,000
Police			45,000
Fire			-
Street			-
Powell Bill			-
Sanitation			165,000
Recreation			104,800
Tourism/Community Affairs			95,000
 WATER SEWER FUND - OPERATIONS		 \$	 5,178,298
Water	\$		2,103,250
Wastewater			1,746,881
Water & Sewer Construction			1,328,166
 WATER SEWER FUND - CAPITAL OUTLAY		 \$	 503,700
Water	\$		76,000
Wastewater			175,000
Water & Sewer Construction			252,700
TOTAL BUDGET		\$	13,375,607

**TOWN OF VALDESE BUDGET ORDINANCE
FISCAL YEAR 2023-2024**

Section 2: It is estimated, and therefore appropriated, that the following revenues will be made available to the respective funds for the fiscal year beginning July 1, 2023 as follows:

GENERAL FUND	\$	7,693,609
UTILITY FUND		5,681,998
TOTAL REVENUES	\$	13,375,607

Section 3: There is hereby levied an ad valorem tax at the rate of fifty-one and one half cents (\$0.515) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2023, for the purpose of raising a portion of the revenue listed in the General Fund appropriation in Section II of this ordinance. This rate, based upon an estimated total valuation of \$474,327,481 will generate a levy of \$2,406,145 with an estimated collection rate of 98.50%.

Section 4: As set forth in the Utility Fund Debt Service of the FY 2023-2024 budget document, the amount of \$358,386 is appropriated for the purpose of debt service and that this amount is sufficient for the complete and proper payment of all bond principal, bond interest and commissions on the outstanding debt of the town relating thereto for the fiscal year beginning July 1, 2023, and ending June 30, 2024.

Section 5: As set forth in the General Fund Debt Service Section of the FY 2023-2024 budget document, the amount of \$260,244 is appropriated for the purpose of debt service and that this amount is sufficient for the complete and proper payment of all bond principal, bond interest and commissions on the outstanding debt of the town relating thereto for the fiscal year beginning July 1, 2023, and ending June 30, 2024.

Section 6: The operating funds encumbered on the financial records of June 30, 2023 are hereby reappropriated into this budget.

Section 7: The corresponding "Fiscal Year 2023-2024 Rate and Fee Schedule" is approved with the adoption of this Annual Budget Ordinance.

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

- a. He may transfer amounts between line-item expenditures within a department without limitation and without a report being required.
- b. He may transfer amounts of \$10,000 between departments of the same fund without a report being required.
- c. He may not transfer any amounts between funds or from any fund balance appropriation within any fund without approval of the Town Council.

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

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

TOWN OF VALDESE BUDGET ORDINANCE
FISCAL YEAR 2023-2024

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

Upon introduction by Town Manager Seth B. Eckard, motion to adopt by

Council man Barus, and seconded by Council woman Lowman, the vote was unanimous.

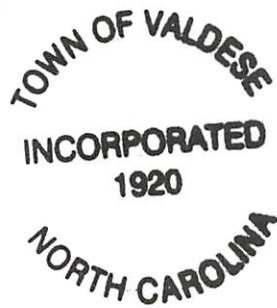
This ordinance is adopted on this the 5th day June, 2023.

Attest:

Jessica Lail
Jessica Lail, Town Clerk

Charles Watts

Charles Watts., Mayor



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

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

FROM: Seth Eckard, Town Manager

DATE: May 1, 2023

SUBJECT: Proposed 2023 – 2024 Town of Valdese Budget

Honorable Mayor Watts and Members of the Valdese Town Council:

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

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

Economic Improvements and Constraints

Inflation

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

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

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

North Carolina Local Government Pension System

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

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

General Fund

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

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

The proposed budget includes a total General Fund budget of \$7,693,609 and proposes lowering the current tax rate of 54.5 cents per \$100 to 51.5 cents per \$100 valuation. This will generate approximately \$394,804 in additional property tax revenue for the Town of Valdese. The proposed budget allocates \$350,000 of these funds for street resurfacing and the remaining funds to increase part-time pay for lifeguards, part-time firefighters and downtown beautification.

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

Sanitation and Recycling

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

Long Term Debt

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

ABC Distributions

North Carolina General Statutes allow ABC Stores with a substantial operating reserve to make quarterly distributions to the local government in which they operate. Staff projects that the Valdese ABC Store will distribute \$100,000 to the Town of Valdese in 2023-2024. In addition, ABC funds will be placed in the Town's public safety building capital project account.

Parks and Recreation

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

Burke County Library

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

Public Safety Building

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

General Fund Capital Projects:

In the Fiscal Year 2023-2024 budget, the Town plans to make strategic capital investments amongst all departments to ensure efficient delivery, and repair our aging infrastructure. The General Fund Budget reflects expenditures of \$473,800 in capital projects across multiple departments. Highlights include:

Community Affairs

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

Police Department

- Patrol vehicle and equipment (replace unit 118)

Public Works

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

Street Department

- Street Resurfacing

Sanitation Department

- Replace the 2001 Trash Truck

Administration

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

Parks and Recreation

- New Truck
- Pool Vacuum
- Fitness Room Equipment
- Bowling Lane Machine

Utility Fund

The Utility Fund budget for Fiscal Year 2023-2024 is \$5,681,998. This includes \$503,700 of capital improvement needs. No additional debt is proposed in this budget cycle.

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

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

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

Utility Fund Capital Projects:

Water Plant

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

Waste Water Plant

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

Water Distribution

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

Conclusion

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

Respectfully,

Seth Eckard, ICMA-CM
Town Manager

GENERAL FUND

SUMMARY

2023-2024 Budget
General Fund Summary

OPERATING BUDGET

Department	FY21-22 Budget	FY22-23 Budget	FY23-24 Adopted
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
---------------------	------------------	------------------	------------------

REVENUES

TOTAL REVENUES	7,693,609
-----------------------	------------------

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								

UTILITY FUND

SUMMARY

2023-2024 Budget
Utility Fund Summary

OPERATING BUDGET

Department	FY21-22 Budget	FY22-23 Budget	FY23-24 Adopted
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
-----------------------	------------------

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

UPDATED 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	Berrytown Water System Replacement	3,000,000			3,000,000									
17	Holly Hills Sewer System Extension	-												4,403,700
18	Ridgewood-18S Loop	907,200			907,200									
19	Mt. Home - Hawkins Loop	1,764,100						1,764,100						
20	Jacumin Rd. Loop	-												3,837,720
21	Rodoret St. Water and Sewer	1,155,200				1,155,200								
22	Water Main Replacement	750,000									750,000			
23	Sewer Main Rehabilitation	3,250,000				1,500,000				1,750,000				
Subtotal - Infrastructure Improvements		10,927,100	-	20,700	3,910,600	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		11,392,300	-	252,700	3,910,600	2,731,500	149,600	1,807,900	-	1,750,000	790,000	-	-	14,259,520

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

Town of Valdese Water and Sewer Utility Fund

10-YEAR Capital Improvements Plan

UPDATED 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

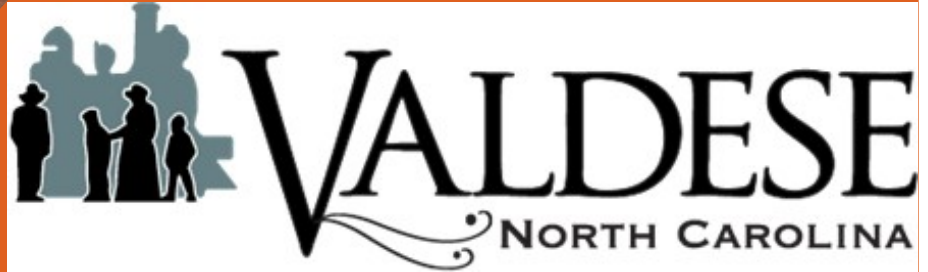
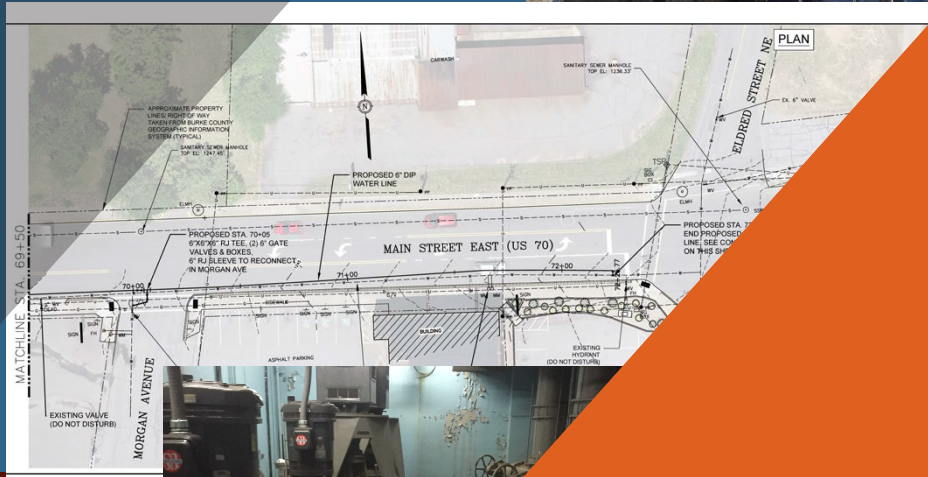
10-YEAR Capital Improvements Plan

UPDATED 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		31,001,100		503,700	10,964,000	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

RJ Mozeley, PE
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





VALDESE

NORTH CAROLINA

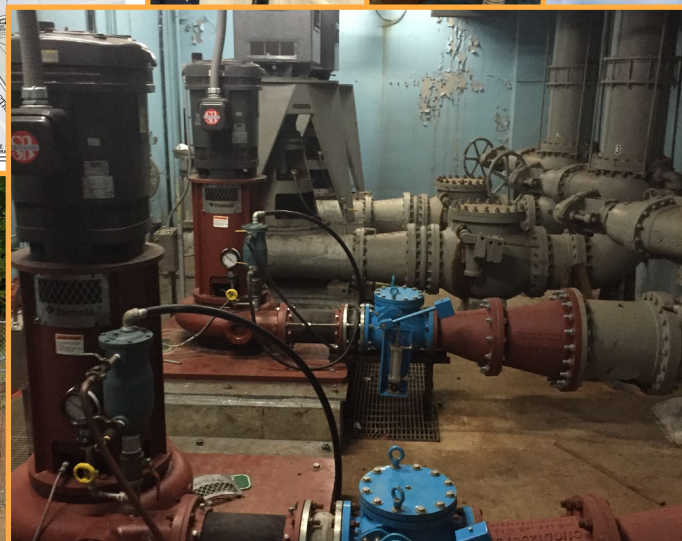
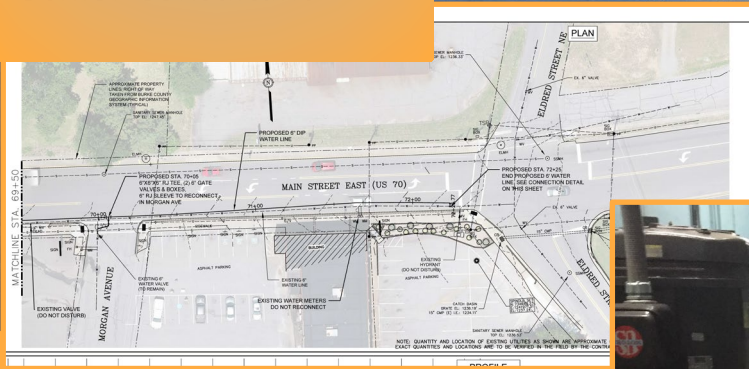
Capital Improvements Plan Water & Sewer Rate Study

March 2023



Prepared by:
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)

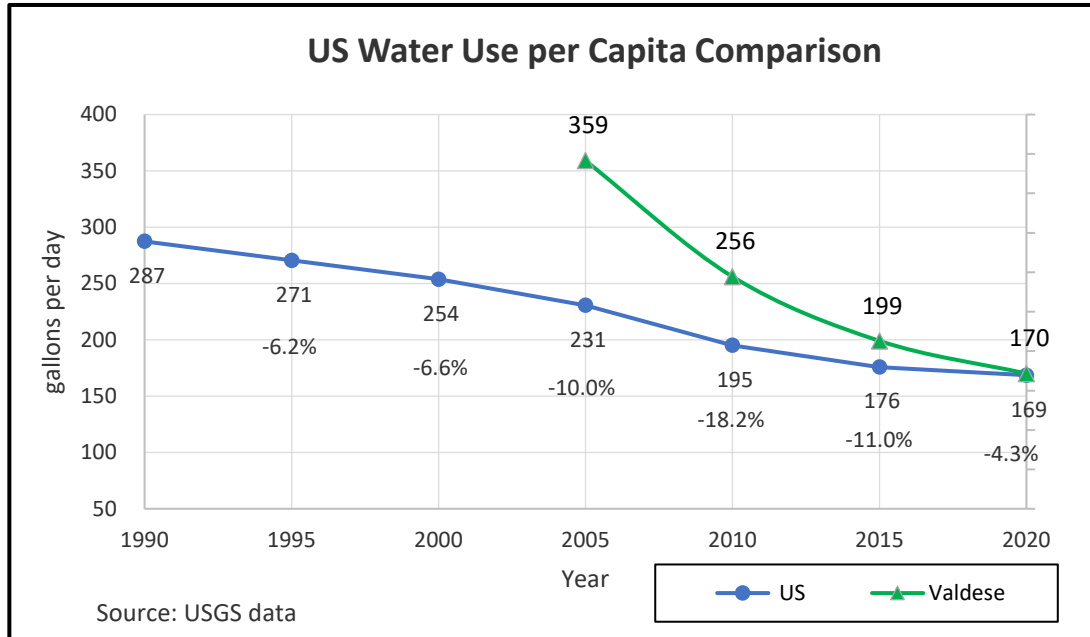


Market Considerations

- 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

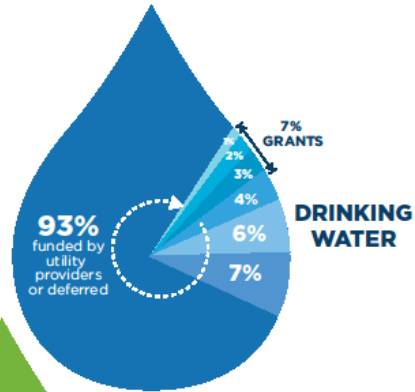
North Carolina

Statewide Water and Wastewater Infrastructure Master Plan:

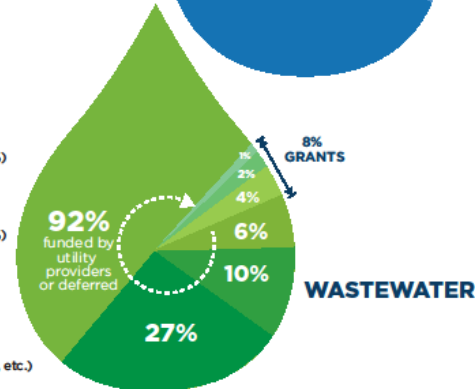
Estimated Drinking Water and Wastewater INFRASTRUCTURE NEEDS and FUNDING SOURCES for FY2017 and FY2018



- 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



Financial Analysis

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



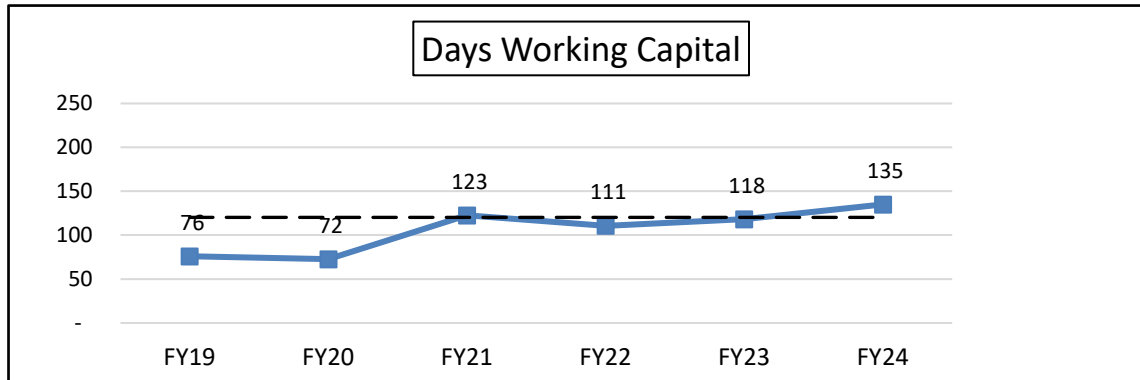
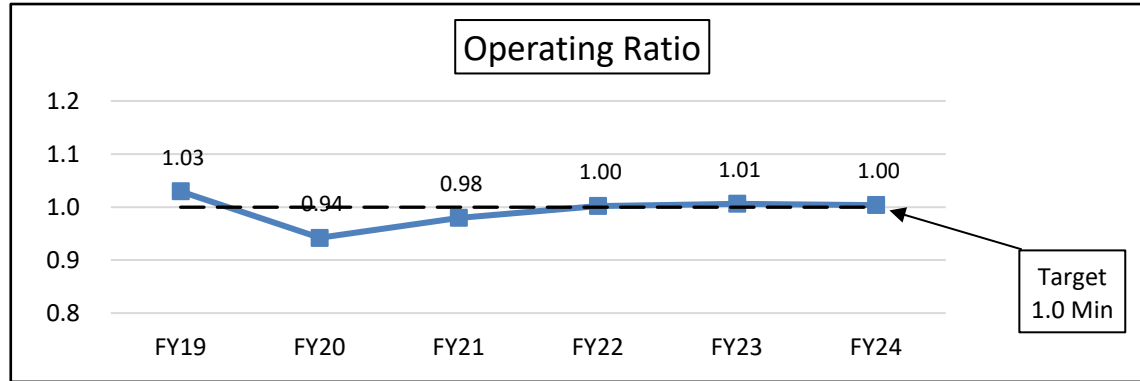
Financial Benchmarks

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.



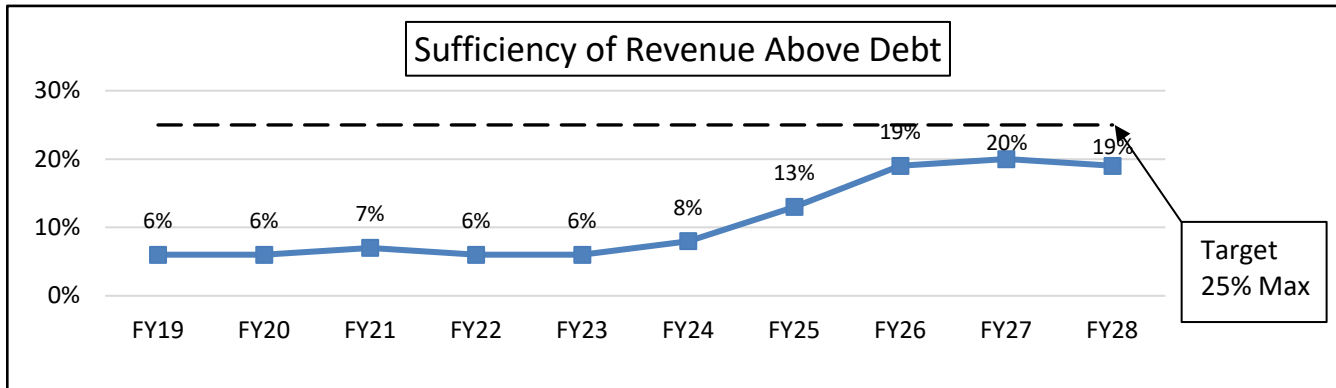
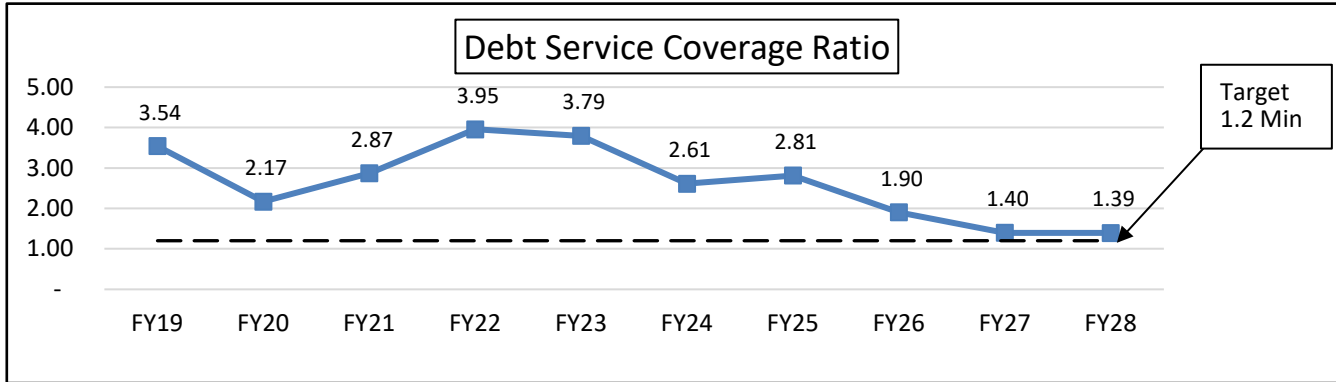
Financial Benchmark Trend Projections



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



Financial Benchmark Trend Projections

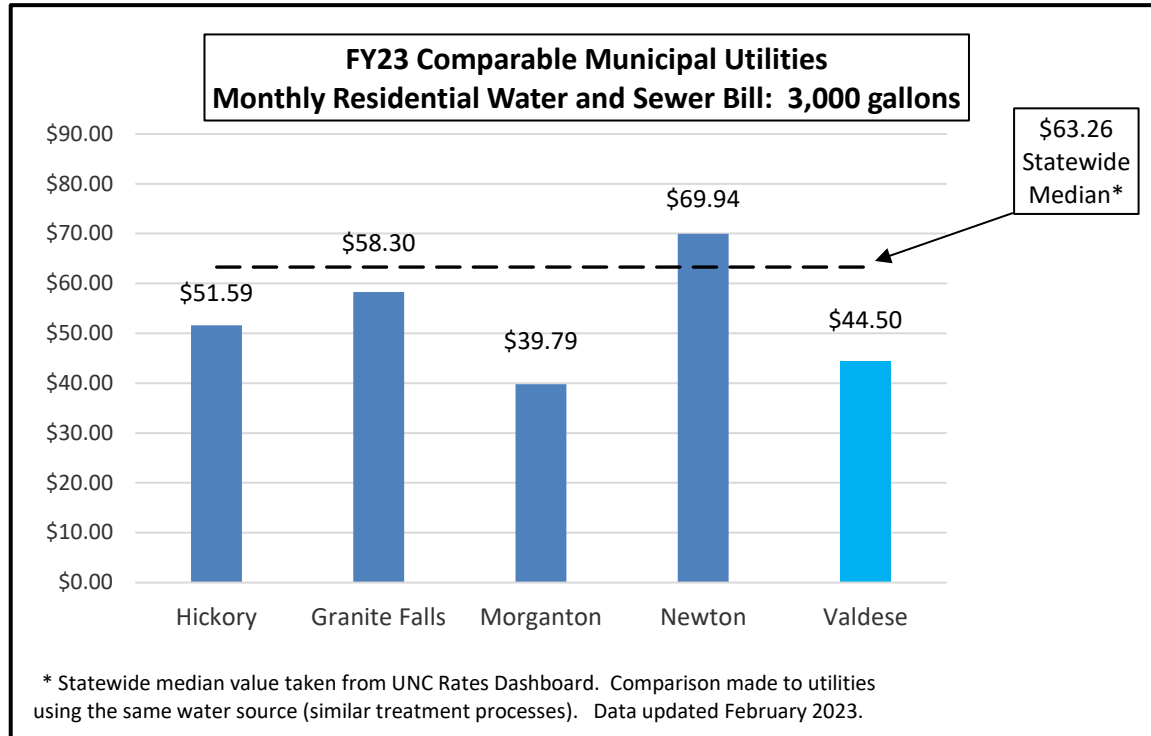


Note: All benchmark values are projections using FY22 Audit values.



Residential Water Bill Comparison

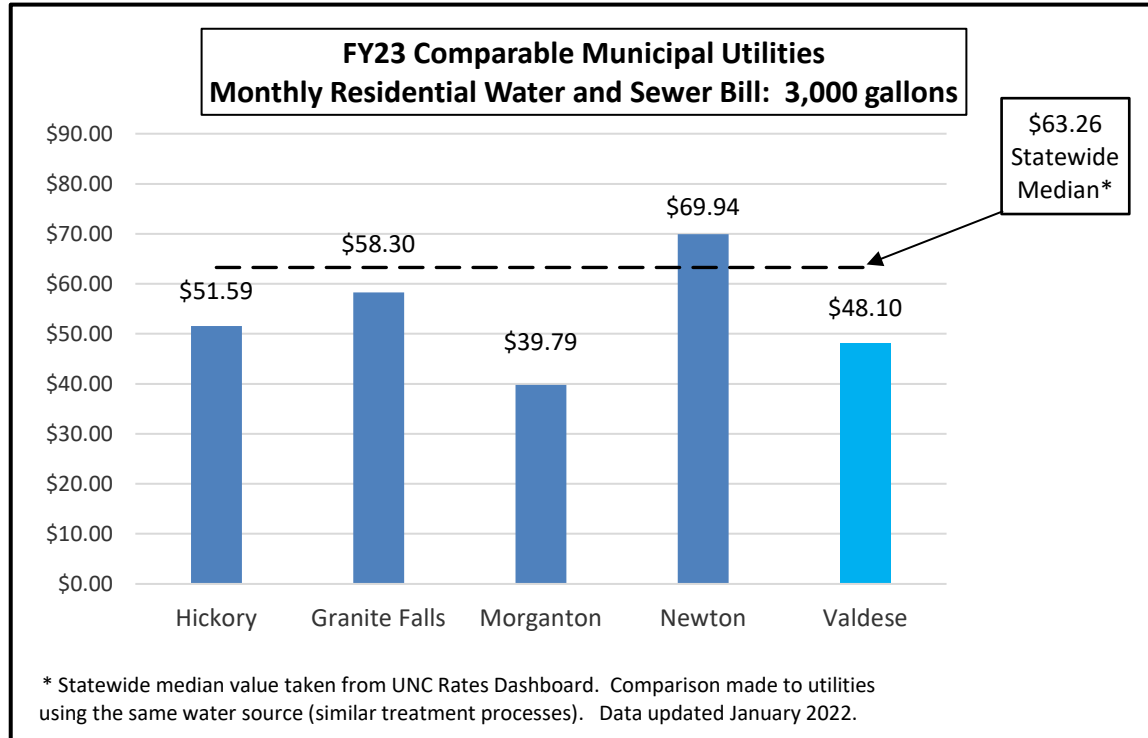
Monthly Residential Bill: Existing Rates





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

Town of Valdese Water and Sewer Utility Fund

10-YEAR Capital Improvements Plan

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%	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)		22,000	20,000	52,000	79,000	98,000	385,000	-	349,000	668,000	736,000

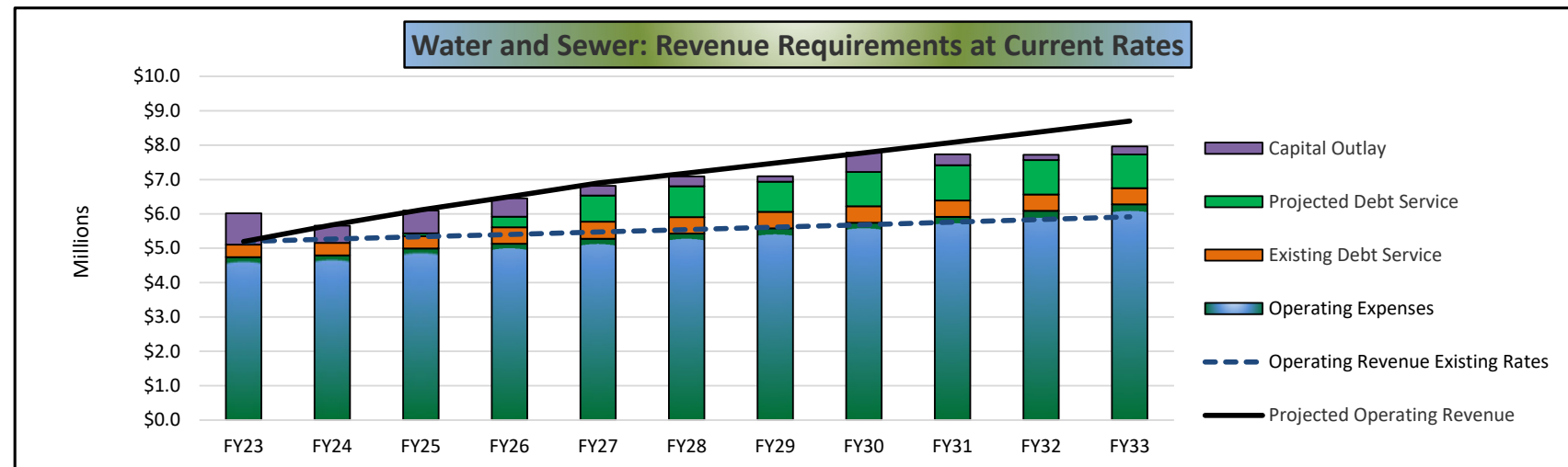
Effect on Customer Bills

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%
----------------------------	----	----	----	----	----	----	----	----	----	----	----

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

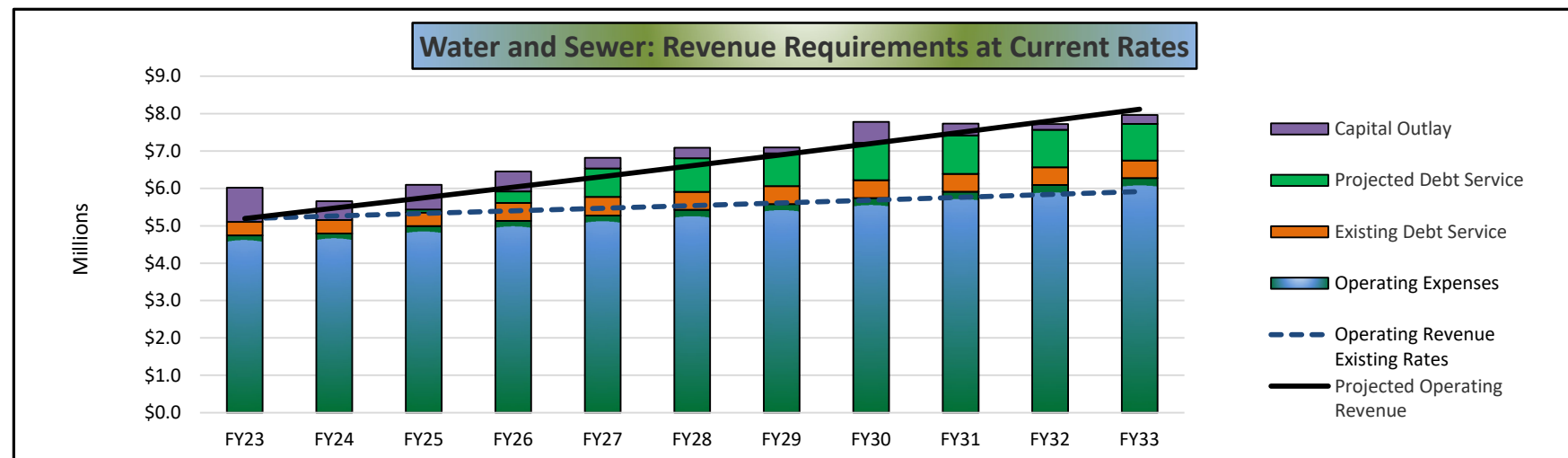
Effect on Customer Bills

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%
----------------------------	----	-----	----	----	----	----	----	----	----	----	----

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

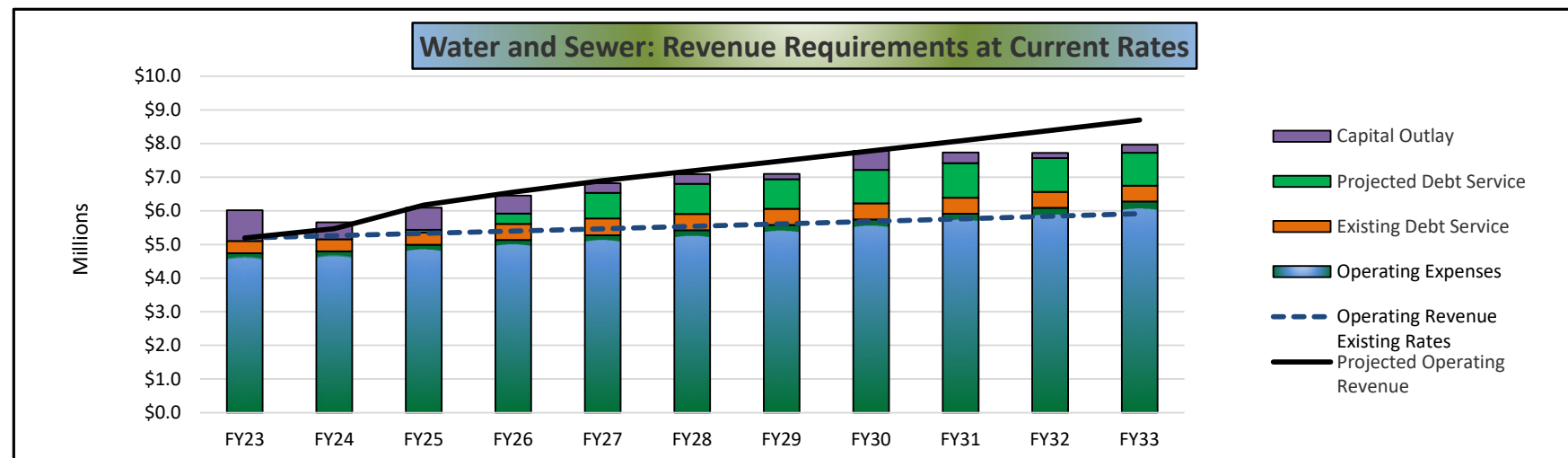
Effect on Customer Bills

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%
----------------------------	----	-----	----	----	----	----	----	----	----	----	----

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

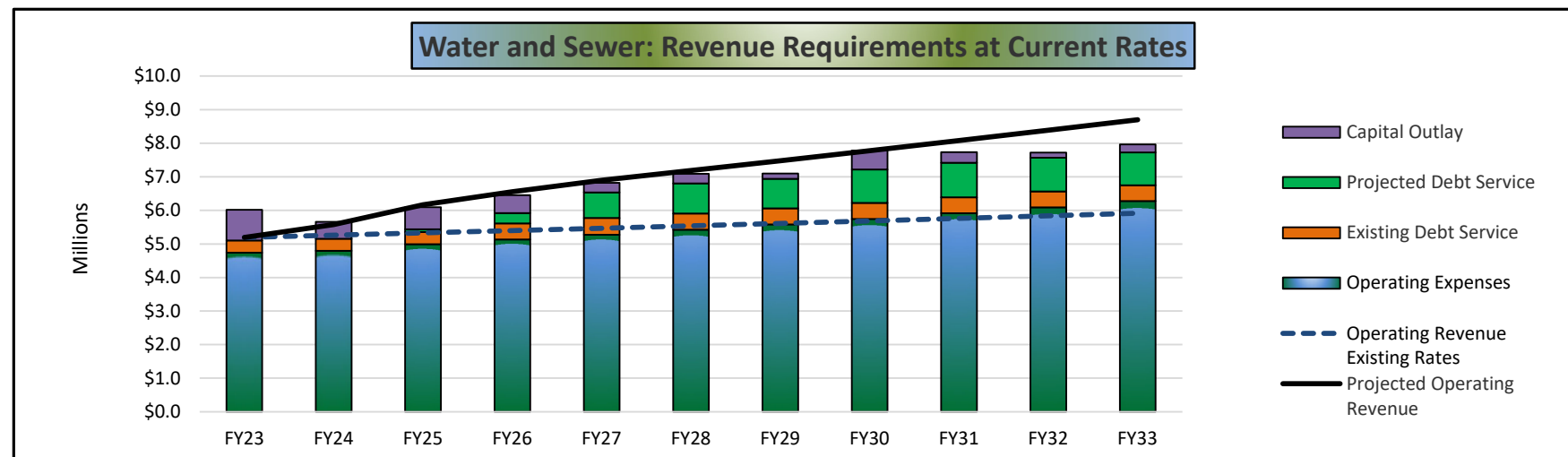
Effect on Customer Bills

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%
----------------------------	----	-----	----	----	----	----	----	----	----	----

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

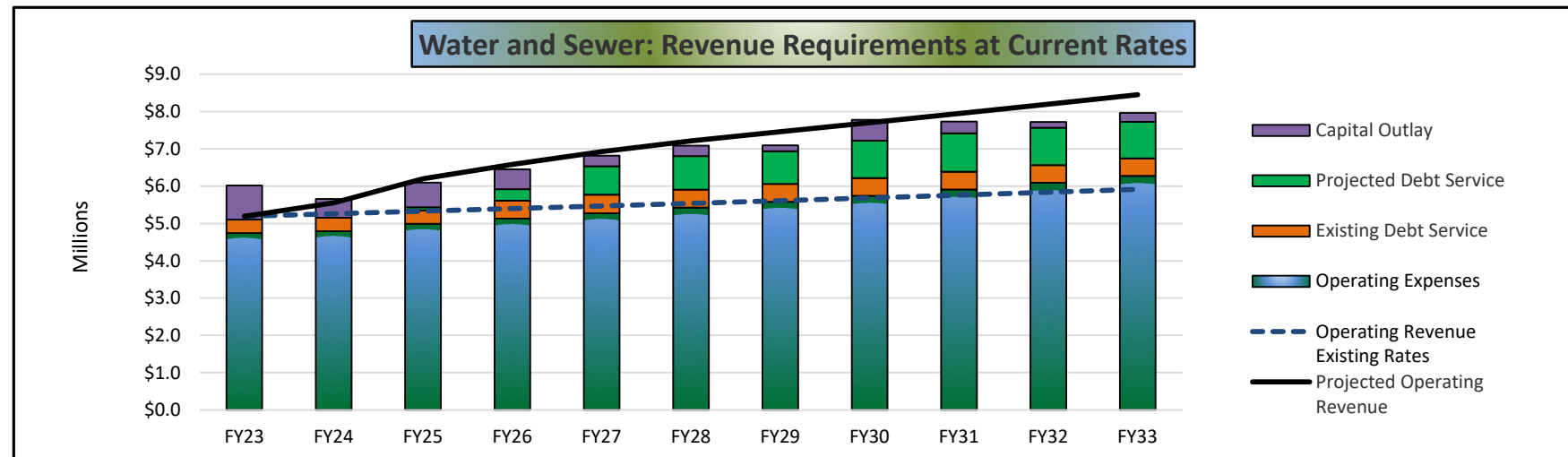
Effect on Customer Bills

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
---------------------------	---------

Town of Valdese: Fiscal Year 2023-2024 Schedule of Fees
WATER & SEWER RATES

<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

Town of Valdese: Fiscal Year 2023-2024 Schedule of Fees
WATER & SEWER RATES

Utility Fees

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

Tap fees

Water line located on same side of road

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

Water line located on opposite side of road

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

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

Sewer line located on same side of road

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

Sewer line located on opposite side of road

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

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

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