

**TOWN OF VALDESE
TOWN COUNCIL MEETING
FEBRUARY 6, 2017**

The Town of Valdese Town Council met on Monday, February 6, 2017, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor John F. "Chip" Black, Jr., Councilman Keith Ogle, Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, Councilman Gary L. Delp, and Councilman Roy F. Sweezy. Also present were Town Manager Seth Eckard, Town Attorney Marc Mitchell, Deputy Town Clerk Thelda B. Rhoney, and various department heads.

Absent: None.

A quorum was present.

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

OPEN FORUM/PUBLIC COMMENT: None.

CONSENT AGENDA: (enacted by one motion)

APPROVED MINUTES OF REGULAR MEETING AND CLOSED SESSION – JANUARY 9, 2017

APPROVED REQUEST FROM WALDENSIAN HERITAGE WINES TO SELL WINE AT THE OLD COLONY PLAYERS PRODUCTION OF "OKLAHOMA!" ON MARCH 10, 11, 17, AND 18, 2017, FROM 7:00 P.M.-9:00 P.M.

Councilwoman Stevenson made a motion to approve all items on the Consent Agenda, seconded by Councilman Sweezy. The vote was unanimous.

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None.

AUDIT REPORT PRESENTATION - FY 15-16 - LOWDERMILK CHURCH & CO., LLP (Copy of audit on file in the Office of Finance Director.) Mr. Phil Church of Lowdermilk Church & Co., presented the 2015-2016 audit. He said the Town had an increase in the Fund Balance and they gave a clean, unmodified opinion. There were no compliant issues. Mr. Rick Hammer reviewed the general fund, utility funds and audit highlights. He said the fund balance increased \$325,530; ad valorem tax collections were \$1,665,129 which was 97.13 percent of the levy. Mr. Church said he would be happy to meet with any Member of Council if they would like further review of the audit.

Mayor Black said most cities and towns our size have an eight month reserve of funds. The Town's Fund Balance had increased from less than 3 months to 4.2 months and he recommended that staff continue to make progress. He said he would talk more about this at the Annual Budget Retreat.

Town Manager Seth Eckard thanked the Department Heads for the work they do.

After a brief discussion, Councilman Ogle made a motion to accept the 2015-2016 audit report as presented, seconded by Councilman Delp. The vote was unanimous.

APPROVAL OF FY 16-17 AUDIT CONTRACT - LOWDERMILK CHURCH & CO., LLP Mayor Black said the FY 2016-2017 audit contract was in the amount of \$15,960. There was an increase of \$390 (2.5 percent) from last year.

Councilman Ogle made a motion to approve the aforementioned contract for the FY 2016-2017 audit report, seconded by Councilwoman Hildebran. The vote was unanimous.

PUBLIC HEARING FOR TEXT AMENDMENTS TO THE SUBDIVISION ORDINANCE (4-12-16) (NOTE: Amendments may be found in Ordinance Book. No. 9, pg. 138.) Mayor Black opened the public hearing.

WPCOG Representative Erin Schotte said there were several minor amendments to the Subdivision Ordinance of which she reviewed.

There being no one wishing to speak, Mayor Black closed the public hearing.

Councilman Ogle made a motion to approve the text amendments to the Subdivision Ordinance as presented, seconded by Councilwoman Stevenson. The vote was unanimous.

APPROVAL OF ELECTRIC VEHICLE CHARGING STATION AT TOWN HALL AND AWARD OF BID WPCOG Representative Erin Schotte said the Town received a \$10,000 reimbursement grant from Duke Energy for a vehicle charging station. She presented three bids for a single unit with two charge port stations. Staff recommended LilyPad in the amount of \$11,761 (Other bids: Clipper Creek in the amount of \$7,180 - simple does not have any capabilities of a networked unit, and Brightfield - \$13,700).

The LilyPad charging station would be installed by local contractor and offered several capabilities. It would be offered on a map to those with cell phones. With this unit you could charge money and collect data. Staff recommended the first year with no fees. Staff recommended one location at the eastern parking lot at Town Hall.

Town Manager Seth Eckard explained the network and non-network and said he installed the ChargePoint app on his phone and there are charging stations in Hickory, Black Mountain, and Lenoir. This is a growing industry and a good service for the citizens. This would be a free service.

Councilman Delp asked if there would be signage directing people to the stations. Mr. Eckard said signage could be an option but there was none currently proposed and a kiosk and map could be a budget item for the next fiscal year.

Councilman Ogle said he was not sure about the Town Hall location because if you wanted people to see the downtown this would not be the location. He recommended the Old Rock School, behind the Old Rock School, Village Park, or bakery. Mr. Eckard said at Village Park there was no easy access to power.

Councilwoman Hildebran brought up the issue of available parking at Town Hall.

After a brief discussion, Councilwoman Stevenson made a motion to approve the bid with LilyPad and allow staff to find the best location, seconded by Councilwoman Hildebran.

Mayor Black requested that staff look at alternative locations making sure the best location is selected.

Town Manager said he would e-mail the findings to Members of Council and he asked if they would e-mail him recommended locations in addition to the Old Rock School and Village Park.

The vote was unanimous.

APPROVAL OF CDBG AND IDF GRANT ADMINISTRATION AGREEMENTS FOR MERIDIAN SPECIALTY YARNS WATER AND SEWER PROJECT WPCOG Representative Leah Martin said there were two agreements with the Western Piedmont Council of Governments to administer a \$1 million Community Development Block Grant (CDBG), and \$898,425 Industrial Development Fund (IDF), plus \$299,475 in local funds, for the Meridian Water and Sewer Projects. The CDBG agreement in the amount of \$25,000 plus an additional \$5,000 for all work associated with the Environmental Review, and the IDF Agreement in the amount of \$25,000. Total for both WPCOG Agreements - \$55,000. Funding would come from the grant funds.

Councilwoman Hildebran made a motion to approve the two aforementioned agreements, seconded by Councilman Ogle. The vote was unanimous.

AUTHORIZE THE TOWN MANAGER TO NEGOTIATE ENGINEERING AGREEMENTS WITH MCGILL FOR WATER AND SEWER – MERIDIAN SPECIALTY YARNS PROJECT WPCOG Representative Leah Martin said CDBG and Industrial Development Funding (IDF) agencies desire the Town to move forward on design of water and sewer engineering agreements for the Meridian Project. Staff recommended that the Town Manager negotiate and enter into separate water and sewer contracts with McGill Associates within the budgeted amount of \$276,000 or less. She explained the environmental, minority outreach and work that led up to the project and the engineering fees were set at 17 percent which may come in lower. Funding will come from the grant funds.

After a brief discussion, Councilman Ogle made a motion to authorize the Town Manager to negotiate and execute engineering agreements with McGill Associates for separate water and sewer design contracts less than \$276,000, seconded by Councilman Delp. The vote was unanimous.

RESOLUTION ENDORSING FIXED ROUTE PUBLIC TRANSPORTATION FOR BURKE COUNTY Mayor Black said the Community Foundation several years ago did a study in Burke County to figure out what to do with the health needs. Kate B. Reynolds Foundation assisted in a study to bring better health to Burke County addressing the needs of food, access to healthcare, playgrounds, etc. As part of the community process it was found the number one problem in the county was transportation for doctor appointments, student absences at the community college, etc. The WPCOG and Greenway came up with a strategy to provide bus service to the hospital in Valdese and the community college. The Community Foundation transferred \$30,000 to the WPCOG as seed money for the project. He briefly discussed funding and the Town would need to offer some funding, possibly \$10,000 - \$15,000 per year. He introduced the following resolution:

**RESOLUTION ENDORSING FIXED ROUTE PUBLIC TRANSPORTATION FOR
BURKE COUNTY, NORTH CAROLINA**

WHEREAS, there is a proven need for fixed route public transportation in Burke County, North Carolina, that includes many stakeholder groups such as medical providers and their patients, employers, the elderly and disabled, students, retail shoppers, and many others; and

WHEREAS, there has been a movement to bring an experimental fixed public transportation route to Burke County that includes a circulator route for the City of Morganton and connecting route to the Town of Valdese and Town of Rutherford College and includes a stop in the Town of Drexel. This route includes a connection between Carolinas Healthcare Blue Ridge - Morganton and Carolinas Healthcare Blue Ridge - Valdese; and

WHEREAS, there has been cooperation between numerous stakeholders, including both public and private entities, that have agreed to a financial commitment up to two years with discussion to extend this timeframe; and

WHEREAS, the proposed fixed public transportation route will greatly enhance the ability of Burke County citizens to travel around different areas of the County.

NOW THEREFORE, BE IT RESOLVED THAT THE TOWN OF VALDESE does hereby endorse the efforts to bring fixed route public transportation to Burke County and urges support from all stakeholders including the Kate B. Reynolds Charitable Trust.

Adopted this 6th day of February, 2017.

/s/ John F. "Chip" Black, Jr., Mayor

Attest: /s/ Frances M. Hildebran, Town Clerk

After a brief discussion, Councilman Ogle made a motion to adopt the aforementioned resolution, seconded by Councilman Delp. The vote was unanimous.

REVISED RESOLUTION APPROVING FINANCING TERMS WITH BB&T - PUBLIC WORKS EQUIPMENT Finance Director Jerry LaMaster said the original resolution expired during the Christmas holiday and normally BB&T extends the existing rate and they did not extend this time. Mr. LaMaster presented the following revised resolution:

RESOLUTION APPROVING FINANCING TERMS

WHEREAS: The Town of Valdese has previously determined to undertake a project for the financing of vehicles and equipment, (the "Project"), and the Finance Director has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. Valdese hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal January 09, 2017. The amount financed shall not exceed \$256,899.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 2.30%, and the financing term shall not exceed four (4) years from closing.
2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of Valdese are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.

3. The Finance Director is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Director is authorized to approve changes to any Financing Documents previously signed by Valdese officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Director shall approve, with the Finance Director's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. Valdese shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. Valdese hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. Valdese intends that the adoption of this resolution will be a declaration of Valdese's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. Valdese intends that funds that have been advanced, or that may be advanced, from the Valdese's general fund, or any other Valdese fund related to the project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Valdese officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this 6th day of February, 2017.

/s/ John F. "Chip" Black, Jr., Mayor

Attest: /s/ Clerk

Councilman Ogle made a motion to adopt the aforementioned resolution, seconded by Councilwoman Stevenson. The vote was unanimous.

BUDGET AMENDMENTS Mr. Eckard said Meridian met the criteria for the first of five years of incentives and they used more water than proposed. Finance Director Jerry LaMaster presented the following budget amendments:

BUDGET AMENDMENT NO. 15 - MERIDIAN ECONOMIC INCENTIVE

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2017:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.4200.941 Econ Incentive	<u>180,000</u>	
Total	<u>\$180,000</u>	<u>\$ 0</u>

This will result in a net increase of \$180,000 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.303 From Util - Econ		<u>180,000</u>
Total	<u>\$ 0</u>	<u>\$180,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

BUDGET AMENDMENT NO. 16 - MERIDIAN ECONOMIC INCENTIVE

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2017:

Section 1. To amend the Utility Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
30.8100.921 Trans to Gen Fund - Econ	<u>180,000</u>	
Total	<u>\$180,000</u>	<u>\$ 0</u>

This will result in a net increase of \$180,000 in the expenditures of the Utility Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

30.3990.000 Fund Balance		<u>180,000</u>
Total	<u>\$ 0</u>	<u>\$180,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

Councilman Delp made a motion to approve the two aforementioned budget amendments, seconded by Councilman Sweezy. The vote was unanimous

MAYOR AND COUNCIL COMMENTS:

STREET PAVING Councilman Delp asked about the street paving. Mr. Eckard said the proposed streets were on schedule to be paved by late spring.

WAYFINDER SIGNS Councilman Sweezy recommended as we begin the budget process to think about wayfinder signs.

MAIN STREET COMMITTEE REPORT Councilwoman Hildebran said Council had not received a Main Street report lately and she was curious about signage. Councilman Sweezy said they worked several hours on the sign issues. Mr. Eckard said there would be a presentation at the next Council meeting after which there would be reports included with reading materials in the agenda packets.

HOUSING REHABILITATION Councilwoman Hildebran said she had spoken with the Town Manager about complaints she had received about run-down homes in areas of Town. She said back in the 80s there were home rehabilitation funds and she realized those funds were gone. Citizens were talking about the conditions of those homes and was there anything the Town could do to upgrade the homes. She recommended this item for discussion during the budget process.

Mayor Black asked WPCOG Representative Leah Martin about the housing rehab money. Ms. Martin said there were only six houses in Burke County eligible for basic repairs. Mr. Johnson said the previous program was gone and the only housing program available to the citizens of Valdese is through Burke County such as the Home Program and is considered a countywide scattered site rehabilitation program. He said the citizens of Valdese could take advantage of the program but was only available to six to ten homes in the entire county. He said there was a program for urgent repair but there were requirements such as one must be elderly and meet a certain income requirement and the program is countywide and based on first come first served for those eligible. He said there are some houses that could benefit from housing rehabilitation; however, the same requirements of income, tenure type whether owner occupied or renter, and other factors would also weigh heavily. Mr. Eckard said Valdese was not the only Town facing these issues and he commended the WPCOG for initiating a Vacant and Substandard Housing Task Force and the first meeting was held last week and he and Larry Johnson attended the meeting as well as representatives from municipalities in all four counties. They will have speakers over the next few months to share ideas and best practices and hopefully staff can learn something from the task force and bring back to our community. Mr. Johnson said he spoke with someone in the Crowhill Community this date and the young lady said her mother no longer lived in the community which was changing and deteriorating and he asked why. The young lady said she believe it was due to a lot of transients people, they just move in and out and do not take ownership. They are indifferent and do not care about the community or the street they reside on, which becomes a problem and you get undesirables in the neighborhood.

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Councilman Delp said we must be careful because we see houses that we think need work done but we must remember these homes belong to families, it is their homes and they are happy with what they have and not a hazard to others, and we cannot go in and say we are going to fix your house. He knows two homeowners who he speaks with and there are groups who would like to help them but they are happy with what they have.

Councilwoman Hildebran said we cannot ignore the issue because in ten years it will be a difficult situation for the Town.

CURRENT TOWN PARKS Councilwoman Hildebran also received complaints about the Town's current parks, Children's Park and McGalliard Falls Park, concerning the picnic areas. She requested the record reflect that this item was also discussed with the Town Manager and she would like the item to be discussed at the Annual Budget Retreat.

2017 CITIZENS ACADEMY Councilman Sweezy said someone asked him about the Citizens Academy. Mr. Eckard said it was in the spring last year which was tough for staff with the budget process at the same time. This year it will be moved to Fall 2017.

MANAGER'S REPORT: None.

CLOSED SESSION PURSUANT TO NC GENERAL STATUTE 143-318.11 (c) (a) (3) Mayor Black called for a Closed Session to consider and give instructions to the Town Attorney concerning the settlement of claims between the Town of Valdese and Bond Safeguard Insurance Company. He did not anticipate any action after Closed Session.

At 7:06 p.m., Councilman Ogle made a motion to recess into Closed Session Pursuant to NC General Statute 143-318.11 (c) (a) (3) to consider and give instructions to the Town Attorney concerning the settlement of claims between the Town of Valdese and Bond Safeguard Insurance Company. The motion was seconded by Councilwoman Hildebran and the vote was unanimous.

At 7:32 p.m., Councilman Ogle made a motion to return to open session, seconded by Councilwoman Stevenson. The vote was unanimous.

At 7:32 p.m., there being no further business to come before Council, Councilman Ogle made a motion to adjourn, seconded by Councilman Delp. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, March 6, 2017, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

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