

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
FEBRUARY 4, 2019**

The Town of Valdese Town Council met on Monday, February 4, 2019, 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 J. Andrew Thompson, and Councilman Roy F. Sweezy. Also present were: Town Attorney Marc Mitchell, Town Manager Seth Eckard, Deputy Town Clerk Courtney Kennedy, 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:

OLD COLONY PLAYERS-EDYTH PRUITT, PO BOX 2038, DREXEL: Ms. Pruitt provided Council with the following update on Old Colony Players: A total of four productions; Into the Woods, From This Day Forward, Night of the Living Dead, and A Charlie Brown Christmas, were held throughout the year with approximately 2600 patrons attending the shows. The next production will be Jesus Christ Superstar, in April. Tickets are on sale now. Ms. Pruitt encouraged everyone to visit www.oldcolonyplayers.com for more information and to order tickets. Ms. Pruitt finished by thanking Council for their commitment to Old Colony Players.

ANIMAL CONTROL ORDINANCE-DIANE MOORE, 1040 ORCHARD STREET SW, VALDESE: Ms. Moore requested that Council adopt an ordinance that identifies what is adequate shelter for an animal, similar to Article 1 of the Burke County Animal Control Ordinance. Ms. Moore would like Valdese to use the ABC Method to determine if a shelter is sufficient for the animal and provided an explanation of this method. Ms. Moore also asked Council to consider adding language to state that if the outside temperature is below 32 or above 90 degrees that dogs and cats should be brought inside except for half-hour periods.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF JANUARY 7, 2019

SET PUBLIC HEARING DATE FOR AMENDMENTS TO ZONING ORDINANCE: A public hearing will be held on Monday, March 5, 2019 to consider amendments to the Valdese Zoning Ordinance regarding text amendments that address accessory structures, the Downtown Business Corridor District, permitted uses in the Central Business District, sail signage and ground signs.

BUDGET AMENDMENTS:

Valdese Town Council Meeting

2/4/2019

Budget Amendment # 19

Subject: Purchase order/encumbrance software

Memorandum:

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.

Proposed Action:

February 4, 2019, MB#31

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, 2018:

Section I:

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

| Account | Description | Increase/ Debit | Decrease/ Credit |
|-------------|------------------------|--------------------|---------------------|
| 10.4200.490 | Information Technology | 4,714 | |
| | | | |
| | | | |
| Total | | \$4,714 | |

This will result in a net increase of \$4714 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.

| Account | Description | Decrease/ Debit | Increase/ Credit |
|-------------|---------------------------|--------------------|---------------------|
| 10.3990.000 | Fund Balance Appropriated | | 4,714 |
| | | | |
| | | | |
| Total | | | \$4,714 |

Section I:

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.

Valdese Town Council Meeting

2/4/2019

Budget Amendment # 20

Subject: Kellex sinkhole stablization of sewer line
Camera sewer line Hospital Outfall; Replace electrical pole Curville sewer meter flune

Memorandum:

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.

Proposed Action:

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, 2018:

Section I:

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

| Increase/ | Decrease/ |
|-----------|-----------|
|-----------|-----------|

February 4, 2019, MB#31

| Account | Description | Debit | Credit |
|-------------|-----------------|----------|--------|
| 30.8120.150 | Maint & Repairs | 22,632 | |
| | | | |
| | | | |
| Total | | \$22,632 | |

This will result in a net increase of \$22632 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.

| Account | Description | Decrease/ Debit | Increase/ Credit |
|-------------|---------------------------|--------------------|---------------------|
| 30.3990.000 | Fund Balance Appropriated | | 22,632 |
| | | | |
| | | | |
| Total | | | \$22,632 |

Section I:

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.

Valdese Town Council Meeting

2/4/2019

Budget Amendment # 21

Subject: Train Art donations

Memorandum:

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.

Proposed Action:

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, 2018:

Section I:

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

| Account | Description | Increase/ Debit | Decrease/ Credit |
|-------------|-------------|--------------------|---------------------|
| 10.6250.928 | Public Art | 24,294 | |

February 4, 2019, MB#31

| | | | |
|--|--|--|--|
| | | | |
| | | | |

Total \$24,294

This will result in a net increase of \$24294 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.

| Account | Description | Decrease/ Debit | Increase/ Credit |
|-------------|-----------------|--------------------|---------------------|
| 10.3350.030 | Other Donations | | 24,294 |
| | | | |
| | | | |
| | Total | | \$24,294 |

Section I:

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.

Valdese Town Council Meeting

2/4/2019

Budget Amendment # 22

Subject: Engineering & Architect fees for Fire/Police Building
(anticipated costs for workshops, studies, reports, etc.)

Memorandum:

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.

Proposed Action:

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, 2018:

Section I:

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

| Account | Description | Increase/ Debit | Decrease/ Credit |
|-------------|-----------------------|--------------------|---------------------|
| 10.5300.040 | Professional Services | 40,000 | |
| | | | |
| | | | |
| | Total | \$40,000 | |

February 4, 2019, MB#31

This will result in a net increase of \$40000 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.

| Account | | Description | Decrease/ Debit | Increase/ Credit |
|-------------|--|---------------------------|--------------------|---------------------|
| 10.3990.000 | | Fund Balance Appropriated | | 40,000 |
| Total | | | | \$40,000 |

Section I:

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.

Valdese Town Council Meeting

2/4/2019

Budget Amendment # 23

Subject: Other Post Employment Benefits (OPEB) actuarial study
(required annually for Town's audit)

Memorandum:

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.

Proposed Action:

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, 2018:

Section I:

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

| Account | | Description | Increase/ Debit | Decrease/ Credit |
|-------------|--|-----------------------|--------------------|---------------------|
| 10.4200.040 | | Professional Services | 4,503 | |
| Total | | | \$4,503 | |

This will result in a net increase of \$4503 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.

| Account | | Description | Decrease/ Debit | Increase/ Credit |
|-------------|--|---------------------------|--------------------|---------------------|
| 10.3990.000 | | Fund Balance Appropriated | | 4,503 |

Section I:

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.

Valdese Town Council Meeting

2/4/2019

Budget Amendment # 24

Subject: Meridian incentive grant agreement dated January 4, 2016

Memorandum:

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.

Proposed Action:

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, 2018:

Section I:

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

| Account | Description | Increase/ Debit | Decrease/ Credit |
|-------------|---------------------------|--------------------|---------------------|
| 30.8100.935 | Economic Grant - Meridian | 137,514 | |
| | | | |
| | | | |
| Total | | \$137,514 | |

This will result in a net increase of \$137514 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.

| Account | Description | Decrease/ Debit | Increase/ Credit |
|-------------|---------------------------|--------------------|---------------------|
| 30.3990.000 | Fund Balance Appropriated | | 137,514 |
| | | | |
| | | | |
| Total | | | \$137,514 |

Section I:

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

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

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None.

INTRODUCTION OF NEW EMPLOYEES: Water Resources Director Greg Padgett introduced Laboratory Supervisor Candace Cox, Treatment Plant Operator Alexander Garrison, and Treatment Plant Operator Buddy Leger.

AGREEMENT WITH BURKE COUNTY FOR TAX COLLECTION SERVICES: Finance Director Bo Weichel informed Council that the Town handles property taxes separately from Burke County. Mr. Weichel shared that a growing trend in finance is the establishment of inter-local agreements between municipalities and counties to authorize the county to oversee tax collection; sharing that every municipality in Catawba County partners with the County, and the following municipalities in Burke County: Glen Alpine, Rhodhiss, Long View, Connelly Springs, and Hildebran. Mr. Weichel informed Council that Burke County currently has a collection rate of 98%.

Councilwoman Hildebran expressed her appreciation for Finance Director Bo Weichel and acknowledged how well he has performed since starting with Valdese in October. Ms. Hildebran asked Mr. Weichel if he thought that maybe staff should be given at least one full year to evaluate the tax collection process before making any changes, as Apryl Hardin has been appointed as tax collector for only six months. Ms. Hildebran asked what the revenue difference was between our current collection rate and the County's. Mr. Weichel shared that it is approximately \$40,000.

Town Manager Seth Eckard shared with Council that he encouraged Mr. Weichel to be creative in his role as finance director and identify ways to save money and/or increase revenues; stating that this was one idea that Mr. Eckard wished to present to Council for discussion. Mr. Eckard stated that this may not be the appropriate time to enter into an agreement for tax collection and indicated a willingness to present this at a later time.

Councilman Ogle asked why it has been reported to Council for the last four to five years, that the Town was at a collection rate of 98 and 99 percent if the actual percentage was less. Mr. Ogle asked why the collection rate is not 100% and what collection options the Town has. Town Attorney Marc Mitchell explained that property owners are subject to a tax foreclosure if property taxes are not paid and that all court costs and other fees are recoupable through this process, but the process takes time. Mr. Ogle stated that he would like to keep taxes in house, allowing citizens to pay their taxes at town hall.

Mayor Black shared that the overall cost to enter into an agreement with Burke County is approximately \$23,000. Mr. Black asked Mr. Weichel if it would be possible to hire someone to perform this duty, with the efficiency the County has, for that amount; Mr. Weichel stated that he did not believe that was possible due to the level of responsibility a tax collector has. Mr. Black also identified the need to accept online or electronic payments for property tax bills; however, the Town of Valdese does not have the resources available to start or continue this type of service for citizens as the process can be very costly. The County currently has this option available, or is working on implementing this option, for tax payers.

Councilwoman Stevenson expressed her appreciation to Finance Director Bo Weichel for identifying ways to improve the Town's financial status and informed him that this is a great idea but it may be beneficial to allow more time to pass before considering such a significant change to the finance department. Ms. Stevenson expressed concerns about outsourcing services and requested more time to evaluate the costs and benefits of this type of agreement.

Councilman Sweezy asked if other municipalities offer a discount for early payment. Burke County Tax Administrator Daniel Isenhour informed Council that Morganton, Rhodhiss, Glen Alpine, and one other municipality do offer a discount but the others do not.

February 4, 2019, MB#31

Councilwoman Hildebran asked if the County would set the tax rate for Valdese. Mr. Isenhour informed Council that the County only collects tax payments based on what the municipality establishes for their citizens. Ms. Hildebran stated that she agrees with Councilwoman Stevenson; she is not against entering into an agreement with the County but would like more time to evaluate it.

Mayor Black asked Council if they would like to consider removing the early payment discount, which amounts to approximately \$39,000 in lost revenues. Councilman Ogle asked if this could be discussed during the March budget meeting. Town Attorney Marc Mitchell informed Council that the statute does not specify a date but the School of Government identifies May 1st as the date by which a municipality must indicate whether or not they will offer a discount.

RESOLUTION DESIGNATING WELLS FARGO BANK AS OFFICIAL DEPOSITORY:

RESOLUTION
Designating Wells Fargo Bank, NA an Official Depository

WHEREAS, G.S. 159-31(a) states that the governing board shall designate as its official depositories one or more banks or other financial institutions as authorized by that statute; and

WHEREAS, it is the desire of the Town Council that all public funds of the Town of Valdese, North Carolina (hereafter the "Town") be deposited in a secure, efficient and effective manner;

WHEREAS, BB&T was designated as an official depository for the town, and the town council desires to annul BB&T's selection as an official depository for town funds; and

WHEREAS, it is the responsibility of the Finance Director, who is appointed by and serves at the pleasure of the Town Manager, to supervise the receipt, custody and disbursement of the public funds of the Town;

WHEREAS, the Finance Director has evaluated proposals for Banking Services and has reviewed the financial soundness of the proposing financial institutions; and

WHEREAS, Wells Fargo Bank NA is qualified to be an official depository for the Town pursuant to G.S. 159-31 and has selected to secure its uninsured public deposits under the "Pooling Method", which is a collateral pool under which each public depositor's uninsured deposits are secured with securities held by the State Treasurer's agent in the name of the State Treasurer; and

WHEREAS, Wells Fargo Bank NA will also serve the Town for merchant processing and electronic payment services.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the Town of Valdese, North Carolina that:

Section 1. Wells Fargo Bank NA (hereafter the "Official Depository") is hereby designated as the official depository, merchant processor, and payment services of the Town. The Finance Director of the Town shall be and is hereby authorized and directed to deposit funds of the Town in the Official Depository in the name and to the credit of the Town of Valdese, North Carolina.

Section 2. As required by G.S. 159-25(b), all checks, drafts, or orders of the Town drawn against said funds shall be authorized and signed as appropriate by the following (hereinafter the "Authorized Signers"):

a. One of the following officers: Finance Officer, Town Manager
and countersigned by

b. One of the following officers: Mayor, Mayor Pro Tempore, Treasurer

The names and signatures of the Authorized Signers shall be duly certified by the Clerk to the Town Council to the Official Depository as from time to time may be necessary and no check, draft, or order drawn against the Official Depository shall be valid unless so signed or authorized.

February 4, 2019, MB#31

Section 3. Upon opening an account with the Official Depository, the Finance Officer must:

- a. Give written instructions that the proceeds from all checks payable to the order of the Town shall be deposited to the credit of the Town of Valdese, North Carolina and that under no circumstance may such an item be converted into cash.
- b. Verify the method currently used by the depository to collateralize the public deposits and stay informed of any change in methods as the result of conversions to a different method or as the result of merger of depositories;
- c. Execute such other forms and documentation with provisions consistent with this resolution as may be reasonably required by the Official Depository to establish the account;
- d. Report the amount of deposits and investments and such other information as may be required on the semi-annual reports on form LGC 203 required to be filed with the Local Government Commission pursuant to G.S. 159-33; and
- e. Comply with other requirements of law, regulation or sound banking practice and with any requirements described in the State Treasurer's publication, The Collateralization of Public Deposits in North Carolina.

Section 4. Certified copies of this resolution shall be provided to the Official Depository herein designated.

THE FOREGOING RESOLUTION IS ADOPTED THIS 4th DAY OF FEBRUARY, 2019.

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

ATTEST: /s/ Town Clerk

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

FAÇADE GRANT REQUEST: Community Affairs Director Morrissa Angi presented a request from Farris Insurance Agency, Inc. for a Façade Grant in the amount of \$5,000 to assist with the installation of two lighted LED signs for their building located at 225 Main Street E, Valdese. The Valdese Main Street Design Committee approved \$500.00 for reimbursement due to this project being a low priority for the Façade Grant program as the project is signage only.

Councilman Ogle made a motion to approve the aforementioned Façade Grant in the amount of \$500.00, seconded by Councilman Thompson. The vote was unanimous.

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

Concerts at the Rock, Hogslop String Band is scheduled for Saturday, March 2, 2019 at 7:30 p.m.

The Town was recently informed that the Local Governmental Employees' Retirement System (LGERS) is requiring employers to increase their contributions to the system. The employer percentage will be 8.95 percent for FY 2019-2020 and will continue to increase by approximately 1 percent each year until it reaches a maximum of 12 percent.

MAYOR AND COUNCIL COMMENTS: Councilman Ogle announced that the neighborhood watch meeting for Dixie Avenue and the surrounding area was held on Thursday, January 17, 2019 in the Community Room at Town Hall. Mayor Black informed Council that eight, new neighborhood watch signs have been installed in the area, compliments of Councilman Ogle and expressed his appreciation for Mr. Ogle's generosity.

Councilman Sweezy shared that Friends of the Valdese Rec held a group walk on the greenway at Valdese Lakeside Park on February 3, 2019, with approximately 63 people participating. Councilwoman Hildebran shared that she attended the event and was so impressed, stating that she believes this is one of Valdese's best kept secrets.

February 4, 2019, MB#31

Councilwoman Hildebran provided the following update on the Library Project: foundation walls are up and the foundation slab will be poured next week, weather permitting. The exterior and interior finishes are being selected and the renovations are moving along.

Mayor Black stated that Council is appreciative of the individuals that attend the Council meetings, identifying how important their participation is and thanked them for being present.

ADJOURNMENT: At 7:15 p.m., there being no further business to come before Council, Councilwoman Stevenson made a motion to adjourn, seconded by Councilman Ogle. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, March 4, 2019, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

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