

**TOWN OF VALDESE  
TOWN COUNCIL REGULAR MEETING  
JUNE 3, 2019**

The Town of Valdese Town Council met on Monday, June 3, 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:** None.

**CONSENT AGENDA:** (enacted by one motion)

**APPROVED REGULAR MEETING MINUTES OF MAY 6, 2019**

**APPROVED SPECIAL MEETING MINUTES OF MAY 9, 2019**

**APPROVAL OF VALDESE ABC BOARD TRAVEL POLICY**

**VALDESE ABC BOARD TRAVEL POLICY**

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

1. Reimbursement of travel expenses-

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

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

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

Lodging will be covered for reasonable and actual cost (receipt required). Unless attending a conference, the Federal Per Diem Listing should be used as a guideline in determining reasonable cost.

2. Board credit cards may be used to reserve lodging. Travel related cost however, should not be charged to the credit cards. All travel expenses will be covered through travel advances and / or reimbursements.

3. It is the responsibility of the General Manager to determine which meal allowances are eligible for reimbursement to employees for partial day travel. Reimbursement will be for reasonable and actual cost (receipt required).

4. All requests for travel expense reimbursement (i.e. meals, lodging, mileage, etc.) must be accompanied by a travel expense report.

5. Other issues-

- Transportation: As a general rule, it is the Board's policy that an employee is authorized to use a private vehicle and be reimbursed at the current standard mileage rate. The current standard rate shall be the same as paid by the Town of Valdese following the IRS rate.
- Telephone: Any employee traveling out of town and staying overnight will be allowed a personal telephone call up to \$4 per night. Board business related calls will be paid by the Board.
- Registration: Registration fees are generally paid in advance directly to the vendor, not from travel advance.
- Advances: The Board does permit employees to request advances whenever an estimated trip cost exceed \$25. If the cost is less than \$25, employee must seek reimbursement when the trip is completed.

Adopted the 21<sup>st</sup> day of May, 2018 by the Valdese ABC Board of Directors.

Approved this the 3<sup>rd</sup> day of June, 2019.

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

Attest: /s/ Town Clerk

**APPROVED VEDIC BOARD OF DIRECTORS APPOINTMENTS** The VEDIC Board of Directors recommended the reappointment of TR Robinson and the appointment of Forrest Fleming to the VEDIC Board. The three-year-terms will expire July 1, 2022.

**RENEWAL OF LEASE AGREEMENT AT THE OLD ROCK SCHOOL WITH DREAM CONNECTIONS** Lease agreement with Dream Connections for rental space at the Old Rock School, in the amount of \$1,045 per month.

**RESOLUTION ELIMINATING SCHEDULE OF DISCOUNTS APPLIED TO TAXES**

**RESOLUTION  
ELIMINATING SCHEDULE OF DISCOUNTS APPLIED TO TAXES**

**WHEREAS**, G.S. 105-360(c) states any county or municipality levying taxes under the provisions of this Subchapter shall have authority to establish a schedule of discounts to be applied to taxes paid prior to the due date;

**WHEREAS**, the Town of Valdese has previously extended an early payment discount of 2% in July and 1% in August;

**WHEREAS**, it is the desire of the Town Council that all tax discounts be eliminated effective for the 2019 tax year;

**NOW, THEREFORE, BE IT RESOLVED**, by the Council of the Town of Valdese, North Carolina that early pay tax discounts are eliminated effective for the 2019 tax year and subsequent years.

THE FOREGOING RESOLUTION IS ADOPTED THIS 3<sup>rd</sup> DAY OF JUNE, 2019.

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

ATTEST: /s/ Town Clerk

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 EMPLOYEE** Finance Director Bo Weichel introduced Accounting Technician Kimberly Cline.

**APPOINTMENT OF KIMBERLY CLINE AS TAX COLLECTOR** Mayor Black delivered the following order of collection to Kimberly Cline:

**State of North Carolina  
Town of Valdese**

**To the Tax Collector of the Town of Valdese,**

You are hereby authorized, empowered, and commanded to collect the taxes set forth in the tax records and in the tax receipts herewith delivered to you, in the amount and from the taxpayers likewise therein set forth. Such taxes are hereby declared to be a first lien upon all real property of the respective taxpayers in the Town of Valdese and this order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell any real or personal property of such taxpayers, for and on account thereof, in accordance with the law. This term shall expire after June 2021.

Councilwoman Stevenson made a motion to appoint Kimberly Cline as Tax Collector and to adopt the aforementioned order of collection, seconded by Councilman Ogle. The vote was unanimous.

Deputy Town Clerk Courtney Kennedy administered the oath of office to Tax Collector Kimberly Cline.

**PRESENTATION OF FY 2019-2020 PROPOSED BUDGET AND SCHEDULING OF PUBLIC HEARING FOR MONDAY, JUNE 24, 2019** The proposed budget was submitted to the Valdese Town Council on Friday, May 24, 2019.

Town Manager Seth Eckard said, "Three years ago Council challenged staff to be innovative and identify ways to reduce operational costs, create efficiencies, and receive a high return on investments. Through careful planning and engagement with our citizens, we have been able to prepare a balanced budget that addresses current and future goals, without jeopardizing services to our residents.

The proposed budget fulfills Council's vision to increase funding for street resurfacing, enhance the Town's code enforcement service, and set aside funds for the future needs of the Public Safety Building. The proposed budget also identifies new goals: enhancing beautification by continuing town-wide, curb-side recycling service; preserving and building the Town's fund balance; and continuing efforts to maintain the Town as a competitive organization to recruit and retain talented employees.

It is my pleasure to submit to you, the proposed budget for the fiscal year beginning July 1, 2019, and ending June 30, 2020. The proposed total of the FY 2019-2020 budget is \$10,913,221. The proposed budget includes a total General Fund budget of \$6,020,797 and a total Utility Fund budget of \$4,892,424. The proposed budget includes a property tax rate of 54.5 cents per \$100 valuation.

The Fiscal Year 2019-2020 proposed budget continues existing service levels while striving for a balanced financial foundation. This is an exciting time for Valdese! The Town of Valdese is showing signs of significant economic growth as is evident by thriving industries, low unemployment numbers, a booming housing market. Exciting new businesses are slated to open this coming fiscal year, such as a new artisan butcher shop located in the old post office.

An Asheville developer is planning to invest nearly \$10,000,000 to revitalize the former Houston Hosiery Mill into a 60-unit apartment complex. After nearly a decade of stagnation The Settings subdivision at Lake Rhodhiss is moving forward. The developer of the Settings has completed all required infrastructure and most of the remaining unsold lots have been purchased.

The anticipated state-collected local revenues have been calculated utilizing data supplied by the North Carolina League of Municipalities and local economic data. The Town is anticipating modest increases in most of these revenue sources as a result of an improving local, state, and national economy.

The only unoccupied manufacturing building, of quality, left in Valdese is the Valdese Textiles building located on HWY 70. The Town of Valdese is working diligently with the property owner to find a suitable business that will create a significant number of jobs and proposes to make a substantial capital investment.

General Fund - The fiscal year 2019-2020 property tax revenue numbers reflect a revenue-neutral tax rate of 51.175 cents per \$100 valuation. Valdese outpaced Burke County and all other municipalities in the county with an average increase in property valuation of a little more than ten percent. Maintaining the current tax rate of 54.5 cents per \$100 of valuation will result in an additional \$125,000 of new property tax revenue for the Town of Valdese.

Projects Paid for by the Additional Revenues Generated from the Revaluation:

The Burke County revaluation resulted in a net increase of \$125,000 in revenue for the Town. These funds will be allocated each year for two specific ongoing capital projects.

Additional Street Resurfacing:

The street department spends approximately \$125,000 each year for street resurfacing projects. Twenty-five thousand dollars of the revenues generated by the revaluation are allocated to the street resurfacing budget, bringing the total amount the Town spends for street resurfacing projects to \$150,000 each year.

Fire Department Police Department Building:

The Town is in the process of securing bids for a temporary repair solution of structural damages of the public safety building. The temporary repairs are scheduled for completion no later than May of 2020. After temporary repairs are complete, the Town will have approximately five-years to carefully consider and implement a long-term solution for the public safety building. One-hundred thousand dollars of the new funds generated from the revaluation will be set-aside each year for a new public safety building.

General Fund Capital Projects:

In the Fiscal Year 2019-2020 budget, the Town plans to make strategic capital investments amongst all departments to ensure efficient and effective service delivery as well as continue to repair our aging infrastructure.

The General Fund Budget reflects expenditures of \$221,000 from the capital projects budget for projects across multiple departments. Highlights include:

Fire Department

- All-Terrain Vehicle w/Trailer

Community Affairs

- Paint Auditorium Ceiling and Walls

Parks and Recreation

- Pool Resurfacing
- Pool Decking Repair

Public Works

- Demolition of IA Building / Retaining Wall
- Shop Heater Replacement
- Parking Lot Repair

Other General Fund Items

Recycling Service:

Late in the budgeting process Republic Services confronted the Town with an increase in our annual recycling contract of \$24,000. If the Town is unwilling to pay for the contract increases, Republic informed us that they would discontinue the recycling service in Valdese. The reason for the increase is

due to the national and international markets for recycled materials has collapsed, the domestic market has flooded and driven down the wholesale prices for materials.

Every local government in the nation is facing this issue. Valdese residents have a proud tradition of caring for the environment; therefore, this proposed budget recommends continuing the service, despite increases to the contract. To offset the increase, The Town Valdese will discontinue the early tax payment discount, which will generate approximately the same amount of revenue that the increases in the contract with Republic will cost. Republic Services is the only local company that offers municipal curbside recycling pickup. Even with the increase to the contract, Republic Services can still provide the service cheaper than if the Town tried to provide it in-house.

Employee Classification / Salary Study / Personnel Policy:

A challenge facing the Town of Valdese is the retention and recruitment of talented employees for our organization. As the unemployment rate has plummeted, it has become increasingly more difficult to recruit new employees to the organization based upon the current pay schedule that has been in place for over a decade. Without good employees, service delivery will suffer.

In Fiscal Year 2019-2020, the Town of Valdese partnered with a human resources consultant to revise our employee classifications, salary grades, and personnel policy. The conclusion of the study reveals that the Town of Valdese ranks third from the bottom in average wages compared to ten regional local governments that Valdese competes with for talent. Staff is recommending that the Town Council partially implement the study. To implement the pay study staff has identified budget reductions totaling 2.5%. This implementation will bring Valdese closer to the middle of the market comparison group, thus helping our organization retain and recruit talent that we desperately need.

To pay for this increase in yearly operational expenses, staff identified funds in the existing budget in three areas.

- Savings realized from the difference in recent retirees' salaries and new hires.
- Savings realized from the reduction in force when Town Hall and Triple merged.
- Savings realized from a reduction in the operational budget, most of which are the result of implemented efficiencies by departments over the past three years. These budget cuts will not impact service delivery.

Utility Fund - The Utility Fund budget for Fiscal Year 2019-2020 is \$4,892,424.

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, which should be addressed to ensure high-quality water and wastewater treatment for our citizens. The Town is heading into implementation year four of our 10-year plan.

The Capital Improvement Plan contains a recommended funding model that restructures our utility rates to ensure that we will be able to pay for all of our capital needs. The Town proposes to restore the utility fund balance to a level that will accommodate future projects; this budget proposes a four percent increase in revenues.

The Town of Valdese Utility Capital Improvement Plan calls for several major investments next fiscal year. Each new project will be presented to the Council for approval once we hear back from various grant funders.

Utility Fund Capital Projects:

- Water system upgrade project (waterlines)
- Main street waterline replacement
- MCC (raw and finished water) replacement at the water plant
- Chlorine gas to liquid bleach conversion at the water plant
- Sewer I&I assessment project
- Centrifuge Back drive and control replacement
- Smart Meter Project

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 take pride in carrying out their duties. I also thank Mayor Black and the Town Council for their dedication in carrying out their responsibilities in providing leadership and guidance during the budgeting process."

Councilwoman Hildebran made a motion to set the public hearing for the FY 2019-2020 budget on Monday, June 24, 2019, 6:00 p.m., Valdese Town Hall, seconded by Councilman Sweezy. The vote was unanimous.

**EDELWEISS SUBDIVISION PRELIMINARY PLAT APPROVAL REQUEST** Planning Director Larry Johnson informed Council that the Edelweiss Subdivision will consist of 11 lots, each lot measuring approximately .43 acres. The size of the homes will range from 1,300 to 1,500 square feet and will be priced between \$175,000 and \$200,000.

Councilman Ogle made a motion to approve the preliminary plat for Edelweiss Subdivision, seconded by Councilman Thompson. The vote was unanimous.

**FAÇADE GRANT REQUEST** Community Affairs Director Morrissa Angi presented a request from The Valdese Stitchery for a Façade Grant in the amount of \$5,000. Grant funds will be used to assist with the replacement of windows and the installation of an ADA compliant front door. The estimated cost of the project is \$18,000.

Councilman Ogle made a motion to approve the aforementioned Façade Grant in the amount of \$5,000, seconded by Councilwoman Stevenson. The vote was unanimous.

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

The next WNC Rail Committee meeting is scheduled for Monday, June 17, 2019, 11:30 a.m. at Valdese Town Hall.

Independence Day Celebration scheduled for Friday, June 28, 2019, at 7:00 p.m.

**MAYOR AND COUNCIL COMMENTS:** Councilwoman Stevenson expressed her appreciation to staff, especially Greg Padgett, Bryan Duckworth, and Seth Eckard for their assistance with resolving an issue she was made aware of. Ms. Stevenson said their response was prompt and effective.

Councilwoman Hildebran expressed her appreciation to staff, especially Larry Johnson, Bryan Duckworth, and the Police Department for their assistance and oversight of an issue in her ward. Ms. Hildebran shared that the issue was resolved very professionally and in a manner that pleased the community.

Councilman Sweezy stated that all of the Town's departments are doing a great job and expressed his appreciation for the efforts made during the creation of the proposed budget, which will allow the Town to maintain the same level of service to citizens.

Mayor Black encouraged everyone to attend the Family Friday Nights and to enjoy everything the town has to offer downtown.

Councilman Ogle informed Council that Myra's is holding a beach party on Saturday, June 8, 2019 at 6:00 p.m. and encouraged everyone to attend.

**ADJOURNMENT:** At 6:30 p.m., there being no further business to come before Council, Councilman Ogle made a motion to adjourn, seconded by Councilman Sweezy. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, June 24, 2019, 6:00 p.m., Valdese Town Hall.

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Town Clerk

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Mayor

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