

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

The Town of Valdese Town Council met on Tuesday, September 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., 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: Councilman Keith Ogle.

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:

PRESENTATION OF PROCLAMATION HONORING KELLEX SEATING:

PROCLAMATION HONORING KELLEX SEATING

WHEREAS, In 2008, Kellex Seating acquired a manufacturing complex in Valdese; and

WHEREAS, Kellex Seating constantly strives to accomplish their goal of satisfying customers, being responsible to the environment, and making a concerted effort to keep their factories open in America and keep Americans employed; and

WHEREAS, Kellex Seating goes above and beyond to conserve and protect natural resources and reduce waste in their community, factory, and industry; and

WHEREAS, Kellex Seating's significant pledge to assist with the purchase of 300-acres was only the beginning of their commitment to the success of Valdese Lakeside Park; and

WHEREAS, Kellex Seating has held numerous workdays at Valdese Lakeside Park and provided hundreds of hours of volunteer time from its employees to help clean up debris, remove invasive plants, install pollinator gardens, improve wildlife habitat, and create a picnic area with handcrafted tables; and

WHEREAS, Kellex Seating was nominated for the 56th Annual Governor's Conservation Achievement Awards; and

WHEREAS, winners of these awards are devotees who work for wildlife, habitat, and those who cherish natural resources, are land stewardship champions, water advocates and leaders in the preservation of unique ecosystems; and

WHEREAS, Kellex Seating has proven its commitment to the betterment of their community and was selected as the North Carolina Wildlife Federation's Business Conservationist of the Year Award.

NOW, THEREFORE, BE IT RESOLVED that I, John F. "Chip" Black, Jr., by the authority vested in me as mayor of Valdese, North Carolina, and on behalf of the entire Town Council and all of our citizens, recognize, by this proclamation, the outstanding contribution that Kellex Seating has made to Valdese and the environment through their outstanding effort and unwavering commitment to conservation and the public's ability to enjoy natural resources.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Seal of the Town of Valdese to be affixed this 3rd day of September, 2019.

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

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF AUGUST 5, 2019

APPROVED ORDINANCE FOR STREET CLOSURE – DRAUGHN HIGH SCHOOL HOMECOMING PARADE ON TUESDAY, OCTOBER 1, 2019:

ORDINANCE DECLARING ROAD CLOSURE FOR TOWN OF VALDESE SPECIAL EVENT

WHEREAS, for many years the Town of Valdese has sponsored the Draughn High School Homecoming parade; and

WHEREAS, the Town of Valdese desires to schedule the Draughn High School Parade on Tuesday, October 1, 2019; and

WHEREAS, part of US 70/Main Street in Valdese will need to be closed for the parade; and

WHEREAS, G.S. 20-169 provides that local authorities shall have power to provide by ordinance for the regulation of the use of highways by processions or assemblages;

NOW, THEREFORE, be it ordained by the Town Council of the Town of Valdese pursuant to G.S. 20-169 that the following portion of the State Highway System be closed during the times set forth below:

DRAUGHN HIGH SCHOOL HOMECOMING PARADE
 DATE: October 1, 2019
 TIME: 6:30 pm – 7:30 pm
 ROUTE DESCRIPTION: (US-70) Main St from Hoyle St to Eldred St

Signs shall be erected giving notice of the limits and times of these street closures as required by G.S. 20-169.

This ordinance shall take effect upon adoption.

THIS, the 3rd day of September, 2019.

/s/ JOHN F. BLACK, JR., MAYOR

APPROVED LEASE AGREEMENT AT OLD ROCK SCHOOL WITH P&W RAILROAD CLUB: Annual Lease Agreement at the Old Rock School with P & W Railroad Club in the amount of \$230 per month.

BUDGET AMENDMENT:

Valdese Town Council Meeting 9/3/2019

Budget Amendment # 7

Memo To recognize insurance reimbursement for repairs to Engine 3. This unit sustained damage after a structure fire call when a Fire Engineer pulled into the bays with a compartment door open, hitting the building. The door broke away from the truck, as the hinges are designed to do, but the door was damaged along with damage to the body and other compartment doors. There was insignificant damage to the building. Staff is looking into ways to make the middle compartment doors on both engines more noticeable in the mirror when open.

Proposed Action:
 BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2020:

Section I:
 The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
10.3970.931	Insurance Refund		7,366
Total		\$0	\$7,366

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.5300.170	Maintenance & Repair Auto	7,366	
Total		\$7,366	\$0

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

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

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA:

ADOPTED RESOLUTION ADOPTING FY 19-20 UTILITY CAPITAL IMPROVEMENTS PLAN: Water Resources Director Greg Padgett informed Council that the Jacumin Road Water System Replacement Project is a project that has been identified but not added to the Utility Capital Improvements Plan for many years due to higher priority projects. Staff has recently identified a grant opportunity, which if awarded, would fund the entire project. Mr. Padgett informed Council that this project will replace aging infrastructure and increase the size of the water line, allowing for additional users to access water.

**A RESOLUTION ACKNOWLEDGING AND ACCEPTING UPDATES TO THE
TOWN OF VALDESE WATER AND SEWER ENTERPRISE FUND
CAPITAL IMPROVEMENTS PLAN**

WHEREAS, the Town of Valdese recognizes the need to plan for the future in all aspects related to delivering quality and efficient public services to the citizens of Valdese; and,

WHEREAS, there is a need to continue efficiently managing Town assets, to reduce cost, protect property and operate in a more proactive fashion; and,

WHEREAS, a Capital Improvements Plan for the Town's water and sewer enterprise fund aids in planning the cost of doing business, improve the level of service, protect the local environment, ensure continued viability of the Town's enterprise fund, and,

WHEREAS, the Town of Valdese is ready to implement an updated Capital Improvements Plan; and,

WHEREAS, the matter has been reviewed by Town Council, Town Manager, and other Town staff.

NOW THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF VALDESE, NORTH CAROLINA:

The Town Council acknowledges, accepts, and approves the document entitled Capital Improvements Plan, 2019 Update, Town of Valdese.

The Town Manager of the Town of Valdese is hereby directed to cause Town staff to follow the items found in the Capital Improvements Plan as reasonably as possible for the operation and maintenance of the Town of Valdese Water and Sewer Systems.

Adopted and approved this the 3rd day of September, 2019.

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

ATTEST: /s/ Frances Hildebran, Town Clerk

Councilwoman Hildebran made a motion to approve the aforementioned resolution, seconded by Councilwoman Stevenson. The vote was unanimous.

SET DATE AND TIME FOR CDBG PUBLIC HEARING DATE FOR JACUMIN ROAD WATERLINE IMPROVEMENTS PROJECT ON MONDAY, SEPTEMBER 23, 2019, 6:00 P.M., VALDESE TOWN HALL:

Water Resources Director Greg Padgett informed Council that a public hearing must be held for the CDBG Grant application process for the Jacumin Road Waterline Improvements Project.

Councilwoman Hildebran made a motion to set the date for the CDBG public hearing for Monday, September 23, 2019 at 6:00 p.m., Valdese Town Hall, seconded by Councilwoman Stevenson. The vote was unanimous.

INTRODUCTION OF NEW ASSISTANT FIRE CHIEF: Fire Chief Greg Stafford announced the promotion of Assistant Fire Chief Michael "Truman" Walton.

RESOLUTION AMENDING ANIMAL CONTROL ORDINANCE: Public Works Director Bryan Duckworth informed Council that the proposed amendment to the Animal Control Ordinance will ensure the ordinance is consistent with Burke County's ordinance and will better define the term "structure." Mr. Duckworth presented the following resolution:

RESOLUTION ADOPTING AMENDMENT TO SECTION 8-2043

September 3, 2019, MB#31
OF THE VALDESE CODE OF ORDINANCES

WHEREAS, Section 8-2043 of the Code of Ordinances sets forth certain requirements for enclosures used for the confinement or keeping of animals; and

WHEREAS, the town council desires to amend this section to make these requirements similar to the requirements set forth in the Burke County Animal Control Ordinance;

IT IS THEREFORE RESOLVED that Section 8-2043 of the Code of Ordinances is amended to read as follows:

“Section 8-2043 Adequacy and Location of Shelter.

Adequate Shelter: The shelter in which a nonaquatic animal is confined shall be constructed so that it keeps the animal dry and, within reasonable efforts, keeps the animal out of the direct path of winds, out of the direct sun, and at a temperature level that is reasonable for the current weather. For dogs, cats and other small animals, the shelter shall be a windproof and moisture-proof structure of suitable size to accommodate the animal and allow adequate retention of body heat. The shelter shall be completely enclosed by walls, a roof and a solid floor, and the shelter shall have an opening entrance large enough to allow access to the animal that is placed in such a way as to keep the animal out of the direct path of winds. Metal barrels do not provide adequate shelter for a dog, cat or other small animal and are prohibited for that purpose. Shelters shall have adequate drainage and shall be free of accumulated waste, feces, trash, debris and any other elements that the Animal Control Officer deems to be unsafe to the health and well-being of the animal.

Location: Structures for the confinement of an animal shall generally be located in a manner so that such structures do not become a nuisance to adjacent property owners because of odor, smell, noise or other factors that interfere with the right of the occupants of adjacent property to the full enjoyment of their property.”

This resolution shall become effective upon adoption.

ADOPTED THIS, THE 3rd DAY OF SEPTEMBER, 2019.

/s/ JOHN F. BLACK, JR., Mayor

ATTEST: /s/ Town Clerk

Councilman Sweezy made a motion to adopt the aforementioned resolution, seconded by Councilman Thompson. The vote was unanimous.

ASSISTANCE POLICY FOR CDBG- NR SCATTERED SITE HOUSING REHABILITATION PROGRAM:

Lisa Helton of Western Piedmont Council of Governments informed Council that the Neighborhood Revitalization Scattered Site Housing Rehabilitation Program was awarded grant funding; in accordance with the grant funding, the Town must adopt the Town of Valdese Assistance Policy.

Councilwoman Hildebran made a motion to adopt the Town of Valdese Assistance Policy for the 2018 CDBG-NR-NR Scattered Site Housing Rehabilitation Program as presented, seconded by Councilwoman Stevenson. The vote was unanimous.

PRESENTATION OF FISCAL YEAR ENDING JUNE 30, 2019 FINANCIAL UPDATE:

Finance Director Bo Weichel provided an explanation of fund balance terminology and the history of the Town’s fund balance. Mr. Weichel took a moment to recognize Mr. Phil Church and Mr. Rick Hammer of Lowdermilk Church, & Co., the Town’s auditors, for going above and beyond expectations and expressed his appreciation for their effort and time spent to have the information available for this meeting.

Mr. Church explained that fund balance can be difficult to calculate as it fluctuates based on assets, receivables, and expenditures; sharing that if expenditures are high for one year (such as the year the fire truck was purchased) it can have a significant impact on the calculation. Mr. Church informed Council that

the highlight sheets have been provided as a detailed report of the audit will be provided at a later date. Mr. Rick Hammer reviewed the following highlight sheets:

TOWN OF VALDESE

Financial Highlights
Years Ended June 30, 2019 and 2018

General Fund (Includes Powell Bill Funds)	2019 Summarized Budget	Projected 2019	2018
Total assets		\$ 4,481,011	\$ 2,549,184
Fund balance		\$ 4,166,024	\$ 2,166,052
Fund balance - Reserved for Streets - Powell Bill (included in total fund balance)		\$ 57,421	\$ 35,528
Total revenue	\$ 5,136,733	\$ 5,396,287	\$ 4,725,397
Total expenditures	\$ 4,749,733	\$ 5,129,278	\$ 6,466,899
Revenues over (under) expenditures before other financing sources (uses)		\$ 267,010	\$(1,741,501)
Other income (expense)	\$ 387,000	\$ 1,732,962	\$ 1,566,013
Increase (decrease) in fund balance		\$ 1,999,972	\$ (175,488)
Ad valorem taxes collected		\$ 2,064,939	\$ 1,974,578
Percent of taxes collected - current year levy		97.25%	96.39%
Investment income		\$ 63,668	\$ 11,611
Projected Fund Balance Available			
Unassigned Fund Balance		<u>3,388,309</u>	<u>1,206,161</u>
Expenditures and other financing sources and uses		5,129,278	6,495,274
Unassigned Fund Balance Percentage		66.05%	18.56%

- * Local Government Commission minimum recommended general fund balance should be at least 8% of general fund expenditures at the end of the fiscal year.

Water and Sewer Fund	Projected 2019	2018
Cash, cash equivalents and investments	\$ 811,332	\$ 537,544
Total assets	\$23,184,697	\$22,898,369
Net position	\$20,925,241	\$20,252,056
Operating revenue	\$ 4,968,903	\$ 4,675,456
Operating expenses	\$ 4,825,593	\$ 4,460,705
Operating income (loss)	\$ 143,310	\$ 214,751
Nonoperating revenue (expenses)	\$ (194,257)	\$ (66,441)
Transfers (to) from	\$ (549,855)	\$ (815,348)
Capital Contributions	\$ 1,273,987	\$ 909,142
Change in net position, includes \$916,708 of depreciation expense 2019	\$ 673,185	\$ 242,104
Accounts receivable - customers	\$ 561,929	\$ 506,592
Investment income	\$ 14,075	\$ 5,561
Days sales in accounts receivable	41.27	39.54
Projected Fund Balance Available		
Unrestricted Fund Balance	<u>\$ 1,322,495</u>	<u>\$ 1,559,068</u>
Expenditures and other financing sources and uses	4,825,593	5,276,053
Unrestricted Fund Balance Percentage	27.40%	29.54%

Mr. Hammer informed Council that the Unassigned Fund Balance Percentage increased significantly in 2019 due to capital project funds being properly closed out, receiving higher revenues, and having less expenditures than budgeted.

ANNUAL PROPERTY TAX COLLECTION REPORT: Tax Collector Kimberly Cline presented the following report:

September 3, 2019, MB#31
 TaxYear2018
 Property Tax Statement Annual Settlement

PropertyValuations	
Real Estate	271,305,224
Personal	88,041,216
Senior Citizen Exemptions	(4,643,086)
Total Property Valuation Subject to Tax Rate	354,703,354
Levy	1,873,324
Discoveries	58,878
Late List Penalties	1,659
Total Levy	1,933,861
Less Collected as of 6/30/2019	1,842,326
Releases	33,203
Uncollected 2018	58,332
Ratio of Taxes Collected to Total Levy	96.98%

Town Manager Seth Eckard commended the tax office for the outstanding work performed throughout the previous fiscal year.

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

Coffee & Conversation with Mayor and Manager is scheduled for Friday, September 13, 2019, at 7:30 a.m.-9:00 a.m., at Old Rock School.

Old Colony Players production of Murder at Howard Johnson’s is scheduled for September 13-14 and 20-21, 2019. Visit www.oldcolonyplayers.com for location information and to purchase tickets.

The next WNC Rail Committee Meeting is scheduled for Monday, September 16, 2019, 11:30 a.m., in Asheville.

The NC DOT Fall Litter Sweep is scheduled September 14-28, 2019.

Draughn High School Homecoming Parade, Tuesday, October 1, 2019 at 6:30 p.m. (Council meet at Fire Department at 6:00 p.m.)

Next Regular Council meeting scheduled for Monday, October 7, 2019, 6 p.m.

MAYOR AND COUNCIL COMMENTS: Councilwoman Hildebran expressed regret that she is unable to attend the special meeting scheduled for September 23, 2019. Ms. Hildebran thanked Councilman Sweezy for speaking with Burke County Library and for convincing them to not apply the entire budget reduction to the Valdese Library.

Councilman Sweezy expressed his appreciation to all department heads for their hard work and dedication.

Councilwoman Stevenson expressed her appreciation for all of the work that went into planning this year’s Waldensian Festival.

ADJOURNMENT: At 7:00 p.m., there being no further business to come before Council, Councilman Sweezy made a motion to adjourn, seconded by Councilwoman Stevenson. The vote was unanimous.

The next Council meeting is a special called meeting on Monday, September 23, 2019, at 6:00 p.m.

 Town Clerk

 Mayor

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