

January 9, 2023, MB#32

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
JANUARY 9, 2023**

The Town of Valdese Town Council met on Monday, January 9, 2023, 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 Charles Watts, Mayor Pro Tem Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, Assistant Town Manager/CFO Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent: Ward 1 Vacant Seat

A quorum was present.

Mayor Watts 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: Mayor Pro Tem Frances Hildebran read the Rules & Procedures for Public Comment.

Rule 5. Public Comment

Any individual or group who wishes to address the council shall inform the town clerk, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Comments should be limited to five minutes per speaker.

OATH OF OFFICE – WARD 1: Burke County Clerk of Court Crystal Carpenter administered an Oath of Office to Councilman Timothy Bryan Barus, Ward 1, while his wife held the Bible.

RECOGNITION OF DIANE SEARCY: Police Chief Jack Moss recognized Diane Searcy, who donated five Elan City speed radar signs to place at all the entrances into Valdese. Chief Moss thanked Ms. Searcy for her support and the service to our Police Department and the Town. Members of the Council thanked Ms. Searcy for helping to keep the Town safe.

2023 YEAR OF THE TRAIL – BETH HEILE – 5291 MINERAL SPRINGS MTN., VALDESE: Ms. Heile shared that the 2023 Year of Trail came about three years ago when the Great Trails State Coalition discussed trail funding across the state. Representative Hugh Blackwell sponsored the new Bill that was passed. Ms. Heile and Parks & Recreation Direction David Andersen are working together to plan different events at Valdese Lakeside Park in 2023. Ms. Heile shared that the Friends of the Valdese Rec started the 365-Mile Challenge that challenges all citizens in Valdese to walk one mile a day using a Valdese trail if possible.

2023 YEAR OF THE TRAIL PROCLAMATION: Mayor Watts read the following Proclamation:

2023 YEAR OF THE TRAIL PROCLAMATION

WHEREAS, The Town of Valdese's natural beauty is critical to its residents' quality of life, health, and economic wellbeing; and

WHEREAS, the trails and walkways that span across our community are an integral part of the recreational and transportation possibilities of our area and promote an enjoyment of scenic beauty by our residents and our visitors; and

WHEREAS, the parks, greenways, trails and natural areas in our community are welcoming to all and provide a common ground for people of all ages, abilities, and backgrounds to access our rich and diverse natural, cultural, and historic resources; and

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WHEREAS, the Town of Valdese's natural assets and resources are integral to disaster recovery and resiliency to climate change for future generations; and

WHEREAS, the Town of Valdese's abundance of trails vary from the natural surface Hoyle Creek Trail meandering from Lovelady Road along Hoyle Creek to the Valdese Lakeside Park Parking Area, the Story Trail at Valdese Lakeside Park to the Meditation Point Lookout, the short path to McGalliard Falls in McGalliard Falls Park, the longer Valdese Greenway spanning multiple parks via the McGalliard Creek Bridge, the Wilderness Gateway Trail making its way over Mineral Spring Mountain and along Main Street, the River Trail of Burke County joining Valdese with other Burke County communities, and other trails; and

WHEREAS, trails offer quality-of-life benefits to all as expressions of local community character and pride, as outdoor workshops for science education, as tools for economic revitalization, as free resources for healthy recreation, as accessible alternative transportation, and as sites for social and cultural events; and

WHEREAS, individual and corporate members of the community, the Town of Valdese Parks and Recreation Department, and the Friends of the Valdese Rec have engaged in trail building, trail maintenance, and have promoted the growth of the trail system and outdoor recreation economy; and

WHEREAS, the North Carolina General Assembly designated 2023 as the Year of the Trail in North Carolina to promote and celebrate the state's extensive network of trails that showcase our state's beauty, vibrancy and culture; and

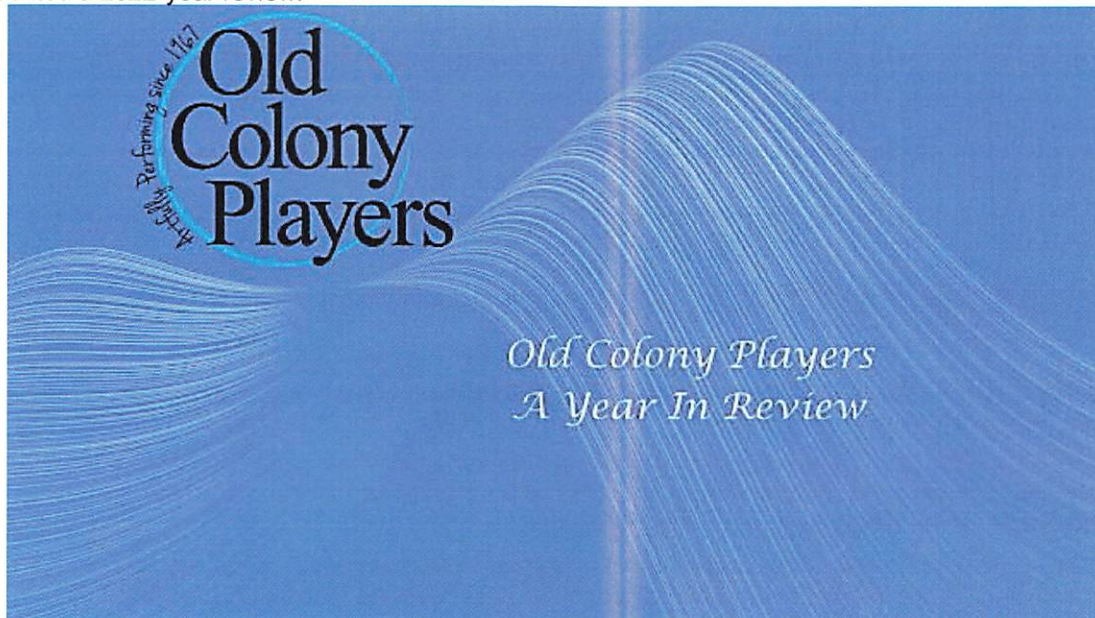
WHEREAS, North Carolina is known as the "Great Trails State;"

NOW, THEREFORE, I, Charles Watts, Mayor, do hereby proclaim 2023 as "THE YEAR OF THE TRAIL" in The Town of Valdese, and commend its observance to all people.

This 9th day of January 2023.

/s/ Charles Watts, Mayor

UPDATE FROM OLD COLONY PLAYERS: Edyth Potter, General Manager of Old Colony Players presented a 2022-year review.



Performing since 1967
Old Colony Players

*The mission of Old Colony Players is to
preserve Waldensian cultural heritage, promote
quality theatre,
and celebrate diverse artistic expression.*

Old Colony Players is a 501-c3 non-profit corporation

OUR 2022 SEASON

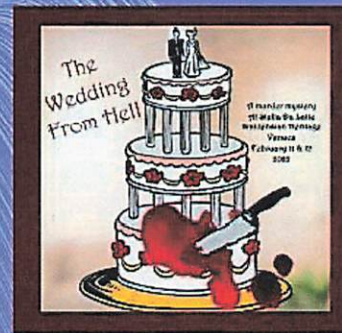


Steel Magnolias

January 2022

At the Old Rock School

4 performances | 165 patrons
13 cast and crew | 3 new to OCP



February 2022

A murder mystery dinner done in conjunction with
Waldensian Heritage Venues
2 sold out performances



The Hunchback of Notre Dame

April 2022

At the Amphitheatre

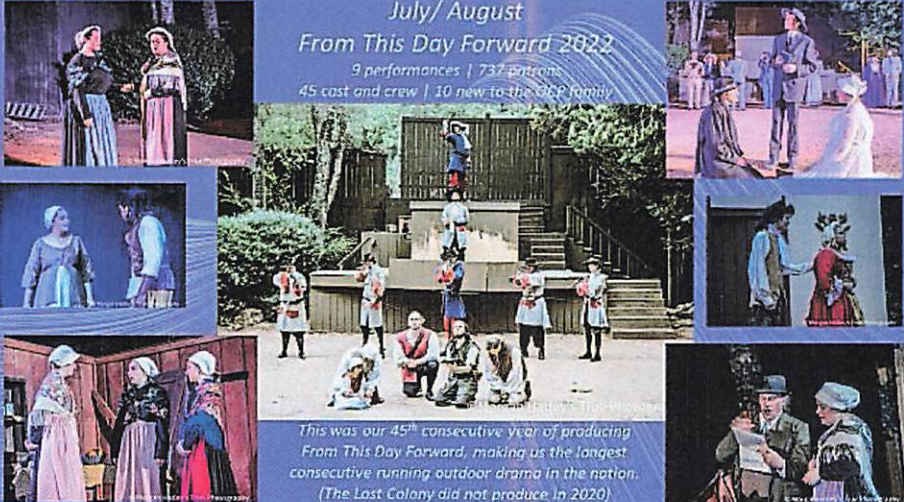
7 performances | 541 patrons
57 cast and crew | 19 new to OCP

**OCP Summer Camp-
You in the Spotlight
June 2022**

4 teachers | 16 students



July/ August
From This Day Forward 2022
9 performances | 737 patrons
45 cast and crew | 10 new to the OCP family



This was our 45th consecutive year of producing *From This Day Forward*, making us the longest consecutive running outdoor drama in the nation. (The Last Colony did not produce in 2020)

September 2022 Cyrano De Bergerac At the Amphitheatre 5 performances 193 patrons 32 cast and crew 5 new to OCP 	October 2022 Sweeney Todd At the Amphitheatre 8 performances 557 patrons 38 cast and crew 15 new to OCP 	December 2022 A Christmas Carol At the Old Rock School 7 performances 588 patrons 32 cast and crew 3 new to OCP 
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• Where do our audiences come from?
Over 75% of our audiences are from outside of valdese, making OCP a destination attraction for those who do not know our wonderful town.

For the Outdoor drama, we have had people from all over the country and even overseas.

For our other productions, patrons regularly come from as far as Asheville, Winston Salem and Charlotte and every point inbetween.

- Where do our actors come from?
Our actors are a diverse group.

Actors travel from Hickory, Lenoir, Boone, Marion, Cherryville, Lincolnton, Shelby and Statesville as well as many people in our local acting community.

We have a wonderful core group who work with almost every show, but we have had 45 people this year alone who have joined our casts and crews who had never worked with Old Colony Players before.

As a community theatre, all actors and most of the crew are volunteers. Each of them give at least 150 hours of their time at the theatre per production.

From This Day Forward and the murder mysteries are the only productions for which actors are paid.

Pay range is from \$150-\$400 for the whole summer and \$50 for 2 mystery dinners.

- How much does it cost to put on a production?

Depending on the production, the rights run anywhere from \$120-\$285 per performance.

The average cost of rights/music for a major musical is over \$3500.

Add to that the cost of production staff, costuming, sets, musicians, and props, and productions cost anywhere from \$3000- \$8,000 to produce.

On top of show costs, of course the regular costs of doing business still apply. Revenues from shows only pay a portion of our operating costs, so we are incredibly grateful to our community for all the support from individuals, businesses and grants which keep us going.

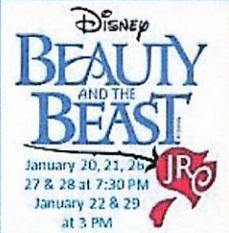
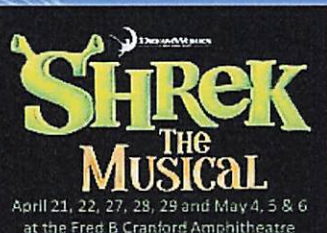
What's new at OCP

We have done a major upgrade to our sound system thanks to a generous grant from the Rostan Family Foundation and Derek Long Productions

We are constantly upgrading the Amphitheatre to make it safe and accessible.

We are expanding our season and including more opportunities for young people in the community with a "Jr." show. We are also looking into doing workshops in audition techniques, dance, costuming and other aspects of theatre to build the community and build confidence for those who may want to become part of our theatre community.

What's Coming Up in 2023

 Disney BEAUTY AND THE BEAST January 20, 21, 26, 27 & 28 at 7:30 PM January 22 & 29 at 3 PM	 Crazy Little Thing Called Murder A murder mystery at Waldensian Heritage Venues February 10 and 11	 SHREK The Musical April 21, 22, 27, 28, 29 and May 4, 5 & 6 at the Fred B. Cranford Amphitheatre
 THE TEMPEST By William Shakespeare June 9, 10, 15, 16, 17 at the Fred B. Cranford Amphitheatre	55th Consecutive Season <i>From This Day Forward</i> Presented by Old Colony Players Fridays and Saturdays July 14 through August 12	You in the Spotlight Summer Camps Date TBA June/July October show TBA At the Amphitheatre October 14-28 Christmas Show TBA December 8-17

 **Old Colony Players**

Thank You
To the Town Council,
The town employees
The Old Rock School and Tourism department Staff
And especially, our community for all your support.
Without you, our "Dreams" would not be possible
and our stories would remain silent.
YOU are the community in community theatre.
OldColonyPlayers.com

COMMUNICATIONS – GLENN HARVEY – 801 MICOL AVE., VALDESE: Mr. Harvey congratulated Councilman Barus for representing Ward 1 and shared that there were no hard feelings since he also applied for the Ward 1 seat. Mr. Harvey appreciates Mr. Barus's service to the Town. Mr. Harvey thinks that the County taking over tax collection for the Town is good, and believes it is always good to outsource things outside of the organization. Mr. Harvey asked the Mayor if he could give the public a report on where we are at with the new Public Safety Building construction bids. Mr. Harvey also asked about the construction loans and if Council authorized it. Mr. Harvey is concerned that the numbers keep changing with costs, interest rates, etc.

TAX BILLS – JEAN MARIE COLE – 705 BERTIS ST., VALDESE: Ms. Cole expressed her concern with the newspaper article that said the Town would outsource the city tax collection. Ms. Cole wondered how the Town would save money by doing this. Ms. Cole is curious if there is a fee if you pay your taxes online. Ms. Cole also wants to know how the bill is structured; is it one bill or two, and is there going to be a discount. Ms. Cole would like to have heard about this change before reading it in the newspaper.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF DECEMBER 5, 2022

APPROVED CLOSED SESSION MINUTES OF DECEMBER 5, 2022

APPROVED APPOINTMENTS/REAPPOINTMENTS TO BOARDS AND COMMISSIONS:

VEDIC (3-year terms)

1. Appointment of Tim Barus – Valdese Town Council Representative
Mr. Barus will be filling the unexpired term of Keith Ogle whose term expired July 1, 2024.
2. Appointment of Lily Laramie – WWPC Small Business Center Director
Ms. Laramie will be filling the unexpired term for Forrest Fleming who term expires July 1, 2025.

Bio for Lily Laramie:

I started my professional journey early in life. My parents have always been entrepreneurial, so my first experience with business came when I was 10 years old helping to package and ship plants. I was homeschooled up until I joined Caldwell Early College High School where I got on the fast track to being the first person in my family to go to college. I went to UNC Asheville for my bachelor's degree and after two years I graduated Summa Cum Laude with my bachelor's in Arts, Management, and Entrepreneurship. I paid my way through college by operating my own photography business. After graduation, I completed my masters in Business Administration with a focus on Entrepreneurship in the Charles M. Snipes College of Business and Economics at Lenoir-Rhyne University, and now, I work at Western Piedmont Community College as the Small Business Center Director helping local businesses grow and expand. I also work on my own as a photographer and web designer in all my free time!

Planning Board & Board of Adjustment (4-year terms)

1. Reappointment of Barry Zimmerman

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

End Consent Agenda

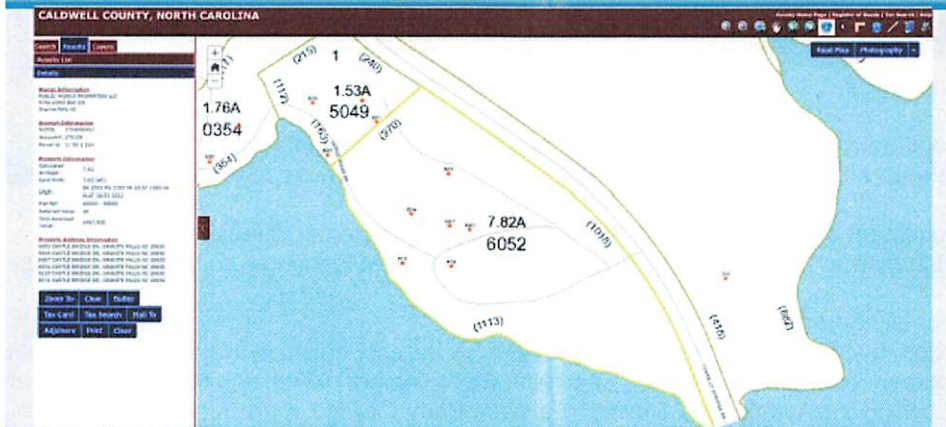
ITEMS REMOVED FROM CONSENT AGENDA: None

INTRODUCTION OF NEW EMPLOYEE: Mayor Watts tabled this item until next month due to Public Works employees working on an emergency water break.

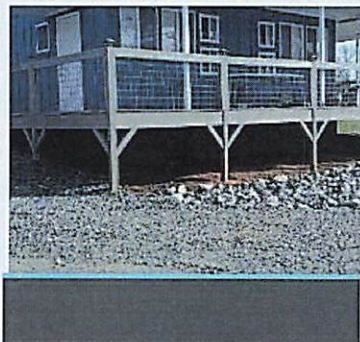
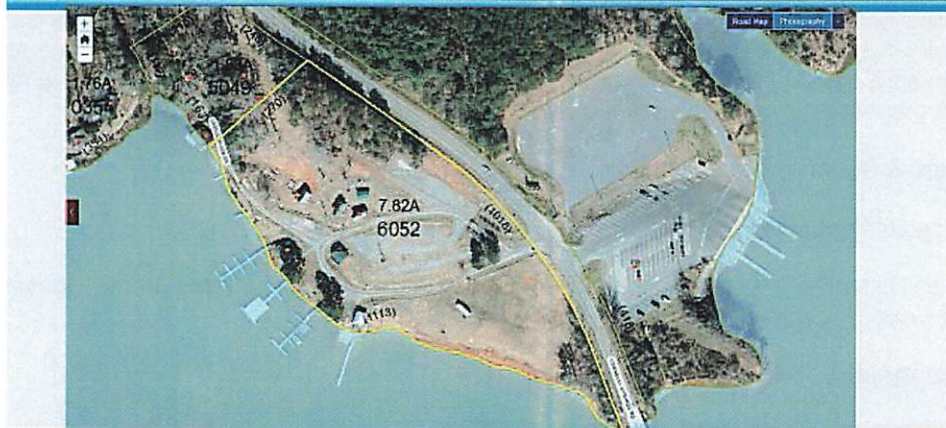
APPROVED PUBLIC HEARING – RUTHERFORD COLLEGE & TOWN OF VALDESE ANNEXATION AGREEMENT: Mayor Watts opened the Public Hearing.

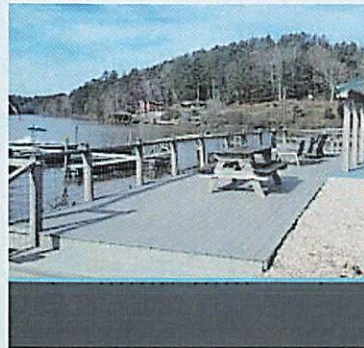
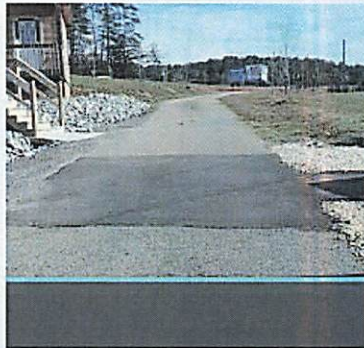
Planning Director Larry Johnson explained that the owner of the marina located at 5784 Long Bay Dr., Granite Falls, petitioned an annexation with the Town of Rutherford College into their corporate limits. However, the Town of Valdese corporate limits is closer. Mr. Johnson shared that the Valdese Town Council would have to approve an Ordinance adoption and an agreement between the Towns for Rutherford College to proceed with annexing the property. Mr. Johnson and the Valdese Planning Board sought input from Police, Planning, Fire Department, and Public Works. Mr. Johnson presented the following presentation with maps, pictures, and the Department Head responses:

Marina Property



Marina Property





Public Works Department

- Limited in the scope of services that Public Works can provide
- Public Works services include trash, brush, leaves, and rough trash
- Water and Sewer are not available

Police Department

- Not in favor of an annexation
- Necessitate officers monitor two separate communication centers (Caldwell, Burke) when dispatched
- Strain resources with current staffing shortages
- Marina location takes officers further out of town, which could hamper response times

Fire Department

- Concerns regarding the possible annexation
- Marina property located more than 5 miles from the fire station, which would result in Class 10 Unprotected rating
- Town required to contract with North Catawba Fire and Rescue, resulting in loss of revenue and need the town to contract with North Catawba with cost and conditions unknown
- Dispatching issues or confusion because of the property being located in another county which could result in missing calls

Planning Department

- Concerns regarding the possible annexation
- Haphazard Development – RV Park, Marina, Rental Cottages, Snack Bar
- M-1 Manufacturing designation for the property
- Proximity of septic systems to Lake Rhodhiss
- Property access along a private (15 ft) Drive

Planning Board's Recommendation

- Planning Board recommends that Town Council not accept nor encourage a petition to annex the marina
- Allow the property owner to continue his petition with the town of Rutherford College by adopting an ordinance and annexation agreement between the two municipalities

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Councilman Skidmore and Councilwoman Hildebran were concerned with future growth and if we needed to consider annexing to that area. Mr. Johnson shared that he has not heard of any plans to expand, and it would have to be on a voluntary bases to extend that far. Mr. Johnson shared that the property owner is only interested in annexing with the Town of Rutherford College.

Mayor Watts asked if anyone wished to speak either for or against the proposed annexation agreement.

GLENN HARVEY – 801 MICOL AVE. NE, VALDESE: Mr. Harvey thought that this was great information and should be publicized. Mr. Harvey expressed hopefulness that the Town Council in the New Year would start live-streaming the meetings.

Councilman Mears shared that legal counsel has reviewed the documents and wondered if there was an expiration date on the annexation. Town Attorney Tim Swanson explained that it is a 20-year term and does allow for a five-year notice of termination during the term. Mr. Swanson said the owner would have to change course at that point.

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

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held at a meeting of the Valdese Town Council in the Council Chambers of the Valdese Town Hall, at 102 Massel Avenue SW, Monday, January 9, 2023, at 6:00 p.m.

At the public hearing, the Town Council will consider an Annexation Agreement with the Town of Rutherford College regarding the parcel at NCPIN: 2754096052 (Castle Bridge Marina). The agreement would defer the Town of Valdese's right to annex the parcel by proximity.

For information regarding this, contact the Planning Department at (828) 879-2124. Interested parties are invited to attend this hearing and present comments. Request for accommodations by persons with disabilities should contact Jessica Lail, Clerk at (828) 879-2117 at least 48 hours before the scheduled meeting time.

PUBLISH: DECEMBER 29, 2022

AN ORDINANCE APPROVING A TOWN OF RUTHERFORD COLLEGE / TOWN OF VALDESE ANNEXATION AGREEMENT

WHEREAS, in order to enhance orderly planning by municipalities and the residents and property owners in areas adjacent to such municipalities, Chapter 160A, Article 4A, Part 6 of the North Carolina General Statutes authorizes municipalities to enter into binding agreements to annexation by one or more of the participating municipalities; and

WHEREAS, all of the prerequisites to adoption of this ordinance as prescribed in Chapter 160A, Article 4A, Part 6 of the North Carolina General Statutes have been met; and

WHEREAS, the Councils of the Town of Rutherford College and the Town of Valdese, in compliance with the aforementioned General Statutes, held public hearings on the matter of said municipalities entering into an agreement concerning annexation; and

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WHEREAS, the Council of the Town of Valdese has taken into consideration the statements presented at the Town public hearing; and

WHEREAS, the Council of the Town of Valdese finds it to be in the best interest of the citizens and residents of the Town to enter into the proposed Annexation Agreement attached to this ordinance.

NOW THEREFORE BE IT ORDAINED, by the Council of the Town of Valdese, that:

Section 1. The proposed Annexation Agreement between the Town of Rutherford College and the Town of Valdese is hereby approved and ratified, and the Mayor is directed to execute this same.

Section 2. The Annexation Agreement is attached to this ordinance and is incorporated herein, and this ordinance and the executed Annexation Agreement shall be attached to the minutes of this meeting.

Section 3. This approving ordinance is effective upon adoption.

ADOPTED this ____ day of _____, 2023.

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

/s/ Charles Watts, Mayor

ATTEST: /s/ Town Clerk

Councilman Mears made a motion to approve the annexation ordinance as presented, seconded by Councilwoman Lowman. The vote was unanimous.

TOWN OF RUTHERFORD COLLEGE/TOWN OF VALDESE
ANNEXATION AGREEMENT

WHEREAS, the Town of Rutherford College and the Town of Valdese, (the "participating governmental units"), duly incorporated municipalities under the laws of the State of North Carolina, each desires to enhance the orderly planning of their respective municipalities, desires to eliminate uncertainty among residents and property owners in unincorporated areas adjacent to them, and desires to improve planning by public and private interests in such areas; and

WHEREAS, Chapter 143 of the 1989 Session Laws of the North Carolina General Assembly (hereinafter referred to as the "Act") authorizes municipalities to enter into binding agreements concerning future annexation in order to enhance orderly planning by such municipalities as well as residents and property owners in areas adjacent thereto.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein; and further in accordance with the authority granted each of the parties under North Carolina General Statutes Chapter 160A, Article 4A, Part 6, the participating governmental units agree as follows:

1. This Annexation Agreement ("Agreement") is executed pursuant to the authority of the Act, codified as Article 4A, Part 6 of the General Statutes Chapter 160A.
2. This Agreement shall terminate twenty (20) years after its effective date unless earlier terminated in accordance with the provisions of Paragraph 6 herein.
3. A. The Town of Valdese hereby defers their statutory right by proximity to annex the following described area: See Exhibit A (attached survey map), further designated by the NCPIN: 2754096052

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B. In so deferring their statutory right to annex the area described in this agreement, specifically NCPIN: 2754096052, the Town of Valdese thereby grants the Town of Rutherford College the right to annex by this agreement for the satellite annexation area described in this agreement pursuant to N.C.G.S. § 160A-58.24(a)(5).

4. The effective date of this Annexation Agreement is _____, this Agreement having been entered into after Public Hearings held by the governing Councils of the participating governmental units, and passage of an ordinance approving the Agreement by each of the participating governmental units.
5. This Agreement may be modified or terminated by subsequent written agreement(s) entered into by the participating governmental units; however, any subsequent agreement(s) shall be approved by Ordinance only after public hearings as provided in N.C.G.S. § 160A-31(c).
6. This Agreement may be terminated unilaterally by either participating governmental unit, or either participating governmental unit may withdraw from this Agreement, by repealing the Ordinance which approved this Agreement and providing not less than five years' written notice to the other participating governmental unit. Upon the expiration of the five-year period, this Agreement shall terminate.
7. From and after the effective date of this Agreement, neither participating governmental unit shall adopt an annexation ordinance as to all or, any portion of an area in violation of the Act or this Agreement.
8. Nothing in the Act or this Agreement shall be construed to authorize the annexation of any area which is not otherwise subject to annexation under applicable law by either of the participating governmental units.
9. Nothing in the Act or this Agreement shall be construed to prevent the annexation of any area which is not subject to this Agreement by either of the participating governmental units.
10. Either participating governmental unit which shall believe that a violation of the Act or this Agreement has occurred, shall have available to it all remedies and relief authorized by the Act in addition to such remedies or relief as are authorized by other applicable law.
11. All notices, requests, and other communications hereunder shall be deemed to have been given when deposited in the United States mail in a sealed envelope, postage prepaid, certified mail, and addressed as follows:

Town of Rutherford College
PO Box 406
Rutherford College NC 28671

Town of Valdese
P.O. Box 339
Valdese, NC 28690

12. This writing contains the entire agreement between the participating governmental units, and there is merged herein all prior and collateral representations, promises, and conditions in connection with the Agreement.

IN WITNESS WHEREOF, the Mayors of the Town of Rutherford College and the Town of Valdese, the participating governmental units, by and under the authority granted by their respective municipalities in Ordinances Approving this Agreement, have hereunder executed this Agreement to become effective as provided in paragraph 4 above.

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This the _____ day of _____, 2023.

THE TOWN OF RUTHERFORD COLLEGE,
a North Carolina Municipal Corporation

(SEAL)

ATTEST:

By: _____
Yates Jensen, Mayor

Jessica Bargsley, Town Clerk

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

(SEAL)

ATTEST:

By: _____
Charles Watts, Mayor

Jessica Lail, Town Clerk

Councilwoman Hildebran made a motion to approve the annexation agreement with the Town of Rutherford College as presented, seconded by Councilman Mears. The vote was unanimous.

BURKE COUNTY PROPERTY TAX REVALUATION PRESENTATION: Burke County Tax Administrator John Bridgers introduced himself to Council and gave a presentation on the countywide 2023 tax reassessment. Mr. Bridgers explained that the reappraisals are completed at least once every eight years per N.C.G.S. 105-286; however, the County can conduct an earlier appraisal at the discretion of the Board of Commissioners. Mr. Bridgers shared that Burke County has elected to do that, and the last reappraisal was in 2019. Mr. Bridgers gave an in-depth presentation on property/market values and how to determine values on identical homes in different locations.

Mr. Bridgers shared that if a person's property value went up more than the average percentage, their taxes would probably go up. If the property's value went up less than the average percentage or went down, chances are their taxes will probably go down. Mr. Bridgers explained that citizens could make tax payments.

Mr. Bridgers shared that tax notices should be mailed out sometime mid to late February. Councilman Mears asked when the Burke County Commissioners would decide on the tax rate. Mr. Bridgers said when they do their budget in June. Councilwoman Lowman would like to pay the County and Town tax bills in one location.

A copy of the presentation can be obtained by contacting the Clerk's office.

APPROVED AGREEMENT BETWEEN BURKE COUNTY & TOWN OF VALDESE: Assistant Town Manager/CFO Bo Weichel presented a presentation on moving the Valdese tax collection to Burke County.

VALDESE – BURKE COUNTY

Tax Collection Agreement

Topics of Discussion

- Current Process
- Proposed Process
- Why Now?
- Impact/Benefits
 - Save the Town Money
 - Provide Better Services

Current Process

- Every July, the County sends tax billing file of all Valdese property.
- Valdese sends file to our software vendor to begin the conversion process to format into our accounting system. Takes about a week to complete.
- Billing file is uploaded to our accounting system overnight so that property identification matches County GIS.
- Valdese Tax Collector creates billing file of PDF statements and sends to our print/mail vendor.
- Tax bills are paid at Town Hall or by mail with cash or check.
- Collection, processing, and updating accounts is done by Valdese staff.

Proposed Process

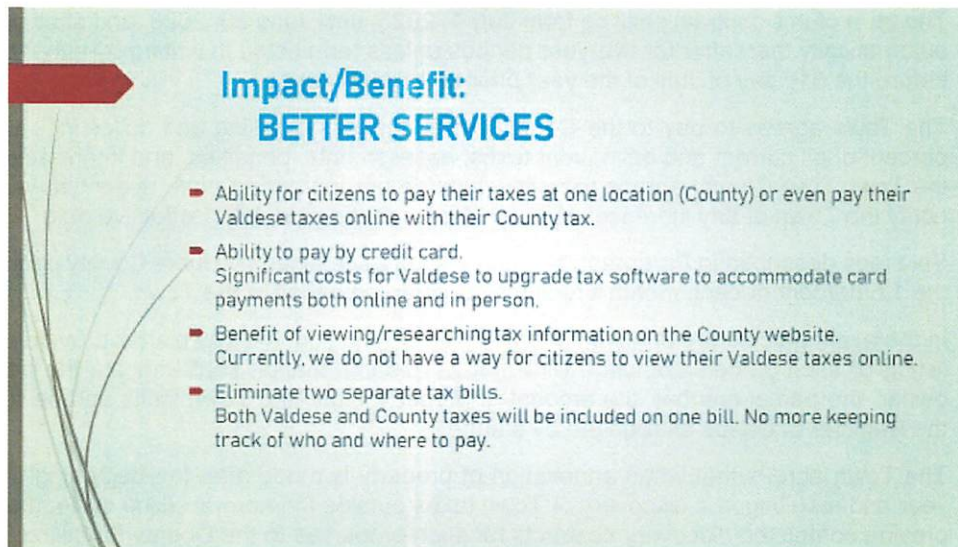
- Every July, the County will include Valdese taxes on their tax bill.
- They will collect new tax bills and delinquent moving forward, beginning July 2023.
- Valdese will still be responsible for collection of current delinquents.
- County will deposit daily collections directly into Valdese bank account.
- They will provide reporting so that the Valdese Tax Collector can reconcile tax collections with deposits.
- Collection, processing, and updating accounts is done by Valdese staff.
- Collection fee of 1.5%

Why Now?

- Ideal time to restructure the department.
- Departure of a full-time position.
- Leave position unfilled – tax billing and collection to the County.
- Redistribution of current duties – same level of service for outside and inside customers.
- Still need a "Tax Collector" on staff for coordinating with the County, reporting, and reconciling accounts.

Impact/Benefit: SAVINGS TO THE TOWN

- Savings of \$53,400 in personnel costs from restructuring (salary+benefits)
- Savings of \$8,800 from removing tax billing and collection (includes our cost to print and mail tax bills, tax advertisements, file conversion, software fees for tax module).
- County collection rate 1.15% higher than Valdese, meaning we can budget our Ad Valorem Tax revenue 1.15% more than what we are allowed to by law. Net cost for the County to collect would be an effective rate of 0.35% or approximately \$7,500 out of pocket for Valdese.
- Adding item 1 & 2 and decreasing by item 3, results in a budgetary savings of **\$54,700**. This savings would increase each year as salary and benefit costs rise.



Councilwoman Hildebran addressed Ms. Cole and hoped that her questions were answered in regards to her questions during the public comment session.

STATE OF NORTH CAROLINA

AGREEMENT

BURKE COUNTY

THIS AGREEMENT, made and entered into this the ____ day of _____ 2023, by and between the County of Burke, (hereinafter referred to as "the County") a political subdivision of the state of North Carolina, and the Town of Valdese, (hereinafter referred to as "the Town"), a municipal corporation under the laws of the State of North Carolina.

WITNESSETH:

THAT WHEREAS, the Town desires for Burke County, by and through its duly appointed Tax Administrator, to list and assess municipal properties, both personal and real, for the purpose of levying taxes; and

WHEREAS, the Town desires for Burke County, by and through its duly appointed Tax Administrator, to bill and collect current and delinquent municipal taxes by methods set forth in Chapter 105 of the North Carolina General Statutes (hereinafter, "Chapter 105"); and

WHEREAS, the Town by action of the Town Council dated the ____ day of _____ 2023, requested Burke County to list, assess, bill, and collect current and delinquent ad valorem municipal property taxes; and

WHEREAS, Burke County, by action of the Board of Commissioners, has agreed to list, assess, bill, and collect current and delinquent municipal taxes; and

WHEREAS, the County and the Town have reached an agreement concerning the listing, assessment, billing, and collection of the Town ad valorem property taxes by the County and desires to reduce this agreement to writing;

NOW, THEREFORE, in consideration of the payment hereafter mentioned, the mutual promises herein contained and the mutual benefits to result there from, the County and the Town agree as follows:

Pursuant to the provisions of Article 20 of Chapter 160A of the General Statutes of North Carolina, and N.C.G.S. 153A-445 (a) (1), the County and the Town agree:

1. The term of this contract shall be from July 1, 2023, until June 30, 2028, and shall be renewed automatically thereafter for five-year periods unless terminated in writing by either party on or before the 31st day of July of the year prior to the termination.
2. The Town agrees to pay to the County for its services in billing and collecting, a fee of 1.5 percent of all current and delinquent taxes, assessments, penalties, and interest collected for the Town. The County agrees to review this fee not more than once every five years and to notify the Town of any increases by July 31 prior to the next July 1 effective date.
3. Said fees described in Paragraph Number 2 shall be retained by Burke County each month as the 1.5 percent of each month's receipts collected on behalf of the Town.
4. In the event parcels are annexed or split by an annexation, the Town shall provide a complete listing of such parcels complete with maps. This information shall indicate the name of the owner, the parcel number, the amount of property within the Town limits and be recorded at the Register of Deeds as required by statute.
5. The Town agrees that when annexation of property is made after the beginning of the fiscal year and resulting in a discovery of Town taxes outside the normal billing cycle, the Town will provide completed discovery abstracts for such properties to the County for billing. The Town also agrees that discoveries for current and prior years made as a result of failure to properly code Town properties will be handled in the same manner, with the Town providing completed discovery abstracts for each year. The Town further agrees to reimburse the County for postage and staff costs associated with unanticipated multiple discoveries due to annexation or coding.
6. The Burke County Tax Administrator shall have complete responsibilities for the collection of ad valorem property taxes for the Town, both current and delinquent. The County Tax Administrator shall exercise the general duties on behalf of the Town as set forth in Chapter 105-350 (General Duties of Tax Collector) and further have the right to use all remedies as set forth in Article 26 of Chapter 105.
7. When real property is sold at foreclosure sale for the collection of ad valorem taxes, the County agrees to use reasonable efforts to assure that the opening bid is sufficient to pay both the County and Town ad valorem property taxes including penalties, interest and such cost as accrued prior to the institution of the foreclosure action. In the event the property is sold for an amount not sufficient to satisfy both the County and the Town taxes, including penalties, interest and cost, the money shall be distributed as follows:

Burke County shall first be reimbursed for accrual expenses and disbursements made by it in connection with the foreclosure action, including the cost of advertising, legal fees and other necessary legal expenses, and any balance remaining after the payment of these expenses shall be distributed to the County and Town in proportion to their respective interests.

In the event that the County shall become the purchaser at foreclosure sale, the property shall be held and disposed of pursuant to Chapter 105-376 (a) & (b).
8. The Town agrees that the Burke County Tax Administrator shall be authorized to use all lawful means to collect the ad valorem property taxes on behalf of the Town. The Town agrees to extend full cooperation from its officials, agents and employees in the collection of these taxes and further agrees to take no action on behalf of any Town taxpayer that is influenced by personal or political friendships or obligations.

The County agrees that in collecting ad valorem taxes for the Town that, pursuant to Chapter 105-354, these taxes shall be treated in the same manner as taxes of Burke County. The Tax Collector agrees as to these taxes to follow all procedures set forth in Article 26 (Collection and Foreclosure of Taxes), for the delivery of receipts, releases, and prepayment. Therefore, the County agrees to pay the Town every 30 days at the close of the month's books, the amount collected less the County's fee. The County agrees to provide a monthly summary of all

transactions and also a status report showing all outstanding accounts as requested by the Town.

9. In the event the taxpayer asserts taxpayer's remedies pursuant to Chapter 105-381, including a demand for release or a request for a refund, the County will handle those as follows: releases and or refunds of Town taxes for reasons of value changes will be handled in the same manner as the release of County taxes. Release records will be available for inspection by the Town as requested. Releases and/or refunds requested by reason of situs within the Town will be referred to the Town for confirmation and then released by the County. Any refund requested for taxes of years prior to this agreement will be referred to the Town for decision by the governing body and issued by the Town. The County and the Town agree to handle all refunds, releases, and compromises under the provisions of Article 27 (Refund and Remedies) of Chapter 105, and agrees not to release, refund, or compromise all or any taxes except as provided in Article 27.
10. The parties agree that the collection shall be subject to an audit by a certified public accountant to be selected by Burke County.
11. The County agrees to print and mail delinquent notices each year on or before July 1.
12. The parties agree that there shall be at least one advertisement of tax liens on real property for failure to pay taxes pursuant to Chapter 105-369. The time of the advertisement shall be selected by the County.
13. The parties agree that all fiscal month closings shall be on the last day of each month, with the exception of when the last day falls on a weekend. When the last day falls on a weekend, the fiscal month shall close on the preceding day prior to the weekend except that June 30 shall be the closing for both the fiscal year and the fiscal month, and December 31 which shall be the close of the fiscal month and the calendar year.
14. The Town agrees to provide the County with a tax rate, in writing, for the new fiscal year by June 30 annually.
15. The parties agree that there shall be one tax bill for County bills and Town bills. The bill shall indicate a separate total for the County and a separate total for the Town, and in addition, shall state a grand total of the County and Town ad valorem taxes.
16. In the event a taxpayer makes a partial payment, the County Tax Collector shall divide the payment proportionally between the County ad valorem taxes due and the Town ad valorem taxes due, except when the taxpayer directs that the money be applied on another basis.
17. The Town agrees to encourage all taxpayers to make payment of both the Town and County ad valorem taxes to the Burke County Tax Collector.
18. This Agreement shall be effective upon its adoption by a majority vote of the members of the governing board of the County and Town and its execution by the proper officials of each unit of government, and minutes of each unit of government shall be spread upon the minutes of the County and the Town.
19. The Town agrees to take such action as may be required by North Carolina General Statutes to give the Burke County Tax Administrator, his assistants and clerks the authority to administer the collection of Town ad valorem taxes and to carry out the provisions of this Agreement.
20. The Town agrees to pay the County the actual cost of transitioning any current or delinquent accounts from the Town's records to the County's tax system. The Town will be responsible for completing any foreclosure actions begun prior to remitting delinquent files to the County. All other delinquent files not in foreclosure will be remitted to the County for collections.

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed, in their respective names, by their proper officials, all by authority of a resolution of the governing bodies of each of the taxing units, duly adopted.

BURKE COUNTY

BY: _____
Scott Mulwee, Chairman
Burke County Board of Commissioners

Attest:

Kay Honeycutt Draughn, CMC, NCMCC
Clerk to the Board

TOWN OF VALDESE

BY: _____
Charles Watts, Mayor
Town of Valdese

Attest:

Jessica Lail
Valdese Town Clerk

Councilwoman Lowman made a motion to approve the agreement between the Town of Valdese & Burke County, seconded by Councilwoman Hildebran. The vote was unanimous.

APPROVED FY 23-24 AUDIT CONTRACT – LOWDERMILK CHUCH & CO., LLP: Assistant Town Manager/CFO Bo Weichel informed Council that the FY 2023-2024 audit contract was being presented in the amount of \$17,300.00. The fee does reflect a \$500.00 increase. A copy of the audit contract can be obtained by contacting the Clerk's office.

Councilman Mears made a motion to approve the aforementioned audit contract for FY 2023 - 2024, seconded by Councilman Barus. The vote was unanimous.

APPROVED TOWN OF VALDESE ACTION PLAN: The Town of Valdese Action Plan was updated based on the findings of the November 1, 2022, strategic planning session held at the Western Piedmont Council of Governments' office. A copy of the Action Plan is available for inspection on the Town's website and in the clerk's office.

Councilwoman Hildebran made a motion to approve the Town of Valdese Action Plan, seconded by Councilman Barus. The vote was unanimous.

APPROVED LEASE CONTRACT BETWEEN DUKE ENERGY CAROLINAS, LLC & TOWN OF VALDESE – CANOE/KAYAK LAUNCH: Parks & Recreation Director David Andersen reminded Council that the outstanding amenity for the PARTF grant is the Canoe/Kayak Fishing pier. Mr. Andersen said for the Town to build on the shoreline, we have to have Duke Energy's permission, and this agreement is the lease to allow that to happen.

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Prepared By: Karol P. Mack, Deputy General Counsel, Duke Energy

Site: 007326

Land Unit: 0048798

Project No: 007326-860580

STATE OF NORTH CAROLINA

TRUE PUBLIC RECREATION LEASE

COUNTY OF BURKE

Town of Valdese

Lake Rhodhiss, Catawba-Wateree Hydroelectric Project (FERC Project No. 2232)

THIS LEASE is made and entered into by and between DUKE ENERGY CAROLINAS, LLC, a North Carolina limited liability company ("Lessor"), and TOWN OF VALDESE, a body politic and corporate existing under the laws of the State of North Carolina ("Lessee"); each singularly called a "Party" and collectively called the "Parties";

WITNESSETH:

WHEREAS, Lessor owns, leases or otherwise controls substantial equity interests in that certain property described herein lying within the Project Boundary, more particularly within the lake bed and upland of the lake bed of Lake Rhodhiss (the "Lake") in Burke County, North Carolina, which is part of Lessor's Catawba-Wateree Hydroelectric Project (FERC Project No. 2232) (the "Project"), for which Lessor holds a license to operate (the "License") and which Project is subject to regulatory oversight by the Federal Energy Regulatory Commission ("FERC" or "Commission"); and

WHEREAS, Lessee desires to use Project property described herein for the purposes described in Paragraph 2 of this Lease, and Lessor is willing to allow the use of said property pursuant to the terms and conditions recited herein.

NOW THEREFORE, Lessor, for and in consideration of Ten Dollars and No/100 (\$10.00) and other valuable considerations, and the covenants and agreements hereinafter expressed, to be kept and performed by Lessee, hereby grants and Lessee hereby accepts a Lease, subject to the exceptions and reservations and upon the terms and conditions and for the purposes in this instrument set out, to use the following property located in Burke County, North Carolina, hereinafter sometimes referred to as the "Leased Premises," to wit:

All that tract of land containing 0.268 ± acres, lying within and adjoining the Lake, as shown on that certain plat entitled "Pier Lease Survey for NC Wildlife Resource Commission," dated July 11, 2022, attached hereto as Exhibit A and incorporated herein by reference.

1. Term: This Lease shall begin on _____, 20____, (the "Effective Date") and shall expire at the end of the term of the License granted to Lessor by the FERC effective November 1, 2015 (including any extension periods of the License as may be granted by the FERC through annual licenses or otherwise, but not including the next new or subsequent license the FERC may issue after the expiration of the License), unless terminated sooner pursuant to Paragraph 16 of this Lease. Lessor may terminate this Lease at any time if directed to do so by FERC or its successor agency having jurisdiction over hydroelectric reservoirs that are subject to the Federal Power Act or if necessary to comply with FERC requirements.
2. Permitted Uses: The Leased Premises may be used by the Lessee as a True Public Recreation area offering to the public one (1) fishing access pier with a canoe/kayak launch, as shown on the attached survey (Exhibit A) and as approved by FERC on November 3, 2022.

If, as a part of this Lease, Lessor has approved construction of new facilities, such facilities must be constructed within eighteen (18) months from the date of Lessor's letter notifying the Lessee that their application has been approved. A one (1) year extension may be considered if the Lessee

files a written request with Lessor prior to the eighteen (18) month deadline, which sets forth the reasons the facilities will not be completed within the allotted timeframe. If an extension of time to complete construction of the facilities is requested by the Lessee and granted by Lessor, additional requirements may be placed on Lessee to meet revised regulations or shoreline development guidelines.

3. Rental: Intentionally Deleted.
4. Maintenance: Lessee recognizes that it has the continuing responsibility to ensure that the constructed facilities are maintained in good repair, including, but not limited to maintenance of all constructed facilities and any required navigation or public safety devices and required erosion control along the shoreline within the Leased Premises, and agrees to take all reasonable steps necessary to meet this responsibility. Lessee shall cause all structures within the Leased Premises to be maintained in a sound condition and in a neat appearance at no cost to Lessor.

Lessee, at no cost to Lessor, shall be responsible for the removal of any sunken boats or disabled boats within the Leased Premises.

5. Improvements: Lessee shall not make material alterations or improvements upon the Leased Premises or conduct excavation or shoreline stabilization activities within the Leased Premises without the prior written approval of Lessor. Lessee shall request Lessor's approval in writing and shall include detailed plans of all proposed material alterations, improvements, excavation or shoreline stabilization activities; including but not limited to construction plans and elevation drawings in substantial compliance with Lessor's Shoreline Management Guidelines then in effect. Proposed alterations, improvements, excavation or shoreline stabilization activities that do not require any additional entity or FERC review shall be approved or denied by Lessor in its sole discretion. Major additions and/or modifications, excavation and shoreline stabilization will typically require review and/or approval by other entities and may require approval by FERC. If the proposed alterations, improvements, excavation or shoreline stabilization activities require review and/or approval by other entities, the Lessee shall first submit draft plans to Lessor for review and initial comment. Once Lessor's initial comments, if any, have been addressed by Lessee, Lessee shall submit the revised draft plans, if any, to the other required entities for their review, comment and/or approval. Lessee shall address the additional comments received prior to submittal of the final plans to Lessor for final approval. If such plans require FERC approval, Lessor will forward such plans to FERC for review and approval. FERC will provide Lessor with its approval, approval with modifications, or denial in the form of a FERC order or letter. After receiving any applicable FERC order or letter, Lessor will provide Lessee with Lessor's final decision (i.e., approval, approval with conditions/modifications or denial - including a reasonable basis for such approval with conditions/modifications or denial.)

Lessor shall not be obligated to approve additional material alterations, improvements, excavation or shoreline stabilization activities and retains the right to conditionally approve or deny any requested alterations, improvements, excavation or shoreline stabilization activities.

6. Illegal Uses: Lessee shall not make or allow to be made any illegal use of the Leased Premises or any use thereof constituting a public nuisance, and shall keep the Leased Premises in a neat and orderly manner and shall comply with all applicable building codes and health regulations and with the rules and regulations of any relevant governmental authority. All water and sanitary sewer facilities shall be designed, installed, constructed, maintained and operated only with the approval of the applicable governmental authorities.
7. Lessee Ownership or Other Interest in Adjoining Property: This Lease is made subject to and contingent upon Lessee's owning, leasing or otherwise having an interest at all times during the term hereof in the shoreline property adjoining the Leased Premises. If Lessee, at any time during the term of this Lease, does not own, lease or otherwise have an interest in the shoreline property adjoining the Leased Premises, then in such event, Lessor may cancel this Lease (subject,

however, to Lessee's right to cure the violation as set forth in Paragraph 16 hereof) and require Lessee, at its expense, to remove its marina facilities from the Leased Premises.

8. Transfer or Assignment: The Lessee may not transfer or assign this Lease or let or sublet the whole or any part of the Leased Premises to anyone without the prior written consent of the Lessor.
9. Entry by Lessor: Lessor, its agents and representatives, at all reasonable times may enter the Leased Premises to examine same and any such entry by or on behalf of Lessor shall not be or constitute an eviction, partial eviction or deprivation of any right of Lessee and shall not alter the obligations of the Lessee hereunder or create any right in Lessee adverse to the interest of Lessor.
10. Utility Easement: Lessor reserves an easement to build, construct, maintain and operate electric distribution/transmission lines on, over, along and above the Leased Premises. Lessor also reserves the right, privilege and easement to erect, construct, reconstruct, replace, maintain and use towers, poles, wires, crossarms and other appliances and fixtures for the purpose of transmitting or distributing electric power, for said Lessor's communication purposes, and for any other purpose that is in Lessor's sole discretion consistent with its business operations, together with the right to keep said lines, appliances, and fixtures free of structures, trees and other objects that may endanger or interfere with same.
11. Indemnity: To the extent permitted by law, Lessee will indemnify and save harmless Lessor, its successors and assigns, from and against any and all claims arising from any conduct, management, operation, work or thing done in or about the Leased Premises or any building, structure or equipment thereon during the period of this Lease or arising from any act or failure to act by Lessee, its agents, contractors, employees or sublessees, or arising from any accident, injury or damage whatsoever, however caused, to any person or persons or to the property of any person, persons, corporation or corporations during the period of this Lease on, in or about the Leased Premises and from and against all costs, counsel fees, expenses, liabilities and damages incurred in or about such claims or any action or proceeding brought thereon, and in case any action or proceeding be brought against Lessor, its successors or assigns, by reason of any such claim, Lessee, on notice from Lessor, shall resist and defend such action or proceeding by counsel satisfactory to Lessor. This indemnification and hold harmless is not intended to apply and shall not apply to any claims arising from any conduct, management, operation, work or thing done in or about the Leased Premises or any building, structure or equipment thereon during the period of this Lease by Lessor, its agents, contractors or employees or arising from any act or failure to act by Lessors, its agents, contractors or employees.

Lessee hereby waives all claims against Lessor for damages to the improvements and other property that are now or hereafter placed or built on the Leased Premises caused by or resulting from intermittent flooding or drawdown of the waters of the Lake.

12. Insurance by Lessee: Lessee agrees that, at its own cost and expense, it shall obtain and maintain in force during the term of this Lease the following insurance coverage and minimum insurance limits:
 - a) Commercial General Liability insurance from a reputable insurance company authorized to do business in North Carolina, providing coverage for any and all risks of liability associated with Lessee's occupancy and use of the Leased Premises and the activities authorized hereunder, with limits of at least \$1 million per occurrence.
 - b) Workers' Compensation (including U.S. Longshoremen & Harbor Workers Act, if applicable) meeting statutory limits. If Lessee is not required to have Workers' Compensation coverage by the State of North Carolina (or state where work will be performed), Lessee must give Lessor a notarized letter stating that they are exempt from the law and will hold Lessor harmless from all injury except those injuries resulting from Lessor's gross negligence; if applicable.

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- c) Employers' Liability Insurance (including Maritime Employers Liability) of not less than \$1 million each accident; if applicable.
- d) Automobile Liability Insurance of not less than \$1 million each occurrence. If the Lessee is required to use privately owned vehicles in performance of their contracted duties, the Lessee must hold the Lessor and Lessor's affiliates harmless for any liability associated with their operation of automobiles while performing work under this agreement.
- e) Umbrella Liability Insurance or Bumbershoot of not less than \$1 million per occurrence.

The Lessee must meet the following additional insurance-related requirements:

1. Insurance coverage must be with insurance companies with a minimum A.M. Best Rating of A-VII.
2. Lessee shall deliver to Lessor certificates of insurance prior to the beginning of the Lease and within 30 days of each insurance renewal. The certificates of insurance shall list the coverages and limits, the expiration dates and terms of policies and all endorsements whether or not required by Lessor, and listing all carriers issuing said policies. Lessor shall not be obligated to review any of Lessee's certificates of insurance, insurance policies, and/or endorsements or advise the Lessee of any deficiencies in such documents, and any receipt of copies or review by Lessor shall not relieve the Lessee from or be deemed a waiver of Lessor's right to insist on strict fulfillment of the Lessee's obligations. The Lessee shall deliver a certified copy of each insurance policy including all endorsements upon request by Lessor.
3. Lessee shall name Lessor as an additional insured, using Insurance Services Office, Inc. (ISO) additional insured (CG 20 10) or equivalent, under all required policies of liability insurance (Except Worker's Compensation Insurance). All policies shall include waivers of any right of subrogation of the insurers using standard ISO forms. The certificate(s) of insurance shall specifically confirm the "waiver of subrogation" and "additional insured" obligations.
4. All insurance policies shall each contain a provision that coverage will not be cancelled, not renewed, or materially modified unless at least thirty (30) days' prior written notice has been given to the Lessee. In any event, if Lessee becomes aware of any such cancellation, reduction in coverage or non-renewal, Lessee shall provide written notice to Lessor of such action within ten (10) days of receipt of notice of any such action from its carrier. All policies of insurance required shall be endorsed or shall otherwise provide that Lessee's insurance shall be primary with respect to their own acts or omissions and not be in excess of, or contributing with, any insurance maintained by Lessor. Lessee will be responsible for their own respective deductibles, self-insured retentions, and self-insurance under its insurance program.
5. Should Lessee fail to provide or maintain any required insurance, Lessor shall have the right, but not the obligation, to provide or maintain any such insurance, and to invoice the cost to the Lessee whereupon Lessee shall reimburse Lessor annually within forty-five (45) days following the request for payment.
6. Upon Lessee's contracting with an entity for the purpose of constructing any facilities on the Leased Premises, Lessor shall be named as an additional insured on a policy of insurance covering the scope of such activity prior to the commencement of any activity by Lessee, its agents or contractors. All policies shall include waivers of any right of subrogation of the insurers using standard ISO forms. Any contractor or subcontractor performing work on property that is the subject of this Lease shall have in place prior to commencement of any activity and during the performance of any activity, the following types of insurance and minimum coverage limits:
 - Commercial General Liability Coverage – \$1 million per occurrence.

- Automobile Liability – \$1 million per occurrence.
- Workers Compensation – Within statutory limits.
- Employer's Liability – \$1 million each accident.
- Umbrella Liability or Bumbershoot - \$1 million per occurrence.

13. **Taxes and Assessments:** Except as provided herein, any fees received herein are net of all taxes. Lessee shall pay when due all taxes or assessments of any kind levied against the marina facilities or Lessee's personal property located within the Leased Premises and all ad valorem taxes on the marina facilities. On the condition that the Leased Premises, exclusive of marina facilities, remains classified and taxed as utility property at the same rate as all other land of Lessor lying within the Project Boundary, Lessor shall pay the tax thereon exclusive of taxes assessed on the marina facilities. In the event, however, that as a result of this Lease, the Leased Premises, exclusive of the marina facilities, shall be classified and taxed as non-utility property or at a higher rate than other lands of Lessor lying within the Project Boundary, then in such event Lessee shall pay such amount, if any, as is equal to the taxes assessed on the Leased Premises, exclusive of the marina facilities, minus the taxes which would have been assessed if the Leased Premises had been taxed as utility property or at a rate applicable to other lands of Lessor lying within the Project Boundary. Provided however, in such event, Lessor agrees to use reasonable efforts to assist Lessee in contesting the reclassification of the Leased Premises from utility property to non-utility property with the applicable taxing authority. Lessee shall be solely responsible for listing the marina facilities in its name for tax and assessment purposes and filing any required tax return, to the extent such listing and return is required by applicable law. Upon written request, Lessee shall furnish Lessor with copies of paid receipts for all said taxes and assessments on or before the 31st day of December of each year to the extent Lessee is required by applicable law to pay said taxes.

14. **Limitation of Liability:** Lessor and Lessee agree to warrant that any and all work performed within the Leased Premises will be performed with professional thoroughness and using acceptable standard business practices. Lessor's total cumulative liability to Lessee for claims of any kind whether based on contract, tort (including strict liability and negligence except for gross negligence or willful misconduct on part of Lessor), under any warranty or otherwise, for any loss or damage relating to this Lease, shall in no case exceed the cost of completing the work in accordance with acceptable business practice, and Lessee releases Lessor from all further liability in excess of this amount for any work performed under this Lease. Lessee further releases Lessor from any and all liability resulting from any injury of any employee of Lessee or anyone performing any service at the direction of the Lessee on the Leased Premises, excluding any acts of willful misconduct by Lessor.

Neither Party shall be liable, whether based on contract, tort (including negligence and strict liability), or under any warranty or otherwise, for any consequential, indirect, special, or incidental loss or damage, or any damage (except to the extent damage resulted from willful misconduct) to or loss of any property or equipment, arising from any services or work performed relating to this Lease, for any consequential, indirect, special, or incidental loss or damage, any damage (except to the extent damage resulted from willful misconduct) to or loss of any property or equipment.

This limitation of, or protection against liability shall also protect directors, officers, employees, agents, consultants, suppliers, subcontractors, and affiliated entities and their directors, officers, employees, agents, consultants, suppliers, subcontractors, parents, subsidiaries and affiliates of Lessor and Lessee and shall apply regardless of the fault (excluding willful misconduct), gross negligence or strict liability of the respective Party.

Lessee waives and will require its insurers to waive all rights to recovery and claims of any kind, including rights and claims to which its insurers or another may be subrogated, against Lessor arising out of damage to, loss of or loss of use of any Lessee's property, located on the Lake, whether based on contract, tort (including strict liability and negligence except for gross negligence or willful misconduct on part of Lessor), under any warranty or

otherwise. These waivers are effective as to all damages to or losses of use of property arising out of or relating to this Lease or deficiencies in the services provided hereunder and Lessee hereby covenants that no such action or claim shall be brought by or through Lessee on any theory whatsoever. In the event Lessee or its insurers recover damages from a third party for losses or damages to which the foregoing waivers apply, Lessee shall indemnify and hold Lessor harmless against any liability for any such losses or damages which said third party recovers from Lessee and any expenses (including attorney fees and other cost of investigation and defense) related hereto.

The limitation of liability in this provision shall apply notwithstanding any other provision of this Lease.

15. Surrender of Lease: The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Lessor, terminate all or any existing subleases or subtenancies or may at the option of Lessor operate as an assignment to it of any or all such subleases or subtenancies.
16. Termination & Waiver: It is expressly agreed and understood that this Lease may be terminated by any of the following: (1) by a written document duly approved and executed by both Parties; or (2) by written notice from Lessee of Lessee's intent to abandon the rights herein granted by Lessor; or (3) by Lessor if directed by Order of FERC (or its successor agency) or if necessary to comply with FERC requirements; or (4) by Lessor under the conditions set forth in Paragraph 7; or (5) by expiration of this Lease pursuant to Paragraph 1; or (6) by Lessor in the event of a breach of any of the covenants, conditions, terms or provisions of this Lease by Lessee, including but not limited to noncompliance with health, safety or sanitation laws, and the continuation of such breach for sixty (60) days following written notice of such breach by Lessor to Lessee; provided, that if the cure of such breach cannot reasonably be completed by Lessee within such sixty (60) day period, Lessee shall have ninety (90) days to cure such breach provided Lessee commences such cure within thirty (30) days and diligently pursues such cure; or (7) by Lessor, if at any time during the duration of this Lease (or any renewal thereof) the Lessee should be adjudged bankrupt or insolvent by any federal or state court or the Lessee shall allow a final judgment obtained against it to remain unpaid for a period of sixty (60) days.

In providing notification of a breach of covenants, conditions, terms or provisions of the Lease, as identified in Paragraph 16, Lessor will advise the Lessee of its right to present evidence regarding the claimed breach in a meeting conducted by Lessor. Notice of the meeting will be sent by Lessor to the Lessee by certified mail, return receipt requested, and include information on the date, time, and place of the meeting and possible remedies for cure. At the option of the Lessee, such a meeting will be scheduled within 60 days following the initial written notification that a breach of provisions included within this Lease has taken place.

Failure of Lessor to exercise any of said rights relating to the termination of this Lease or any other rights of Lessor under this Lease shall not be construed as a waiver or abandonment of the right thereafter to exercise any or all of same. In the event that Lessor terminates this Lease under any of the above written conditions, Lessor may enter the Leased Premises and expel the Lessee there from; or Lessor may, in lieu thereof or in conjunction therewith, pursue any other lawful right or remedy incident to the relationships created by this Lease.

Upon expiration or termination of this Lease (either at the end of the term or upon such earlier termination date as is provided herein) and notice from the Party terminating this Lease to the other Party, the Lessee shall have 180 days to submit a plan and schedule for Lessor's approval to remove the marina facilities or retire a portion of the marina facilities (e.g., shoreline stabilization, boat ramps, etc.), such approval not to be denied unreasonably. If the marina facilities are not removed or retired by the deadline approved by Lessor, the marina facilities shall become the property of Lessor and any reasonable cost of removal for those facilities that must be removed and cannot be reasonably retired shall be paid by Lessee. Lessee's obligations to remove

improvements within the Leased Premises shall be limited to the marina facilities and shall not extend to removal of any improvements of Lessor or any third party. If improvements of Lessor have been installed within the Leased Premises, Lessor shall notify Lessee that Lessor will at Lessor's election either: (1) waive liability for damage to such improvements during Lessee's removal of the marina facilities; (2) remove Lessor's improvements at Lessor's sole cost prior to the removal or retirement of the marina facilities; or (3) waive any requirement that Lessee remove or retire the marina facilities at the Lessee's expense. Lessee shall use reasonable efforts to avoid damage to any improvements of Lessor or any third parties installed within the Leased Premises.

Failure to use the marina facilities for any permitted use identified in Paragraph 2 for a consecutive period of 12 months shall be deemed abandonment of the Leased Premises and shall be cause for termination pursuant to this paragraph, unless Lessee has provided notice to Lessor of its intent to continue operations within 24 months (including the 12-month abandonment period) or other mutually acceptable future date and Lessee actually resumes operations within said 24-month period or by said mutually acceptable date.

17. **Remedies:** In the event that any Party breaches this Lease and fails to cure the breach in accordance with the provisions of Paragraph 16, the other Party may seek compensatory damages, declaratory relief, specific performance, injunctive relief of any type, and/or sanctions for violation of any injunctive relief previously granted.
18. **Parties Bound:** The covenants and conditions herein contained shall apply to and bind the heirs, successors, executors, administrators, and assigns of the Parties hereto; provided, however, that neither this Lease nor any interest therein may be assigned, transferred or sublet by Lessee except as provided in Paragraph 8.
19. **Notices:** Wherever in this Lease it shall be required or allowed that notice be given by either Party to this Lease to the other, such notice must be in writing and must be given personally or forwarded by certified mail addressed as follows:

Lessor: Duke Energy Carolinas, LLC
Lake Services – ECII-12-Q
526 South Church Street
Charlotte, North Carolina 28202

Lessee: Town of Valdese
c/o David Anderson
Post Office Box 339
Valdese, North Carolina 28690

Such addresses may be changed from time to time by notice given hereunder.

20. **Compliance with Federal, State and Local Laws:** Lessee agrees that its use of the Leased Premises as herein provided shall be consistent with all FERC orders, regulations and requirements regarding recreational opportunities and development at licensed projects and use of Project lands and facilities, and all other applicable federal, state and local laws as well as all ordinances, rules, regulations and sanctions of any regulatory body or governmental agency (federal, state or local) having jurisdiction in the Leased Premises, and Lessee's use of the aforesaid Leased Premises shall comply with all applicable Lessor Shoreline Management Guidelines and will not endanger health, create a nuisance or otherwise be incompatible with the overall recreational use of the Project.
21. **Reservation of Use:** The right to use the Leased Premises which is the subject of this Lease for Project purposes is hereby reserved to the FERC Project licensee, its successors and assigns.

22. Non-Warranty, "AS IS": Lessor makes no representation or warranty, express or implied, and shall bear no responsibility as to the existing or future water quality or quantity in the Lake or the sufficiency or suitability of the Leased Premises for the uses authorized herein. Lessee accepts the Leased Premises in "AS IS" condition.
23. Protection of Environment: All necessary precautions shall be taken during construction and subsequent operation and maintenance of the activity to protect and enhance the environmental values of any affected lands and waters of the Project.
24. Archaeological Resources: If previously unidentified archeological or historical properties are discovered during the course of excavation/construction within the Leased Premises, the Lessee shall stop all land clearing or land disturbing activity in the vicinity of the excavation/construction area and notify Lessor immediately. Lessor shall initiate the required consultation process with the State Department of Archives and History, State Historic Preservation Office and the Catawba Indians Tribal Historic Preservation Office. Lessor may be required to prepare a cultural resources management plan for approval by the FERC that includes but is not limited to the following: (i) a description of each discovered property indicating whether it is listed on, or eligible for listing on the National Register of Historic Places, (ii) a description of the potential effect, and (iii) the proposed measures for avoiding or mitigating the impacts. The Lessee shall be responsible for implementing any required cultural resource management plan. No land clearing or land disturbing activities within the Leased Premises shall resume until authorized in writing by Lessor.
25. Sanitation: A commercially manufactured marine pump-out system must be installed and be available for use by occupants of the Leased Premises if the Lessee shall allow any one of the following: 1) the sale of boat fuel within the Project Boundary; 2) a total number of boat docking locations greater than or equal to sixty-five (65); or 3) the mooring of twenty-five (25) or more watercraft with Marine Sanitation Devices (MSD) with fixed holding tanks. The Lessee may be exempted from this requirement if written proof from a state or local agency having jurisdiction regarding waste disposal provides documentation that the facility cannot be permitted to dispose of waste collected from watercraft to the satisfaction of applicable regulations. Lessee shall maintain sanitation facilities as a regular and customary service for pumping and/or deposit of waste, if required under this paragraph.
26. Sedimentation and Erosion: Lessor shall not be responsible for any sedimentation, erosion, impacts of sedimentation or impacts of erosion caused by Project operations or otherwise. Lessee agrees that any damage it may suffer as a result of such sedimentation, erosion or their impacts shall not be claimed or charged against Lessor.
27. Flooding and Drawdown: Lessor reserves the right to back, flood, or draw down the waters of the Catawba River and its tributaries from time to time and at any and all times over and upon the Leased Premises or any portion of the same, to such extent the flooding or drawdown may be necessary or convenient in connection with the practical operation of its hydroelectric or other electric generation power plants located or to be located in the future upon the Catawba River and to the extent such flooding or drawdown is consistent with Lessor's obligations under its License, other applicable agreements, and applicable law. Lessee agrees that any damage it may suffer as a result of such flooding or drawdown shall not be claimed or charged against Lessor.
28. FERC Project Restoration: Lessor shall be under no obligation to Lessee to maintain or continue to operate the Project or Lake and should said Project or Lake be damaged, destroyed or removed, Lessor shall be under no obligation to restore or rebuild same, and Lessee hereby waives all claims against Lessor for damages to or destruction or removal of the Project or Lake.
29. Recovery of Fees and Costs: If any action is taken by Lessor to enforce any provision, covenant or agreement contained in this Lease or if Lessor is required to retain an attorney to enforce any provision, covenant or agreement contained in this Lease (including, without limitation, the removal of an encroachment constructed on or in the vicinity of the Leased Premises in violation of this

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Lease) following written demand on Lessee, then Lessor shall be entitled to recover from Lessee all of Lessor's reasonable attorneys' fees and court costs incurred in such action and/or enforcement. Lessee shall be solely responsible for either performing or reimbursing Lessor for any related studies or actions that the FERC or any other federal or state agency may require of Lessor due to the Lessee's construction and subsequent operation of the marina facilities within the Project.

30. Recordation: Intentionally Deleted.

31. Integration and Amendment: It is agreed and understood that this Lease contains all agreements, promises and understandings between Lessor and Lessee and that no oral agreements, promises and understandings shall be binding upon Lessor or Lessee in any dispute, controversy or proceeding at law. Any addition, variation or modification of this Lease shall be void and ineffective unless made in writing and signed by Lessor and Lessee. It is further agreed and understood that Lessor will seek amendment to this Lease when required to comply with FERC orders, regulations and requirements and as required to ensure compliance with Paragraph 20.

32. Duty to Mitigate: If either Party breaches this Lease, then the breaching Party shall have the affirmative duty to use its best efforts to minimize any and all loss, damage or injury to the other Party as a result of such breach; provided that, the breaching Party shall not be liable in money damages for failure to mitigate damages of the other Party for which the breaching Party is not liable under Paragraph 14 of this Lease.

33. Severability of Terms: Unless provided otherwise in this Lease, should any term of this Lease or part hereof be held under any circumstances in any jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other term of this Lease or other part of such term.

34. Survival: The provisions of Paragraphs 11 and 14 of this Lease shall survive any termination or expiration of this Lease. The conditions, warranties, obligations and agreements contained in Paragraphs 4 and 16 shall survive termination of this Lease (either at the end of the term or upon such earlier termination date as is provided herein) until the removal of the marina facilities to the extent required by this Lease or such removal is waived by Lessor. Additionally, any provisions of this Lease which require performance subsequent to the termination or expiration of this Lease shall also survive such termination or expiration.

35. Existing Lease Amended and Superseded: Beginning on the Effective Date, this Lease shall amend, restate, replace and supersede all previous leases or other agreements between Lessor and Lessee, or their respective predecessors in interest, for the use of the Leased Premises, and such prior leases or other agreements are no further force or effect.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed by their duly authorized officials, effective as of the Effective Date written above.

LESSOR:

DUKE ENERGY CAROLINAS, LLC
a North Carolina limited liability company

LESSEE:

TOWN OF VALDESE
a body politic and corporate existing under the laws of the
State of North Carolina

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Councilwoman Lowman made a motion to approve the aforementioned lease contract with Duke Energy, seconded by Councilman Mears. The vote was unanimous.

Mayor Watts asked Mr. Andersen to give an update on the Recreation construction project. Mr. Andersen shared that everything is progressing well and anticipates a completion date of mid-February on the downstairs locker room/lobby area. Mr. Andersen shared that the gymnasium renovations are taking a little longer and hoped it would be finished in time for indoor soccer, but that will not happen. Mr. Andersen will contact other facilities to hold the games, but they will not be canceled or delayed. Mr. Andersen is still waiting on the fans for Tiger Gym to be delivered. Councilwoman Hildebran asked if we were within our budget, Mr. Andersen said yes, and we might see some savings.

APPROVED CREATING OUTDOOR RECREATION ECONOMY (CORE) STRATEGIC SERVICES: Parks & Recreation Director David Andersen introduced Kyle Case from the Appalachian Regional Commission and NC Department of Commerce to speak about CORE. Mr. Case services the 12 counties in the northwestern part of the state through the CORE program, which offers strategic planning and technical assistance to Local Governments and Counties. Mr. Case shared that CORE is a new program, and he will be working with the Town to identify what activities, economic drivers, and priorities we have for the Town of Valdese. The services are accessible through state funds through an EDA grant given to the Department of Commerce. Councilwoman Hildebran asked who would be on the planning committee. Mr. Andersen shared that the committee has not been identified yet, but he is looking at five to ten individuals that would be a variety of stakeholders in the Town. Mr. Case said the final product we will receive is a strategic planning document with all the background data on what we currently do and recommendations for future actions.

N.C. Department of Commerce
Rural Economic Development Division
NC Main Street & Rural Planning Center
Rural Planning Program

**MEMORANDUM OF UNDERSTANDING
CREATING OUTDOOR RECREATION ECONOMIES (CORE) PROJECT
Town of Valdese, NC**

This Memorandum of Understanding (MOU) is entered into by and between the North Carolina Department of Commerce, Rural Economic Development Division, Main Street & Rural Planning Center, Rural Planning Program ("Program"), and the Town of Valdese, NC, ("Town"), and together the "Parties," for the purpose of setting out the terms and understandings between the Parties for the Program to provide Creating Outdoor Recreation Economies services to the Town.

WHEREAS, as part of the North Carolina Department of Commerce, the state's lead agency for promoting economic development and prosperity, the Program provides services and assistance to add value to local community economic development efforts.

WHEREAS, through its American Rescue Plan Travel, Tourism & Outdoor Recreation program, the U.S. Economic Development Administration focused resources to accelerate the recovery of communities that rely on the travel, tourism, and outdoor recreation sectors. This included a non-competitive "State Tourism Grant" to help states quickly invest in marketing, infrastructure, workforce, and other projects to rejuvenate safe leisure, business, and international travel.

WHEREAS, as part of North Carolina's successful request for a State Tourism Grant, the Program developed a technical assistance initiative to provide outdoor recreation economy strategic planning and asset development services to rural North Carolina communities. The initiative, Creating Outdoor Recreation Economies ("CORE"), is intended to leverage the abundant outdoor recreation assets available across the state to bolster local economic vitality.

WHEREAS, the Town applied to receive CORE services and subsequently met with the Program to identify the strategic planning process, asset development and other plan implementation services, and work products that would suit the Town's needs ("CORE Project"), including the roles and responsibilities of the Parties, the involvement of other partners, as well as the projected timeframe to complete the CORE Project.

WHEREAS, the mission of the NC Main Street & Rural Planning Center, which includes the Program, is to work in regions, counties, cities, towns, downtown districts, and designated North Carolina Main Street communities to inspire placemaking through building asset-based economic development strategies that achieve measurable results such as investment, business growth, and jobs. To further that mission, the Program may share successful "best practices" with other communities when appropriate. In this context, relevant materials produced from the project and economic outcomes may be shared with other communities, as needed.

The Program and the Town agree as follows:

1. Scope of Work

Primary Services

The primary services to be provided by the Program for the Town's CORE Project include the following:

- A. Outdoor Recreation Asset Mapping – A review of any current asset mapping initiatives and relevant updates.
- B. Outdoor Recreation Economy Strategic Planning – A series of meetings with local work group and town staff to develop strategies for growing the Town's outdoor economy. Some components of this process are outlined below but may be adjusted to meet the needs of the Town.

Community Assessment

The Program will facilitate one or more assessment meeting(s) with a local work group to include, but not be limited to:

- 1) Presentation of general information about the outdoor recreation economic sector, as well as relevant outdoor recreation economy and other data.
- 2) Discussion of local outdoor recreation assets.
- 3) Presentation and discussion of results of interviews, surveys, other input gathered during the Community Assessment from the local work group, stakeholders, and the community regarding outdoor recreation and the economy.

Development of an Outdoor Recreation Economy Strategic Plan

Following the Community Assessment, the Program will work with the local work group and Town staff to develop a strategic plan focused on the local outdoor recreation economy. The Community Assessment will inform the identification and development of an outdoor recreation economy-building positioning statement/vision, strategies, goals, objectives, actions/projects, and tasks that will comprise the outdoor recreation strategic plan.

- C. Asset Development and Other Plan Implementation Services – Once the Outdoor Recreation Asset Mapping, if applicable, and the Outdoor Recreation Economy Strategic Planning have been completed, the Program will work with Town staff, the local work group, and other project partners, to determine the asset development and plan implementation services that may be the most beneficial for the community's outdoor recreation economy-building efforts, potential resources for acquiring such services, and the timeframe(s) within which the services should be pursued.

Town Roles and Responsibilities

- A. Local Work Group - The Town will be responsible for assembling a local work group to participate in the CORE Project. The local work group may include, but is not limited to, elected officials,

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municipal or county staff, local business owners/operators, representatives of civic organizations with an interest in the community, and/or active residents.

- B. Meetings – The Town will be responsible for providing or otherwise securing meeting space for the local work group and other activities related to the CORE Project. If local work group meetings and/or other CORE Project activities must be conducted virtually, using an internet-based video conferencing platform, for example, the Town will be responsible for ensuring participants are able to access and attend such meetings.
- C. Meeting Materials and Other Information - The Town will share meeting agenda, relevant maps and other images, documents, and plans electronically with the Program and all CORE Project participants.

Project Staff

Kyle Case, ARC Community Economic Development Planner for the Northwest Region, is the Program staff member assigned to lead the CORE Project. Other Program staff will assist with the project, as needed.

David Andersen will be the Town's primary contact for the CORE Project.

Proposed Project Timeline

The CORE Project is planned to begin in February 2023 and to be completed by June 2023.

Project Schedule Tasks

- 1. Asset Mapping
- 2. Community Assessment
- 3. Strategic Planning
- 4. Asset Development and Other Implementation Projects

No Cost for Services

The Program will provide its CORE Project services (including Program staff time, materials, and travel costs), and final project work products at no cost to the Town, thanks to the State Tourism Grant from the U.S. Economic Development Administration.

Next Steps

The CORE Project will be scheduled to begin upon receipt by the Program of this signed MOU and a signed resolution to request Program services for the CORE Project (sample resolution attached) adopted by the Valdese Town Council.

2. Effective Term and Termination of MOU

This MOU will be effective on the date the last of the Parties executes it through December 31, 2025. This MOU is subject to modification at any time upon written amendment signed by the Parties. In the event of staff turnover, budget reductions, or other unforeseeable events, however, the Program may be compelled to place a project in an indefinite "hold" status until replacement staff resources can be secured. In rare cases, where very specialized staff skills are unable to be replaced, the project commitment may be terminated by the Program. Projects may also be reprioritized consistent with department or division policies.

3. Funding

The Program will provide its CORE Project services, including Program staff time, labor, materials, and travel costs, as well as project work products produced by the Program, at no cost to the Town, thanks to the State Tourism Grant from the U.S. Economic Development Administration.

4. Auditing

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The records as they relate to this MOU shall be accessible to the North Carolina State Auditor's Office in accordance with N.C. Gen. Stat. §147-64.7 and to any other State or federal entity authorized to conduct audits with respect to activities performed pursuant to this MOU.

5. Information Sharing/Confidentiality

To facilitate necessary information sharing and cooperation in fulfilling the purpose of this MOU, the Parties agree that they will protect all confidential information provided to them by the other Party in accordance with applicable state and federal statutes. Those employees who receive confidential information will be limited by the Parties to those who need access to it for the purpose of carrying out the functions outlined in this MOU and confidential information shall not be disclosed to third parties for any purpose, except that the Parties' obligation to keep information confidential shall not apply to disclosures made by the Parties to their attorneys, insurers, accountants, investors, or to the extent otherwise required by law, court order, or regulation.

6. Notices

All notices given in connection with this MOU shall be in writing and, if routine, may be sent by email and, if requested, followed by first class United States mail, postage prepaid, or sent by certified mail, return receipt requested, hand delivered, or delivered by overnight courier. Notices shall be delivered to the appropriate Parties at the addresses set forth below.

PROGRAM:

Karen Smith, AICP, Rural Planning Program Manager
NC Main Street & Rural Planning Center
48 Grove Street
Asheville, NC 28801
ksmith@commerce.nc.gov

Town of Valdese:

David Andersen, Recreation Director
Town of Valdese
102 Massel Ave SW
Valdese, NC 28690
DAndersen@valdesenc.gov

7. Governing Law

This MOU is governed and construed in accordance with the laws of the State of North Carolina.

8. Signatures

The Program and Town agree to the foregoing understandings as indicated by the signatures below of their respective authorized representatives, on duplicate originals.

**NORTH CAROLINA DEPARTMENT OF COMMERCE
RURAL ECONOMIC DEVELOPMENT DIVISION
NC MAIN STREET & RURAL PLANNING CENTER
RURAL PLANNING PROGRAM**

Karen C. Smith, AICP
Rural Planning Program Manager

Date

TOWN OF VALDESE, NC

Charles Watts, Mayor
Town of Valdese, NC

Date

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Please sign, date, and return one original, by email or U.S. mail, to:

Karen Smith, Rural Planning Program Manager
NC Main Street & Rural Planning Center
48 Grove Street
Asheville, NC 28801
ksmith@commerce.nc.gov

Please also send a signed copy, by email or U.S. mail, to:

Kyle Case
720 E. Union St.
Morganton, NC 28655
kyle.case@commerce.nc.gov

Councilwoman Hildebran made a motion to approve the MOU CORE Project as presented, seconded by Councilwoman Lowman. The vote was unanimous.

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**Resolution Requesting
Creating Outdoor Recreation Economies (CORE) Services
from the NC Main Street & Rural Planning Center, Rural Planning Program**

WHEREAS, the Town of Valdese, NC, ("Town"), Town Council believes the Town would benefit from assistance with outdoor recreation economy strategic planning and asset development; and

WHEREAS, the NC Main Street & Rural Planning Center's Rural Planning Program ("Program") has developed the Creating Outdoor Recreation Economies ("CORE") initiative to provide outdoor recreation economy strategic planning and asset development services to rural communities in North Carolina; and

WHEREAS, the Town Council would like the Program to provide CORE services to the Town; and

WHEREAS, the Town and Program have reached agreement on the scope of work for the Town's CORE project, as outlined in the attached Memorandum of Understanding.

NOW, THEREFORE, BE IT RESOLVED, that the Town Council hereby requests that the Program assist the Town with its CORE project and expresses its commitment to the CORE planning process and plan implementation.

Duly adopted by the Town of Valdese, NC, Town Council, this ____ day of _____, 2023.

Mayor, Town of Valdese, NC

ATTEST:

Town Clerk, Town of Valdese, NC

Councilman Mears made a motion to approve the Resolution requesting the CORE services, seconded by Councilwoman Hildebran. The vote was unanimous.

BUDGET AMENDMENT: Assistant Town Manager/CFO Bo Weichel introduced the proposed budget amendment and asked Water Plant Superintendent Eric Wilson to address the need. Mr. Wilson shared that the Water Plant needs an additional \$111,000 for the remainder of the fiscal year. This is due to the rising cost of raw materials to produce chemicals, personnel, driver shortages, and fuel increases. Mr. Wilson explained that the money would come out of the Utility Fund. Mr. Wilson gave an example of bleach that has increased 300% from approximately \$2,000 per load in May of 2021 to now \$8,000 per load present.

Valdese Town Council Meeting

Monday, January 9, 2023

Budget Amendment #

5

Subject:

Water Plant chemicals

Description:

Due to an increase in cost of chemicals to treat raw water greater than what we originally budgeted during the FY22-23 budget process. Original budget was \$78,500. Halfway through the budget year, 85% of this budget has been used. Anticipated costs through the remaining budget year are \$120,000.

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, 2023:

Section I:

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
30.3990.000	Utility Fund Balance Appropriated		111,000
Total		\$0	\$111,000

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
30.8100.332	Chemicals	111,000	
Total		\$111,000	\$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 Lowman made a motion to approve the aforementioned budget amendment, seconded by Councilman Barus. The vote was unanimous.

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

Bluegrass at the Rock presents: Volume Five, Saturday, January 14, 2023, at 7:30 p.m.

Town Offices Closed Monday, January 16, 2023, in Observance of Martin Luther King Day

OCP Production: Beauty and the Beast, Show Dates January 20-21 & 26-28, 2023, 7:30 p.m., and January 22 & 29, 2023, 3:00 p.m.; visit www.oldcolonyplayers.com for more information and to purchase tickets.

Bluegrass at the Rock presents: Darin & Brooke Aldridge, Saturday, February 4, 2023, at 7:30 p.m.

MAYOR AND COUNCIL COMMENTS: Councilwoman Lowman shared that today was National Law Enforcement Day and thanked the Valdese Police Department for all they do.

Councilman Barus thanked the Council members for their support in voting him into the Town Council. Councilman Barus also thanked all the staff for welcoming him and for everything they do for Valdese. Councilman Barus identified some concerns he has encountered with some citizens speaking about the

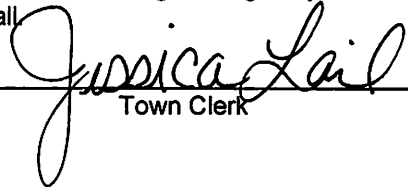
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Town having insufficient funds, poor budgeting, debt, and money management. Councilman Barus shared that before applying for the Ward 1 seat, he told everyone he did not have an agenda, but he has one now. Councilman Barus stated, "I will support and serve the citizens, this Council, the Mayor, and the employees of the Town that I love, by working to stop the fear and misinformation that has been shown. With over 150 plus years of government experience sitting on this panel, we are a team with one goal. Serve this Town to the best of our abilities and guide her towards the future."

Mayor Watts recognized Public Works, Fire Department, and the Police Department, who worked hard to respond to water breaks and numerous calls over the Christmas holiday break. Mayor Watts thanked Morrissa Angi and David Andersen for their initiative in getting grants for the Town. Mayor Watts read a thank you note from Ms. Hatley expressing her sincere appreciation to the Council, Town employees, and our citizens for allowing her to serve as our Grand Marshal during our 2022 Christmas Parade and naming the Town Christmas tree after her late husband, Mayor Hatley. Mayor Watts encouraged our staff and Council to attend our Town events and show support.

ADJOURNMENT: At 8:16 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilman Mears. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, February 6, 2023, 6:00 p.m., Valdese Town Hall.



Town Clerk

jl



Mayor