

**Town of Valdese
Town Council Meeting
Valdese Town Hall
102 Massel Avenue SW, Valdese
Monday, June 29, 2020
6:00 P.M.**

- 1. Call Meeting to Order**
- 2. Invocation**
- 3. Pledge of Allegiance**

4. Informational Items:

- A. Communication Notes
- B. Reading Material

5. Open Forum/Public Comment

6. Consent Agenda

All items below are considered to be routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests. In which event, the item will be removed from the Consent Agenda and considered under Item 7.

- A. Approval of Regular Meeting Minutes of June 1, 2020
- B. Approval of Agreement with WPCOG for FY 2020-2021 Technical Planning Assistance
- C. Approval of Agreement with WPCOG for Public Utility GIS Maintenance Services

7. New Business

- A. FY 2020-2021 Budget Public Hearing & Ordinance Adoption
 1. Adoption of FY 2020-2021 Fee Schedules
 2. Adoption of FY 2020-2021 General Fund Capital Improvement Plan
 3. Adoption of FY 2020-2021 Utility Capital Improvements Plan
 4. Adoption of Budget Ordinance
- B. Resolution for Support of Application to the 2021 Recreational Trails Program
- C. Award of Bid – Chlorine Disinfection Conversion

8. Manager's Report

- A. Next Regular Council meeting scheduled for Monday, August 3, 2020, 6 p.m.
- B. Town Offices Closed on Friday, July 3, 2020, in Observance of Independence Day
- C. COVID-19 Updates and Reminders
- D. Census Reminder

9. Mayor and Council Comments

- 10. Closed Session Pursuant to NC General Statute 143-318.11(a)(6)** to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee.

11. Adjournment

COMMUNICATION NOTES

To: Mayor Black
Town Council

From: Seth Eckard, Town Manager

Date: June 26, 2020

Subject: Monday, June 29, 2020 Council Meeting

6. Consent Agenda

A. Approval of Regular Meeting Minutes of June 1, 2020

B. Approval of Agreement with WPCOG for FY 20-21 Technical Planning Assistant

Enclosed in the agenda packet is an agreement with WPCOG for Technical Planning Assistance in the amount of \$24,551.00. The Town has maintained a Technical Planning Assistance Agreement with the WPCOG to assist the Planning Department in planning and enforcement activities for many years. There is a \$481 increase in cost from FY 19-20.

C. Approval of Agreement with WPCOG for Public Utility GIS Maintenance Services

Enclosed in the agenda packet is a Letter of Agreement with the WPCOG for GIS Maintenance Services for FY 2020-2022 to maintain the utility and cemetery GIS database in the amount of \$8,802. There is a \$120 increase in cost from the last contract.

7. New Business

A. FY 2020-2021 Budget Public Hearing & Ordinance Adoption

1. Adoption of FY 2020-2021 Fee Schedules
2. Adoption of FY 2020-2021 General Fund Capital Improvement Plan
3. Adoption of FY 2020-2021 Utility Capital Improvements Plan
4. Adoption of Budget Ordinance

Enclosed in the agenda packet is the Fiscal Year 2020-21 Budget Ordinance, proposed fee schedule, General Fund Capital Improvement Plan, and Fiscal Year 2020-2021 Utility Capital Improvements Plan. Mayor Black will open the public hearing, staff will present the FY 2020-2021 Budget, and Council will receive input from our citizens.

Requested Action: Following the public hearing, Council will need to adopt the budget ordinance as presented or amended by Council. Staff recommends that Council approve the FY 2020-2021 Fee Schedule; adopt the FY 2020-2021 General Fund Capital Improvement Plan; and adopt the FY 2020-2021 Utility Capital Improvements Plan, as presented.

B. Resolution for Support of Application to the 2021 Recreational Trails Program

Enclosed in the agenda packet is a memo and Resolution from Parks & Recreation Director Doug Knight asking Council to approve the submittal of a grant application for the Recreation Trails Program Grant for \$250,000. This would complete approximately five miles of Mountain Bike trails at the Lakeside Park. This grant would be matched with other grants resulting in a \$0 additional investment by the Town of Valdese.

Requested Action: Staff recommends that Council approve the submittal of the grant application for the Recreation Trails Program grant in the amount of \$250,000.

C. Award of Bid – Water Treatment Plant Disinfectant Conversion

Enclosed in the agenda packet is a memo and a Resolution for the Water Treatment Plant Disinfectant Conversion award of bid. Staff is recommending the bid be awarded to the lowest bidder, Gilbert Engineering Company, in the amount of \$676,600.00. (Other bids: The Harper Corporation - \$726,000.00 and Carolina Grading and Utilities - \$1,440,175.00) R.J. Mozeley, with McGill Associates, P.A., will be at the meeting to discuss.

Requested Action: Staff recommends that Council award the bid to the lowest bidder, Gilbert Engineering Company, in the amount of \$676,600.00.

READING MATERIAL



TOWN OF VALDESE, NC

ADVANCED METERING INFRASTRUCTURE IMPLEMENTATION PROJECT

MONTHLY PROJECT SUMMARY REPORT

June 2020

Prepared by:



703 W. Johnson St.
Raleigh, NC 27603

I. PROJECT SUMMARY

Overall Project Completion:

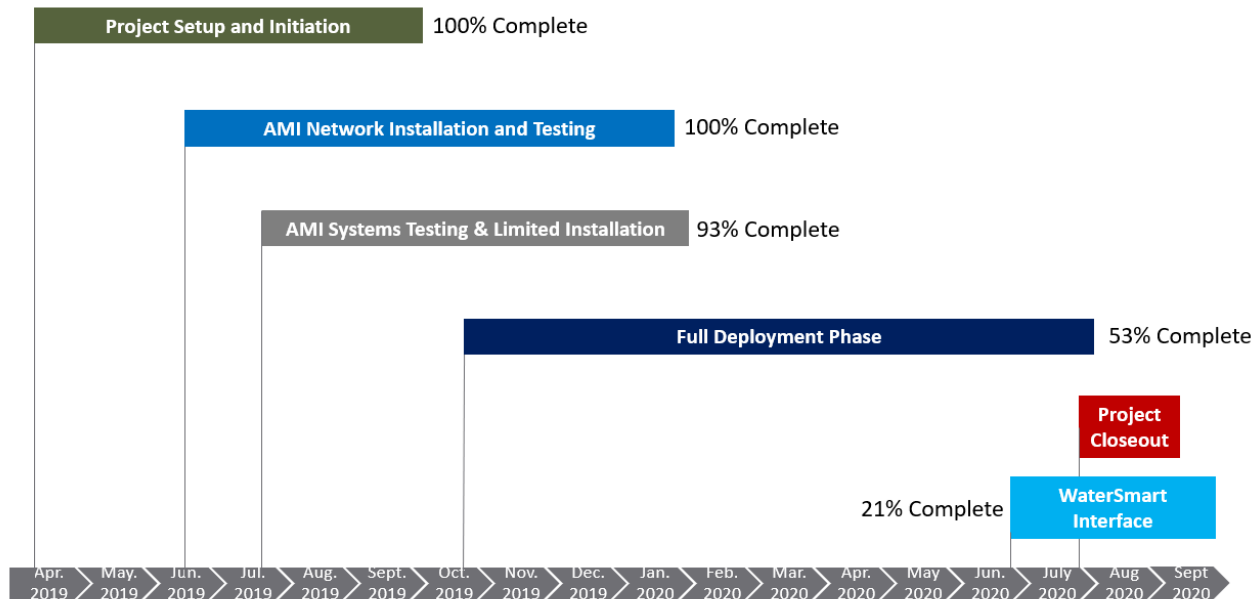


Figure 1. Town of Valdese AMI Project Progression Status

II. NETWORK

- 97.6% of installed meters are reporting over 3-day window; pending recently installed meters to report on network which should increase performance read rate to at least 98.% goal



Figure 2. Network Performance Health Screenshot

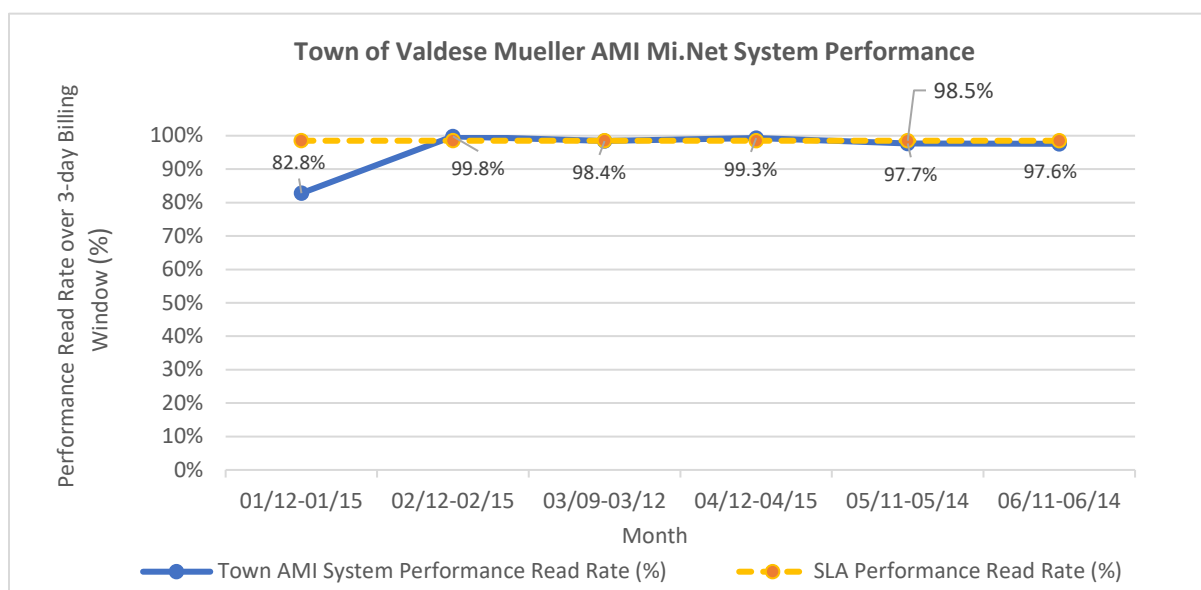


Figure 3. Town of Valdese AMI Network Performance Summary

III. INSTALLATION/EQUIPMENT

- Routes completed: 47, 32, 61, 43, 45, 25, 26, 31, 48, 51, 2, 3
- Routes in progress: 4, 5, 6
- Next routes: 7, 10
- MeterSYS completed QC audits for routes 2, 3, 4, 5; next routes are 6, 7, 10

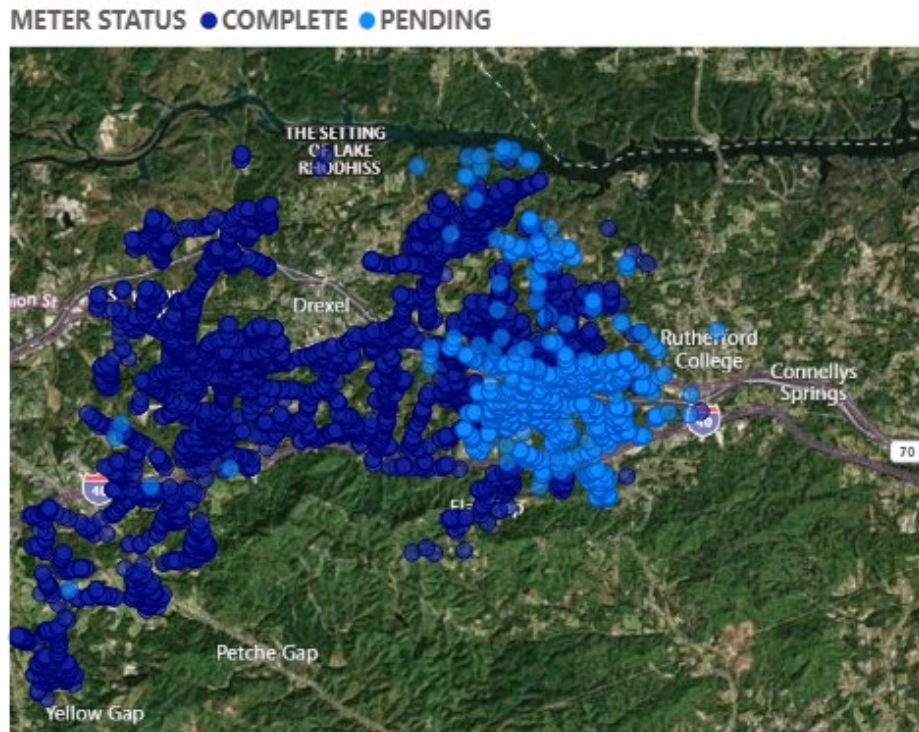


Figure 4. Meter Location Mapping

Meter Status by Route, Project-to-Date

| ROUTE | TOTAL | COMPLETE | PENDING |
|--------------|-------------|-------------|-------------|
| 10 | 315 | 13 | 302 |
| 11 | 243 | 2 | 241 |
| 8 | 242 | 15 | 227 |
| 7 | 210 | 4 | 206 |
| 12 | 200 | 7 | 193 |
| 6 | 311 | 208 | 103 |
| 9 | 22 | 4 | 18 |
| 5 | 194 | 180 | 14 |
| 51 | 260 | 254 | 6 |
| 3 | 179 | 174 | 5 |
| 2 | 245 | 241 | 4 |
| 4 | 314 | 310 | 4 |
| 26 | 299 | 297 | 2 |
| 61 | 510 | 508 | 2 |
| 25 | 386 | 385 | 1 |
| 31 | 398 | 397 | 1 |
| 48 | 16 | 15 | 1 |
| 32 | 528 | 528 | 0 |
| 43 | 237 | 237 | 0 |
| 45 | 356 | 356 | 0 |
| 47 | 90 | 90 | 0 |
| 50 | 1 | 1 | 0 |
| Total | 5556 | 4226 | 1330 |

Table 1. Meter Status by Route

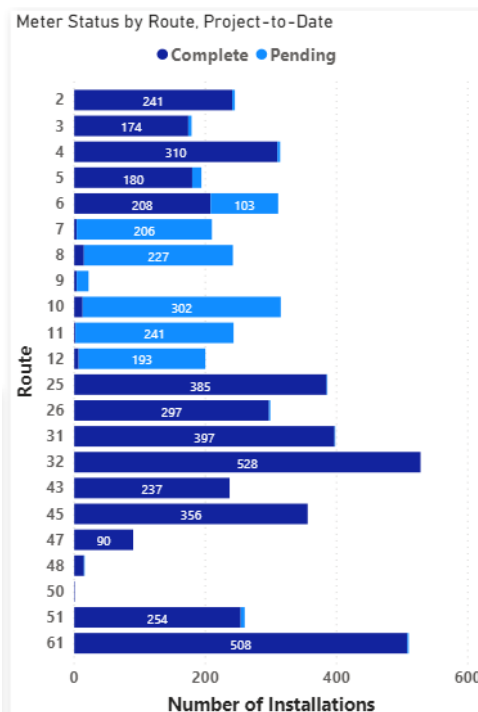


Table 2. Installs by Route

Meter Replacements Completed by Meter Size, Project-to-Date

| METER SIZE | TOWN | FORTILINE |
|--------------|------------|-------------|
| 5/8" - RDM | 198 | 3953 |
| 1" | 2 | 40 |
| 1 1/2" | 0 | 8 |
| 2" | 1 | 12 |
| 3" | 0 | 4 |
| 4" | 0 | 6 |
| 6" | 0 | 1 |
| 8" | 0 | 0 |
| 10" | 0 | 0 |
| Total | 201 | 4025 |

Table 3. Meters Replaced by Meter Size

IV. EQUIPMENT AND INVENTORY

- Town received additional 35 1" meters, 50 nodes, and 85 TTLA's
- Change order from Mueller for additional metering equipment in progress

V. SYSTEMS INTEGRATION

- MMCO file multiplier issue resolved by Mueller; next step is to test the corrected file
- Mi.Net Tier-2 training postponed until further notice (due to Covid-19)
- WaterSmart Integration review of SaaS agreement by Town attorney in progress
- WaterSmart presentation to Town Council tentatively scheduled 6/29

VI. FINANCIALS MANAGEMENT

- Current Pay Request submitted to Town to complete Reimbursement Request #8
- Table below shows the project spend by category

| DESCRIPTION | VENDOR/ PRIME | APPROPRIATION | PERCENT EXPENDED | EXPENDED FUNDS | REMAINING FUNDS |
|---------------------------------------|------------------|------------------------|---------------------|-----------------------|---------------------|
| SYSTEM IMPROVEMENTS | MUELLER | \$ 1,990,880.63 | 95% | \$1,890,526.34 | \$100,354.29 |
| PROJECT MANAGEMENT | METERSYS | \$ 198,742.50 | 77% | \$ 152,632.42 | \$ 46,110.08 |
| CONTINGENCY / CHANGE ORDER | | \$ 149,264.00 | 6% | \$ 8,889.00 | \$140,375.00 |
| GRANT ADMINISTRATION | WEST | \$ 26,808.50 | 22% | \$ 6,022.00 | \$ 20,786.50 |
| TOTAL | | \$ 2,365,695.63 | 86% | \$2,033,637.76 | \$332,057.87 |

Table 4. Valdese AMI Project Financials Summary

VII. UPCOMING ACTIVITIES

- Ongoing project status calls every Wednesday at 10:30AM

VALDESE FIRE DEPARTMENT - MONTHLY ACTIVITY REPORT**MAY 1st-31th, 2020**

THE BELOW REPORT OUTLINES THE ACTIVITIES PERFORMED BY THE FIRE DEPARTMENT DURING THE MONTH OF MAY, 2020. THE REPORT SHOWS THE AMOUNT OF TIME SPENT ON EACH ACTIVITY AND THE TYPE AND NUMBER OF EMERGENCY FIRE DEPARTMENT RESPONSES.

| <u>ACTIVITY / FUNCTION</u> | <u>MONTHLY TOTAL</u> |
|-----------------------------------|-----------------------------|
| STATION DUTY | 243 HOURS |
| VEHICLE DUTY | 123 HOURS |
| EQUIPMENT DUTY | 78 HOURS |
| EMERGENCY RESPONSES (ON DUTY) | 67 HOURS |
| TRAINING (ON DUTY) | 202 HOURS |
| FIRE ADMINISTRATION | 198 HOURS |
| TRAINING ADMINISTRATION | 18 HOURS |
| MEETINGS | 6 HOURS |
| FIRE PREVENTION ADMINISTRATION | 7 HOURS |
| FIRE PREVENTION INSPECTIONS | 7 HOURS |

| <u>TYPE</u> | <u>NUMBER OF INSPECTIONS</u> | <u>VIOLATIONS</u> |
|--------------------|-------------------------------------|--------------------------|
| ASSEMBLY | 2 | 17 |
| BUSINESS | 0 | 0 |
| EDUCATIONAL | 0 | 0 |
| FACTORY/INDUSTRIAL | 2 | 0 |
| HAZARDOUS | 0 | 0 |
| INSTITUTIONAL | 0 | 0 |
| MERCANTILE | 0 | 0 |
| RESIDENTIAL | 0 | 0 |
| STORAGE | 2 | 10 |
| UTILITY/MISC | 0 | 0 |
| REINSPECTIONS | 1 | 0 |
| TOTAL: | 7 | 27 |

| | |
|---------------------------------|------------------|
| PUBLIC RELATIONS | 5 HOURS |
| HYDRANT MAINTENANCE | 39 HOURS |
| SAFETY ADMINISTRATION | 30 HOURS |
| SAFE KIDS ADMIN/CRS INSPECTIONS | 3 HOURS |
| EXTRA DUTY FIRES | 33 HOURS |
| NON-DEPARTMENTAL DUTIES | 0 HOURS |
| EXTRA DUTY TRAINING | 7 HOURS |
| EXTRA DUTY FIRE/MED STANDBY | 4.5 HOURS |
| PHYSICAL TRAINING | 55 HOURS |
| EXTRA DUTY MEDICAL RESPONSES | 52 HOURS |
| VOLUNTEER FIREFIGHTER TRAINING | 7 HOURS |
| TOTAL TRAINING MANHOURS: | 216 HOURS |

FIRE DEPARTMENT EMERGENCY RESPONSES:

| <u>FIRE:</u> | <u>MONTHLY TOTAL</u> |
|---------------------------------|-----------------------------|
| FIRE ALARM | 8 |
| CARBON MONOXIDE ALARM | 0 |
| ODOR/SMOKE INVESTIGATION | 0 |
| MUTUAL AID TO STATION 63 | 1 |
| MUTUAL AID TO STATION 67 | 1 |
| MUTUAL AID TO STATION 74 | 0 |
| COOKING INCIDENT | 1 |
| VEHICLE FIRE | 1 |
| STANDBY | 1 |
| SERVICE CALLS | 0 |
| TREE DOWN | 1 |
| ELECTRICAL HAZARD | <u>1</u> |
| | 15 |
| <u>MEDICAL:</u> | |
| ABDOMINAL PAIN | 1 |
| ALLERGIC REACTION | 1 |
| ANIMAL BITE | 0 |
| ASSAULT | 0 |
| ASSIST EMS | 0 |
| BACK PAIN | 1 |
| CANCELLED ENROUTE | 0 |
| CARDIAC | 1 |
| CHEST PAIN | 4 |
| CHOKING | 0 |
| CODE BLUE | 0 |
| DIABETIC | 2 |
| DOA | 0 |
| FAINTING | 1 |
| FALL | 7 |
| GUNSHOT | 0 |
| LACERATION/HEMORRAGE | 2 |
| OTHER | 3 |
| OVERDOSE/INTOXICATED | 1 |
| PREGNACY | 0 |
| PSYCHIATRIC | 2 |
| RESPIRATORY | 4 |
| SEIZURE | 1 |
| SICK | 6 |
| STABBING | 0 |
| STROKE | 1 |
| TRAUMATIC INJURY | 0 |
| UNCONSCIOUS | <u>1</u> |
| | 39 |
| <u>FIRE AND MEDICAL:</u> | |
| MOTOR VEHICLE ACCIDENT | 1 |
| <u>TOTAL RESPONSES:</u> | <u>55</u> |

GREG STAFFORD, CHIEF
VALDESE FIRE DEPARTMENT

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
JUNE 1, 2020**

The Town of Valdese Town Council met on Monday, June 1, 2020, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor John F. "Chip" Black, Jr., Councilman Keith Ogle, Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, Councilman J. Andrew Thompson, and Councilman Roy F. Sweezy. Also present were: Town Attorney Marc Mitchell, Town Manager Seth Eckard, Deputy Town Clerk Jessica Lail, and various department heads.

Absent: None.

A quorum was present.

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

OPEN FORUM/PUBLIC COMMENT: Citizens had the option to submit public comments through a form on the Town's website due to space being limited inside the Council Chambers. Deputy Town Clerk, Jessica Lail, read the public comments aloud to the Council.

POOL OPENING – AMANDA LENNEX, 4102 CHERRYWOOD DRIVE, HUDSON: Ms. Lennex submitted the following comments: As a parent and a healthcare worker I am aware of the current conditions concerning Covid19. However, as a patron of the Valdese Rec for several years, what plans are in place to open the pool for swimmers and recreation? As a family we frequent the use of the pool at a minimum of 6 days each week and pay dues yearly at the out of town rate. Along with the out of town dues amount we also spend money in the town for meals and other necessities each week. The pools in NC could have reopened on Friday the 22nd, but after being closed for over 2 months there were not any clear plans to move forward with this issue. The pool is not just a place to hang out or gather, but to some individuals it is an emotional getaway to work out frustrations and to achieve goals. Each and every swimmer works hard to achieve goals they have set for themselves and to take them out of the water indefinitely sets them back in any progress they have made. Our kids deserve better and our older patrons that are unable to do other forms of exercises due to their health and limitations are being done a disservice. Yes, we need to be aware of cleanliness and decreasing the spread of disease, but shouldn't we have done that all along and not just when a virus that has a recovery rate of 98% or higher spread panic and fear to shut down everything? What about the instances of heightened anxiety and depression in our children, adults, and elderly? We don't want to discuss that, just to social distance and reduce risks. There are risks with everything in life and how about we stop living in fear and live in hope for the future of all involved?

CODE ENFORCEMENT- KAY DRAUGHN, 108 W END STREET SW., VALDESE: Ms. Draughn submitted the following comments: Dear Valdese Town Council, Attorney, Manager & Clerk:

Regarding code enforcement, I encourage the VTC (Valdese Town Council) to:

- Continue to move forward with the cases currently on the WPCOG's docket.
- Notify adjoining property owners of the NOV hearing scheduled on June 11th for the Nordic Ventures (formerly owned by R. Deal) property on Main Street & W. End and advise whether that hearing is open to the public.
- Provide adjoining property owners with a written timeline for improvements or demolition to occur at the Nordic Ventures property as determined in the June 11 hearing.
- Oppose waiving or reducing code enforcement/abatement fines. Taxpayers should not have to further subsidize violators. The fines that are collected should be used to offset monies spent for abatement.

Regarding transparency & accessibility:

- To foster civic engagement and to improve transparency, I encourage the VTC to video or live stream its meetings and post them on a YouTube Channel and/or air them on a local cable channel.
- I encourage the Town to publish its monthly meeting agenda earlier. Currently, the agenda is published on Friday afternoon for a Monday evening meeting. Two (2) days is an inadequate amount of time for citizens to review the materials and prepare for the meeting.

Regarding Animal Services:

- To encourage all citizens to attend the Kittenpalooza scheduled for June 12 & 13 (10 am to 4 pm) at the Burke County Animal Services Center, 425 Kirksey Drive in Morganton.

- To spay or neuter your pets. Thank you for your service and for your consideration of these items.

DOG PROBLEM - WILL MUELLER, 610 DIXIE AVE NW., VALDESE: Mr. Mueller submitted the following comments: We, the members of the Rabbit Hill Neighborhood Watch, are pleased with the progress at the Bass St. location, and look forward to having that property cleaned up. In spite of Mr. Ervin's efforts, the dog problem is still not completely solved. One of the solid black ones trotted past our back door yesterday, and I have noticed one of the spotted ones several times on Paul Beach's driveway at the rear of his home, and sitting in the middle of Dixie Ave. on more than one occasion. We appreciate the efforts made so far regarding the dogs, and hope that the remaining animals can be rounded up and removed to Animal Services. Thanks to Keith Ogle for keeping us informed about progress at Bass St.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF MAY 4, 2020

APPROVAL OF VALDESE ABC BOARD TRAVEL POLICY

VALDESE ABC BOARD TRAVEL POLICY

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

1. Reimbursement of travel expenses-

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

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

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

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

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

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


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

5. Other issues-

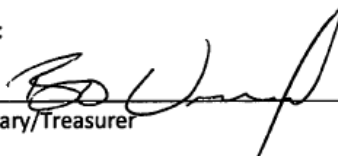
- Transportation: As a general rule, it is the Board's policy that an employee is authorized to use a private vehicle and be reimbursed at the current standard mileage rate. The current standard rate shall be the same as paid by the Town of Valdese following the IRS rate.
- Telephone: Any employee traveling out of town and staying overnight will be allowed a personal telephone call up to \$4 per night. Board business related calls will be paid by the Board.

- Registration: Registration fees are generally paid in advance directly to the vendor, not from travel advance.
- Advances: The Board does permit employees to request advances whenever an estimated trip cost exceed \$25. If the cost is less than \$25, employee must seek reimbursement when the trip is completed.

Adopted this the 18th day of May, 2020


Chairman

Attest:


Secretary/Treasurer

APPROVED VEDIC BOARD OF DIRECTORS APPOINTMENTS The VEDIC Board of Directors recommended the appointment of Nancy Page and the appointment of Suzanne Wallace to the VEDIC Board. The three-year-terms will expire July 1, 2023.

CORONAVIRUS RELIEF FUNDS

NORTH CAROLINA

BURKE COUNTY

AGREEMENT FOR USE OF CORONAVIRUS RELIEF FUNDS UNDER S.L. 2020-4

THIS AGREEMENT, made and entered into by and between **BURKE COUNTY**, a body politic and corporate of the State of North Carolina (the "County"); and the _____, a North Carolina municipal corporation located in Burke County, North Carolina (the "Municipality");

WITNESSETH:

WHEREAS, the North Carolina General Assembly has passed, and the Governor of North Carolina has signed into law, State Law 2020-4, entitled "An Act to Provide Aid to North Carolinians in Response to the Coronavirus Disease 2019 (COVID-19) Crisis" to be known as the "2020 COVID-19 Recovery Act" (the "Act"); and

WHEREAS, the Act sets aside \$150,000,000.00 to the Office of State Budget and Management (OSBM), to be distributed among certain counties; and

WHEREAS, under such legislation, Burke County's share of such funds is estimated to be \$1,772,221.00 (the "COVID Funds"); and

WHEREAS, the Act provides that a county may allocate a portion of these COVID Funds for use by municipalities within the county, but only if the transfer qualifies as a necessary expenditure as provided in the Act; and

WHEREAS, the County has established a protocol by which a municipality may receive COVID Funds under the Act; and

WHEREAS, the Municipality wishes to receive COVID Funds pursuant to the protocol and the terms of this Agreement.

NOW, THEREFORE, based upon the premises, and the mutual covenants contained herein, the County and the Municipality are agreed as follows:

1. **SUBMISSION.** Should the Municipality have expenditures that it believes will qualify as necessary expenditures as provided in the Act, it will submit an application for funding, using the form attached hereto.

2. **BOARD APPROVAL.** At the time of submission of an application, the Municipality shall submit a certified copy of the minutes of its board meeting 1) approving the application, 2) authorizing their Manager to obligate the Municipality to all rules and restrictions upon the COVID Funds, including this Agreement, and 3) agreeing to repay any COVID Funds determined by the County, the State, or the Federal Government as being improperly spent or spent for an ineligible purpose.

3. **COMPLETION.** No later than November 30, 2020 the Municipality will submit to the County a detailed report and a list of all expenses for which the Municipality requests reimbursement. No request for reimbursement received after November 30, 2020 shall be honored. Time is of the essence to the performance of this Agreement.

4. **REIMBURSEMENT FOR ELIGIBLE EXPENSES.** Upon submission of the Municipality's expenses, accompanied by receipts, the County will review said expenses to assure itself that all expenses submitted are eligible for reimbursement from the COVID Funds. Any expenses deemed ineligible by the County based upon the County's understanding of the Act, will not be reimbursed. Reimbursement requests should be submitted monthly by the 15th of each month for the prior month.

5. **PAYMENT.** Payment shall be made for approved expenses within thirty (30) days of approval.

6. **RECOVERY OF DISALLOWED FUNDS.** Should the County receive notice from the administrators or auditors of the Act, or the OSBM, that certain funds paid to the Municipality were in fact ineligible or otherwise must be refunded, then the County shall send written notice to the Municipality as provided in Section 9. The Municipality shall repay such funds reimbursed for ineligible expenses to the County within thirty (30) days of receipt of notice from the County.

7. **INDEMNITY AND HOLD HARMLESS.** The Municipality shall indemnify the County and hold the County harmless for any loss the County may incur based upon the granting to the Municipality of COVID Funds, based upon any ineligible expenditures, or failure to timely complete a project. Losses may include reimbursements, fines, penalties, and legal fees incurred by the County.

8. **NOTICES.** Whenever in this Agreement it shall be required or permitted that notice or demand be given or served by either party to this Agreement to or upon the other, such notice or demand shall be given or served, and shall not be deemed to have been given or served unless in writing, and forwarded by certified or registered mail, return receipt addressed as follows:

To the Municipality:

Attention: Manager

_____, North Carolina 28_____

To the County: COUNTY OF BURKE

Attention: County Manager
Post Office Box 219
Morganton, North Carolina 28680-0219

9. **GOVERNING LAW, COUNTERPARTS, ENTIRE AGREEMENT, WAIVER, EFFECTIVENESS, ASSIGNMENT, HEADINGS, SEVERABILITY.**

This Agreement shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of North Carolina.

This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument representing the Agreement of the parties relating to the subject matter hereof.

The parties hereto have made no agreements or representations relating to the subject matter of this Agreement which are not set forth herein or herein provided for.

Any term or condition of this Agreement may be waived in writing at any time by the party or parties entitled to the benefit thereof.

No modification of this Agreement shall be valid unless in writing and signed by the parties hereto.

The waiver of breach of any term or condition of this Agreement shall not be deemed to constitute the waiver of any other breach of the same or any other term or condition. This Agreement shall become effective when signed by all the parties in the respective places indicated.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

The headings of this Agreement are for reference purposes only and shall not be used in construing or interpreting this Agreement.

If any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

The sole venue for any action brought by either party to this contract shall be the state or federal courts serving Burke County, North Carolina.

IN WITNESS WHEREOF, the parties hereto have executed these presents, as of the day and year first above set forth.

BURKE COUNTY

By: _____

Its: _____

THE MUNICIPALITY

By: _____

Its: _____

Preaudit Statement

This statement has been pre-audited in the manner prescribed by the Local Government Budget of Fiscal Control Act.

By: _____

Burke County Finance Officer

Preaudit Statement

This statement has been pre-audited in the manner prescribed by the Local Government Budget of Fiscal Control Act.

By: _____

Municipality Finance Officer

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

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None.

PRESENTATION OF FY 2020-2021 PROPOSED BUDGET AND SCHEDULING OF PUBLIC HEARING FOR MONDAY, JUNE 29, 2020 The proposed budget was submitted to the Valdese Town Council on Friday, May 22, 2020.

Town Manager Seth Eckard said, “The preparation of this budget arrives at a time of unprecedented uncertainty. A pandemic has been declared across the globe and is changing the face of the world at a rapid pace. With consideration of these current economic conditions, our team presents a balanced budget that addresses current and future goals - without jeopardizing services to our residents. The proposed total of the FY 2020-2021 operating and capital budget is \$11,378,024. This includes a total General Fund budget of \$6,339,043 and a total Utility Fund budget of \$5,038,981. The proposed budget maintains a property tax rate of 54.5 cents per \$100 valuation.

We have incorporated a 10 percent overall reduction to the sales tax revenues for fiscal year 2020-2021. In dollars, this is a \$118,276 reduction of General Fund revenue. We anticipate this to be temporary – for one year – and then economic conditions stabilize to pre-COVID19 for next year’s budget cycle. To account for the anticipated decrease in sales tax revenue, we are deferring several capital items to “Year 2” in the general fund capital improvement plan schedule.

In regards to Occupancy Tax revenue projections, we have budgeted \$65,000, next year we have budgeted \$32,500.

Despite the current economic conditions, three housing developments are moving forward: The former Houston Hosiery Mill is anticipated to be redeveloped into a 60-unit apartment complex, a 70-unit three story apartment complex is proposed at Crowhill Park, and a 60-unit senior housing developed is proposed off of Praley Street. We also have homes under construction at The Settings.

The Board of Trustees of the Local Government Employees’ Retirement System (LGERS) voted to approve its planned 1.2 percent increase to the system’s employer contribution rate for fiscal year 2020-21. This will be the second year of their mandatory rate increase.

General Fund – The proposed budget includes a total General Fund budget of \$6,339,043 and proposes maintaining the current tax rate.

Street Resurfacing

Various factors in the economy and the NCDOT budget have created a rare scenario where paving contractors are bidding work at very low prices. We are seeing upward of 20 to 30 percent lower cost than normal, and anticipate this continuing until November 2020. Because of these good prices, the CIP is proposing to do \$450,000 worth of paving projects in the upcoming budget year to take advantage of this “discount.”

Recycling

Due to unfavorable economic conditions in the recycling industry and a three percent increase this upcoming year to our contract with Republic, the proposed budget includes a one dollar per month recycling fee increase.

Public Safety Building

The Town is in the process of selecting an architect to design a new public safety building that will replace the old deteriorating facility. Now is an optimal time to design and construct a new facility, given the historically low long-term financing rates and competitive bidding by local contractors. This project may take up to four years to complete.

General Fund Capital Projects:

In the Fiscal Year 2020-2021 budget, the Town plans to make strategic capital investments amongst all departments to ensure efficient and effective service delivery as well as continue to

repair our aging infrastructure. Some of these capital projects will be delayed until mid-year to make sure revenues are coming in as projected.

The General Fund Budget reflects expenditures of \$636,500 in capital projects across multiple departments. Highlights include:

Fire Department

- Replace Fire Prevention Vehicle

Community Affairs

- Replace Teacher Cottage Roof
- Replace Teachers Cottage Flooring

Police Department

- Patrol Vehicle

Public Works

- Street Resurfacing (\$450,000)

Parks and Recreation

- Fitness Center Equipment
- Monitoring System for Community Center

Administration

- Replace Town Hall Server
- Replace Town Hall Vehicle
- Sealcoat and Restripe Parking Lot

Utility Fund

The Utility Fund budget for Fiscal Year 2020-2021 is \$5,038,981.

Utility Fund Capital Projects:

- Water system upgrade project (waterlines)
- Main street waterline replacement
- MCC (raw and finished water) replacement at the water plant
- Chlorine gas to liquid bleach conversion at the water plant
- Sewer I&I assessment project
- Water AIA Assessment
- Cline Pump Station Rehabilitation
- Centrifuge Back drive and control replacement

At this time I will take any questions that Council may have."

Councilman Ogle feels that the Budget looks very well. Mayor Black asked about the monitoring system for the Community Center and what it would look like. Town Manager Seth Eckard explained the Recreation Department would have camera footage of the pool deck and around the facility.

Councilman Ogle made a motion to set the public hearing for the FY 2019-2020 budget on Monday, June 29, 2020, at 6:00 p.m., Valdese Town Hall, seconded by Councilwoman Hildebran. The vote was unanimous.

PUBLIC HEARING FOR CONDITIONAL USE PERMIT APPLICATION #1-3-20 PINE CROSSING (CROWHILL PARK) Mayor Black introduced the Conditional Use Hearing and asked if anyone wished to speak either for or against to come forward and be sworn in by Deputy Town Clerk Jessica Lail. Ms. Lail administered oaths to Planning Director Larry Johnson, Bobby Funk with Mills Construction and Sherry Long, Chairman of the Board with the Western NC Housing Partnership.

Mayor Black declared the public hearing open.

Planning Director Larry Johnson briefly reviewed highlights of the following report:

Permit for Multi-family Development in R-8 Residential, Conditional Use Permit #1-3-2020.

APPLICANT:

WNC Housing Partnership

PROPERTY OWNER:

Town of Valdese

REQUEST:

On March 6, 2020, the applicant requests a Conditional Use Permit to allow a 66-unit multi-family residential development (PUD-R) in the R-8 Residential District.

LOCATION:

605 Pineburr Avenue SW (Crowhill Park Properties). Properties currently owned by the Town of Valdese. The applicant currently has an option to purchase if funding is approved.

LAND USE AND ZONING:

Comprised of two parcels totaling 6 acres, is currently vacant. The main parcel is being used by the owner for the temporary storage of leaves and yard debris. The smaller parcel is being used for egress and ingress into the main parcel.

The parcels are zoned R-8 Residential. The intent of the R-8 District is to provide for town scaled residential development within walking distance of services. The R-8 Residential District is a high density district in that it permits a host of residential uses including single family, duplexes, Class A manufactured homes and multi-family developments (conditional use permit)

SURROUNDING ZONING:

North: R-8 Residential

South: R-8 Residential, R-12 Residential

East: R-8 Residential

West: R-8 Residential

SURROUNDING LAND USES:

North: Single Family Residential

South: Single Family Residential

East: Single Family Residential

West: Single Family Residential

TRANSPORTATION:

Egress and Ingress to the property is by way of Pineburr Avenue SW. Pineburr is identified as a local residential street and is maintained by the Town. Partial resurfacing of Pineburr occurred in 2009.

A traffic count was conducted by the Town of Valdese Public Works Department. The count showed an average daily count of 540 on Pineburr Avenue SW, from Orchard Avenue to Hoyle Street. During peak time of 11:00 am, the average daily count was 41 vehicles. During the peak pm time of 1:00 pm, the vehicle count was 47 vehicles.

Public Services Director Greg Padgett has reviewed the plans for Pine Crossing Multifamily Development and has determined that Pineburr Avenue SW has the capacity to accommodate the additional traffic generated by the proposed development.

UTILITIES:

The Town of Valdese has the capacity and will provide water and sewer services. This area is being served with a 6-inch water line and an 8-inch sewer line. One master meter is being proposed in lieu of 66 individual meters. However, the developer will have two options for securing sewer. Option #1 will be the installation of a privately

owned pump station. Option #2 will require acquisition of right of way by the developer to extend existing sewer to the site.

Additionally, Valdese Public Works Department shall not be responsible for any garbage pick-up.

LAND USE PLAN:

The Valdese Vision – A Land Use Action Plan for the Future identifies the future use of this property as residential.

CONDITIONAL USE REQUEST HISTORY:

There is no conditional use history on the two parcels.

APPLICABLE CODE SECTIONS:

Section 9-3051 Neighborhoods Residential District (R-8)

- 1) The intent of the R-8 District is to provide for town scaled residential development within walking distance of services. The R-8 Neighborhoods Residential District is a high density district in that it permits a host of residential uses including single family, duplexes, and Class A manufactured homes.
- 2) Uses permitted with a conditional use permit: **Multi-family building**, Planned Unit Development-Business, **Planned Unit Development-Residential**, Public and Private School, Residential Care Facilities, Laundromats, Grocery Stores, Day Care Center, Mix Uses, Bakeries/Delicatessens, Barber and Beauty Shops and Floral Shops.

Section 3051.2 Off-Street Parking and Loading Requirements

- 1) Off Street parking and loading requirements shall be met for all uses as required by Article F.

Article F – Off-Street Parking Requirements

9-3071 Parking Spaces to be required and permanent

- i) The off-street parking space required shall be permanent spaces and shall not be used for any other purpose.
- ii) Each parking space shall be 30 degrees, 60 degrees, or 90 degrees and a minimum of nine (9) feet by eighteen (18) feet if angled. If paralleled, the parking space must be a minimum of seven (7) feet by twenty-two (22) feet.
- iii) Required off-street parking spaces for any use shall not be located more than 400 feet from the use they are intended to serve.

2) Section 9-3074 Schedule of Parking Spaces

- i) Off-street parking spaces shall be provided and permanently maintained by the owners and occupants of the following use classifications: Multi-family 1.5 spaces for each unit.

Section 9-3076 Parking Lot Design Requirements

- ii) Off-street parking areas should be designed to create a safe and comfortable passage for the pedestrians. All off-street parking lots, including exits, entrances, drives and parking areas shall
 - a) Allow for traffic movement in accordance with generally accepted design principles.
 - b) Have physical access to a public street.
 - c) Be designed so that storm water runoff from the parking area does not create erosion, flooding, or other nuisance conditions.

- d) Off-street parking areas, loading, egresses and ingresses, shall be paved with asphalt or concrete.
- e) Be maintained as long as the use, which it serves exist. Each parking space shall be marked and maintained.
- f) Unless otherwise required, all off-street parking with more than ten (10) automotive vehicles that adjoins any plot of land zoned or used for single family residential purposes, shall be screened with landscaped devices.

Section 9-3077 Landscaping of Parking Area

- b) Landscaping shall not obstruct the view of motorists using any street, private driveway, parking aisles or the approach to any street intersection so as to constitute a traffic hazard.
- c) Meet landscaping requirements for interior areas of parking areas. Interior areas are defined as the areas within the property used for vehicular storage, parking or movement.
- d) Meet landscaping requirements for street yards of parking areas. Street yards are **defined** as the area between the public right-of-way and interior areas.
- e) Adhere to Tree and Shrub specifications.
- f) Meet the abutting property landscaping requirements.

Section 9-3111 Planned Unit Development – Residential (PUD-R)

- a) The purpose of the planned unit development – residential is to encourage the development of living environments, which meet the needs of the people who live in them by providing certain development privileges in exchange for preplanning and design considerations.

The planned unit development – residential provides flexibility in using new development concepts and in introducing variety into neighborhoods by encouraging mixed uses, variable lot size, and environmentally sensitive design, which promotes the conservation of open space and ensures substantial compliance with the intent of the Town of Valdese Zoning Ordinance.

- i. Encourage development that enhances the quality of life while protecting the health, safety and general welfare of residents;
- ii. Encourage variety in housing opportunities;
- iii. Encourage the development of a viable economic base;
- iv. Encourage the development of land uses that will complement existing adjacent land uses;
- b) The Town Council may approve this form of development in the districts that allow it as a conditional use, if the conditions specified in this article are met.
 - i. At the time of application for a planned unit development, all land, structures and other real property shall be in single or joint ownership of whatever form, or the petitioner shall have the right to acquire ownership under a valid option, and this information shall be included in the application for a planned unit development.
 - ii. A residential planned unit development shall be located on a site containing at least two (2) contiguous acres.

- iii. If land or structures within a proposed PUD-R are to be sold to more than one person, firm, corporation or other entity, then the proposed PUD-R shall be subject to the Town of Valdese Subdivision Ordinance. Deviations from said standards may be approved provided they are stated as part of the PUD-R Application Requirements.
 - iv. A minimum of 10 percent of the land area for the PUD-R shall be common open/recreational space. This area shall be identified as open/recreation space on the submitted plans, which shall be recorded in the Office of the Register of Deeds. In residential mixed use PUD-R's, required open space may not be part of any proposed platted single-family residential lots.
 - v. All new planned unit developments shall provide concrete sidewalks along both sides of all existing and proposed public streets within the PUD-R. Sidewalks shall only be required on the internal side of existing streets that are on the perimeter of the PUD-R. Sidewalks shall be a minimum of 5 feet wide and four inches thick. Sidewalks will not be required along alleys. All pedestrian segments shall meet or exceed ADA standards and shall be constructed of concrete.
 - vi. The design and layout of a PUD-R shall take into account the relationship of the site of the surrounding areas. Additionally, the perimeter of the PUD-R shall be so designed as to minimize any negative impact on adjacent properties.
 - vii. Development of a PUD-R may be phased, in which case all the property anticipated for the PUD-R development shall be submitted as part of the PUD-R development plan showing a conceptual depiction of the eventual development and approximate phase lines shown. During the phased development of a PUD-R, proportional overall common open space required shall be incorporated into each phase and be dedicated and installed or improved by the end of the construction of each proposed phase.
 - viii. Following review of the proposed PUD-R, the Planning Board shall recommend approval or denial of the application and accompanying PUD-R plans. Planning Board may recommend to Town Council conditional approval with such conditions as are necessary to ensure conformity to all applicable requirements. There were no conditions placed on the approval of the PUD-R by the Valdese Planning Board.
- c) In order for an application for a PUD-R to be approved, the Town Council must find that the proposed development will be compatible with comprehensive land use, and neighborhood development plans, and will not place an excessive traffic load on local streets. In addition, Town Council must find that the site can be developed according to a site plan that will be compatible with existing neighborhood development, and that the site can be provided with adequate utility services.

Section 9-3147 Conditional Uses

- i) The Valdese Town Council shall grant in particular cases and subject to appropriate conditions and safeguards, permits for conditional uses as authorized by this Valdese Zoning Ordinance and set forth as Conditional Uses under various use districts.

POSSIBLE FINDINGS AS RELATED TO THE GENERAL STANDARDS FOUND IN SECTION 9-3147

- 1) The use will not adversely affect the health, or safety of persons residing or working in the neighborhood of the proposed use.

Applicant complies

- 2) The use will not be detrimental to the public welfare or injurious to property or public improvements in the neighborhood.

Applicant complies

- 3) The use, which is listed as a conditional use in the district in which it is proposed to be located, complies with all required zoning standards.

Applicant complies or agrees to comply**REVIEW/DISCUSSION:**

The Valdese Town Council is required to make findings based upon substantial evidence presented at the hearing. The Town Council may refer to staff's report to aid in its deliberations. It is the responsibility of the applicant to present such evidence in the form of testimony, exhibits, documents, models, plans, and the like that applicant desires to present in support of the application for a conditional use permit. The Town Council may designate such conditions which in its opinion will conform to the requirements and spirit of the conditional use ordinance.

If at any time after a conditional use permit has been issued the Town Council finds that the conditions imposed and agreements made have not been or are not being fulfilled by the holder of a conditional use permit, the permit shall be terminated, and the operation of such use discontinued. If a conditional use permit is terminated for any reason, it may be reinstated only after a public hearing is held.

The project will include 66 multifamily units located on the property currently owned by the Town of Valdese. The applicant currently maintains an option to purchase the property if funding for this project is approved by the State.

The proposed development is identified as a Planned Unit Development – Residential (PUD-R) permitted with conditional use approval from Valdese Town Council.

The project must meet or exceed all zoning requirements of the R-8 Neighborhood Residential District and Article F Off-Street Parking. Based upon the projection of 66 units, 1.5 parking spaces (minimum of 99) must be made available for the total number of units. The developer will be providing 116 spaces. The minimum area for each parking space shall be 9ft x 18ft.

Traffic count show an average daily count of 540 cars on Pineburr Avenue SW. Average count during the peak times of 11:00 am and 1:00 pm are 41 and 47 respectively.

The Town of Valdese Public Works Department has stated that the property is served by water and sewer. The applicant will have two options to obtain sewer to the site. Valdese Public Works agrees to one master meter serving the building in lieu of sixty (66) individual meters. If additional utility upgrades are required, the expense will be the responsibility of the developer. The Town of Valdese has the capacity to serve this development

The proposed project is consistent with Valdese's Master Land Use Plan.

PLANNING BOARD RECOMMENDATION:

The Planning Board reviewed the Conditional Use Permit Application on Thursday, May 21, 2020 and unanimously voted to recommend approval without conditions.

Mr. Johnson explained that the Public Hearing was advertised appropriately and staff only received one phone call from a citizen who was in favor of the project.

Mr. Bobby Funk, Developer, with Mills Construction presented the following presentation:



Overview

Seeking a Conditional Use Permit to allow development of a new 66-unit multifamily housing community

PUD meets all standards of the Ordinance while enhancing quality of life, health, safety and welfare of residents through the expansion of high quality new housing in Valdese

Development has taken great care to integrate seamlessly in the existing neighborhood with no negative impacts to surrounding neighbors, traffic or utilities capacity

Who We Are

Western N.C. Housing Partnership, Inc. (WNCHP) is a nonprofit 501(c)3 organization founded in 1994 celebrating 25 years in 2019

We are committed to developing high quality apartment residences for aging populations and workforce families within the thirty-one county region of Western North Carolina



Experienced Team

We will be working in tandem with Fred G. Mills, a tax credit developer with over 50 years of experience in housing development in North Carolina

The organization includes an in-house construction company that we will utilize – jobs will be created during construction

Over 3,000 units developed

Recent developments in: Granite Falls, Mocksville, Dallas NC, Asheville, Greenville NC, Tabor City, Raleigh, Lumberton, Charlotte, Bermuda Run



Site Details

6 acres

66 units

- 12 : 1BR
- 36 : 2BR
- 18 : 3BR

5 residential buildings

Proposed Development

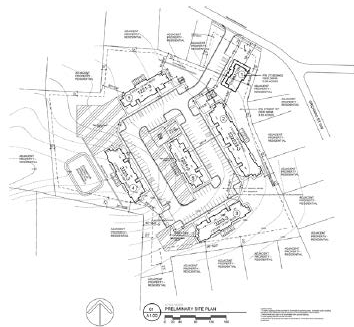
Amenities

| | |
|----------------------------|-------------------------------|
| Community center | On-site management |
| Kids play area and tot lot | 24-hour emergency maintenance |
| Picnic area | On-site security cameras |
| Computer lab | |

Projected Rents

| Unit Size | Unit Count | 40% AMI | 50% AMI | 60% AMI |
|-----------|------------|---------|---------|---------|
| 1 BR | 12 | \$355 | \$460 | \$565 |
| 2 BR | 36 | \$420 | \$515 | \$630 |
| 3 BR | 18 | - | \$590 | \$720 |

Rent includes water/sewer utilities. Note: Rents will be approved by NCHFA

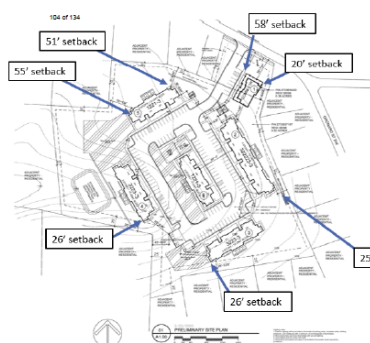


Site Details

Required Setbacks

- 25' Front
- 10' Side
- 25' Rear
- Exceeds all setback requirements

[Valdese Ord. 9-3111.1 (b)(12)]

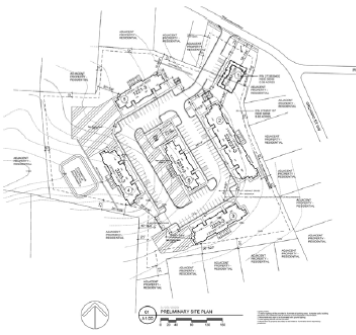


Site Details

Required Setbacks

- 25' Front
- 10' Side
- 25' Rear
- Exceeds all setback requirements

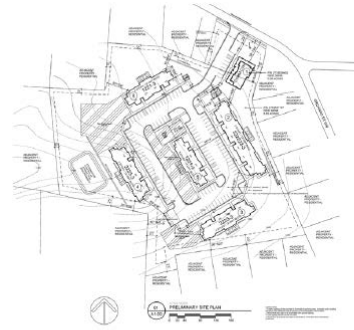
[Valdese Ord. 9-3111.1 (b)(12)]



Site Details

Topography & Buffering

- Care was taken in designing the property to minimize any negative impact of surrounding properties
- Site layout takes advantage of grade changes to increase separation from surrounding housing
- Retaining walls are planned to account for the grade change which will further separate the development



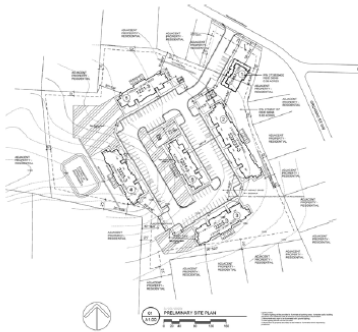
Site Details

Topography & Buffering

- Trees and vegetation along the perimeter of property will be retained
- Screening will be built up as necessary to assure privacy is maintained

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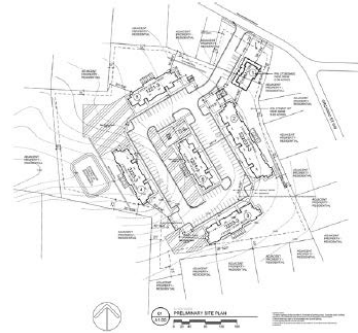


Site Details

Impervious Surface

- The site has less than 36% impervious surface to meet the ordinance requirement if the site requires a Sediment/Erosion Control Plan
- Building area does not exceed 30% of lot area
- Development will meet all storm water management requirements

[Valdese Ord. 9-3051.4 (d)(3 & 4)]



Site Details

Open Common Space

- 11%
- Exceeds PUD requirement

[Valdese Ord. 9-3111.1 (b)(4)]

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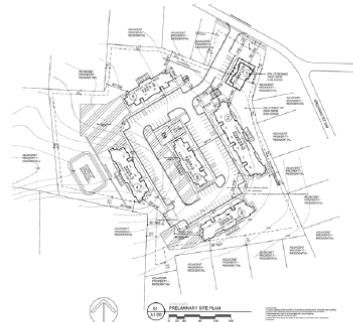


Site Details

Sidewalks

- ADA accessible sidewalks are provided through the property
- Sidewalks will be constructed along Pineburr Ave on the property per ordinance requirement

[Valdese Ord. 9-3111.1 (b)(5)]



Neighborhood Compatibility

- Several multifamily developments exist in the surrounding neighborhood
- This development will be walkable to downtown providing residents good access to shopping and dining amenities on Main Street

[Valdese Ord. 9-3111.1 (b)(5)]

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Building Design

Dallas, NC | Completed 2014, Phase 2 Completed 2019

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113 of 134

Agenda

Economic Impact

- \$9.5 million total Investment
- An estimated local 100 jobs will be directly and indirectly supported through the development of this property
- Mills Construction will seek to hire local contractors as well as local permanent employees for management and maintenance

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Traffic

- Traffic Count was conducted at the property for two weeks in Nov. 2019
 - Peak hour AM Traffic
 - 39 cars per hour
 - Peak hour PM Traffic
 - 56 cars per hour
- *Analysis*
 - Currently at its most busy hour, Pineburr Ave SW sees less than one car per minute
 - Traffic modeling estimates a total peak AM increase of 20 cars per hour and peak PM increase of 25 cars per hour
 - After development Pineburr Ave will likely an average of 1 car per minute during AM peak hour and 1.35 cars per minute during PM peak hour
- *Conclusion*
 - There is plenty of road capacity to serve this development without creating traffic problems

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Market Demand

- Comparable housing in the market is at 99% occupancy
- According to our market study this development would only satisfy 13% of current demand in the market area

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Long Range Plan Consistency

This development meets the Blueprint Burke Strategic Land Use Plan (2016-2030) Long Range Plan goals of:

- The Long-Range Plan's top housing goal is to encourage higher density development in primary growth areas near municipalities. Encouraging a variety of residential development will meet the needs of a diverse county population
- Develop policies that allow for higher density development in the primary growth areas near municipalities

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Mayor Black asked if there were additional comments or if anyone wished to speak either for or against the conditional use hearing. Deputy Town Clerk Jessica Lail swore in Melvin Nicely, Chad Huffman, Chana Van Meter, Deane Stein, Michelle Davis, Jeffrey Stein and Alice Nicely.

MELVIN NICELY – 610 MILTON AVE SW, VALDESE: Mr. Nicely shared with Council that he is opposed to having this housing development built in this area. Mr. Nicely expressed his concern is for his kids and grandkids and not knowing what type of person would be living there. Mr. Nicely does not feel that the people living there will be locals. Mr. Nicely thinks that the Town is only concerned about collecting money. Mr. Nicely stated he is very worried about the traffic and where the entrance and exit would be.

CHAD HUFFMAN – 628 WILSON AVE SW, VALDESE: Mr. Huffman shared with Council his concerns with people trespassing on his property, thinking it is a part of the park, and asked if there would be a barrier put up around the apartments. Mr. Funk, the Developer, shared with Mr. Huffman that if the need arises that they would work with the surrounding citizens. Mr. Huffman is concerned about the children in the area and the turkey buzzards that roost in the trees on the property. Mr. Huffman is also concerned about the narrow roads and the amount of traffic that this would bring.

CHANA VAN METER – 707 WILSON AVE SW, VALDESE: Ms. Van Meter asked Council if this project was inevitable and what a judicial-hearing is. Mayor Black explained that this project was not inevitable and what this hearing was about. Ms. Van Meter explained that several years ago, when this project was presented at Mt. Calvary that at that time, there were going to be 46 apartments and wants to know why it had gone up to 66 apartments. Ms. Sherry Long explained that the cost per unit was so high that the project was not funded, so to make it a feasible project, they have to increase the number of units. Ms. Van Meter asked if there would be fencing. Mayor Black explained that the developers would work with the surrounding citizens. Ms. Van Meter feels that this would ruin the area and is not happy about the project and does not think that this is the right thing to do.

DEANE STEIN – 609 PINEBURR AVE SE, VALDESE: Ms. Stein asked Council why there wasn't a speaker or video of the meeting streamed so that everyone attending could hear. Mayor Black explained that under these unusual circumstances, this was the best that we could do. Ms. Stein asked why this project was

going from 56 to 66 units. Ms. Sherry Long explained to Ms. Stein the reason why it had to be increased. Ms. Stein asked if a Land Survey had been completed to see if it would accommodate the building. Ms. Stein explained that there are turkey vultures in the area and wanted to know if anyone had looked into that. Ms. Sherry Long stated that part of the process would be contacting the Wildlife preservation to survey the land and send them the scope of work and that there had been a land survey. Ms. Stein said that citizens would be calling Wildlife to report. Ms. Stein feels that 66 apartments are too many and is worried about the traffic through the area. Ms. Stein asked if the grant was not awarded what would happen. Mayor Black explained that they would not purchase the property if the grant was not awarded.

MICELLE DAVIS – 624 MILTON AVE SW, VALDESE: Ms. Davis asked Council why this site. Town Manager Seth Eckard explained that the Town was approached by the developers to build this project. Ms. Davis is opposed to having the apartments built because it would be too crowded. Ms. Davis asked if the trees would be cut down and shared with Council how important that area is to her and her family. Ms. Davis stated that she would sell her house if this happened.

JEFFERY STEIN – 609 PINEBURR AVE SW, VALDESE: Mr. Stein has lived at his home for five years and came to Valdese because he loves this town. Mr. Stein explained that he has lived in apartments before and knows how that is. Mr. Stein has made peace with this idea but feels that with the traffic and people coming in he may sell his house. Mr. Stein informed Council the entrance would be right next to his house, and he does not need 66 units in his back yard.

ALICE NICELY – 610 MILTON AVE SW, VALDESE: Ms. Nicely asked Council why this property was not put into a Children's Park and said it was donated for that reason. Ms. Nicely shared history on how many children played in that area and how much she cleaned up the area. Ms. Nicely said the Town would never come and check the park out. Ms. Nicely's main complaint is there may not be a fence around the apartments and wants a fence put up. Ms. Nicely is opposed to the apartments and feels like her property will go down in value. Ms. Nicely thinks that the children need something on that end of the Town to be able to play at.

Mr. Johnson informed Council that some of the things shared were based on emotions and not factual information. Mr. Johnson explained to Council that the developer is not required to put up fencing but to put up a buffer. Mr. Johnson shared that they do meet the requirements to develop a 66 unit housing development.

Councilman Hildebran feels that there is a lot of misinformation and that the citizens don't have the true facts. Councilman Hildebran asked Mr. Johnson if the number of apartments had been changed. It was explained that around five years ago, the housing number was lower when the project was brought up. Mr. Johnson shared that no one called the Town to gather information or ask questions before the hearing and that the hearing had been advertised properly.

Mayor Black asked if there were additional comments or if anyone wished to speak either for or against the conditional use hearing. There being no one wishing to speak, Mayor Black closed the public hearing.

Councilman Ogle made a motion to approve the Conditional Use Permit, based on the factual issues and qualifications, seconded by Councilman Sweezy. All Council members voted aye except for Councilwoman Hildebran, who opposed.

PUBLIC HEARING FOR CONDITIONAL USE PERMIT APPLICATION #2-3-20 TRON PLACE (STROUP)

Mayor Black introduced the Conditional Use Hearing and asked if anyone wished to speak either for or against to please come forward and be sworn in by Deputy Town Clerk Jessica Lail. Ms. Lail administered oath to Mark Morgan, Real-estate Developer, with MC Morgan & Associates.

Mayor Black declared the public hearing open.

Planning Director Larry Johnson briefly reviewed highlights of the following report:

Permit for Multi-family Development in R-12 Zoning District, Conditional Use Permit #2-3-2020.

APPLICANT

MARK MORGAN, MC MORGAN & ASSOCIATES INC

PROPERTY OWNER:

JOHN RAY STROUP

REQUEST:

On March 9, 2020 the applicant requests a Conditional Use Permit to allow for a multi-family development in the R-12A zoning district.

LOCATION:

251 PRALEY ST NW

LAND USE AND ZONING:

The 9.22 vacant and undeveloped tract is zoned Residential District (R-12A).

The R-12A Residential District is intended to be a moderately quiet, medium-high density residential living areas consisting of single-family, duplexes and multi-family dwellings, along with limited home occupations and limited private and public community uses.

R-12A Residential is considered a “floating” zoning district. This designation is used to identify parcels within town limits that are conducive for apartments, condominiums, etc., and yet restrict other residential uses found in the R-8 Residential District.

Surrounding Zoning:

North: R-12 Residential

South: R-12 Residential

East: R-8 Residential and R-12 Residential

West: R-8 and B-1 Central Business District

Surrounding Land Use:

North: Vacant and Undeveloped

South: Single-Family Residential

East: Single-Family Residential and Office/Institutional (Valdese First Baptist Church)

West: Residential, Commercial (Car Wash) and Office/Institutional (Valdese Elementary School)

TRANSPORTATION:

The proposed egress and ingress to the property is by way of Praley Street NW. Praley Street NW is identified as a local residential street and is maintained by the Town.

A traffic count was conducted by the Town of Valdese Public Works Department. The count showed an average daily count of 821 on Praley Street NW. Peak times identified from the count were 10:00 am, with the average daily count of 91 vehicles. Between Noon and 3:00PM, the average vehicle count was 70 vehicles.

Public Services Director Greg Padgett has reviewed the plans for Tron's Place Multifamily Development and has determined that Praley Street NW has the capacity to accommodate the additional traffic generated by the proposed 60 unit elderly development.

UTILITIES:

The Town of Valdese has the capacity and will provide water and sewer services. A 6 inch water line and 8 inch sewer line lie within street right of way of Praley Street NW. One master meter is being proposed in lieu of 60 individual meters.

Additionally, Valdese Public Works shall not be responsible for any garbage pick-up or rough trash services.

LAND USE PLAN:

The Valdese Land Use Plan identifies the future land use as undeveloped.

CONDITIONAL USE REQUEST HISTORY:

There is no conditional use history on this property.

APPLICABLE CODE SECTIONS*(Please note that no technical compliance criterion is required.)***Section 9-3052 Neighborhoods Residential District (R-12A)**

- 1) The R-12A district is intended to be a moderately quiet, medium-high density residential living area consisting of single-family, two-family and multi-family dwellings, along with limited home occupations and limited private and public community uses.
- 2) Uses permitted with a conditional use permit: **Multi-family building**, Residential Care Facilities, Planned Unit Development-Residential, Public and Private School, Gated Subdivisions.

Section 3052.2 Off-Street Parking and Loading Requirements

- 1) Off Street parking and loading requirements shall be met for all uses as required by Article F of the Zoning Ordinance.

Article F – Off Street Parking Requirements

9-3071 Parking Spaces to be required and permanent

- i) The off-street parking space required shall be permanent spaces and shall not be used for any other purpose.
- ii) Each parking space shall be 30 degrees, 60 degrees, or 90 degrees and a minimum of nine (9) feet by eighteen (18) feet if angled. If paralleled, the parking space must be a minimum of seven (7) feet by twenty-two (22) feet.
- iii) Required off-street parking spaces for any use shall not be located more than 400 feet from the use they are intended to serve.

Section 9-3074 Schedule of Parking Spaces

- iv) Off-street parking spaces shall be provided and permanently maintained by the owners and occupants of the following use classifications: Senior Housing, 1 space for each unit.

Section 9-3076 Parking Lot Design Requirements

- v) Off-street parking areas should be designed to create a safe and comfortable passage for the pedestrians. All off-street parking lots, including exits, entrances, drives and parking areas shall
 - a) Allow for traffic movement in accordance with generally accepted design principles.
 - b) Have physical access to a public street.
 - c) Be designed so that storm water runoff from the parking area does not create erosion, flooding, or other nuisance conditions.
 - d) Off-street parking areas, loading, egresses and ingresses, shall be paved with concrete or asphalt.
 - e) Be maintained as long as the use, which it serves exist. Each parking space shall be marked and maintained.
 - f) Unless otherwise required, all off-street parking with more than ten (10) automotive vehicles that adjoins any plot of land zoned or used for single family residential purposes, shall be screened with landscaped devices.

Section 9-3077 Landscaping of Parking Area

- g) Landscaping shall not obstruct the view of motorists using any street, private driveway, parking aisles or the approach to any street intersection so as to constitute a traffic hazard.
- h) Meet landscaping requirements for interior areas of parking areas. Interior areas are defined as the areas within the property used for vehicular storage, parking or movement.
- i) Meet landscaping requirements for street yards of parking areas. Street yards are **defined** as the area between the public right-of-way and interior areas.
- j) Adhere to Tree and Shrub specifications.
- k) Meet the abutting property landscaping requirements.

Sec. 9-3147 Conditional Uses.

The Valdese Town Council shall grant in particular cases and subject to appropriate conditions and safeguards, permits for conditional uses as authorized by this Valdese Zoning Ordinance and set forth as Conditional Uses under the various use districts.

POSSIBLE FINDINGS AS RELATED TO THE GENERAL STANDARDS FOUND IN SEC. 9-3147.

- 1) The use will not adversely affect the health, or safety of persons residing or working in the neighborhood of the proposed use.

Applicant complies

- 2) The use will not be detrimental to the public welfare or injurious to property or public improvements in the neighborhood.

Applicant complies

- 3) The use, which is listed as a conditional use in the district in which it is proposed to be located, complies with all required zoning standards.

Applicant complies or agrees to comply

REVIEW/DISCUSSION:

The Valdese Town Council is required to make findings based upon substantial evidence presented at the hearing. The Town Council may refer to staff's report to aid in its deliberations. It is the responsibility of the applicant to present such evidence in the form of testimony, exhibits, documents, models, plans, and the like that applicant desires to present in support of the application for a conditional use permit. The Town Council may designate such conditions which in its opinion will conform to the requirements and spirit of the conditional use ordinance.

If at any time after a conditional use permit has been issued the Town Council finds that the conditions imposed and agreements made have not been or are not being fulfilled by the holder of a conditional use permit, the permit shall be terminated, and the operation of such use discontinued. If a conditional use permit is terminated for any reason, it may be reinstated only after a public hearing is held.

The proposed 60 unit elderly/multi-family housing development is for the person's age 55 yrs. and older. The applicant plans to construct one 3-story building that will include (31) one-bedroom units and (29) two-bedroom units. The applicant currently maintains an option to purchase the property if funding for this project is approved by the State. The proposed development is permitted with conditional use approval from Valdese Town Council.

The application is for senior housing (age 55 years and older) and according to data from the Developer; this is a need in Burke County and more specifically in Valdese. The site is located one block from the center of town and will be visible along Main Street. Additionally, the apartments allow access to all the local amenities. Mr. Mark Morgan of MC MORGAN & ASSOCIATES INC has recently completed a 60 unit multi-family apartment project in Hildebran.

The project must meet or exceed all zoning requirements of the R-12A Neighborhood Residential District and Article F Off-Street Parking. Based upon the projection of 60 units, 1 parking space for each senior housing unit (minimum of 60) must be made available. The developer will be providing 64 spaces. The minimum area for each parking space shall be 9ft x 18ft, which is consistent with town's parking requirements.

Traffic count show an average daily count of 821 cars on Praley Street NW. Average count during morning and afternoon peak times of are 91 and 71 respectively.

The Town of Valdese Public Works Department has stated that the property will be served by a 6 inch water line and an 8 inch sewer line. Valdese Public Works agrees to one master meter serving the building in lieu of sixty (60) individual meters. If additional utility upgrades are required, the expense will be the responsibility of the developer. The Town of Valdese has the capacity to serve the development.

Finally, proposed development is consistent with the Valdese Vision Plan.

PLANNING BOARD RECOMMENDATION:

The Planning Board reviewed the Conditional Use Permit Application on Thursday, May 21, 2020 and unanimously voted to recommend Town Council approval without conditions.

Mr. Mark Morgan presented the following presentation:



Photo of Admiral Pointe Apts in High Point NC. Building design proposed in Valdese



Mr. Morgan shared this housing consists of 60 units, three stories, one to two-bedroom, and an all-inclusive apartment complex with an elevator. It also would include an internal clubhouse with a computer and work station, on-site management offices, a fitness center, a library, and on-site storage separate from the unit. The access in and out of the apartments would be on the Praley Street side. The rent ranges from \$400 - \$760. Mr. Morgan shared that a traffic study had been completed, and there was one car every two and a half minutes that came through.

Councilwoman Stevenson shared with Mr. Morgan that she has talked with several citizens that live on Faet Street and would like to know if their homes would be protected from looking at the back of the building. Mr. Morgan explained that this was a large building, but the building would be lowered about nine and a half feet because of the hills so you would see the top two stories. From the houses on Faet St., you would not see much of the building but trees.

Mr. Johnson explained to Council that this process is the same as the one before and may or may not be awarded. Mr. Johnson said it would be highly unlikely for two of these projects to be awarded.

Mayor Black asked if there were additional comments or if anyone wished to speak either for or against the conditional use hearing. There being no one wishing to speak, Mayor Black closed the public hearing.

Councilman Sweezy stated that he feels all conditions for this project have been met and made a motion to approve the Conditional Use Permit, seconded by Councilman Ogle. The vote was unanimous.

UPDATE TO SALARY & POSITION GRADE SCHEDULE Town Manager Seth Eckard explained to Council that two new positions had been created. The positions created were Public Service Director and Assistant Public Works Director. These positions were looked at by the Towns consultant, David Hill, who recommended the salary grade. Mayor Black confirmed that the Public Service Director would be over Public Works and the Water Resources, and the Assistant Public Works Director would be over the day-to-day operations at Public Works. Councilwoman Hildebran asked if we would save money. Town Manager said yes because we would not rehire the Public Works Director position. The Assistant Public Works Director is Allen Hudson.

Councilman Sweezy made a motion to approve the two new positions, seconded by Councilwoman Stevenson. The vote was unanimous.

BUDGET AMENDMENT: Finance Director Bo Weichel presented the following budget amendment:

Valdese Town Council Meeting

Monday, June 1, 2020

Budget Amendment #

24

Subject:

2020 Street Paving Project - Ivy Lane

Description:

This amendment covers an additional 28 tons of asphalt used along with undercutting and stabilizing areas of poor subgrade with crushed stone. This road when adopted was not to code with Town acceptable specifications, and thus the subgrade was in worse condition than initially anticipated.

Proposed Action:

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

Section I:

The following revenues available to the Town will be increased:

| Account | Description | Decrease/ Debit | Increase/ Credit |
|-------------|-------------------------------------|--------------------|---------------------|
| 10.3990.000 | Powell Bill-Restricted Fund Balance | | 5,500 |
| | | | |
| | Total | \$0 | \$5,500 |

Amounts appropriated for expenditure are hereby amended as follows:

| Account | Description | Increase/ Debit | Decrease/ Credit |
|-------------|----------------|--------------------|---------------------|
| 10.5700.740 | Capital Outlay | 5,500 | |
| | | | |
| | Total | \$5,500 | \$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 Hildebran made a motion to approve the aforementioned budget amendment, seconded by Councilwoman Stevenson. The vote was unanimous.

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

Mr. Eckard stated that June 2nd was the last day for architects to submit an RFQ for the Public Safety building. Mr. Eckard asked the Mayor to select two Council members to serve on the review committee. Councilman Sweezy volunteered to serve, and Mayor asked Councilmen Ogle if he would, and he agreed.

MAYOR AND COUNCIL COMMENTS:

Councilman Ogle shared that his preacher at Mt. Calvary recorded his sermons using his phone, Facebook, and YouTube and said it was something to think about in the future for recording Council meetings.

Councilwoman Hildebran addressed Ms. Draughn's public comment that has been mentioned several times regarding submitting the Council Agenda earlier. Ms. Hildebran asked Town Attorney Mark Mitchell if we are required by law to send the agendas out any earlier than we do. Mr. Mitchell stated that it was a courtesy to send it out, but he did not think it was required by law. Ms. Hildebran feels that we are very transparent and shared that sometimes the public may see the agenda before Council does. Ms. Hildebran asked the Council if they wanted the packets earlier, and if not, we need to let Ms. Draughn know. Councilwoman Stevenson does not want it published earlier in case something comes up last minute that we need to include. After a brief discussion, it was decided that the agendas would continue to be sent out as they are now, and the Town Manager would respond to Ms. Draughn. Ms. Hildebran also addressed the recording of the Council meeting and streaming it live. Mr. Johnson explained that the plan is to upgrade all the equipment in the Council Chambers in FY 22-23, and we could include that in the plans. Councilwoman Hildebran asked if staff would let Ms. Draughn know if she could attend the June 11th, 2020, 909 Main Street property hearing. Mr. Johnson explained that this was not a public hearing but a hearing for the new property owner to sit down with the Code Enforcement Officer to go over the process. Mr. Eckard will respond to Ms. Draughn.

ADJOURNMENT: At 8:30 p.m., there being no further business to come before Council, Councilman Ogle made a motion to adjourn, seconded by Councilwoman Stevenson. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, June 29, 2020, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

jil

AGREEMENT BETWEEN THE
WESTERN PIEDMONT COUNCIL OF GOVERNMENTS AND
THE TOWN OF VALDESE
FOR THE PROVISION OF
TECHNICAL PLANNING ASSISTANCE:
JULY 1, 2020- JUNE 30, 2021

This AGREEMENT, entered into on this the first day of July, 2020, by and between the Western Piedmont Council of Governments (hereinafter referred to as the "Planning Agency") and the Town of Valdese, North Carolina (hereinafter referred to as the "Local Government"); WITNESSETH THAT:

WHEREAS, the Planning Agency is empowered to provide technical assistance by the North Carolina General Statutes and by resolution passed by the Planning Agency on April 17, 1972. Technical assistance shall consist of the provision of services as described in Attachment A, which is herein made a part of this Contract;

WHEREAS, the Local Government has requested the Planning Agency to provide such technical assistance to the Local Government and;

WHEREAS, the Planning Agency desires to cooperate with the Local Government in every way possible to the end that the proposed activities are carried out in an efficient and professional manner;

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Personnel.** That during the period of this Contract, the Planning Agency will furnish the necessary trained personnel to the Local Government.
2. **Travel/Printing.** The Local Government will pay for expenses related to conferences, conventions, seminars, local travel, etc. of the personnel when the Local Government requests or approves travel related to the Local Government's planning program, or if it is beneficial to both parties, the costs will be shared on an agreed-upon ratio.

The Local Government will also pay for expenses related to printing of report(s), mailings to advisory boards, and other costs not related to normal travel and staffing costs associated with personnel furnished by the Planning Agency.

3. **Compensation.** That for the purpose of providing the funds for carrying out this Contract, the Local Government will pay the Planning Agency a fee not to exceed **\$24,551** (twenty-four thousand five hundred and fifty-one dollars) during the period beginning July 1, 2020 and ending June 30, 2021. These fees will be billed in twelve equal monthly payments of **\$2,045.92** (two thousand and forty-five dollars and ninety-two cents).

4. **Termination/Modifications.** The Local Government may terminate the Contract by giving the Planning Agency a thirty-day written notice. Furthermore, if there is a need to amend the proposal outlined in Attachment A, either party may do so with the written consent of the other.
5. **Time of Performance.** The Planning Agency shall ensure that all services required herein shall be completed and all required reports, maps, and documents submitted during the period beginning July 1, 2020 and ending June 30, 2021.
6. **Interest of Members, Officers, or Employees of the Planning Agency, Members of the Local Government, or Other Public Officials.** No member, officer, or employee of the Planning Agency or its agents; no member of the governing body of the locality in which the program is situated; and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The Planning Agency shall incorporate, or cause to be incorporated, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.
7. **Nondiscrimination Clause.** No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination with any program or activity funded in whole or in part with funds available under the Housing and Community Development Act of 1974, Section 109.
8. **Age Discrimination Act of 1975, as amended.** No qualified person shall on the basis of age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.
9. **Section 504, Rehabilitation Act of 1973, as amended.** No qualified handicapped person shall, on the basis of handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

IN WITNESS WHEREOF, the Planning Agency and the Local Government have executed this Agreement as of the date first above written.

LOCAL GOVERNMENT:
TOWN OF VALDESE

PLANNING AGENCY:
WESTERN PIEDMONT COUNCIL
OF GOV'TS.

By: _____
Mayor

By: _____
Executive Director

PLANNING AGENCY:

By: _____
Town Manager

By: _____
Chairman

Pre-audit statement:

This instrument has been preaudited in the manner prescribed by the Local Government Budget and Fiscal Control Act.

By: _____
Local Government Finance Officer

ATTACHMENT A
TOWN OF VALDESE
TECHNICAL PLANNING ASSISTANCE:
JULY 1, 2020 – JUNE 30, 2021
WORK PROGRAM/BUDGET

The following work program and budget are presented as descriptive of the work and dollar amounts called for in the agreement concerning planning activities by the Western Piedmont Council of Governments for the Town of Valdese. The product(s) of the planning activities shall be:

WORK PROGRAM

1. Zoning and Subdivision Code Management

Technical assistance will be provided with Zoning Code Enforcement.

Technical assistance will be provided in the administration of the Town's Zoning Ordinance and Subdivision Regulations. Technical planning advice and opinions will also be provided to the Town Council, Town Manager, Planning Board and Board of Adjustment.

Assistance to the public in interpretation of permitting and amendment regulations will be provided as directed by the Town Manager.

2. Other Duties as Directed by Town Manager or Town Council

It is understood that priority changes and/or substitutions may be made by the Town Manager or Town Council as needed in other planning-related topics, not to exceed the dollar/time/travel amount of this contract.

BUDGET

The contract budget, including all salaries, fringe benefits, travel expenses and indirect costs, totals **\$24,551** (twenty-four thousand five hundred and fifty-one dollars) during the period beginning July 1, 2020 and ending June 30, 2021. These fees will be billed in twelve equal monthly payments of **\$2,045.92** (two thousand and forty-five dollars and ninety-two cents).

AGREEMENT BETWEEN THE
WESTERN PIEDMONT COUNCIL OF GOVERNMENTS AND
THE TOWN OF VALDESE
FOR THE PROVISION OF
PUBLIC UTILITY GIS MAINTENANCE SERVICES:
JULY 1, 2020- JUNE 30, 2022

This AGREEMENT, entered into on this the first day of July, 2020, by and between the Western Piedmont Council of Governments (hereinafter referred to as the "Planning Agency") and the Town of Valdese, North Carolina (hereinafter referred to as the "Local Government"); WITNESSETH THAT:

WHEREAS, the Planning Agency is empowered to provide technical assistance by the North Carolina General Statutes and by resolution passed by the Planning Agency on April 17, 1972. Technical assistance shall consist of the provision of services as described in Attachment A, which is herein made a part of this Contract;

WHEREAS, the Local Government has requested the Planning Agency to provide such technical assistance to the Local Government and;

WHEREAS, the Planning Agency desires to cooperate with the Local Government in every way possible to the end that the proposed activities are carried out in an efficient and professional manner;

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Personnel.** That during the period of this Contract, the Planning Agency will furnish the necessary trained personnel to the Local Government.
2. **Travel/Printing.** The Local Government will pay for expenses related to conferences, conventions, seminars, local travel, etc. of the personnel when the Local Government requests or approves travel related to the Local Government's planning program, or if it is beneficial to both parties, the costs will be shared on an agreed-upon ratio.

The Local Government will also pay for expenses related to printing of report(s), mailings to advisory boards, and other costs not related to normal travel and staffing costs associated with personnel furnished by the Planning Agency.

3. **Compensation.** That for the purpose of providing the funds for carrying out this Contract, the Local Government will pay the Planning Agency a fee not to exceed **\$8,802** (Eight thousand eight hundred and two dollars) during the period beginning July 1, 2020 and ending June 30, 2022. These fees will be billed in twenty-four equal monthly payments of **\$366.75** (three hundred sixty-six dollars and seventy-

five cents).

4. **Termination/Modifications.** The Local Government may terminate the Contract by giving the Planning Agency a thirty-day written notice. Furthermore, if there is a need to amend the proposal outlined in Attachment A, either party may do so with the written consent of the other.
5. **Time of Performance.** The Planning Agency shall ensure that all services required herein shall be completed and all required reports, maps, and documents submitted during the period beginning July 1, 2020 and ending June 30, 2022.
6. **Interest of Members, Officers, or Employees of the Planning Agency, Members of the Local Government, or Other Public Officials.** No member, officer, or employee of the Planning Agency or its agents; no member of the governing body of the locality in which the program is situated; and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The Planning Agency shall incorporate, or cause to be incorporated, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.
7. **Nondiscrimination Clause.** No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination with any program or activity funded in whole or in part with funds available under the Housing and Community Development Act of 1974, Section 109.
8. **Age Discrimination Act of 1975, as amended.** No qualified person shall on the basis of age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.
9. **Section 504, Rehabilitation Act of 1973, as amended.** No qualified handicapped person shall, on the basis of handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

IN WITNESS WHEREOF, the Planning Agency and the Local Government have executed this Agreement as of the date first above written.

LOCAL GOVERNMENT:
TOWN OF VALDESE

PLANNING AGENCY:
WESTERN PIEDMONT COUNCIL
OF GOV'TS.

By: _____
Mayor

By: _____
Executive Director

PLANNING AGENCY:

By: _____
Town Manager

By: _____
Chairman

Pre-audit statement:

This instrument has been preaudited in the manner prescribed by the Local Government Budget and Fiscal Control Act.

By: _____
Local Government Finance Officer

ATTACHMENT A
TOWN OF VALDESE
PUBLIC UTILITIES GIS MAINTENANCE SERVICES:
JULY 1, 2020 – JUNE 30, 2022
WORK PROGRAM/BUDGET

The following work program and budget are presented as descriptive of the work and dollar amounts called for in the agreement concerning Public Utilities GIS Maintenance Service activities by the Western Piedmont Council of Governments for the Town of Valdese. The product(s) of the planning activities shall be:

I. WORK PROGRAM/SCOPE OF SERVICES

The general scope of services called for in this work program require the Planning Agency, on the behalf of the Local Government, to provide professional staff time to maintain the Local Government's GIS database for its utilities. The data can be accessed on the internet via ArcGIS Online, and allows multiple authorized users to view and edit data simultaneously, either on a computer or mobile device. As local government staff continues to grow accustomed to the GIS platform, the Planning Agency will consult with them in order to improve and adjust ArcGIS Online applications and make them easier to use.

II. DESCRIPTION OF SERVICES PROVIDED

The following activities are descriptive of, but not limited to, the services to be provided by the Planning Agency to the Local Government.

GIS Maintenance

The Planning Agency will maintain the utilities GIS database for the Local Government.

The Planning Agency will ensure that the GIS data remains accessible to authorized Local Government personnel. This GIS allows access and editing of water, sewer and stormwater, sign and digitized as-built data in the field using an internet-connected mobile device. This will be done by using ArcGIS Online and Collector for ArcGIS.

The Planning Agency will support, archive and back up the Local Government's online work-order system.

The Planning Agency will work with requests from Local Government staff to make the existing applications increasingly user-friendly and modify applications for this purpose.

The Planning Agency will provide oversight to the use of GIS by Town personnel. A sample of GIS edits and added features will be reviewed for completeness and proper use of the GIS. Based on this review, Planning Agency staff will meet

with Town staff to provide updated training, and the GIS system may be adjusted for improved workflow.

Planning Agency staff will be able to visit the Local Government up to seven (7) times to provide on-site assistance with working with the applications.

III. OPERATIONS, RESOURCES AND SUPPORT RESPONSIBILITIES

- A.** A Planning Agency GIS Analyst will provide services in oversight and performance of tasks required in this contract for services. The Analyst will primarily perform the required duties from the physical location of the Planning Agency and occasionally Local Government offices. The Project GIS Analyst will be assisted in various facets of the contract by other GIS staff from the Planning Agency office.
- B.** The Local Government will be responsible for assisting the Planning Agency in maintaining the necessary Esri GIS licenses for both Local Government and Planning Agency use in fulfilling the requirements of this contract.
- C.** Planning Agency staff are covered by workers compensation insurance in accordance to State Statutes. A limited amount of other insurance is provided by the Planning Agency via relationship with the League of Municipalities. The Planning Agency does not provide automobiles or auto insurance to employees. All Planning Agency staff are required to have a valid driver's license, insurance and a vehicle that can be used for Agency purposes.
- D.** The Planning Agency will ensure that all GIS data and applications are compatible with current iOS-enabled tablets and smartphones, as well as Apple PCs. This will primarily be achieved via ArcGIS Online, Collector for ArcGIS, ArcServer and associated technologies.
- E.** The Local Government will be responsible for purchasing and managing its own subscriptions to Esri's ArcGIS Online service. Dollars for this requirement are not included in this contract.

IV. COMPENSATION

That for the purpose of providing the funds for carrying out this Contract, the Local Government will pay the Planning Agency a fee not to exceed **\$8,802** (Eight thousand eight hundred and two dollars) during the period beginning July 1, 2020 and ending June 30, 2022. These fees will be billed in twenty-four equal monthly payments of **\$366.75** (three hundred sixty-six dollars and seventy-five cents).

**TOWN OF VALDESE BUDGET ORDINANCE
FISCAL YEAR 2020-2021**

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF VALDESE, NORTH CAROLINA, THAT:

Section 1: The following amounts are hereby appropriated to the fund set forth for the operation of the town government and its activities for the fiscal year beginning July 1, 2020, and ending June 30, 2021, in accordance with the chart of accounts heretofore established for this town:

| | | |
|---------------------------|----|-----------|
| GENERAL FUND - OPERATIONS | \$ | 5,702,543 |
|---------------------------|----|-----------|

| | | |
|---------------------------|----|-----------|
| Governing Body | \$ | 67,971 |
| Administration | | 1,001,572 |
| Public Works | | 285,090 |
| Maintenance & Grounds | | 260,513 |
| Planning | | 121,284 |
| Police | | 1,031,661 |
| Fire | | 907,336 |
| Street | | 360,498 |
| Powell Bill | | 19,500 |
| Sanitation | | 301,430 |
| Recreation | | 832,030 |
| Tourism/Community Affairs | | 513,658 |

| | | |
|-------------------------------|----|---------|
| GENERAL FUND - CAPITAL OUTLAY | \$ | 636,500 |
|-------------------------------|----|---------|

| | | |
|---------------------------|----|---------|
| Governing Body | \$ | - |
| Administration | | 49,500 |
| Public Works | | - |
| Maintenance & Grounds | | - |
| Planning | | - |
| Police | | 41,000 |
| Fire | | 45,000 |
| Street | | 325,000 |
| Powell Bill | | 125,000 |
| Sanitation | | - |
| Recreation | | 20,000 |
| Tourism/Community Affairs | | 31,000 |

| | | |
|-------------------------------|----|-----------|
| WATER SEWER FUND - OPERATIONS | \$ | 4,908,381 |
|-------------------------------|----|-----------|

| | | |
|----------------------------|----|-----------|
| Water | \$ | 1,956,317 |
| Wastewater | | 1,858,506 |
| Water & Sewer Construction | | 1,093,558 |

| | | |
|-----------------------------------|----|---------|
| WATER SEWER FUND - CAPITAL OUTLAY | \$ | 130,600 |
|-----------------------------------|----|---------|

| | | |
|----------------------------|----|--------|
| Water | \$ | 45,000 |
| Wastewater | | 45,000 |
| Water & Sewer Construction | | 40,600 |

| | | |
|---------------------|-----------|-------------------|
| TOTAL BUDGET | \$ | 11,378,024 |
|---------------------|-----------|-------------------|

**TOWN OF VALDESE BUDGET ORDINANCE
FISCAL YEAR 2020-2021**

Section 2: It is estimated, and therefore appropriated, that the following revenues will be made available to the respective funds for the fiscal year beginning July 1, 2020 as follows:

| | | |
|-----------------------|-----------|-------------------|
| GENERAL FUND | \$ | 6,339,043 |
| UTILITY FUND | | 5,038,981 |
| TOTAL REVENUES | \$ | 11,378,024 |

Section 3: There is hereby levied an ad valorem tax at the rate of fifty-four and one half cents (\$0.545) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2020, for the purpose of raising a portion of the revenue listed in the General Fund appropriation in Section II of this ordinance. This rate, based upon an estimated total valuation of \$387,557,794 will generate a levy of \$2,047,557 with an estimated collection rate of 96.94%.

Section 4: As set forth in the Utility Fund Debt Service Section of the FY 2020-2021 budget document, the amount of \$386,674 is appropriated for the purpose of debt service and that this amount is sufficient for the complete and proper payment of all bond principal, bond interest and commissions on the outstanding debt of the town relating thereto for the fiscal year beginning July 1, 2020, and ending June 30, 2021.

Section 5: As set forth in the General Fund Debt Service Section of the FY 2020-2021 budget document, the amount of \$260,244 is appropriated for the purpose of debt service and that this amount is sufficient for the complete and proper payment of all bond principal, bond interest and commissions on the outstanding debt of the town relating thereto for the fiscal year beginning July 1, 2020, and ending June 30, 2021.

Section 6: The operating funds encumbered on the financial records of June 30, 2020 are hereby reappropriated into this budget.

Section 7: The corresponding "Fiscal Year 2020-2021 Rate and Fee Schedule" is approved with the adoption of this Annual Budget Ordinance.

Section 8: The Budget Officer is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- a. He may transfer amounts between line-item expenditures within a department without limitation and without a report being required.
- b. He may transfer amounts of \$10,000 between departments of the same fund with an official report on such transfer at the next regular meeting of the Town Council.
- c. He may not transfer any amounts between funds or from any contingency appropriation within any fund without approval of the Town Council.

Section 9: The Budget Officer is hereby authorized to execute agreements, within funds included in the Budget Ordinance or other actions by the Governing Body, for the following purposes:

- a. Form grant agreements to public and non-profit organizations
- b. Leases of routine business equipment
- c. Consultant, professional, or maintenance service agreements
- d. Purchase of supplies, materials, or equipment where formal bids are not required by law
- e. Applications for and agreements for acceptance of grant funds from federal, state, public, and non-profit organizations, and other funds from other governmental units, for services to be rendered which have been previously approved by the Governing Body
- f. Construction or repair projects
- g. Liability, health, life, disability, casualty, property, or other insurance or performance bonds
- h. Other administrative contracts which include agreements adopted in accordance with the directives of the Governing Body.

**TOWN OF VALDESE BUDGET ORDINANCE
FISCAL YEAR 2020-2021**

Section 10: Copies of this budget ordinance and accompanying documents shall be furnished to the finance office, budget officer, and other department heads of the Town of Valdese to be kept on file by them for their direction in the disbursement of funds.

Upon introduction by Town Manager Seth B. Eckard, motion to adopt by

Council _____, and seconded by Council _____, the vote
was _____.

This ordinance is adopted on this the 29th day June, 2020.

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

Attest: _____
Town Clerk

Town of Valdese: Fiscal Year 2020-2021 Schedule of Fees OLD ROCK SCHOOL

| | | | |
|--------------------------------------|--|------------------------------|------------|
| WALDENSIAN ROOM | UNDER 5 HOURS \$150 | EACH ADDITIONAL HOUR \$25 | |
| TEACHERS COTTAGE | UNDER 4 HOURS \$75 | EACH ADDITIONAL HOUR \$15 | |
| AUDITORIUM (MONDAY-THURSDAY) | UNDER 4 HOURS | 4-6 HOURS | 6-12 HOURS |
| PROFIT | \$350 | \$400 | \$450 |
| NON-PROFIT | \$250 | \$300 | \$350 |
| (FRIDAY-SUNDAY) | | | |
| PROFIT | \$400 | \$450 | \$500 |
| NON-PROFIT | \$300 | \$350 | \$400 |
| | OVER 12 HOURS: EACH ADDITIONAL HOUR IS \$100 | | |
| REHEARSAL FEE | \$200 | | |
| LOAD IN FEE | \$100 | | |
| SOUND & LIGHT EQUIPMENT & SERVICE | \$20 PER HOUR | | |
| ROOM #138 AND #139 | \$20 PER DAY | | |
| BOX OFFICE | \$50 PER DAY | | |
| RISER/STAGE PLATFORMS | \$100 | | |
| GRAND OR UPRIGHT PIANO | \$50 PER DAY | | |
| OTHER NEEDS | \$50 EACH | | |

Town of Valdese: Fiscal Year 2020-2021 Schedule of Fees
JIMMY C. DRAUGHN AQUATIC & FITNESS CENTER

Daily Swim Fees - (Over 18 - \$5.00); (5-18 & Senior - \$4.00); (Under 5 - \$3.00)
Daily Fitness Center Fee - \$5.00

INSIDE Valdese City Limits

| | <u>AQUATICS or FITNESS CENTER</u> | | <u>AQUATICS and FITNESS CENTER</u> | |
|--|--|---------------|---|---------------|
| | <u>3 month</u> | <u>Annual</u> | <u>3 month</u> | <u>Annual</u> |
| Individual Student(w/id) / Senior / Military | \$50.00 | \$160.00 | \$75.00 | \$240.00 |
| Individual / Sr. Couple / Military Couple | \$75.00 | \$240.00 | \$112.50 | \$360.00 |
| Couple / Military Family | \$87.50 | \$280.00 | \$131.25 | \$420.00 |
| Family | \$100.00 | \$320.00 | \$150.00 | \$480.00 |

OUTSIDE Valdese City Limits

| | <u>AQUATICS or FITNESS CENTER</u> | | <u>AQUATICS and FITNESS CENTER</u> | |
|--|--|---------------|---|---------------|
| | <u>3 month</u> | <u>Annual</u> | <u>3 month</u> | <u>Annual</u> |
| Individual Student(w/id) / Senior / Military | \$62.50 | \$200.00 | \$93.75 | \$300.00 |
| Individual / Sr. Couple / Military Couple | \$93.75 | \$300.00 | \$140.75 | \$450.00 |
| Couple / Military Family | \$109.50 | \$350.00 | \$164.00 | \$525.00 |
| Family | \$125.00 | \$400.00 | \$187.50 | \$600.00 |

10 Visit Punch Cards

One punch allows you to Swim and use the Fitness Room on the same day
NO membership benefits - \$45 Adults / \$30 Seniors & Youth

Carries

Fitness Class Benefits

| |
|--|
| Aquatics <u>only</u> members - Core <u>water</u> exercise classes FREE |
| - Premium/Advanced <u>water</u> exercise classes \$5 |
| - Core <u>land</u> exercise classes \$5 |
| - Premium/Advanced <u>land</u> exercise classes \$8 |
| Fitness <u>only</u> members - Core <u>land</u> exercise classes FREE |
| - Premium/Advanced <u>land</u> exercise classes \$5 |
| - Core <u>water</u> exercise classes \$5 |
| - Premium/Advanced <u>water</u> exercise classes \$8 |
| Aquatics <u>and</u> Fitness members - Core <u>water and land</u> exercise classes FREE |
| - Premium/Advanced <u>water and land</u> exercise classes \$5 |
| Non-members - Core <u>water and land</u> exercise classes \$5 |
| - Premium/Advanced <u>water and land</u> exercise classes \$8 |

Aquatic Members receive 50% off all swim lessons for all persons listed on the membership

Town of Valdese: Fiscal Year 2020-2021 Schedule of Fees PARKS & RECREATION FACILITIES

Splash Park Multi-Purpose Room

\$ 50 for two hours (minimum)
\$ 25 for each additional hour

Picnic Shelters

(Rotary Park, Childrens Park, McGalliard Falls Park**, Splash Park)

\$ 30 for two hours (minimum)
\$ 15 for each additional hour

** McGalliard Falls Park - if renting both sides, second shelter is 1/2 price

Bowling Center Party Room

\$ 25 for 1.5 hours

Pool Parties

\$ 20 per table for 1.5 hours

Private Pool Parties

Sunday afternoons when the bubble is up (3 hrs.) All tables available.

\$ 200 up to 50 persons
\$ 225 for over 50 persons

Daily Pool Use

\$ 3 for ages under 5
\$ 4 for ages 5 - 18 & seniors
\$ 5 for ages over 18

Swim Lessons

\$ 40 for eight classes (non-members)
\$ 20 for eight classes (members)

Day Care Pool Use

\$ 2.50 per child

| |
|---|
| <p style="text-align: center;">Town of Valdese: Fiscal Year 2020-2021 Schedule of Fees PUBLIC WORKS</p> |
|---|

| | | |
|-----------------------|-----------------------------------|----------------|
| CEMETERY PLOTS | | <u>Each</u> |
| | Inside Valdese Town Limit | \$300 |
| | Outside Valdese Town Limit | \$500 |
| | Deed Transfer | \$25 |
| SOLID WASTE | | <u>Monthly</u> |
| | Residential Trash | \$10.00 |
| | Residential Recycling | \$2.30 |
| | Small User Fee (small businesses) | \$13.30 |

| |
|--|
| <p>Town of Valdese: Fiscal Year 2020-2021 Schedule of Fees</p> <p>PLANNING</p> |
|--|

| | <u>Each</u> |
|------------------------|-------------|
| CONDITIONAL USE PERMIT | \$350 |
| REZONING PERMIT | \$350 |
| VARIANCE APPLICATION | \$350 |

Town of Valdese: Fiscal Year 2020-2021 Schedule of Fees

FIRE

SCHEDULE OF INSPECTION FEES

These are the fees for inspections as referred to in Section 3-2021(g)
of the Code of Ordinances of Valdese, North Carolina:

| <u>Inspection Type</u> | <u>Scheduled Fee:</u> |
|---|-----------------------|
| Periodic fire inspection: | None |
| Fire inspection pursuant to permit application: | None |
| First inspection for noncompliance, if code requirements are met: | None |
| First reinspection for noncompliance, if code requirements are not met: | \$50.00 |
| Second and subsequent reinspections for noncompliance: | \$100.00 |

SCHEDULE OF CIVIL PENALTIES

These are the civil penalties for violations of the Fire Prevention
and Protection Code of Valdese, North Carolina as referred
to in Section 3-2021(h) of the Code of Ordinances of Valdese, North Carolina:

| <u>Chapter Number</u> | <u>Title</u> | <u>Fee Amount</u> |
|-----------------------|--|-------------------|
| 1 | Scope and Administration | \$50.00 |
| 2 | Definitions | \$0.00 |
| 3 | General Requirements | \$50.00 |
| 4 | Emergency planning and preparedness | \$50.00 |
| 5 | Fire service features | \$50.00 |
| 6 | Building services and systems | \$50.00 |
| 7 | Fire and Smoke Protection Features | \$50.00 |
| 8 | Interior finish, decorative materials and furnishings | \$50.00 |
| 9 | Fire protection systems | \$150.00 |
| 10 | Means of egress | \$150.00 |
| 20 | Aviation facilities | \$50.00 |
| 21 | Dry cleaning | \$50.00 |
| 22 | Combustible dust producing operations | \$50.00 |
| 23 | Motor Fuel-Dispensing Facilities and Repair Garages | \$50.00 |
| 24 | Flammable finishes | \$50.00 |
| 25 | Fruit and crop ripening | \$50.00 |
| 26 | Fumigation and insecticidal fogging | \$50.00 |
| 27 | Semiconductor fabrication facilities | \$50.00 |
| 28 | Lumber yards and Agro-Industrial, Solid Biomass and Wood Working Facilities | \$50.00 |

| | | |
|---------------------------|--|----------------|
| 29 | Manufacture of organic coatings | \$50.00 |
| 30 | Industrial ovens | \$50.00 |
| 31 | Tents and other membrane structures | \$50.00 |
| 32 | High piled combustible storage | \$50.00 |
| 33 | Fire Safety During Construction and Demolition | \$50.00 |
| 34 | Tire rebuilding and tire storage | \$50.00 |
| 35 | Welding and other hot work | \$50.00 |
| 36 | Marinas | \$50.00 |
| 37 | Combustible fibers | \$50.00 |
| 50 | Hazardous materials – general provisions | \$50.00 |
| 51 | Aerosols | \$50.00 |
| 53 | Compressed gases | \$50.00 |
| 54 | Corrosive materials | \$50.00 |
| 55 | Cryogenic fluids | \$50.00 |
| 56 | Explosives and fireworks | \$50.00 |
| 57 | Flammable and combustible liquids | \$50.00 |
| 58 | Flammable gases and Flammable Cryogenic Fluids | \$50.00 |
| 59 | Flammable solids | \$50.00 |
| 60 | Highly toxic and toxic materials | \$50.00 |
| 61 | Liquefied petroleum gases | \$50.00 |
| 62 | Organic peroxides | \$50.00 |
| 63 | Oxidizers, Oxidizing Gases and Oxidizing Cryogenic Fluids | \$50.00 |
| 64 | Pyrophoric materials | \$50.00 |
| 65 | Pyroxylin (cellulose nitrate) plastics | \$50.00 |
| 66 | Unstable (reactive) materials | \$50.00 |
| 67 | Water-reactive solids and liquids | \$50.00 |
| 80 | Referenced standards | \$0.00 |
| Alarm Permit Fees: | | \$10.00 |

Town of Valdese: Fiscal Year 2020-2021 Schedule of Fees

WATER & SEWER RATES

| | |
|--|---------|
| <i>Inside Water – Residential</i> | |
| Minimum 3,000 gallons | \$34.15 |
| Volume Charge (per 1,000 gal); 3,001 + gallons | \$3.40 |
| <i>Outside Water – Residential</i> | |
| Minimum 3,000 gallons | \$53.20 |
| Volume Charge (per 1,000 gal); 3,001 + gallons | \$6.30 |
| <i>Inside Water – Commercial</i> | |
| Minimum 3,000 gallons | \$34.45 |
| Volume Charge (per 1,000 gal); 3,001 + gallons | \$3.45 |
| <i>Outside Water – Commercial</i> | |
| Minimum 3,000 gallons | \$68.95 |
| Volume Charge (per 1,000 gal); 3,001 + gallons | \$6.75 |
| <i>Inside Water - Industrial</i> | |
| Minimum 3,000 gallons | \$13.40 |
| Volume Charge (per 1,000 gal); 3,001 – 300,000 gallons | \$2.55 |
| Volume Charge (per 1,000 gal); 300,000 + | \$1.25 |
| <i>Outside Water - Industrial</i> | |
| Minimum 3,000 gallons | \$26.70 |
| Volume Charge (per 1,000 gal); 3,001 – 300,000 gallons | \$5.10 |
| Volume Charge (per 1,000 gal); 300,000 + | \$2.50 |
| <i>Inside Sewer – Residential</i> | |
| Minimum 3,000 gallons | \$7.25 |
| Volume Charge (per 1,000 gal); 3,001 + gallons | \$2.45 |
| <i>Outside Sewer – Residential</i> | |
| Minimum 3,000 gallons | \$13.55 |
| Volume Charge (per 1,000 gal); 3,001 + gallons | \$4.60 |
| <i>Inside Sewer – Commercial</i> | |
| Minimum 3,000 gallons | \$7.65 |
| Volume Charge (per 1,000 gal); 3,001 + gallons | \$2.60 |
| <i>Outside Sewer – Commercial</i> | |
| Minimum 3,000 gallons | \$15.20 |
| Volume Charge (per 1,000 gal); 3,001 + gallons | \$5.15 |
| <i>Inside Sewer - Industrial</i> | |
| Minimum 0 gallons | \$7.35 |
| Volume Charge (per 1,000 gal) | \$2.45 |
| <i>Outside Sewer - Industrial</i> | |
| Minimum 0 gallons | \$14.60 |
| Volume Charge (per 1,000 gal) | \$4.90 |

| |
|--|
| Town of Valdese: Fiscal Year 2019-2020 Schedule of Fees WATER & SEWER RATES |
|--|

Utility Fees

| | |
|------------------------------|---|
| Non-owner resident deposit | \$100.00 |
| Non-owner commercial deposit | \$100.00 |
| Non-owner industrial deposit | \$100.00 |
| Non-payment fee | \$25.00 |
| Meter Tampering penalty | \$100 plus damages |
| Late penalty | 10% after 15 th of month bill is due. Amended policy now included for large users. If the penalty exceeds \$200.00 the amended policy becomes effective. |

Tap fees
Water line located on same side of road

| | |
|-----------------|---------------|
| ¾" water tap | \$1,000.00 |
| 1" water tap | \$1,420.00 |
| Greater than 1" | Cost plus 10% |

Water line located on opposite side of road

| | |
|-----------------|---------------|
| ¾" water tap | \$1,200.00 |
| 1" water tap | \$1,620.00 |
| Greater than 1" | Cost plus 10% |

| | |
|--|----------|
| Meter Relocate (using existing tap- not to exceed 20 feet) | \$300.00 |
|--|----------|

Sewer line located on same side of road

| | |
|----------------|----------------------|
| 4" sewer tap | \$1,000.00 |
| Larger than 4" | Actual cost plus 10% |

Sewer line located on opposite side of road

| | |
|-----------------------------------|---|
| 4" sewer tap | \$1,200.00 |
| (any other extreme circumstances) | \$1200.00 or cost plus 10% whichever is greater |
| Larger than 4" | Actual cost plus 10% |

| | |
|-----------------------------------|-------------|
| Industrial Pretreatment Surcharge | \$18,500.00 |
|-----------------------------------|-------------|

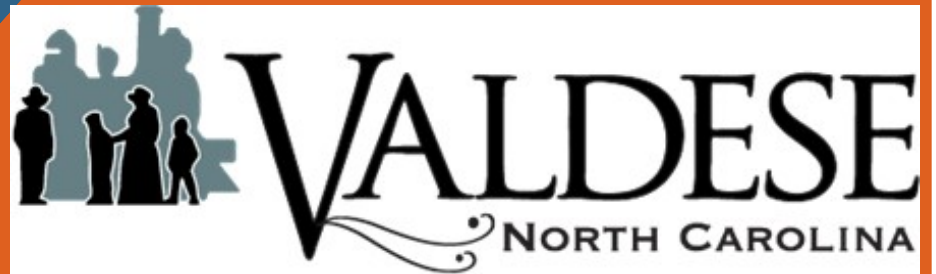
Summary of General Fund Capital Improvement Plan (CIP)

| | Capital Budget | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--|----------------|-----------|-----------|----------|---------|-----------|-----------|---------|-----------|-----------|
| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 |
| <i>Capital Expenditures by Department</i> | | | | | | | | | | |
| Administration | 49,500 | 13,000 | 32,000 | 9,000 | - | 2,000 | - | 6,000 | 17,000 | 30,000 |
| Public Works | - | 5,000 | 10,000 | 53,500 | 13,000 | 16,500 | 41,000 | 64,000 | 50,000 | 50,000 |
| Streets | 450,000 | 277,000 | - | - | 450,000 | - | 40,000 | 300,000 | 12,000 | 587,000 |
| Sanitation | - | - | - | - | - | - | - | 40,000 | - | - |
| Grounds | - | 12,000 | 7,000 | 22,000 | - | - | 12,000 | - | - | - |
| Police | 41,000 | 35,000 | 36,000 | 85,000 | 36,000 | 36,000 | 36,000 | 39,000 | 36,000 | 53,000 |
| Fire | 45,000 | 25,000 | 57,200 | 165,000 | 40,000 | 12,000 | 50,000 | - | 600,000 | 250,000 |
| Community Affairs | 31,000 | 81,000 | 55,000 | 55,000 | 65,000 | 100,000 | 75,000 | 75,000 | - | 80,000 |
| Parks & Recreation | 20,000 | 155,000 | 23,000 | - | 75,000 | 25,000 | - | 17,000 | 10,000 | - |
| Totals | 636,500 | 603,000 | 220,200 | 389,500 | 679,000 | 191,500 | 254,000 | 541,000 | 725,000 | 1,050,000 |
| <i>Financing Sources</i> | | | | | | | | | | |
| Operating Revenues | 212,823 | 281,099 | 281,099 | 281,099 | 246,000 | 264,471 | 264,471 | 264,471 | 264,471 | 264,471 |
| Grants | - | 50,000 | - | - | - | - | - | - | - | - |
| Loan Proceeds | - | 250,000 | - | - | - | - | - | - | 600,000 | 505,000 |
| Reserved/Project Funds | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| Fund Balance Appropriated | 298,677 | (103,099) | (185,899) | (16,599) | 308,000 | (197,971) | (135,471) | 151,529 | (264,471) | 155,529 |
| Totals | 636,500 | 603,000 | 220,200 | 389,500 | 679,000 | 191,500 | 254,000 | 541,000 | 725,000 | 1,050,000 |

10 year Fund Balance Effect: 10,225

General Fund Capital Improvement Plan (CIP)

| | Capital Budget | | | Year 2 | | | Year 3 | | | Year 4 | | | Year 5 | | | Year 6 | | | Year 7 | | | Year 8 | | | Year 9 | | | Year 10 | | | |
|--------------------|--|---------|----------------------|---|---------|----------------------|---|--------|----------------------|-----------------------------------|---------|----------------------|-----------------------------------|---------|----------------------|-----------------------------------|--------|----------------------|-----------------------------------|--------|----------------------|--------------------------------------|---------|----------------------|-----------------------------------|------------------------------------|----------------------|-----------------------------------|---------|----------------------|--|
| | 2020-21 | | | 2021-22 | | | 2022-23 | | | 2023-24 | | | 2024-25 | | | 2025-26 | | | 2026-27 | | | 2027-28 | | | 2028-29 | | | 2029-30 | | | |
| DEPARTMENT | Item | Amount | Priority Level (1-5) | Item | Amount | Priority Level (1-5) | Item | Amount | Priority Level (1-5) | Item | Amount | Priority Level (1-5) | Item | Amount | Priority Level (1-5) | Item | Amount | Priority Level (1-5) | Item | Amount | Priority Level (1-5) | Item | Amount | Priority Level (1-5) | Item | Amount | Priority Level (1-5) | Item | Amount | Priority Level (1-5) | |
| Administration | Replace Town Hall Server and Licenses | 17,000 | 3 | Refinish Front Doors | 3,000 | 2 | Council Chambers Audio/Video | 30,000 | 2 | Computer-Clerk (2018) | 2,000 | 1 | | | | Computer-Finance Dir. (2019) | 2,000 | 1 | | | | Computers(3)-Front (2019) | 6,000 | 1 | Computer-Planning (2020) | 2,000 | 1 | Replace Town Hall ROOF | 30,000 | 2 | |
| | Sealcoat & Restripe Parking Lot | 5,500 | 2 | Monitoring System for Town Hall | 10,000 | 2 | Computer-Manager (2018) | 2,000 | 1 | Council Tablets | 7,000 | 1 | | | | | | | | | | | | | Replace Carpets | 15,000 | 2 | | | | |
| | Replace Town vehicle | 27,000 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public Works | | | | Replace Forced Air Heater | 5,000 | 3 | Replace Forced Air Heater | 5,000 | 3 | Replace HVAC | 6,500 | 2 | Replace Forced Air Heater | 5,000 | 3 | Replace HVAC | 6,500 | 2 | 425-150 17 Ford F150 | 33,000 | 3 | Replace 425-149 | 33,000 | 3 | Replace Office Roof | 10,000 | 3 | Replace Shop Roof | 30,000 | 3 | |
| | | | | | | | Replace Shop Air Compressor | 5,000 | 2 | Replace Forced Air Heater | 5,000 | 3 | Vehicle Wash Bay upgrades | 8,000 | 1 | Replace Forced Air Heater | 5,000 | 3 | Replace InGround Lift | 8,000 | 2 | Replace Ford F150 | 31,000 | 2 | Sand Gravel Covered Shed | 40,000 | 1 | Replace Roof Equipment Shed | 20,000 | 3 | |
| | | | | | | | | | | Fence Repairs | 5,000 | 1 | | | | Fence Repairs | 5,000 | 3 | | | | | | | | | | | | | |
| | | | | | | | | | | Parking Lot Repairs | 25,000 | 3 | | | | | | | | | | | | | | | | | | | |
| Street | | | | | | | | | | Fuel Management System | 12,000 | 3 | | | | | | | | | | | | | | | | | | | |
| | Paving | 450,000 | 2 | Replace Ford F-150 | 27,000 | 3 | | | | | | | Paving | 450,000 | 3 | | | | Replace Tractor | 40,000 | 2 | Paving | 300,000 | 3 | Replace w/ Used Bucket Truck | 12,000 | 2 | Replace Ford F150 | 32,000 | 2 | |
| | | | | (1) Replace Leaf / Machine | 170,000 | 3 | | | | | | | | | | | | | | | | | | | | (1) Replace Single Axel Dump Truck | 80,000 | 2 | | | |
| | | | | (1) Mini Track Excavator | 80,000 | 2 | | | | | | | | | | | | | | | | | | | | (1) Replace Brush Truck | 175,000 | 3 | | | |
| Sanitation | | | | | | | | | | | | | | | | | | | | | | Replace Sanitation Truck w/used | 40,000 | 3 | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grounds | | | | Replace Mower | 12,000 | 3 | Replace Golf Cart | 7,000 | 2 | Replace Ford F-150 | 22,000 | 3 | | | | | | | Replace Mower | 12,000 | 2 | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Police | Patrol Vehicle | 33,000 | 2 | Patrol Vehicle | 35,000 | 2 | Patrol Vehicle (replace unit 117) | 36,000 | 2 | Viper Radios | 85,000 | 3 | Patrol Vehicle (replace unit 115) | 36,000 | 2 | Patrol Vehicle (replace unit 113) | 36,000 | 2 | Patrol Vehicle (replace unit 112) | 36,000 | 2 | Detective Vehicle (replace unit 125) | 39,000 | 2 | Patrol Vehicle (replace unit 110) | 36,000 | 2 | Patrol Vehicle (replace unit 111) | 36,000 | 2 | |
| | Equipment for replacement unit | 8,000 | 3 | | | | | | | | | | | | | | | | | | | | | | | Replace Tasers | 17,000 | 3 | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fire | Replace Fire prevention vehicle | 45,000 | 3 | Hydraulic Rescue Spreader | 10,000 | 2 | Replace Medic Truck | 50,000 | 2 | (33) Viper Radios | 165,000 | 3 | Fire Chief Vehicle | 40,000 | 1 | (2) Thermal Imaging Cameras | 12,000 | 2 | Replace Utility Truck | 50,000 | 2 | | | | (1) Replace Engine Three | 600,000 | 3 | (1) Replace all SCBA equipment | 250,000 | 3 | |
| | | | | Thermal Imaging Camera | 6,000 | 2 | Hydraulic Rescue Ram | 7,200 | 2 | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Hydraulic Rescue Cutter | 9,000 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Community Affairs | Replace Teachers Cottage roof | 13,000 | 3 | Permanent stage downtown | 35,000 | 2 | Automated Door Locks | 20,000 | 2 | Clock Tower repairs & maintenance | 25,000 | 2 | Replace auditorium carpet & tile | 35,000 | 2 | Reupholster auditorium seats | 60,000 | 1 | Paint and Repair wood | 75,000 | 2 | Expand restrooms | 75,000 | 1 | | | | Replace ORS roof | 80,000 | 2 | |
| | Replace Teachers Cottage flooring | 18,000 | 3 | Stage Lights & Instruments | 16,000 | 3 | Replace air handlers | 20,000 | 3 | Wayfinding Signage | 20,000 | 2 | Replace boiler system | 30,000 | 1 | East sidewalk to track | 40,000 | 1 | | | | | | | | | | | | | |
| | | | | Stage Lights Dimmer Rack control system | 30,000 | 3 | Stage Lights & Instruments | 5,000 | 3 | Sealcoat and Restripe Parking Lot | 10,000 | 3 | | | | | | | | | | | | | | | | | | | |
| | | | | | | | Auditorium House Lights | 10,000 | 1 | | | | | | | | | | | | | | | | | | | | | | |
| Parks & Recreation | Fitness Center Equip. | 10,000 | 2 | Tennis Court Resurface | 15,000 | 3 | Replace Pool Pumps w/ Piping and Valves | 16,000 | 2 | | | | Pool Heater & Blower Unit | 75,000 | 3 | HVAC Systems (2) Fitness areas | 25,000 | 3 | | | | Tennis Court Resurface | 17,000 | 3 | HVAC Unit - Office | 10,000 | 3 | | | | |
| | Monitoring System for Community Center | 10,000 | 1 | HVAC units for Bowling Center (2) | 25,000 | 2 | Upgrade to Variable Frequency Drives on Pumps | 7,000 | 2 | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Fitness Center Equip | 15,000 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Comm. Center Gym Floor Replacement | 100,000 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 636,500 | | | | 603,000 | | | 220,200.00 | | | 389,500.00 | | | 679,000.00 | | | 191,500.00 | | | 254,000.00 | | | 541,000.00 | | | 725,000.00 | | | 1,050,000.00 | |



Capital Improvements Plan Water & Sewer Rate Study 2020 Update

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APPENDIX

March 2020 Council Retreat Presentation Materials

1.0 EXECUTIVE SUMMARY and KEY FINDINGS

1.1 Executive Summary:

McGill Associates (McGill) was retained by the Town of Valdese for the fifth consecutive year to review and update the Water and Sewer Capital Improvement Plan (CIP) and conduct a financial analysis of the water and sewer utility fund, including recommendations for revenue adjustments as necessary. The Capital Plan and Financial Analysis Updates Project will provide the following:

- Review and update the 10-year Capital Improvements Plan (CIP), detailing future water and sewer treatment plant improvements, vehicle and equipment replacement and distribution/collection system rehabilitation.
- Determine the Utility's Revenue Requirements. This includes full cost recovery of expenses related to operations and maintenance, debt service, revenue-financed system renewal and replacements, transfers, contingencies and reserves.
- Determine the amounts and timing of rate adjustments necessary to fully support the financial requirements identified in the above items.

McGill worked closely with the Town's Manager, Water Resources Director, Public Works Director and Finance Director throughout the project to ensure the adequacy of data and accuracy of analyses. Several meetings, phone conversations, and email correspondence allowed the Town's staff to provide direction for the study's efforts and to align deliverables with the expectations of the Town Council.

1.2 Key Findings:

- Revenue Requirements Analysis determined rate adjustments (increases) are needed in the amount of 4.0% in each year of the 10-year planning period to continue to meet the financial obligations of the water/sewer utility.
- Revenue adjustments are driven primarily by the following factors:
 - Debt issuances anticipated to support capital improvements projects required to address renewal and replacement of aging water and wastewater infrastructure including treatment plants, distribution and collection systems.
 - Increasing Operations and Maintenance (O&M) expenses, generally due to inflation.
 - Limited new revenue generated by system growth, i.e. new customers and/or increasing consumption patterns.

- Capital Improvements Schedule: Review and refinement of the CIP resulted in a total need of \$20.7 million over the 10-year planning period, FY21 through FY30.
 - McGill updated the existing water and sewer system capital construction projects to determine adjustments to the ten-year CIP.
 - Prioritization for project scheduling was based on regulatory compliance, workplace / work environment safety, operational viability, replacement of obsolete equipment, gain in efficiency, system growth and economic development.
 - Opinions of probable construction costs for recommended projects were also updated.
- Historically, the Town has implemented rate adjustments rounded to the next \$0.05 for ease of bill calculation, interpretation and administration. Therefore, targeted revenue adjustments of 4.0% proposed for FY2021 translate into a combined monthly water and sewer rate charge increase of approximately 4.2%. Further, this year's general increase of 4% is applied to all customer classes except commercial customers who are recommended to receive a nominal 5% increase.
- A five-year snapshot of the rate increases on a typical monthly inside residential bill of 3,000 gallons is presented in Table 1.
 - In previous financial analyses, 4,000 gallons per month was used to represent a typical residential customer. With consumption trending downward over several years, 3,000 gallons per month has become a more accurate representation of the the typical residential customer in Valdese.
- Council recognizes the need for the proposed schedule of rate adjustments and will review and consider each potential increase every fiscal year as part of the budget preparation process. This will allow fine tuning as needed using the most accurate and up-to-date data.

Table 1 – Proposed Rate Adjustments; Residential Customer Combined Water and Sewer Monthly Bill, based on 3,000-gallon consumption by an Inside Town Customer.

| Monthly Residential Bill 3,000 gallons | | | | | |
|--|-----------------------------------|---------|---------|---------|---------|
| Current Rate | 5-year Rate Adjustment Projection | | | | |
| FY19-20 | FY20-21 | FY21-22 | FY22-23 | FY23-24 | FY24-25 |
| \$39.75 | \$41.40 | \$43.10 | \$44.90 | \$46.75 | \$48.65 |
| \$ change | \$1.65 | \$1.70 | \$1.80 | \$1.85 | \$1.90 |
| % change | 4.2% | 4.1% | 4.2% | 4.1% | 4.1% |

2.0 **BACKGROUND and PURPOSE STATEMENT**

2.1 **Background:**

The Town of Valdese water and sewer utilities serve a population of approximately 12,500, with an average daily water demand of 2.93 million gallons per day (MGD) based on statistics gathered from the North Carolina Division of Water Resources, Local Water Supply Plan. Surface water is withdrawn from Lake Rhodhiss and treated through the Town's 12.0 MGD conventional Water Treatment Plant (WTP). Finished water is delivered through approximately 170 miles of water mains ranging in size from 2 to 24 inches in diameter and 5,200 service connections located within the Town's corporate boundaries, Triple Community District and certain areas beyond the Town's corporate limits. Wholesale water service is also provided to the Town of Rutherford College, Icard Water Corporation and Burke County.

Wastewater service is provided to approximately 2,200 connections with an average daily flow of 2.12 MGD. Treatment is provided by the Town's 7.5 MGD extended aeration Wastewater Treatment Plant (WWTP). The collection system consists of 101 miles of sewer mains ranging in size from 4 to 24 inches in diameter and also includes 7 sewer lift stations. Wastewater service is provided primarily to customers located within the Town's corporate boundaries. Wholesale wastewater service is also provided to the Town of Rutherford College, the Town of Drexel and Burke County.

The Town of Valdese continues with this annual capital planning and financial analysis effort to evaluate the ability of the water and sewer rates to fully recover the costs of water and sewer operations, maintenance and capital improvements.

2.2 **Purpose Statement:**

The Town of Valdese retained McGill Associates to conduct a Capital Improvements Plan Update and cost-of-service based Water and Sewer Fund Financial Analysis Update. The overall objectives of this effort are to determine:

- Capital improvements (CIP) needed to renew and replace the key water and sewer system components.
- Revenue Requirements that will meet ongoing O&M initiatives and fund the capital needs of the water and sewer utility, and
- Identify revenue adjustments and corresponding rate impacts that are necessary to fully support the utility system as an enterprise fund.

3.0**APPROACH AND METHODOLOGY**

The Town of Valdese continues to advance development and implementation of long-term water and sewer infrastructure management practices that identify and adequately address critical infrastructure needs, focusing on system reliability, operational efficiency, affordability and sustainability. This effort is built upon knowledgeable and experienced staff, supported by competent professionals that together can determine both the physical and financial needs of the utility, along with an implementation strategy and guidance that will result in continued short and long-term stability of water and sewer revenues and user rates.

McGill used the American Water Works Association (AWWA) cash-needs approach to determine the water and sewer utility's revenue requirements. This approach defines revenue requirements as the total amount of revenue that is required to cover all costs of the utility, including O&M, debt service, cash reserves, depreciation (reinvestment in the utility's infrastructure), and transfers to/from other municipal funds. Determining a utility's revenue requirements is the basis for setting rates, which includes providing adequate and sustainable funding levels for all operational costs and capital needs.

Adequacy of revenues is determined by comparing projected expenses required to fully support ongoing needs of the utility (administration, O&M, capital outlay, debt service, etc.) to revenues that are anticipated to be generated under the existing rate structure during the planning period. This comparison identifies potential revenue shortfalls. Corrective action (typically user rate adjustments) can then be applied to accurately address these potential revenue shortfalls as they are anticipated.

4.0**CAPITAL IMPROVEMENTS PLAN UPDATE**

The Capital Improvements Plan updates were developed interactively with Town Staff. This effort included an update of the CIP inventory and review of each project status and determination of new projects to be incorporated into the 10-year CIP. Priority and scheduling were determined based on regulatory compliance, safety, operational viability, obsolescence, efficiency, system growth and economic development.

This comprehensive capital needs assessment and planning effort focused on maximizing useful life through improved asset management, refining the scope of construction on several proposed projects and reviewing project priorities and scheduling. The result is an updated CIP schedule that represents a more complete understanding of the long-term needs of the utility.

Key elements of the CIP update include:

- Water/Wastewater Plant Projects:
 - FY17 to 18 CIP Increase: Potential Biosolids Project – Scope and Cost Identified.
 - FY18 to 19 CIP Decrease: Biosolids Study allows Capital Project to be deferred.
 - FY19 to 20 CIP Decrease: Reflects several Capital Projects reaching conclusion.
 - FY20 to 21 CIP Increase: Biosolids Project revised Scope, Cost and Schedule.
- Distribution/Collection System Projects:
 - FY17 to 20 CIP Increase: Additional water/sewer main work, scope and cost determined through Asset Inventory and Assessment (AIA) sewer work.
 - FY20 to 21 CIP Increase: Additional needs identified through AIA sewer work
 - FY20 to 21 CIP Increase: Additional Cline Ave. pump station rehabilitation identified.

Table 2 – Comparison of Capital Investment Projections

| 10-Year Capital Investment Projections by Fiscal Year | | | | | |
|---|-------------|--------------|--------------|--------------|--------------|
| Utility Function | FY17 | FY18 | FY19 | FY20 | FY21 |
| Plant | \$8,324,900 | \$16,496,800 | \$8,481,520 | \$6,573,220 | \$8,740,550 |
| Dist/Collect | \$1,314,616 | \$5,792,156 | \$8,834,286 | \$10,757,150 | \$11,947,150 |
| Total | \$9,639,516 | \$22,288,956 | \$17,315,806 | \$17,330,370 | \$20,687,700 |

Complete CIP investment projections are included in the March 2020 Council Retreat Presentation Materials in the Appendix of this report.

5.0**FINANCIAL MODEL UPDATE**

McGill determined Revenue Requirements sufficient to meet ongoing expenses. Current financial information was reviewed to measure the adequacy of revenues generated from all sources compared to expenses required to sustain the entire utility system for the long-term. The 10-year financial model was updated to examine these interrelationships and determine the absolute necessity for revenue adjustments and recommended timing to help minimize rate impacts to customers.

5.1 Key Assumptions and Targets:

The model was constructed using the following general assumptions:

| | |
|--|----------------|
| Revenue growth Metered Sales: | 0.0% |
| Revenue growth all other sources: | 0.0% |
| Expenses Salaries and Benefits growth: | 3.0% |
| Expenses all other operations growth: | 2.5% |
| Unrestricted Net Assets Target: | 35 to 50% |
| Operation Ratio Target: | 1.0 or Greater |
| Days of Working Capital | 120 or Greater |

5.2 Findings:*Consumption:*

Water consumption per connection held steady across all customer classes in FY19, following 2 years of decline. Overall, marginal decline is anticipated to continue in the foreseeable future, however, the Town's Advanced Metering Infrastructure capital project should capture more water usage than many of the existing aged meters. Therefore, for the purposes of this revenue model, the metered revenue growth assumption will remain at 0.00% for the financial model update.

Sufficiency of Revenues:

Sufficiency of revenues above debt requirements remains very strong. Annual debt obligation is 6% for the current fiscal year and projected to remain under 10% for the remaining 9 years of the planning horizon. This falls well within an industry standard value of less than 35%, and less than the average debt service obligation (29%) of over 115 water utilities reporting to the National Association of Clean Water Agencies.

The Water Research Foundation cites capital funding through equity sources (enterprise fund cash) as a performance benchmark measuring financial viability and recommends a minimum 20% of capital funding through equity sources as prudent. The financial model projects capital funding through equity sources to remain above this industry benchmark, averaging 27% through the 10- year planning period.

Unrestricted Net Assets & Days Working Capital:

One area where the Town's current standing has room for improvement is within the balance of unrestricted net assets (cash from the enterprise fund) from year to year. While balancing expenditures between debt and equity sources is important it is also important to have enough of those equity sources to sustain the utility system in the event of a prolonged revenue loss. This is measured by the percentage of unrestricted net assets compared to the total annual expenditures. In recent years this percentage has dipped to approximately 20% but climbs back up into the mid-20s in the later years of the 10-year planning window.

Industry benchmarks for days of working capital are set normally at 120 days or more. That means that if the utility system were to stop receiving any and all revenue, that the system would have enough liquid assets to operate for a period of 3 months. This is another metric that the Town's utility system and this revenue requirements evaluation is working to improve. In recent years the number of days of working capital has been around 100 days and is anticipated to improve over the life of the 10-year planning window.

Rates:

Continuation of revenue increases proposed in the 2019 Capital Improvements Update and Rate Study will be necessary to fully support the ongoing O&M costs, debt service obligations and revenue-financed system renewal and replacements of the water and sewer utility over the 10-year planning horizon. New revenue in the amount of 4% per year is scheduled to continue in years FY21 through FY30 (10-year duration).

Customer Equity:

Water customers continue to generate over 70% of the Utility's overall revenues, while the sewer customers generate less than 30%. With expenses nearly equal and projected to continue to be within 2% of equal through the 10-year planning period, some consideration could be given to adjusting sewer rates more aggressively than water rates to generate a greater percentage of the sewer system's cost-of-service and begin to move toward aligning sewer revenues with expenses. Higher sewer rates would typically move the Town toward better financing terms with funding agencies like NC Department of Water Infrastructure.

6.0**RECOMMENDATIONS***Rate Adjustments:*

Implement an overall revenue increase of 4 % for FY20, and continue through FY30, with annual review and adjustment(s) as necessary. The proposed Rate Summary Table, in the attached Presentation to the Town Council, provides recommended rate adjustments for the 10-year planning period along with sample water and sewer charges for typical monthly consumption for each customer class.

Unrestricted net position (assets) is a common indicator for tracking the general health of the utility fund. In the Town's 2019 Audited Financial Statement, the Enterprise Fund, which accounts for the water and sewer activities, reported an increase in unrestricted net position in the amount of \$673,185, bringing the fiscal year-end total to \$1,322,495. This single year measurement alone cannot be taken as an indication of the Utility's overall financial condition. However, the financial model forecasts a general upward trend in this indicator throughout the 10-year planning period, signaling improvement in the Utility's overall health over time.

Customer Equity:

Water revenue continues to represent approximately 76% and of the fund's overall revenue, and sewer revenue is 24%. Expenses for water and sewer are roughly 50% each, which translates into an approximate 25% subsidy of sewer expenses by water revenues. Revenue adjustments presented in the financial model are uniformly applied to all customers and do not address this issue. Customer equity will continue to be monitored and adjustments can be made to achieve greater alignment as the Town may determine over time.

Key Performance Indicators:

Consider developing financial management objectives to assist with analysis, interpretation and comparison to other utilities. Objectives can be used to set financial goals and facilitate efforts to monitor and track progress. These financial performance indicators may be in the form of formal, Council adopted financial management policies or directives, or informal administrative direction through the Town Manager. Examples for consideration may include:

- Working Capital Reserves
- Capital Improvements Reserve Fund
- Sufficiency of Revenues Above Debt Requirements
- Credit Ratings
- Cash Financing of Capital
- Rate/Revenue Stabilization Fund
- Service Affordability

Presentation to Town Council:

McGill presented findings of the water and sewer rate review to the Town Council and responded to questions concerning approach, methodology and calculations. Direction was given to include the recommended 4% rate adjustment in the FY21 budget. A copy of the pertinent presentation information is attached including tables from the financial model summarizing Capital Improvements, Financial Analysis and Proposed Rates.

APPENDIX

March 2020 Council Retreat Presentation Materials

Table 1
Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

Water Distribution/Sewer Collection Division

| Project Number | Project Description | Cost | Current Year FY2020 | Year 1 FY2021 | Year 2 FY2022 | Year 3 FY2023 | Year 4 FY2024 | Year 5 FY2025 | Year 6 FY2026 | Year 7 FY2027 | Year 8 FY2028 | Year 9 FY2029 | Year 10 FY2030 | Years 11+ FY2030 |
|--|---|------------|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|---------------------|
| Vehicles and Equipment | | | | | | | | | | | | | | |
| 1 | 2006 F350 Service Truck | 40,000 | | | 40,000 | | | | | | | | | |
| 2 | 2014 Cat Mini Trackhoe | 83,600 | | | | 83,600 | | | | | | | | |
| 3 | 2009 Pipe Hunter Jet M 35418 | 42,000 | | | | | | | 42,000 | | | | | |
| 4 | 2014 Ford F150 Meter Truck | 28,000 | | | 28,000 | | | | | | | | | |
| 5 | Trailer | 15,000 | | | | | | | | 15,000 | | | | |
| 6 | 2002 4x4 Classic | 28,000 | | | | | | 28,000 | | | | | | |
| 7 | 2011 Ford 4x4 F350 | 32,000 | | | | | 32,000 | | | | | | | |
| 8 | 2006 Chevy Silverado 4x4 | 27,300 | | 27,300 | | | | | | | | | | |
| 9 | 1985 Kubota / Tractor Backhoe | 72,100 | | 72,100 | | | | | | | | | | |
| 10 | 1985 John Deere Backhoe | 90,000 | | | | 90,000 | | | | | | | | |
| 11 | 2006 Chevy Dump Truck 1.5 Ton | 50,000 | | | | | 50,000 | | | | | | | |
| 12 | 2004 Chevy 4x4 | 37,000 | 37,000 | | | | | | | | | | | |
| 13 | 2013 F350 Service Truck | 42,000 | | | | | | | | 42,000 | | | | |
| 14 | 2007 Ferris Mower | 8,000 | | | 8,000 | | | | | | | | | |
| 15 | 2016 Ford F150 4x4 | 28,000 | | | | | | | 28,000 | | | | | |
| System Upgrades | | | | | | | | | | | | | | |
| 16 | Insert In-Line valve 24 Inch Transmission line from Water Plant 100% grant | 61,000 | | | | | | | | | | | | |
| 17 | Cross Connection Program | 0 | 0 | | | | | | | | | | | |
| 18 | Electrical Upgrades to Bridgeport Booster Pump Station | 42,500 | | | 42,500 | | | | | | | | | |
| 19 | Repair Water Line Hangers HWY 70 Bridgeport | 40,000 | | | | | | | | | | | | |
| 20 | AMI Meter Replacement 2,265,386 less 566,347 grant | 2,265,386 | | | | | | | | | | | | |
| 21 | NC 18 South Tank Project | 0 | | | | | | | | | | | | 2,026,800 |
| 22 | Triple District Tank Inspections & Interior Cleaning (Logan St., Drexel Rd., Flat Gap.) | 91,900 | | 13,300 | 13,000 | 13,000 | | | | 13,300 | 13,000 | 13,000 | | |
| 23 | Meter Replacements | 155,000 | 10,000 | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | |
| 24 | Removal of (2) tanks at cemetery | 200,000 | | | 200,000 | | | | | | | | | |
| 25 | Hydraulic Model Study | 45,000 | 45,000 | | | | | | | | | | | |
| 26 | Billing Software Upgrades | 0 | 0 | | | | | | | | | | | |
| 27 | Renew Arc-Flash Study | 5,500 | | | | 2,500 | | | | | 3,000 | | | |
| 28 | SCADA Upgrades | 50,000 | 40,000 | | | | | | 10,000 | | | | | 48,600 |
| 29 | Harris Avenue PS Gravity Sewer Extension | 0 | | | | | | | | | | | | 1,300,000 |
| 30 | Holly Hills Sewer System Extension | 0 | | | | | | | | | | | | 3,300,000 |
| Water/Sewer Main Renewal and Replacement | | | | | | | | | | | | | | |
| 31 | St Germain Water Line Replacement 396,156 SRF loan with 156,828 forgiveness | 396,156 | | | | | | | | | | | | |
| 32 | SRF Funded 2018 Water System Upgrades Project 1,181,700 less 500,000 grant | 1,181,700 | 1,181,700 | | | | | | | | | | | |
| 32a | Zion Road Control Valve Project | 0 | | | | | | | | | | | | |
| 32b | Logan Drive Water Line Replacement | 0 | | | | | | | | | | | | |
| 32c | Eastwood Subdivision Water Line Replacement | 0 | | | | | | | | | | | | |
| 32d | Hill Drive Water Line Replacement | 0 | | | | | | | | | | | | |
| 32e | Lakeview Acres Road Water Line Replacement | 0 | | | | | | | | | | | | |
| 33 | Main St. Water Line Replacement 2,782,950; less 1,000,000 loan forgiveness | 2,782,950 | | | 2,782,950 | | | | | | | | | |
| 34 | Eldred St. Water Line Replacement | 400,000 | | | | | | | 400,000 | | | | | |
| 35 | Water Main Replacement | 2,250,000 | | | 250,000 | 250,000 | 250,000 | 250,000 | 50,000 | | 1,000,000 | 100,000 | 100,000 | |
| 36 | Sewer Main Rehabilitation | 2,250,000 | | | 250,000 | 250,000 | 250,000 | 250,000 | 50,000 | | 1,000,000 | 100,000 | 100,000 | |
| | Subtotal - Water Distribution/Sewer Collection | 12,840,092 | 1,313,700 | 112,700 | 3,629,450 | 704,100 | 597,000 | 543,000 | 595,000 | 85,300 | 2,031,000 | 228,000 | 215,000 | 6,675,400 |

Table 1
Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

Water Treatment Division

| Project Number | Project Description | Cost | Current Year FY2020 | Year 1 FY2021 | Year 2 FY2022 | Year 3 FY2023 | Year 4 FY2024 | Year 5 FY2025 | Year 6 FY2026 | Year 7 FY2027 | Year 8 FY2028 | Year 9 FY2029 | Year 10 FY2030 | Years 11+ FY2030 |
|----------------|---|-----------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|------------------|
| 1 | New Superintendent Vehicle | 28,000 | | | | | | | 28,000 | | | | | |
| 2 | New Maintenance Vehicle | 28,000 | | | | | | 28,000 | | | | | | |
| 3 | New 4-Wheel Drive Lawnmower | 16,000 | | | | | | | 16,000 | | | | | |
| 4 | Roof Replacement - Main Building | 40,000 | | | 40,000 | | | | | | | | | |
| 5 | Roof Replacement - Raw Water PS | 25,000 | | | | 25,000 | | | | | | | | |
| 6 | Roof Replacement - Finished Water PS | 20,000 | | | | | 20,000 | | | | | | | |
| 7 | Roof Replacement - Maintenance Building | 25,000 | | 25,000 | | | | | | | | | | |
| 8 | Replace Chemical Feed Pumps | 23,050 | | | | | | 5,800 | 5,850 | 5,900 | | | | |
| 9 | Raw Water Intake | 0 | | | | | | | | | | | | 8,000,000 |
| 10 | Raw Water Pump MCC Replace & Finish Water PS MCCs 842,770 less 210,692 grant | 842,770 | 842,770 | | | | | | | | | | | |
| 11 | Raw Water Pump Replacement | 1,000,000 | | | | | 1,000,000 | | | | | | | 731,100 |
| 12 | Replace Raw Water Control Valves | 91,500 | | | | | 91,500 | | | | | | | |
| 13 | Pave Raw Water PS Access Road Backup Generator & Electrical Modifications | 0 | | | | | | | | | | | | 67,600 |
| 14 | 1,000,000 CDBG Gant | 1,000,000 | | | | | | | | | | | | |
| 15 | Clearwell Structural Assessments | 50,000 | | | 50,000 | | | | | | | | | |
| 16 | Filter Effluent Valve Replacement | 15,000 | | 15,000 | | | | | | | | | | |
| 17 | 2019 Undetermined Project | 45,500 | | | | | | | | | | | | |
| 18 | Renew Arc-Flash Study | 27,125 | | | | 12,125 | | | | | 15,000 | | | |
| 19 | SCADA Upgrades | 80,000 | | 5,000 | | | | | 45,000 | | | 15,000 | 15,000 | 48,600 |
| 20 | Basin Ladders | 0 | | | | | | | | | | | | |
| 21 | Repair Fence and Add Electric Gate Opener | 0 | | | | | | | | | | | | |
| 22 | Repair #2 Raw Water Pump Motor | 0 | | | | | | | | | | | | |
| 23 | Clearwell Baffle Wall Repair | 175,000 | | | | 175,000 | | | | | | | | |
| 24 | Tank Maintenance | 165,000 | | | 20,000 | | | 20,000 | | 125,000 | | | | |
| 25 | Convert Disinfection to Sodium Hypochlorite 658,300 less 164,575 grant | 658,300 | 658,300 | | | | | | | | | | | |
| 26 | Water Treatment Plant Equipment Rehabilitation & Replacement | 275,000 | | | | | | | | 50,000 | 75,000 | 75,000 | 75,000 | |
| | Subtotal - Water Treatment Division | 4,355,245 | 1,501,070 | 45,000 | 110,000 | 212,125 | 1,111,500 | 53,800 | 94,850 | 180,900 | 90,000 | 90,000 | 90,000 | 8,847,300 |

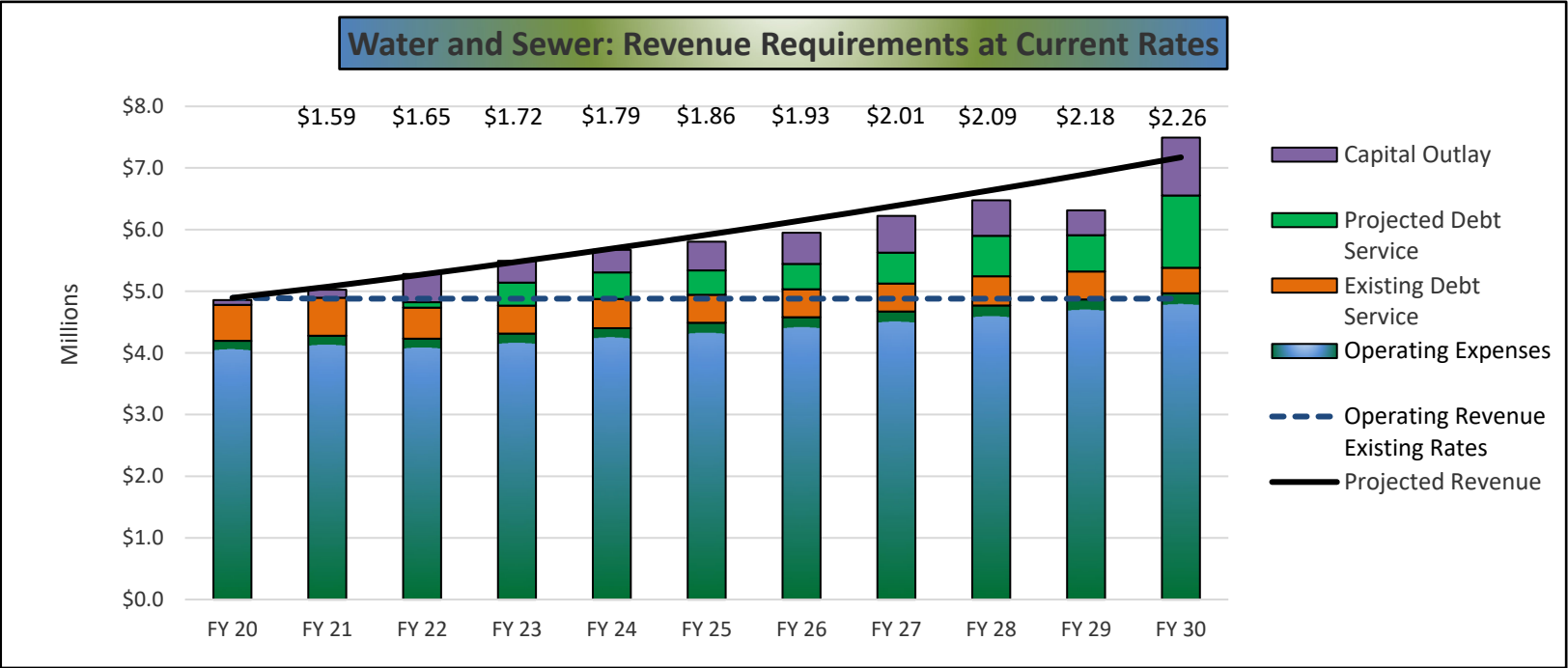
Table 1
Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

| Wastewater Treatment Division | | | | | | | | | | | | | | |
|-------------------------------|---|------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|------------------|
| Project Number | Project Description | Cost | Current Year FY2020 | Year 1 FY2021 | Year 2 FY2022 | Year 3 FY2023 | Year 4 FY2024 | Year 5 FY2025 | Year 6 FY2026 | Year 7 FY2027 | Year 8 FY2028 | Year 9 FY2029 | Year 10 FY2030 | Years 11+ FY2030 |
| 1 | 1998 Biosolids Truck | 59,700 | | | | 59,700 | | | | | | | | |
| 2 | Sludge Trailer | 36,900 | | | | | 36,900 | | | | | | | |
| 3 | 2008 Compost Loader | 155,200 | | | 155,200 | | | | | | | | | |
| 4 | Plant Truck | 29,600 | | | | | | | | | 29,600 | | | |
| 5 | Maint Vehicle 2013 | 35,000 | | | 35,000 | | | | | | | | | |
| 6 | Lab Truck | 25,000 | | | | | | | | | 25,000 | | | |
| 7 | Riding Mower (2004) | 20,200 | | | | | | | | | | 10,100 | 10,100 | 10,100 |
| 8 | Seal Replacement for Influent Pumps 1&2 | 13,000 | | | 6,000 | | | | | | 7,000 | | | 18,300 |
| 9 | Seal Replacement for Influent Pumps 3&4 | 28,800 | | | | | | | 15,000 | | | | | 6,000 |
| 10 | Seal Replacement for Secondary Waste Pumps | 9,300 | | | 9,300 | | | | | | | | | |
| 11 | Seal Replacement for Sludge Recycle Pumps | 10,100 | | | | | | 10,100 | | | | | | |
| 12 | Polymer System | 0 | | | | | | | | | | | | |
| 13 | Centrifuge Drive | 318,000 | | 318,000 | | | | | | | | | | |
| 14 | Centrifuge #2 Overhaul | 50,000 | | | | | 50,000 | | | | | | | |
| 15 | Centrifuge #1 Overhaul | 50,000 | | | | | | 50,000 | | | | | | |
| 16 | Roof SO2 Building | 12,100 | | | 12,100 | | | | | | | | | |
| 17 | Admin Building Roof | 0 | | | | | | | | | | | | 30,000 |
| 18 | Dewatering Building Roof | 0 | | | | | | | | | | | | 35,000 |
| 19 | Sludge Recycle PS Building Roof | 20,000 | | | | | | | | | 20,000 | | | |
| 20 | Influent PS Building Roof | 0 | | | | | | | | | | | | 20,000 |
| 21 | Sludge Grinder #1 | 20,000 | | | | | | | | | | | | 19,100 |
| 22 | Sludge Grinder #2 | 17,000 | | 17,000 | | | | | | | | | | 18,000 |
| 23 | Aeration Basin | 1,199,500 | | | | | | | | 1,174,500.0 | | | | |
| 24 | Spare Pump Cline Street | 13,000 | | 8,000 | | | 5,000 | | | | | | | |
| 25 | Cline Street PS Modifications | 1,200,000 | | | | 1,200,000 | | | | | | | | |
| 25 | Spare Pump Morgan Trace | 14,000 | 4,000 | | 5,000 | | | 5,000 | | | | | | |
| 26 | Spare Pump High Meadows | 14,000 | 4,000 | | 5,000 | | | 5,000 | | | | | | |
| 27 | Spare Pump John Berry | 0 | | | | | | | | | | | | 82,500 |
| 28 | Spare Pump Seitz | 0 | | | | | | | | | | | | 42,000 |
| 29 | Primary Clarifier #2 Drive & Bridge Replacement | 85,000 | | | | 85,000 | | | | | | | | |
| 29 | Secondary Clarifier #2 Painting | 6,000 | | | | | | | | | 6,000 | | | |
| 30 | Recycle Valve to Aeration Basin | 90,000 | | | 90,000 | | | | | | | | | |
| 30 | Thickener Blower #1 | 6,100 | | | | | 6,100 | | | | | | | |
| 31 | Thickener Blower #2 | 6,500 | | | | | | | 6,500 | | | | | |
| 32 | SCADA | 12,000 | | | | | | | 12,000 | | | | | 77,200 |
| 33 | Renew Arc-Flash Study | 22,875 | | | | 10,875 | | | | | 12,000 | | | |
| 34 | Grit Removal System Replacement: 1,082,300 less 725,141 grant | 1,082,300 | | | | | | | | | | | | |
| 35 | Dewatering Building Drainage System | 20,000 | | | | 20,000 | | | | | | | | |
| 36 | Dewatering Building Grading, Drainage, Asphalt Modifications | 65,000 | 65,000 | | | | | | | | | | | |
| 37 | Sludge Biosolids Dewatering Improvements | 0 | | | | | | | | | | | | |
| 38 | 6" Compound Flow Meter | 0 | | | | | | | | | | | | 60,000 |
| 39 | Biosolids Drying Equipment | 5,873,000 | | | | | | | | | | | 5,873,000 | |
| 40 | Conversion to Ultraviolet Disinfection | 0 | | | | | | | | | | | | 787,000 |
| 41 | Concrete Work at Compost Pad | 40,400 | | 15,000 | | | 12,000 | | | | 13,400 | | | |
| 42 | #2 Recycle Modification | 7,000 | | | | | | | | | | | | |
| 43 | #3 & #4 Influent Valves & Check Valves | 147,000 | | | 70,000 | 73,500 | | | | | | | | 1,300,000 |
| 44 | Camera System - security | 5,000 | | 5,000 | | | | | | | | | | |
| 45 | Wastewater Treatment Plant Equipment Rehabilitation & Replacement | 275,000 | | | | | | | | 50,000 | 75,000 | 75,000 | 75,000 | |
| | Subtotal - Wastewater Treatment Division | 12,245,175 | 73,000 | 363,000 | 387,600 | 1,449,075 | 110,000 | 70,100 | 33,500 | 1,224,500 | 188,000 | 85,100 | 5,958,100 | 2,505,200 |
| | Capital Improvements Plan Total | 29,440,512 | 2,887,770 | 520,700 | 4,127,050 | 2,365,300 | 1,818,500 | 666,900 | 723,350 | 1,490,700 | 2,309,000 | 403,100 | 6,263,100 | 18,027,900 |
| | Capital Outlay - Projects Fund | | | 390,100 | 2,817,950 | | | | | | | | | |
| | Net Capital Improvements Fund 30 | | 2,887,770 | 130,600 | 1,309,100 | 2,365,300 | 1,818,500 | 666,900 | 723,350 | 1,490,700 | 2,309,000 | 403,100 | 6,263,100 | 18,027,900 |

Financial Model Output Summary
10-Year Planning Period

| Description | FY 20 | FY 21 | FY 22 | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 | FY 29 | FY 30 |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Capital Outlay | 77,000 | 131,000 | 458,000 | 355,000 | 364,000 | 467,000 | 506,000 | 596,000 | 577,000 | 403,000 | 939,000 |
| Projected Debt Service | | - | 87,000 | 372,000 | 431,000 | 396,000 | 412,000 | 502,000 | 656,000 | 588,000 | 1,171,000 |
| Existing Debt Service | 583,000 | 615,000 | 504,000 | 453,000 | 475,000 | 453,000 | 453,000 | 452,000 | 475,000 | 455,000 | 414,000 |
| Operating Expenses | 4,197,000 | 4,280,000 | 4,231,000 | 4,315,000 | 4,401,000 | 4,489,000 | 4,580,000 | 4,673,000 | 4,769,000 | 4,867,000 | 4,968,000 |
| Operating Revenue Existing Rates | 4,892,000 | 4,881,000 | 4,881,000 | 4,881,000 | 4,881,000 | 4,881,000 | 4,881,000 | 4,881,000 | 4,881,000 | 4,881,000 | 4,881,000 |
| New Revenue (rate increase amount) | | 191,000 | 389,000 | 595,000 | 810,000 | 1,033,000 | 1,265,000 | 1,506,000 | 1,757,000 | 2,018,000 | 2,290,000 |
| Projected Revenue | 4,892,000 | 5,072,000 | 5,270,000 | 5,476,000 | 5,691,000 | 5,914,000 | 6,146,000 | 6,387,000 | 6,638,000 | 6,899,000 | 7,171,000 |

| | | | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Percent Increase Applied | | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% | 4.0% |
| Expenses to Cover | | 5,026,000 | 5,280,000 | 5,495,000 | 5,671,000 | 5,805,000 | 5,951,000 | 6,223,000 | 6,477,000 | 6,313,000 | 7,492,000 |
| Combined Residential Bill 3,000 gal | \$ 39.75 | \$ 41.34 | \$ 42.99 | \$ 44.71 | \$ 46.50 | \$ 48.36 | \$ 50.30 | \$ 52.31 | \$ 54.40 | \$ 56.58 | \$ 58.84 |
| Monthly Combined Residential Bill Change | | \$ 1.59 | \$ 1.65 | \$ 1.72 | \$ 1.79 | \$ 1.86 | \$ 1.93 | \$ 2.01 | \$ 2.09 | \$ 2.18 | \$ 2.26 |
| Fund Balance Tracker | 1,100,000 | 1,146,000 | 1,136,000 | 1,117,000 | 1,137,000 | 1,246,000 | 1,441,000 | 1,605,000 | 1,766,000 | 2,352,000 | 2,031,000 |
| Fund Balance / Expenses to Cover | | 23% | 22% | 20% | 20% | 21% | 24% | 26% | 27% | 37% | 27% |



Water Utility Capital Investment

| Description | Total CIP | FY 21 | FY 22 | FY 23 | FY 24 | FY 25 | FY 26 | FY 27 | FY 28 | FY 29 | FY 30 |
|--------------------------|------------|---------|-----------|-----------|-----------|---------|---------|-----------|-----------|---------|-----------|
| Water Plant | 2,079,000 | 45,000 | 110,000 | 212,000 | 1,112,000 | 54,000 | 95,000 | 181,000 | 90,000 | 90,000 | 90,000 |
| Wastewater Plant | 9,870,000 | 363,000 | 388,000 | 1,449,000 | 110,000 | 70,000 | 34,000 | 1,225,000 | 188,000 | 85,000 | 5,958,000 |
| Water&Sewer Mains/System | 8,740,000 | 113,000 | 3,629,000 | 704,000 | 597,000 | 543,000 | 595,000 | 85,000 | 2,031,000 | 228,000 | 215,000 |
| Total Water System CIP | 20,689,000 | 521,000 | 4,127,000 | 2,365,000 | 1,819,000 | 667,000 | 724,000 | 1,491,000 | 2,309,000 | 403,000 | 6,263,000 |

Town of Valdese
Water and Sewer Utility Fund

Rate Adjustment: 4% years 1 - 10

Current and Proposed Water Rates

| | Current Rate | Projected | | | | | Extended | | | | |
|--|--------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | FY19-20 | FY20-21 | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 | FY26-27 | FY27-28 | FY28-29 | FY29-30 |
| Inside Water Residential | | | | | | | | | | | |
| Minimum 3,000 gallons | 32.80 | 34.15 | 35.55 | 37.00 | 38.50 | 40.05 | 41.70 | 43.40 | 45.15 | 47.00 | 48.90 |
| Volume Charge (per 1,000 gal); 3,001+ gallons | 3.25 | 3.40 | 3.55 | 3.70 | 3.85 | 4.05 | 4.25 | 4.45 | 4.65 | 4.85 | 5.05 |
| Outside Water Residential | | | | | | | | | | | |
| Minimum 3,000 gallons | 51.15 | 53.20 | 55.35 | 57.60 | 59.95 | 62.35 | 64.85 | 67.45 | 70.15 | 73.00 | 75.95 |
| Volume Charge (per 1,000 gal); 3,001+ gallons | 6.05 | 6.30 | 6.20 | 6.35 | 6.50 | 6.65 | 6.75 | 6.85 | 6.95 | 7.05 | 7.15 |
| Inside Water Commercial | | | | | | | | | | | |
| Minimum 3,000 gallons | 32.80 | 34.45 | 36.20 | 38.05 | 40.00 | 42.00 | 44.10 | 46.35 | 48.70 | 51.15 | 53.75 |
| Volume Charge (per 1,000 gal); 3,001+ gallons | 3.25 | 3.45 | 3.65 | 3.85 | 4.05 | 4.30 | 4.55 | 4.80 | 5.05 | 5.35 | 5.65 |
| Outside Water Commercial | | | | | | | | | | | |
| Minimum 3,000 gallons | 65.65 | 68.95 | 72.40 | 76.05 | 79.90 | 83.90 | 88.10 | 92.55 | 97.20 | 102.10 | 107.25 |
| Volume Charge (per 1,000 gal); 3,001+ gallons | 6.40 | 6.75 | 7.10 | 7.50 | 7.90 | 8.30 | 8.75 | 9.20 | 9.70 | 10.20 | 10.75 |
| Inside Water Industrial | | | | | | | | | | | |
| Minimum 3,000 gallons | 12.85 | 13.40 | 13.95 | 14.55 | 15.15 | 15.80 | 16.45 | 17.15 | 17.85 | 18.60 | 19.35 |
| Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons | 2.45 | 2.55 | 2.70 | 2.85 | 3.00 | 3.15 | 3.30 | 3.45 | 3.60 | 3.75 | 3.90 |
| Volume Charge (per 1,000 gal); 3,000,000+ gal | 1.20 | 1.25 | 1.30 | 1.40 | 1.50 | 1.60 | 1.70 | 1.80 | 1.90 | 2.00 | 2.10 |
| Outside Water Industrial | | | | | | | | | | | |
| Minimum 3,000 gallons | 25.65 | 26.70 | 27.80 | 28.95 | 30.15 | 31.40 | 32.70 | 34.05 | 35.45 | 36.90 | 38.40 |
| Volume Charge (per 1,000 gal); 3,001 - 300,000 gallons | 4.90 | 5.10 | 5.35 | 5.60 | 5.85 | 6.10 | 6.35 | 6.65 | 6.95 | 7.25 | 7.55 |
| Volume Charge (per 1,000 gal); 300,000+ gal | 2.40 | 2.50 | 2.60 | 2.75 | 2.90 | 3.05 | 3.20 | 3.35 | 3.50 | 3.65 | 3.80 |
| Burke County & Rutherford College | | | | | | | | | | | |
| Volume Charge (per 1,000 gal); 3,001+ gallons | 3.70 | 3.85 | 4.05 | 4.25 | 4.45 | 4.65 | 4.85 | 5.05 | 5.30 | 5.55 | 5.70 |
| Icard | | | | | | | | | | | |
| Minimum 10,000,000 gal | 10,500.00 | 10,600.00 | 10,700.00 | 10,800.00 | 10,900.00 | 11,000.00 | 11,100.00 | 11,200.00 | 11,300.00 | 11,400.00 | 11,500.00 |
| Volume Charge (per 1,000 gal) 10,000,000+ gal | 1.36 | volume charge not to exceed current Hickory Rate | | | | | | | | | |

Sample Monthly Water Charges

| | | Current Rate | Projected | | | | | Extended | | | | |
|---------------------|-------------|--------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | FY19-20 | FY20-21 | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 | FY26-27 | FY27-28 | FY28-29 | FY29-30 |
| Residential Inside | 3,000 gal | 32.80 | 34.15 | 35.55 | 37.00 | 38.50 | 40.05 | 41.70 | 43.40 | 45.15 | 47.00 | 48.90 |
| Residential Outside | 3,000 gal | 51.15 | 53.20 | 55.35 | 57.60 | 59.95 | 62.35 | 64.85 | 67.45 | 70.15 | 73.00 | 75.95 |
| Commercial Inside | 10,000 gal | 55.55 | 58.60 | 61.75 | 65.00 | 68.35 | 72.10 | 75.95 | 79.95 | 84.05 | 88.60 | 93.30 |
| Commercial Outside | 10,000 gal | 110.45 | 116.20 | 122.10 | 128.55 | 135.20 | 142.00 | 149.35 | 156.95 | 165.10 | 173.50 | 182.50 |
| Commercial Inside | 50,000 gal | 185.55 | 196.60 | 207.75 | 219.00 | 230.35 | 244.10 | 257.95 | 271.95 | 286.05 | 302.60 | 319.30 |
| Commercial Outside | 50,000 gal | 366.45 | 386.20 | 406.10 | 428.55 | 451.20 | 474.00 | 499.35 | 524.95 | 553.10 | 581.50 | 612.50 |
| Industrial Inside | 500,000 gal | 980.50 | 1,020.75 | 1,075.85 | 1,141.00 | 1,206.15 | 1,271.35 | 1,336.55 | 1,401.80 | 1,467.05 | 1,532.35 | 1,597.65 |

Town of Valdese
Water and Sewer Utility Fund

Rate Adjustment: 4% years 1 - 10

Current and Proposed Sewer Rates

| | Current Rate | Projected | | | | | Extended | | | | |
|---|--------------|-----------|---------|---------|---------|---------|----------|---------|---------|---------|---------|
| | FY19-20 | FY20-21 | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 | FY26-27 | FY27-28 | FY28-29 | FY29-30 |
| Inside Sewer Residential | | | | | | | | | | | |
| Minimum 3,000 gallons | 6.95 | 7.25 | 7.55 | 7.90 | 8.25 | 8.60 | 8.95 | 9.35 | 9.75 | 10.15 | 10.60 |
| Volume Charge (per 1,000 gal); 3,001+ gallons | 2.35 | 2.45 | 2.55 | 2.70 | 2.85 | 3.00 | 3.15 | 3.30 | 3.45 | 3.60 | 3.75 |
| Outside Sewer Residential | | | | | | | | | | | |
| Minimum 3,000 gallons | 13.00 | 13.55 | 14.10 | 14.70 | 15.30 | 15.95 | 16.60 | 17.30 | 18.00 | 18.75 | 19.50 |
| Volume Charge (per 1,000 gal); 3,001+ gallons | 4.40 | 4.60 | 4.80 | 5.00 | 5.20 | 5.45 | 5.70 | 5.95 | 6.20 | 6.45 | 6.75 |
| Inside Sewer Commercial | | | | | | | | | | | |
| Minimum 3,000 gallons | 7.25 | 7.65 | 8.05 | 8.50 | 8.95 | 9.40 | 9.90 | 10.40 | 10.95 | 11.50 | 12.10 |
| Volume Charge (per 1,000 gal); 3,001+ gallons | 2.45 | 2.60 | 2.75 | 2.90 | 3.05 | 3.25 | 3.45 | 3.65 | 3.85 | 4.05 | 4.30 |
| Outside Sewer Commercial | | | | | | | | | | | |
| Minimum 3,000 gallons | 14.45 | 15.20 | 16.00 | 16.80 | 17.65 | 18.55 | 19.50 | 20.50 | 21.55 | 22.65 | 23.80 |
| Volume Charge (per 1,000 gal); 3,001+ gallons | 4.90 | 5.15 | 5.45 | 5.75 | 6.05 | 6.40 | 6.75 | 7.10 | 7.50 | 7.90 | 8.30 |
| Inside Sewer Industrial | | | | | | | | | | | |
| Minimum 0 gallons | 7.05 | 7.35 | 7.65 | 8.00 | 8.35 | 8.70 | 9.05 | 9.45 | 9.85 | 10.25 | 10.70 |
| Volume Charge (per 1,000 gal) | 2.35 | 2.45 | 2.55 | 2.70 | 2.85 | 3.00 | 3.15 | 3.30 | 3.45 | 3.60 | 3.75 |
| Outside Sewer Industrial | | | | | | | | | | | |
| Minimum 0 gallons | 14.00 | 14.60 | 15.20 | 15.85 | 16.50 | 17.20 | 17.90 | 18.65 | 19.40 | 20.20 | 21.05 |
| Volume Charge (per 1,000 gal) | 4.70 | 4.90 | 5.10 | 5.35 | 5.60 | 5.85 | 6.10 | 6.35 | 6.65 | 6.95 | 7.25 |
| Burke County | | | | | | | | | | | |
| Volume Charge (per 1,000 gal) | 2.55 | 2.70 | 2.85 | 3.00 | 3.15 | 3.30 | 3.45 | 3.60 | 3.75 | 3.90 | 4.10 |
| Drexel | | | | | | | | | | | |
| Volume Charge (per 1,000 gal) | 2.55 | 2.70 | 2.85 | 3.00 | 3.15 | 3.30 | 3.45 | 3.60 | 3.75 | 3.90 | 4.10 |
| Rutherford College | | | | | | | | | | | |
| Volume Charge (per 1,000 gal) | 2.55 | 2.70 | 2.85 | 3.00 | 3.15 | 3.30 | 3.45 | 3.60 | 3.75 | 3.90 | 4.10 |

Sample Monthly Sewer Charges

| | | Current Rate | Projected | | | | | Extended | | | | |
|---------------------|-------------|--------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | FY19-20 | FY20-21 | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 | FY26-27 | FY27-28 | FY28-29 | FY29-30 |
| Residential Inside | 3,000 gal | 6.95 | 7.25 | 7.55 | 7.90 | 8.25 | 8.60 | 8.95 | 9.35 | 9.75 | 10.15 | 10.60 |
| Residential Outside | 3,000 gal | 13.00 | 13.55 | 14.10 | 14.70 | 15.30 | 15.95 | 16.60 | 17.30 | 18.00 | 18.75 | 19.50 |
| Commercial Inside | 10,000 gal | 24.40 | 25.85 | 27.30 | 28.80 | 30.30 | 32.15 | 34.05 | 35.95 | 37.90 | 39.85 | 42.20 |
| Commercial Outside | 10,000 gal | 48.75 | 51.25 | 54.15 | 57.05 | 60.00 | 63.35 | 66.75 | 70.20 | 74.05 | 77.95 | 81.90 |
| Commercial Inside | 50,000 gal | 122.40 | 129.85 | 137.30 | 144.80 | 152.30 | 162.15 | 172.05 | 181.95 | 191.90 | 201.85 | 214.20 |
| Commercial Outside | 50,000 gal | 244.75 | 257.25 | 272.15 | 287.05 | 302.00 | 319.35 | 336.75 | 354.20 | 374.05 | 393.95 | 413.90 |
| Industrial Inside | 500,000 gal | 1,182.05 | 1,232.35 | 1,282.65 | 1,358.00 | 1,433.35 | 1,508.70 | 1,584.05 | 1,659.45 | 1,734.85 | 1,810.25 | 1,885.70 |

Town of Valdese
Water and Sewer Utility Fund

Current and Proposed Combined Water and Sewer Rates

| | Current Rate | Projected | | | | | Extended | | | | |
|--|--------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | FY19-20 | FY20-21 | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 | FY26-27 | FY27-28 | FY28-29 | FY29-30 |
| Inside Combined Residential | | | | | | | | | | | |
| Minimum 3,000 gallons | 39.75 | 41.40 | 43.10 | 44.90 | 46.75 | 48.65 | 50.65 | 52.75 | 54.90 | 57.15 | 59.50 |
| Volume Charge (per 1,000 gal); 3,001+ gallons | 5.60 | 5.85 | 6.10 | 6.40 | 6.70 | 7.05 | 7.40 | 7.75 | 8.10 | 8.45 | 8.80 |
| Outside Combined Residential | | | | | | | | | | | |
| Minimum 3,000 gallons | 64.15 | 66.75 | 69.45 | 72.30 | 75.25 | 78.30 | 81.45 | 84.75 | 88.15 | 91.75 | 95.45 |
| Volume Charge (per 1,000 gal); 3,001+ gallons | 10.45 | 10.90 | 11.00 | 11.35 | 11.70 | 12.10 | 12.45 | 12.80 | 13.15 | 13.50 | 13.90 |
| Inside Combined Commercial | | | | | | | | | | | |
| Minimum 3,000 gallons | 40.05 | 42.10 | 44.25 | 46.55 | 48.95 | 51.40 | 54.00 | 56.75 | 59.65 | 62.65 | 65.85 |
| Volume Charge (per 1,000 gal); 3,001+ gallons | 5.70 | 6.05 | 6.40 | 6.75 | 7.10 | 7.55 | 8.00 | 8.45 | 8.90 | 9.40 | 9.95 |
| Outside Combined Commercial | | | | | | | | | | | |
| Minimum 3,000 gallons | 80.10 | 84.15 | 88.40 | 92.85 | 97.55 | 102.45 | 107.60 | 113.05 | 118.75 | 124.75 | 131.05 |
| Volume Charge (per 1,000 gal); 3,001+ gallons | 11.30 | 11.90 | 12.55 | 13.25 | 13.95 | 14.70 | 15.50 | 16.30 | 17.20 | 18.10 | 19.05 |
| Inside Combined Industrial | | | | | | | | | | | |
| Water Minimum 3,000 Gallons, Sewer Minimum 0 gallons | 19.90 | 20.75 | 21.60 | 22.55 | 23.50 | 24.50 | 25.50 | 26.60 | 27.70 | 28.85 | 30.05 |
| Water Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons | 2.45 | 2.55 | 2.70 | 2.85 | 3.00 | 3.15 | 3.30 | 3.45 | 3.60 | 3.75 | 3.90 |
| Water Volume Charge (per 1,000 gal); 3,000,000+ gallons | 1.20 | 1.25 | 1.30 | 1.40 | 1.50 | 1.60 | 1.70 | 1.80 | 1.90 | 2.00 | 2.10 |
| Sewer Volume Charge (per 1,000 gal) | 2.35 | 2.45 | 2.55 | 2.70 | 2.85 | 3.00 | 3.15 | 3.30 | 3.45 | 3.60 | 3.75 |
| Outside Combined Industrial | | | | | | | | | | | |
| Water Minimum 3,000 Gallons, Sewer Minimum 0 gallons | 39.65 | 41.30 | 43.00 | 44.80 | 46.65 | 48.60 | 50.60 | 52.70 | 54.85 | 57.10 | 59.45 |
| Water Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons | 4.90 | 5.10 | 5.35 | 5.60 | 5.85 | 6.10 | 6.35 | 6.65 | 6.95 | 7.25 | 7.55 |
| Water Volume Charge (per 1,000 gal); 3,000,000+ gallons | 2.40 | 2.50 | 2.60 | 2.75 | 2.90 | 3.05 | 3.20 | 3.35 | 3.50 | 3.65 | 3.80 |
| Sewer Volume Charge (per 1,000 gal) | 4.70 | 4.90 | 5.10 | 5.35 | 5.60 | 5.85 | 6.10 | 6.35 | 6.65 | 6.95 | 7.25 |
| Burke County | | | | | | | | | | | |
| Water Volume Charge (per 1,000 gal); 3,001+ gallons | 3.70 | 3.85 | 4.05 | 4.25 | 4.45 | 4.65 | 4.85 | 5.05 | 5.30 | 5.55 | 5.70 |
| Sewer Volume Charge (per 1,000 gal) | 2.55 | 2.70 | 2.85 | 3.00 | 3.15 | 3.30 | 3.45 | 3.60 | 3.75 | 3.90 | 4.10 |
| Rutherford College | | | | | | | | | | | |
| Water Volume Charge (per 1,000 gal); 3,001+ gallons | 3.70 | 3.85 | 4.05 | 4.25 | 4.45 | 4.65 | 4.85 | 5.05 | 5.30 | 5.55 | 5.70 |
| Sewer Volume Charge (per 1,000 gal) | 2.55 | 2.70 | 2.85 | 3.00 | 3.15 | 3.30 | 3.45 | 3.60 | 3.75 | 3.90 | 4.10 |
| Icard | | | | | | | | | | | |
| Minimum 10,000,000 gal | 10,500.00 | 10,600.00 | 10,700.00 | 10,800.00 | 10,900.00 | 11,000.00 | 11,100.00 | 11,200.00 | 11,300.00 | 11,400.00 | 11,500.00 |
| Volume Charge (per 1,000 gal) 10,000,000+ gal | 1.36 | volume charge not to exceed current Hickory Rate | | | | | | | | | |
| Drexel | | | | | | | | | | | |
| Sewer Volume Charge (per 1,000 gal) | 2.55 | 2.70 | 2.85 | 3.00 | 3.15 | 3.30 | 3.45 | 3.60 | 3.75 | 3.90 | 4.10 |

| | | Current Rate | Projected | | | | | Extended | | | | |
|---------------------|-------------|--------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | FY19-20 | FY20-21 | FY21-22 | FY22-23 | FY23-24 | FY24-25 | FY25-26 | FY26-27 | FY27-28 | FY28-29 | FY29-30 |
| Residential Inside | 4,000 gal | 39.75 | 41.40 | 43.10 | 44.90 | 46.75 | 48.65 | 50.65 | 52.75 | 54.90 | 57.15 | 59.50 |
| Residential Outside | 4,000 gal | 64.15 | 66.75 | 69.45 | 72.30 | 75.25 | 78.30 | 81.45 | 84.75 | 88.15 | 91.75 | 95.45 |
| Commercial Inside | 10,000 gal | 79.95 | 84.45 | 89.05 | 93.80 | 98.65 | 104.25 | 110.00 | 115.90 | 121.95 | 128.45 | 135.50 |
| Commercial Outside | 10,000 gal | 159.20 | 167.45 | 176.25 | 185.60 | 195.20 | 205.35 | 216.10 | 227.15 | 239.15 | 251.45 | 264.40 |
| Commercial Inside | 50,000 gal | 307.95 | 326.45 | 345.05 | 363.80 | 382.65 | 406.25 | 430.00 | 453.90 | 477.95 | 504.45 | 533.50 |
| Commercial Outside | 50,000 gal | 611.20 | 643.45 | 678.25 | 715.60 | 753.20 | 793.35 | 836.10 | 879.15 | 927.15 | 975.45 | 1,026.40 |
| Industrial Inside | 500,000 gal | 2,162.55 | 2,253.10 | 2,358.50 | 2,499.00 | 2,639.50 | 2,780.05 | 2,920.60 | 3,061.25 | 3,201.90 | 3,342.60 | 3,483.35 |

Memo

To: Jessica Lail

From: Doug Knight

cc: Town Council

Date: June 11, 2020

Re: Motion to approve Resolution of Support for the Parks and Recreation
Department to apply for a Recreation Trails Program Grant

Meeting Date: Monday, June 29, 2020

TO: Town of Valdese Mayor, Town Council, Manager and Clerk

FROM: Doug Knight, Parks & Recreation Director

SUBJECT: Valdese Parks & Recreation Grant application request

SUMMARY OF INFORMATION/BACKGROUND: We are asking the Council to approve the submittal of a grant application for the Recreation Trails Program Grant for \$250,000 that would allow us to complete approximately 5 miles of Mountain Bike trails at Lakeside Park. This grant would be matched with other grants resulting in \$0 additional investment by the Town of Valdese.

ACTION: Vote to approve submitting an application for the RTP grant.

Resolution in Support of Application to the 2021 Recreational Trails Program – Valdese Lakeside Park Mountain Bike Trail System

WHEREAS the Division of Parks and Recreation, the North Carolina Trails Program and the North Carolina Trails Committee value trail projects that are legal, safe, managed and provide connectivity, reasonable public access and parking; and

WHEREAS the North Carolina State Trails Program administered by the North Carolina Division of Parks and Recreation is tasked with distributing funds from the 2021 Recreational Trails Program (RTP); and

WHEREAS the North Carolina Trails Program and North Carolina Trails Committee invite applications for RTP grant funding for sustainable, shovel-ready projects that leverage local funds to meet recreational trail needs, in an effort to provide low infrastructure economic development opportunities through natural resource tourism; and

WHEREAS the Town of Valdese supports the Valdese Lakeside Park Mountain Bike Trails RTP Grant application to design and construct approximately five miles of intermediate natural surface mountain bike trails at Valdese Lakeside Park; and

WHEREAS in order to receive funds the Town of Valdese is required to provide a 25 percent match, or \$62,500 to the requested grant amount of \$250,000; and

WHEREAS the Town of Valdese will use the planning and engineering costs that were incurred as part of the 2019 PARTF project as its 25 percent match for a trailhead parking area and an approximately 4,000 linear foot crushed fines greenway that will support the mountain bike trail system; and

WHEREAS the project will be completed within a 3-year time frame.

NOW THEREFORE the Town of Valdese Council resolves to support the application to the 2021 Recreational Trails Program.

RESOLUTION was unanimously adopted.

This is ____ day of _____, 2020.

John F. Black, Jr., Mayor
(Seal)

Attest:

Town Clerk



TOWN OF VALDESE
NORTH CAROLINA'S FRIENDLY TOWN

P.O. BOX 339

VALDESE, NORTH CAROLINA 28690-0339

PHONE (828) 879-2120 | FAX (828) 879-2139 | TOWNOFVALDESE.COM

Memorandum

To: John Black, Mayor
Valdeese Town Council

From: Greg Padgett, Public Service Director

Date: June 26, 2020

Subject: Award of Bid – Chlorine Disinfection Conversion

First, my apologies for not being able to attend the council meeting. RJ Mozeley, with McGill and Associates, will present in my place, to answer any and all questions concerning the project, as he is the engineer on the project.

Staff is recommending the approval of the tentative bid award to Gilbert Engineering for \$676,600 as the lower bidder on the project. This is a project that has been identified in the 10 year capital improvements plan and approved by council previously. This project will replace the existing chlorine gas with liquid bleach. Liquid bleach is both safer for the staff and citizens in the immediate area.

Please, feel free to email me or call with any questions or clarifications prior to the council meeting. But, again, Mr. Mozeley will be available at the council meeting.

RESOLUTION OF TENTATIVE AWARD

WHEREAS, the Town of Valdese, North Carolina has received bids, pursuant to duly advertised notice therefore, for construction of the Water Treatment Plant Disinfectant Conversion (NCDWI Project H-SRP-D-18-0163), and

WHEREAS, the Town's Consulting Engineer, McGill Associates, P.A. has reviewed the bids; and

WHEREAS, Gilbert Engineering Company, Inc. was the lowest responsive, responsible bidder for the Water Treatment Plant Disinfectant Conversion (NCDWI Project H-SRP-D-18-0163), in the total bid amount of \$676,600.00, and

WHEREAS, the consulting Engineer recommends **TENTATIVE AWARD** to the lowest responsive, responsible bidder.

NOW, THEREFORE, BE IT RESOLVED that **TENTATIVE AWARD** is made to the lowest bidder(s) in the Total Bid Amount of \$676,600.00.

| Name of Contractor | Amount |
|--|-----------------------|
| 1. <u>Gilbert Engineering Company</u> | <u>\$676,600.00</u> |
| 2. <u>The Harper Corporation</u> | <u>\$726,000.00</u> |
| 3. <u>Carolina Grading and Utilities</u> | <u>\$1,440,175.00</u> |

BE IT FURTHER RESOLVED that such **TENTATIVE AWARD** be contingent upon the approval of the North Carolina Division of Water Infrastructure (Funding Agency) and upon additional funds offered from the Funding Agency to cover all project costs.

Upon motion of _____, seconded by _____, the above **RESOLUTION** was unanimously adopted.

This is 29th day of June 2020.

John F. Black, Jr., Mayor

Attest:

Town Clerk