

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
DECEMBER 7, 2020**

The Town of Valdese Town Council met on Monday, December 2, 2019, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor John F. “Chip” Black, Jr., Councilman Keith Ogle, Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, 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: Councilman J. Andrew Thompson

A quorum was present.

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

OPEN FORUM/PUBLIC COMMENT: None

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF NOVEMBER 2, 2020

RESOLUTION ADOPTING 2021 TOWN COUNCIL MEETING SCHEDULE:

**TOWN OF VALDESE
RESOLUTION ADOPTING 2021 TOWN COUNCIL MEETING SCHEDULE**

WHEREAS, pursuant to Section 2-1011 of the Town of Valdese Code of Ordinances, there shall be a regular meeting of the council at the town hall, on the first Monday in each month, at 6:00 p.m., unless another place, date or time shall be designated.

NOW, THEREFORE, BE IT RESOLVED that the Town of Valdese Town Council adopts the following Meeting Schedule for 2021:

January 4, 2021	
February 1, 2021	
March 1, 2021	
March 22, 2021	Annual Budget Retreat - Old Rock School - Waldensian Room Day 1: 9:00 a.m. – 5:00 p.m.
March 23, 2021	Annual Budget Retreat - Old Rock School - Waldensian Room Day 2: 1:00 p.m. – 5:00 p.m.
April 12, 2021	April 5 th is Easter Monday and break for Burke County Schools
April 19, 2021	Council Budget Workshop 1 Dinner Town Hall - Community Room, 6:00 p.m.
May 3, 2021	
May 24, 2021	Council Budget Workshop 2 (If needed) Town Hall – Community Room, 6:00 p.m.
June 7, 2021	
June 28, 2021	Budget Public Hearing; serves as the July Council Meeting
August 2, 2021	
September 7, 2021	Tuesday, due to Labor Day Holiday

October 4, 2021	
November 1, 2021	
November 9, 2021	Tuesday, Annual Dinner Meeting with Valdese Merchants Association Old Rock School - Waldensian Room, 6:30 p.m.
December 6, 2021	

This 7th day of December, 2020.

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

APPOINTMENTS/REAPPOINTMENTS TO BOARDS AND COMMISSIONS:

2021 Board and Commission Appointments/Reappointments

Arbor-Beautification (3-year terms)

Reappointment of Councilman Keith Ogle
Reappointment of Ronnie Pruitt

Parks and Recreation Commission (3-year terms)

Reappointment of Beth Heile
Reappointment of Grayson Turner
Reappointment of Donnie Edwards

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

Reappointment of Scott Watts

Public Art Commission (3-year terms)

Appointment of Sharon Bowman
Reappointment Gretchen Costner
Reappointment Linda Rostan
Reappointment Councilman Andy Thompson

Valdese Housing Authority (5-year term)

Appointment of Patricia Ribet Garrou

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

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

PRESENTATION OF SAFETY AWARDS: Safety Director Charlie Watts shared that the Safety Awards Program's goal is to recognize facilities, towns, and companies that go the extra mile to ensure their employees have a safe workplace. Each department has received an award from the North Carolina Department of Labor for 2019. Mr. Watts presented the following safety awards: Administration – 32nd consecutive year, Water – 3rd consecutive year, Wastewater – 4th consecutive year, Police – 1st consecutive year, Fire – 5th consecutive year, Community Affairs – 9th consecutive year, Public Works – 2nd consecutive year, and Parks & Recreation – 9th consecutive year.

PRESENTATION OF FISCAL YEAR ENDING JUNE 30, 2020 FINANCIAL UPDATE: Mr. Phil Church of Lowdermilk Church, & Co., informed Council that the highlight sheets had been provided and a final detailed report of the audit will be provided later. The Local Government Commission is behind this year. This year we had an A1 33 Audit because of the level of funding from the State regarding the new meter system. Mr. Phil Church reviewed the following highlight sheets:

TOWN OF VALDESE

Financial Highlights
Years Ended June 30, 2020 and 2019

General Fund (Includes Powell Bill Funds)	2020	2020	2019
	Summarized Budget		
Total assets		\$ 4,734,056	\$ 4,479,555
Fund balance		\$ 4,528,448	\$ 4,164,568
Fund balance - Reserved for Streets - Powell Bill (included in total fund balance)		\$ 9,107	\$ 57,421
Total revenue	\$ 4,933,980	\$ 5,043,110	\$ 5,428,003
Total expenditures	\$ 5,440,217	\$ 4,771,543	\$ 5,129,278
Revenues over (under) expenditures before other financing sources (uses)		\$ 271,567	\$ 298,725
Other income (expense)	\$ 506,237	\$ 92,313	\$ 1,699,790
Increase (decrease) in fund balance		\$ 363,880	\$ 1,998,515
Ad valorem taxes collected		\$ 2,220,386	\$ 2,015,158
Percent of taxes collected - current year levy		97.89%	96.32%
Investment income		\$ 89,543	\$ 63,668
Fund Balance Available			
Unassigned Fund Balance		<u>3,524,437</u>	<u>3,105,101</u>
Expenditures and other financing sources and uses		4,771,543	5,129,278
Unassigned Fund Balance Percentage		73.86%	60.54%

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

	2020	2019
Water and Sewer Fund		
Cash, cash equivalents and investments	\$ 829,467	\$ 811,332
Total assets	\$25,005,206	\$23,184,697
Net position	\$20,630,921	\$20,925,241
Operating revenue	\$ 4,947,109	\$ 4,968,903
Operating expenses	\$ 5,139,005	\$ 4,825,593
Operating income (loss)	\$ (191,895)	\$ 143,310
Nonoperating revenue (expenses)	\$ (177,114)	\$ (194,257)
Transfers (to) from	\$ (126,935)	\$ (387,000)
Capital Contributions	\$ 201,624	\$ 1,111,132
Change in net position, includes \$960,430 of depreciation expense 2020	\$ (294,320)	\$ 673,185
Accounts receivable - customers	\$ 561,937	\$ 552,754
Investment income	\$ 12,830	\$ 14,075
Days sales in accounts receivable	41.48	40.60
Fund Balance Available		
Unrestricted Fund Balance	<u>\$ 1,265,793</u>	<u>\$ 1,322,495</u>
Expenditures and other financing sources and uses	5,139,005	4,825,593
Unrestricted Fund Balance Percentage	24.63%	27.40%

December 7, 2020, MB#31

Town Manager Seth Eckard pointed out what a great job Kim Cline, Tax Collector, was doing collecting taxes. Mayor Black confirmed that once we get the Local Government Commission's approval and get the final hard copy of the report, Council will vote to approve.

APPROVED FY 20-21 AUDIT CONTRACT – LOWDERMILK CHURCH & CO., LLP: Finance Director Bo Weichel informed Council that the FY 2020-2021 audit contract was being presented in the amount of \$16,310. The fee does reflect a \$350 increase, but the contract price has not changed over the previous four years. Mayor Black asked Mr. Weichel if he was pleased with working with the auditors. Mr. Weichel has been pleased with the Lowdermilk Church & Co. team.

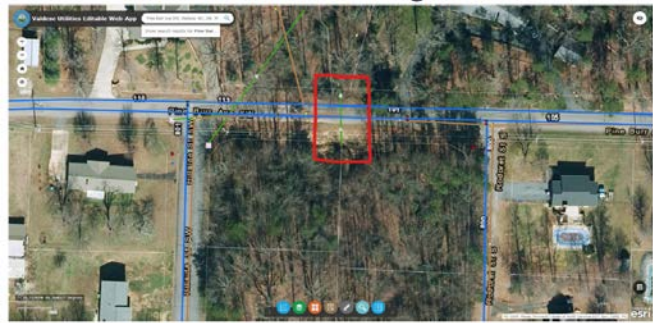
Councilman Ogle made a motion to approve the aforementioned contract for the FY 2020-2021, seconded by Councilwoman Stevenson. The vote was unanimous.

AWARD OF BID-ROAD CULVERT REPLACEMENT-PINEBURR AVE. SW: Public Service Director Greg Padgett presented Council with an informal bid for the road culvert replacement on Pineburr Ave. SW, which is between Rodoret St. South and Hillside. The following pictures were presented:

Aerial view of storm pipe location



Area of work showing utilities



Offset looking South on Pineburr

Erosion undercutting Pineburr(North side)



Mr. Padgett shared that the culvert is approximately 50 ft. in length but needs to be extended. Two of the culvert have dropped off due to erosion under two big poplar tree roots. Mr. Padgett shared that this task is something that the Town cannot do and feels that it is in the best interest to contract it. This would include removing the existing 24-inch RCP and the installation of 60 ft. of new 36-inch HDPE with bedding. Mr. Padgett recommends awarding the bid to the lowest bidder Max Prestwood Water and Sewer, Inc., in the amount of \$47,840. Mr. Padgett explained that this bid came in late, but since it was lower and he has worked with this company, he wanted to include it in the informal bid. The funds for this project will come out of the Utility Fund. Other bids were: Eggers Construction Co., \$91,597.50, Iron Mountain Construction Co., Inc., \$54,760, and Hickory Sand Co., Inc., \$51,760. Councilwoman Hildebran asked Town Attorney Marc Mitchell if we could award the bid to Max Prestwood since it came in late. Mr. Mitchell explained that it was an informal bid process, and it would be acceptable.

Councilman Ogle made a motion to approve the bid to Max Prestwood Water and Sewer, Inc., in the amount of \$47,840 for the road culvert replacement, seconded by Councilwoman Hildebran. The vote was unanimous.

APPROVED ADOPTION OF RESOLUTION TO LEASE NEW POLICE OPERATIONAL PROGRAMMING SYSTEM: Police Chief Jack Moss shared with Council that Burke County 911 Center currently houses the

December 7, 2020, MB#31

Central Square CAD/RMS system that Valdese, Morganton, Drexel, and Burke County Sherriff Department utilizes for daily operations. This system holds all of the police reports that are shared. Chief Moss explained that the system had been used since 2000. The company informed Burke County approximately eighteen months ago that they were no longer providing support for the current operating system. Chief Moss shared that each Police Department as a group looked at four different companies and decided upon Motorola Solutions. Motorola came in at a lower price with all the systems needed to operate. Chief Moss shared that staff recommends Council adopt the Resolution to enter into a five-year lease option with Motorola contingent upon Burke County's Board of Commissioners' approval at their December 2020 meeting. Finance Director Bo Weichel shared the payment schedule with the first payment beginning in December 2022.

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year					
	Date	Lease Payment	Interest	Principal	Balance
Lease	12/15/2020				\$73,918.00
Rate	12/15/2021		\$ -	\$ -	\$73,918.00
	12/15/2021	Rate: 2.83%		Compounding: Annual	
1	12/15/2022	\$ 19,805.16	\$ 2,091.88	\$ 17,713.28	\$56,204.72
2	12/15/2023	\$ 19,805.16	\$ 1,590.59	\$ 18,214.57	\$37,990.15
3	12/15/2024	\$ 19,805.16	\$ 1,075.12	\$ 18,730.04	\$19,260.11
4	12/15/2025	\$ 19,805.16	\$ 545.05	\$ 19,260.11	\$ -
Grand Totals		\$ 79,220.64	\$ 5,302.64	\$ 73,918.00	

CERTIFIED LESSEE RESOLUTION

At a duly called meeting of the Governing Body of the Lessee (as defined in the Lease) held on December _____, 2020, the following resolution was introduced and adopted.

BE IT RESOLVED by the Governing Board of Lessee as follows:

1. Determination of Need. The Governing Body of Lessee has determined that a true and very real need exists for the acquisition of the Equipment or other personal property described in the Lease between Town of Valdese (Lessee) and Motorola Solutions, Inc. (Lessor).
2. Approval and Authorization. The Governing body of Lessee has determined that the Lease, substantially in the form presented to this meeting, is in the best interests of the Lessee for the acquisition of such Equipment or other personal property, and the Governing Board hereby approves the entering into of the Lease by the Lessee and hereby designates and authorizes the following person(s) referenced in the Lease to execute and deliver the Lease on Lessee's behalf with such changes thereto as such person deems appropriate, and any related documents, including any escrow agreement, necessary to the consummation of the transactions contemplated by the Lease.
3. Adoption of Resolution. The signatures in the Lease from the designated individuals for the Governing Body of the Lessee evidence the adoption by the Governing Body of this Resolution.

December 7, 2020, MB#31

Councilwoman Stevenson made a motion to adopt the Resolution to enter into a lease agreement with Motorola Solutions, contingent upon Burke County's approval, seconded by Councilman Ogle. The vote was unanimous.

CAPITAL PROJECT ORDINANCE AMENDMENT: Finance Director Bo Weichel presented the following Capital Project Ordinance Amendment:

Valdese Town Council Meeting Monday, December 7, 2020

Capital Project Ordinance Amendment # 1-34

Subject: Lakeside Park Phase I

Description: To amend capital project ordinance Fund 34
The original CPO was approved at the November 4, 2019 meeting.
This amendment is to account for an additional \$100,000 private donation.

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the capital project ordinance for various capital projects funded from a variety of sources is hereby amended as follows.

Section I:

Revenues available to the Town to complete the projects are hereby amended as follows:

Account	Description	Decrease/ Debit	Increase/ Credit
34.3970.003	Donations		100,000
Total		\$0	\$100,000

Amounts appropriated for capital projects are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
34.6200.760	Construction	100,000	
Total		\$100,000	\$0

Section II:

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

Councilwoman Stevenson made a motion to approve the aforementioned capital project ordinance amendment, seconded by Councilman Ogle. The vote was unanimous.

BUDGET AMENDMENTS: Finance Director Bo Weichel presented the following Budget Amendments:

December 7, 2020, MB#31

Valdese Town Council Meeting

Monday, December 7, 2020

Budget Amendment # 3

Subject: Upgrades to Old Rock School

Description: The Town was gifted \$25,000 by the Rostan Foundation to be used at Rock School for the following improvements:
 - Remove and replace side door with ADA compliant features
 - Automatic door lock system for all entry doors
 - Upgrades to camera security system

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
10.3350.000	Donations		25,000
	Total	\$0	\$25,000

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.6250.740	Capital Outlay	25,000	
	Total	\$25,000	\$0

Section II:

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

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

Valdese Town Council Meeting

Monday, December 7, 2020

Budget Amendment # 4

Subject: Culvert replacement on Pineburr Ave SW

Description: Contract includes replacement of asphalt, shoring of the north and south side of Pineburr Ave. with stone, and general restoration to impacted work area.

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
30.3990.000	Fund Balance Appropriated		51,345
	Total	\$0	\$51,345

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
30.8120.740	Capital Outlay	51,345	
	Total	\$51,345	\$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.

Mr. Weichel presented the seconded budget amendment and made a change to reflect the change of the award of bid to the lowest bidder in the amount of \$47,840.

Councilman Ogle made a motion to approve the changed budget amendment to \$47,840, seconded by Councilwoman Stevenson. The vote was unanimous.

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

Visits from Santa was held on Saturday, December 5, 2020, at 10:00 a.m.

Christmas in Valdese with Christmas Tree Lighting was on Saturday, December 5, 2020, at the Old Rock School.

Downtown merchants are encouraged to decorate their storefronts, and the public will vote. Submissions are due by Monday, December 7, 2020, voting will start, Tuesday, December 8 - 11, 2020, and winners will be announced Monday, December 14, 2020.

Letters to Santa can be placed in the mailbox at the Old Rock School.

Submissions for the Home Holiday Decorating contest are due by Monday, December 7, 2020. Winners will be announced on Monday, December 14, 2020.

Story Time with Santa will be held on the Town of Valdese Facebook page on December 8, 10, 15, and 17 at 7:30 p.m.

Town Offices Will Be Closed December 24, 25 & 28, 2020, in observance of Christmas and January 1, 2021, for New Year's Day.

MAYOR AND COUNCIL COMMENTS:

Councilwoman Hildebran updated Council on the property located at 909 Main Street. Councilwoman Hildebran shared that an action to condemn the property is moving forward, and an order to demolish the house has been issued. It is scheduled to be advertised for demolition early next year. A couple has made an offer on the property that is being considered by the person who inherited the house. Councilwoman Hildebran explained that the clock would start over with the new owners if the offer was accepted.

Councilwoman Stevenson shared that she has received many positive comments on the Visit from Santa over the weekend. Mayor Black stated that he did as well but did have a suggestion from Citizens. The suggestion is to determine a time when Santa would be traveling through the neighborhoods.

ADJOURNMENT: At 6:48 p.m., there being no further business to come before Council, Councilman Ogle made a motion to adjourn, seconded by Councilwoman Hildebran. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, January 4, 2021, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

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