

**TOWN OF VALDESE
ANNUAL COUNCIL/DEPARTMENT HEAD BUDGET RETREAT
MONDAY, MARCH 23, 2020**

The Valdese Town Council met on Monday, March 23, 2020, 9:00 a.m., for the Annual Budget Retreat, Old Rock School, Waldensian Room, 400 Main Street West, Valdese, North Carolina. The following members were present: Mayor John F. “Chip” Black, Jr., Councilwoman Frances Hildebran, Councilman Keith Ogle, Councilwoman Susan Stevenson, Councilman J. Andrew Thompson, and Councilman Roy Sweezy. Also present: Town Manager Seth Eckard, Deputy Town Clerk Jessica Lail, and all Department Heads.

Absent: None

A quorum was present.

CALL TO ORDER At 9:00 a.m., Mayor Black opened the meeting and welcomed everyone. Mr. Black thanked Council and Department Heads for their hard work and willingness to meet during this difficult time.

Town Manager Seth Eckard gave an update on the different ways the town employees are responding to the COVID 19 pandemic.

FINANCE DEPARTMENT Finance Director Bo Weichel provided an overview of the Town’s revenues, debts, fund balance and budget challenges.

TOWN OF VALDESE Major Revenue Sources (General Fund)					
	Current Budget	Actuals (67% of Year)	% Collected	FY 20-21 Projection	Projected Increase (Decrease)
Investment Interest	60,000	67,890	113.2%	40,000	-33.3%
Current Ad Valorem Tax	1,980,102	1,980,563	100.0%	1,994,639	0.7%
Prior Year Ad Valorem Tax	61,954	41,701	67.3%	43,700	-29.5%
Motor Vehicle Tax	140,000	104,697	74.8%	162,000	15.7%
Utility Franchise Tax	457,000	229,129	50.1%	457,000	0.0%
Powell Bill	144,685	143,932	99.5%	144,500	-0.1%
Sales & Use Tax	1,163,145	819,186	70.4%	1,182,751	1.7%
Solid Waste Fees	3,000	2,548	84.9%	3,000	0.0%
Occupancy Tax	65,000	34,527	53.1%	60,000	-7.7%
Refuse Collection Fee	202,000	135,800	67.2%	202,000	0.0%
Recycle Fee	25,000	16,754	67.0%	25,000	0.0%

TOWN OF VALDESE Utility Fund Debt			
	FY 21-20 Debt Service	Balance Remaining	Years Remaining
Triple Community Water (TD Bank)	36,855	294,837	8
Inflow & Infiltration (SRF)	15,240	216,135	16
Church Street (SRF)	paid off	paid off	-
Waste Water Plant Upgrades (NCDENR)	154,115	154,115	1
Settings - Water & Sewer (USDA)	66,943	1,860,408	28
St Germaine Water Line (SRF)	8,626	163,885	19
Water Meter AMI (SRF)	84,952	1,699,039	20
2018 Water System Improvements (SRF)	19,940	398,805	20
TOTAL	386,671	4,787,224	
Debt Ratio	7.92%		

TOWN OF VALDESE General Fund Debt			
	FY 20-21 Debt Service	Balance Remaining	Years Remaining
Fire Engine (USDA)	26,908	107,632	4
Fire Ladder Truck (USDA)	52,761	949,698	18
Street Paving (BB&T)	paid off	paid off	-
Trucks & Equip-Street (BB&T)	53,743	53,743	1
Town Hall (USDA)	88,878	2,755,218	31
Splash Park (USDA)	19,483	740,354	38
Patrol Vehicles (BB&T)	18,471	92,351	5
Total	260,244	4,698,996	
Debt Ratio	4.46%		

TOWN OF VALDESE Refinance Options			
	Annual Debt Payment	Balance Remaining	Years Remaining
GENERAL FUND:			
Fire Ladder Truck (USDA)	52,761	949,698	18
Town Hall (USDA)	88,878	2,755,218	31
Splash Park (USDA)	19,483	740,354	38
Total of above	161,122	4,445,270	
Refinance (per LGC approval)	186,306	2,794,594	15
Difference	25,184	(1,650,676)	
WATER SEWER FUND:			
Settings - Water & Sewer (USDA)	66,943	1,860,408	28
Total of above	66,943	1,860,408	
Refinance (per LGC approval)	90,784	1,361,747	15
Difference	23,841	(498,661)	

2020 BUDGET CHALLENGES FOR VALDESE:

- STATE MANDATED 1.20% INCREASE TOWN PORTION OF RETIREMENT (WILL BE 10.24%)
 - EQUALS \$31,000 EXPENSE IN GENERAL FUND
 - EQUALS \$14,000 EXPENSE IN WATER SEWER FUND
- WORKERS COMP LOSS RATIO INCREASE DUE TO "0" YEAR DROPPING
- STANDARD BUDGET INFLATION / CONSUMER PRICE INDEX INCREASE AVERAGING AROUND 5% FROM VARIOUS VENDORS SUCH AS RECYCLING, FINANCIAL SOFTWARE, CENTURYLINK, DUKE ENERGY, SPECTRUM, ETC. HAS ADDED AN INCREASE OF \$44,476 ADDITIONAL EXPENSE IN GENERAL FUND ALONE.

2020 BUDGET CHALLENGES FOR VALDESE :

- GENERAL FUND:
 - RETIREMENT + INFLATION/CONTRACT EXPENSE CREATES (\$75,476) DEFICIT.
 - RECENT RESTRUCTURING, CURRENT PROPOSED BUDGET FIGURES
 - THIS FUND'S PROPOSED BUDGET WOULD BE **BALANCED**
- WATER SEWER FUND:
 - FOLLOWING THE RECOMMENDED RATE & CIP MODEL,
 - THIS FUND'S PROPOSED BUDGET WOULD REQUIRE A 0.6% OR \$25,000 FUND BALANCE APPROPRIATION TO CREATE A BALANCED BUDGET
- COLA? (1% = \$23,500 IN GENERAL & \$15,700 WATER SEWER)
- HEALTH INSURANCE? ABOVE FUND INFORMATION HAS 4% BUILT IN



PUBLIC WORKS Public Works Director Bryan Duckworth provided an overview of the Utility System Performance Report. Mr. Duckworth informed Council that the Public Works Department successfully made multiple water line replacements, and replaced two Transmission Line Valves. Mr. Duckworth discussed active and upcoming Utility projects. Mr. Duckworth ended his presentation with a Water Audit report. Here are a few slides from Mr. Duckworth's presentation.

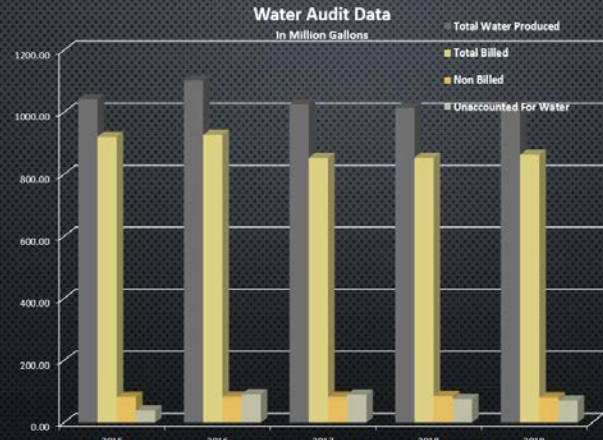
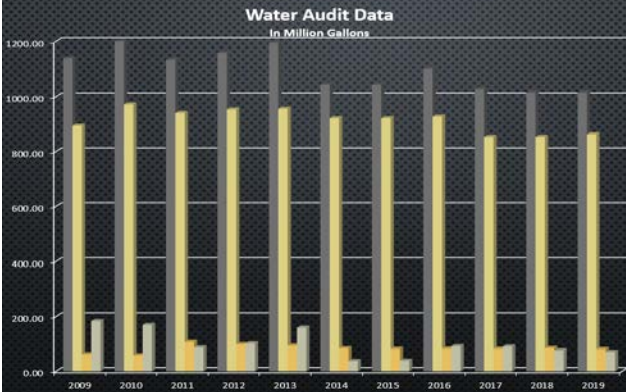
YEAR REVIEW UTILITY

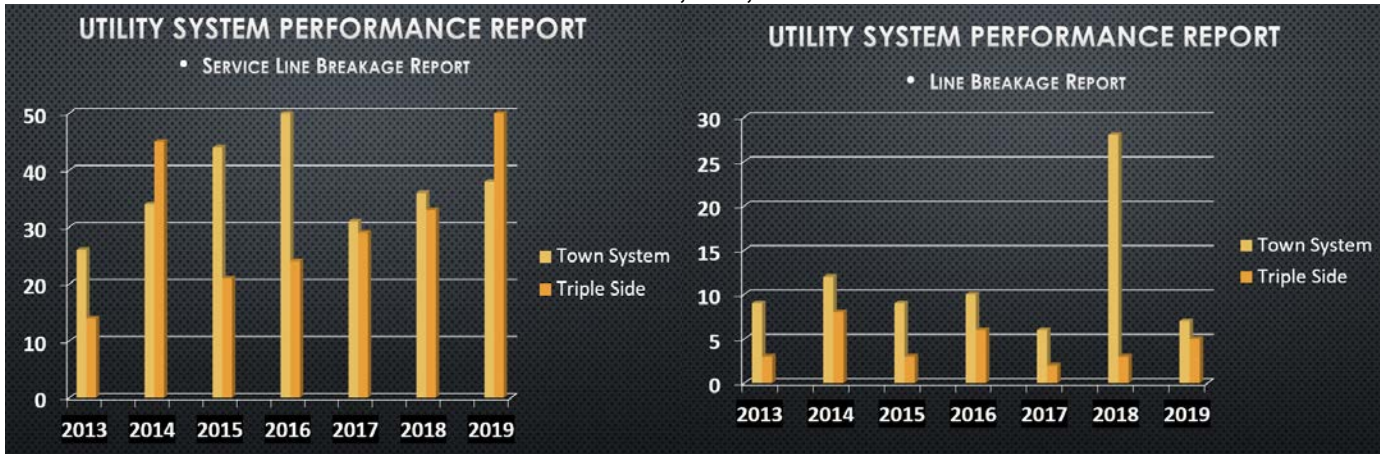
- WATER LINE REPLACEMENTS
- SAINT GERMAIN / RODORET S
- REPLACED (2) 24" TRANSMISSION LINE VALVES

ACTIVE / UPCOMING UTILITY

- ACTIVE
- AMI METER REPLACEMENT PROJECT
 - 2018 WATER SYSTEM IMPROVEMENT PROJECT
 - SCHEDULED – MAIN ST WATERLINE REPLACEMENT

UTILITY SYSTEM PERFORMANCE REPORT





UTILITY DEPARTMENTS Water Resources Director Greg Padgett provided a presentation on recent accomplishments at the Wastewater and Water Treatment Plants, identifying various projects that have been completed. R.J. Mozeley of McGill Associates provided updates on current projects and presented the Water Resources Capital Improvement Plan. Dale Schepers of McGill Associates provided an overview of the Water and Sewer Utility Fund Summary Financial Analysis and Funding Awards Summary. Here are a few slides from Mr. Padgett’s and McGill’s presentation.

WATER NUMBERS

- 5000 RESIDENTIAL METERS
- 188 COMMERCIAL METERS
- 27 INDUSTRIAL METERS
- 3 WHOLESALE CUSTOMERS
- PERMITTED FLOW: 12 MGD
- CALENDAR YEAR 2019: AVERAGED 2.8 MGD

WASTEWATER NUMBERS

- 1661 RESIDENTIAL CUSTOMERS
- 157 COMMERCIAL CUSTOMERS
- 12 INDUSTRIAL CUSTOMERS
- 3 WHOLESALE CUSTOMERS
- PERMITTED TO TREAT 7.5 MGD
- CALENDAR YEAR 2019: AVERAGED 2.1 MGD

DISTRIBUTION AND COLLECTION NUMBERS

- APPROXIMATELY 150 MILES OF WATER LINES
- SOME LINES NEAR 100 YEARS OLD
- AVERAGE WATER METER AGE 20 YEARS PLUS
- 50 MILES OF SEWER LINES
- LINES 50+ YEARS OLD

METER PROJECT

- THE TOWN IS UPGRADING FROM THE EXISTING DRIVE-BY (AMR) SYSTEM TO A FIXED AND REAL-TIME READING NETWORK, REFERRED TO AS ADVANCED METERING INFRASTRUCTURE (AMI).
- THE TOWN METERS WERE DUE TO BE REPLACED BECAUSE OF THEIR AGE. APPROXIMATELY 20+ YEARS OLD.
- THIS IS A TECHNOLOGY AND GREEN IMPROVEMENT. LESS CARBON EMISSIONS FROM DRIVE BY METER READING.

SUSTAINING THE UTILITIES

ONGOING AND FUTURE PROJECTS THAT FUNDS HAVE ALREADY BEEN ALLOCATED		Funding
Centrifuge (Backdrive Controls)	\$ 300,000	Utility Fund
Grit Removal System	\$ 1,000,000	Meridian Incentive Package
Water Plant Generator	\$ 1,000,000	Meridian Incentive Package
Multiple Water Line Replacements	\$ 1,200,000	OPM, and 0% Loan
Water Plant MCC (Motor Control Center)	\$ 845,000	25% Grant, 0% Loan
Main Street Waterline Replacement	\$ 2,782,950	\$1M OPM, \$1,782,950 0% Loan
Bleach Conversion (Water Plant)	\$ 658,300	\$164,575 Grant, \$493,725 0% Loan
Collection System Assessment	\$ 150,000	100% Grant
Distribution System Assessment	\$ 150,000	100% Grant
Meter Project	\$ 2,265,386	\$1.7M 0% Loan, \$566k Grant
	\$ 10,351,636	

Meridian Incentive Package: Town's total obligation/investment approximately \$250,000 plus tax incentives to Meridian

COMPLETED PROJECTS



Recent Accomplishments

- Scheduled Motor Fleet Replacement
- Triple District Water Line Replacement
 - Eastwood & New Eastwood
- Sewer Asset Inventory & Assessment Grant
- Maintenance Equipment Replacement

Dye Branch Sewer Protection Project

Projects in Progress

- Advanced Metering Infrastructure
- Water System Hydraulic Model
- WTP Electrical Upgrades
- WWTP Centrifuge Upgrades
- WTP Disinfection Conversion
- Main Street Water Line Replacement
- Water Asset Inventory & Assessment Grant

Water Distribution System Hydraulic Model

LUNCH At 12:00 noon, Mayor Black invited everyone to enjoy lunch by JD's Smokehouse. At 12:42 p.m., Mayor Black called the meeting back to order.

PUBLIC WORKS Public Works Director Bryan Duckworth informed Council that the Public Works Department successfully completed street improvements throughout the town and is currently finishing up the last one for this year, Ivy Lane. Mr. Duckworth shared the proposed Street paving list for 2021 and went over services provided by our General Services. Mr. Duckworth informed Council of a possible \$1.00 increase to the current Recycling program and gave an overview of the importance of proper recycling. Mr. Duckworth informed Council that a Cemetery Expansion would need to take place in the near future. Here are a few slides from Mr. Duckworth's presentation.

Services Provided

Business Model

PLANNING DEPARTMENT Planning Director Larry Johnson welcomed Council and provided an overview of past Code Enforcement work and asked Council if the new strategy of Code Enforcement is working now. Mr. Johnson introduced Ms. Alison Adams of WPCOG. Ms. Adams informed Council of the timeline of events that have occurred since the start of the contract. Ms. Adams shared the statistics from May 2019 to the current date.

Ms. Adams introduced the new Code Enforcement Officer, Todd Justice. Mr. Justice welcomed Council and gave a brief background of his work experience. Mr. Justice updated Council on the 11 active cases that he is currently working and

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highlighted a few properties that have been the most concern to many of our citizens. Mr. Justice explained the process of Code Enforcement and the five areas Code Enforcement covers for the town. Council discussed with WPCOG representatives the concern they have with some of the houses not being completed yet and informed WPCOG that the expectation had not been met from their contract.

Dustin Millsaps, Transportation Planning/GIS from WPCOG, introduced the online application that holds the code enforcement data. Mr. Millsaps gave a step-by-step presentation on how to use the application that allows Council to track the progress.

Planning Director Larry Johnson asked Council after hearing the WPCOGs presentation if Council is getting what wanted. Mr. Johnson is suggesting to move towards a more aggressive strategy to go into the Proactive contract. Mr. Johnson provided Council with a summary of zoning permits issued, subdivision updates, and housing developments for FY 19-20. Mr. Johnson also informed Council of the Planning Board agenda for 2020, which includes implementation of the "Valdese Vision" land use action plan, Central Business District expansion, creation of overlay zoning district called Downtown Business Corridor, Food trucks, parking requirements for residential uses, and clarification of zoning language. Here are a few slides from Mr. Johnson's presentation.

Timeline of Events

2019

- May 2019 - adopted ordinances and contract
- June 2019 - Meet and Greet with the Officer and began enforcement.
- July 2019 - added a second Code Enforcement Officer;
- July 2019 - GIS application created for Valdese, but not shared.
- November 2019 - GIS application shared with Town Manager
- December 2019 - personnel change (Brad/Patrick)

2020

- January 2020 - New GIS application created (improved version with search features)
- January/February 2020 - personnel change (Billy/Todd)
- February 2020 - Release of New GIS application to the Town, manager and council access.

Impact January 2020 – Current

- January 2020 to Current (Complaint only)
 - Abandoned Junk Motor Vehicles – 1
 - **Minimum** Residential Housing – 1
 - Non-residential Minimum – 2
 - Nuisance (includes trash and grass) – 7
 - Abandoned Manufactured Homes – 0
 - Total Cases requiring action – 11
 - Resolved Cases – 0
 - Abated (Town Money Spent to Resolve) – 0

Impact May 2019 – December 2019

- Statistics – May to December 2019 (Complaint Only)
 - Abandoned Junk Motor Vehicles – 11
 - **Minimum** Residential Housing – 2
 - Non-residential Minimum – 0
 - Nuisance (includes trash and grass) – 39
 - Abandoned Manufactured Homes – 7
 - Total Cases requiring action – 59
 - Resolved Cases – 59
 - Abated (Town Money Spent to Resolve) – 0
 - Total properties noted with violations – 135 in the system

PARKS & RECREATION Parks and Recreation Director Doug Knight shared an overview of the programs within the department and discussed various improvements made during FY 19-20. Mr. Knight informed Council of his CIP requests for FY 20-21. Mr. Knight shared with Council the vision for the Valdese Lakeside Park during FY 20-21, which includes several more amenities and a suspension bridge. Mr. Knight and Friends of the Valdese Rec will continue

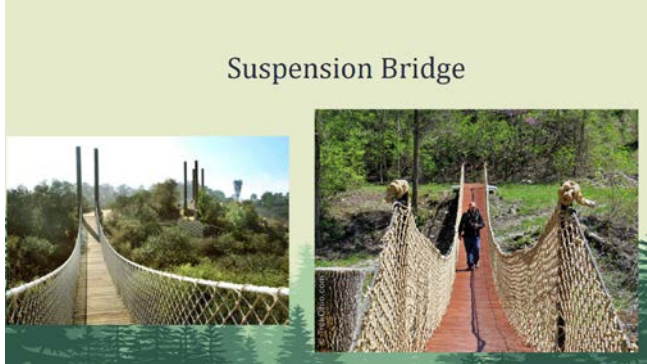
seeking grant funding based on a phased approach to the park, with no Town funds being spent on the project. Here are a few slides from Mr. Knight's presentation.

Bowling, Master's Swimming, Aquatic & Fitness Classes, Senior Activities



CIP requests

- Gymnasium remodeling
- Fitness Center equipment
- Security Cameras



COMMUNITY AFFAIRS Community Affairs Director Morrissa Angi summarized major events that were held in FY 19-20. Ms. Angi shared all the different promotional magazines/guides, where the Town of Valdese was featured. Ms. Angi informed Council of the many projects and renovations that Community Affairs completed this year. Ms. Angi highlighted the continued growth of the Town's social media presence. Ms. Angi presented a three-year CIP request to complete projects at the Teachers Cottage, downtown stage updates, and continued updates to the Old Rock School. Ms. Angi finished her presentation by announcing that the Old Rock School will celebrate its 100th birthday in 2022 and is already in the planning stages for special events. Here are a few slides from Ms. Angi's presentation.

Old Rock School Attendees & Events

- Attendees: 43,846
- Total events: 367
- Visitors: 1,843

Annual Town Sponsored Events - Downtown

63 Events in 2019

- Estimated Event Attendees - 48,900

E-Newsletter Subscribers - 5,086

- Approximate Major Event Attendance -
- Independence Day Celebration - 20,000
 - Waldensian Festival - 15,000
 - Summer Concert Series - 4,600
 - Treats in the Streets - 3,500
 - Concerts at the Rock - 1,600
 - Holiday Events - 4,200
- Social Media Response to events -
- SnapChat Filters - 12,300 views
 - Facebook - 10,700 | Reach 28,000
 - Instagram Followers - 1,400
- Annual Website Visits - 74,654
- Top Areas for Website Hits -
 - Morganton, Nashville, Charlotte
 - Top Interests -
 - Music Events, Recreation, Old Rock School

VALDESE NORTH CAROLINA

Photo Pick

1882 Valdese, North Carolina 2020

After Photo Coming Soon!

Annual Statistics

Community Affairs & Tourism

Budget Request Presentation FY 2020-2021

Revision of Vision Statement:

Settled in the foothills of the Blue Ridge Mountains entrenched in the spirit of the Waldenses, downtown Valdese, just off I-40 in Burke County, welcomes the entrepreneurial spirit to join the 15 new businesses that have opened since 2014. Downtown is forging the future as a safe, balanced, and family oriented third place center that is also devoted to the celebration of its culture, utilization of natural resources, and innovative thinking that guarantees a sustainable future for all people.

- Projects:
- Decades Book Fundraiser
 - Façade Grants
 - Relocation Packet - Internship Project

Main Street Update

Community Affairs & Tourism

Budget Request Presentation FY 2020-2021

POLICE DEPARTMENT Police Chief Jack Moss shared Police Department accomplishments for FY 19-20 and identified objectives for FY 2020-2021. Chief Moss thanked Public Works for all their help with updating two offices from water and mold damage. Chief Moss expressed his concern with the cracks in the brick in the Public Safety building. Chief Moss informed Council that the Police Department is fully staffed now, and they are working hard to rid the community from drugs and crime. Chief Moss explained that there would be more Speed Measurement Signs coming. Here are a few slides from Chief Moss presentation.

Budget Accomplishments 2019-2020

- Insurance replaced a patrol unit this budget year.
- Purchased three new patrol cars to initiate officer signed vehicles.

New Patrol Units:



Budget Accomplishments:

- Bimbo Bakeries is purchasing another Speed Measurement Sign.
- We replaced Taser.
- We updated two offices from water and mold damage.

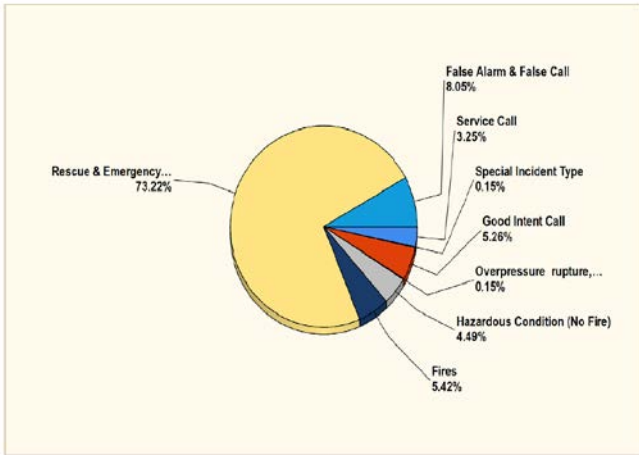
FIRE DEPARTMENT Fire Chief Greg Stafford shared departmental accomplishments, including the acquisition of Rescue UTV, the Junior Firefighter Program, and the Mingle with Kris Kringle event. Chief Stafford informed Council of all the existing programs the Fire Department is involved in. Mr. Stafford also provided an overview of calls and activities throughout FY 19-20 at the Fire Department. Mr. Stafford discussed upcoming purchases for FY 20-21 that will include rescue equipment that staff will have to become certified to use. Mr. Stafford expressed concerns with recruiting fire engineers. Mr. Stafford concluded with going over the many different certifications that the Fire Department employees currently hold. Here are a few slides from Chief Stafford's presentation.

OPERATIONS UTILIZING THE FIRE/RESCUE UTV



- Assisting with DHS Fire Academy Program
- Maintenance of all fire hydrants in the service district
- Fire prevention activities at the schools and daycares
- Total Fire Department Responses: **646**
 - **Fire - 182**
 - **Medical - 450**
 - **Fire and Medical - 14**

Miscellaneous Accomplishments



EXISTING PROGRAMS

- Assisting with DHS Fire Academy Program
- Junior Firefighter Program
- Maintenance of fire hydrants
- Safe Kids Program
- Smoke Detector Program
- Emergency Management/Hazard Mitigation
- Burke Co. Homeland Security Task Force
- Town of Valdese Workplace Safety Program

FINANCE DEPARTMENT Finance Director Bo Weichel closed the budget retreat with an overview and breakdown of the proposed General Fund CIP with a projected ten-year plan.

Town of Valdese - Summary of General Fund Capital Improvement Plan (CIP)

	Capital Budget 2020-21	Year 2 2021-22	Year 3 2022-23	Year 4 2023-24	Year 5 2024-25	Year 6 2025-26	Year 7 2026-27	Year 8 2027-28	Year 9 2028-29	Year 10 2029-30
Capital Expenditures by Department										
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	-	-	-	-	12,000
Police	41,000	33,000	66,000	85,000	36,000	36,000	36,000	39,000	36,000	53,000
Fire	54,000	23,200	56,000	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	120,000	55,000	23,000	25,000	75,000	25,000	-	17,000	10,000	-
Totals	757,500	494,200	242,000	414,500	691,000	191,500	242,000	541,000	725,000	1,062,000
Financing Sources										
Operating Revenues	281,099	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	301,401	(161,899)	(164,099)	8,401	320,000	(197,971)	(147,471)	151,529	(264,471)	167,529
Totals	757,500	494,200	242,000	414,500	691,000	191,500	242,000	541,000	725,000	1,062,000
Remaining	-	-	-	-	-	-	-	-	-	-
10 year Fund Balance Effect:	12,949									

GENERAL DISCUSSION None.

ADJOURNMENT – Mayor Black adjourned the meeting at 5:20 p.m.

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

Town Clerk

Mayor

jl