

**TOWN OF VALDESE
ANNUAL COUNCIL/DEPARTMENT HEAD BUDGET RETREAT
TUESDAY, MARCH 23, 2021**

The Valdese Town Council met on Tuesday, March 23, 2021, 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.

APPROVED RESOLUTION OPPOSING SENATE BILL 288 Mayor Black presented the following Resolution:

RESOLUTION OPPOSING SENATE BILL 288

WHEREAS, the Town of Valdese has become aware, through telephone contacts from individuals not in the legislature, that a “local bill”, designated Senate Bill 288, has been filed in the North Carolina General Assembly by Senator Warren Daniel, who represents all of Burke County; and

WHEREAS, Senate Bill 288 would amend the Charter of the Town of Valdese and the Charters of most other municipalities in Burke County, and it would amend the statutory authority of the Burke County Board of Education, by moving local elections of those municipalities and elections for the Burke County Board of Education from odd-numbered years to even-numbered years, beginning in 2024; and

WHEREAS, neither before nor after filing the bill has Senator Daniel contacted any elected officials of the Town of Valdese to seek their opinions or input about the bill; and

WHEREAS, the Town Council is not aware of any public outcry or demand for a change in local election dates, whether through open meeting comments, correspondence, newspaper or radio reports, social media platforms or otherwise; and

WHEREAS, for reasons unknown to the Town Council, Senate Bill 288 does not apply to two other municipalities—Longview and Rhodhiss—both of which are located partly in Burke County, so that if this bill should become law, the Burke County Board of Elections would still be required to conduct elections in those two towns during odd-numbered years; and

WHEREAS, although Sen. Daniel represents a district that includes not only Burke County, but also Avery and Caldwell Counties, no bill has been filed to change the election schedule in any towns in those other two counties; and

WHEREAS, elections for the Town Council have been held during odd-numbered years for at least 40 years, and there have been no problems related to the conduct of those elections resulting from those elections having been held in odd-numbered years; and

WHEREAS, if non-partisan local elections were moved to even-numbered years, the inevitable result would be for the candidates for local offices to become overshadowed by partisan State and Federal election contests; and

WHEREAS, if local elections were moved to even-numbered years, candidates for those offices would face significantly higher costs when purchasing advertising and materials to support their campaigns because of the much greater demand for advertising and materials generated by the many better funded candidates for State and Federal offices; and

WHEREAS, the Town Council recognizes that it is already difficult to persuade qualified and capable people to run for local office, and the Town Council is concerned that moving Town elections to even-numbered years, concurrent with partisan State and Federal elections, would tend to discourage citizens from running for Town offices; and

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WHEREAS, those individuals elected to Town offices in 2019 and 2021 were elected to 4-year terms of office; and

WHEREAS, Senate Bill 288 would automatically extend the terms of those elected officials for one year in order to move to even-numbered year elections, so that the voters of the Town of Valdese would be forced to accept that those elected officials would serve terms longer than the people voted for; and

WHEREAS, the members of the Town Council believe that no local bill that directly and significantly changes the Town of Valdese's municipal elections should be adopted unless and until that bill gains support from this elected body; and

WHEREAS, this Town Council has never formally discussed moving the Town of Valdese's elections to even-numbered years, and the Town of Valdese has not requested such a move; and

WHEREAS, the Town Council desires that the Town of Valdese's elections remain in odd-numbered years, and that the terms of elected officials currently serving remain at the four years to which those officials were elected.

NOW, THEREFORE, for the reasons stated above, the Town Council of the Town of Valdese in the strongest terms opposes Senate Bill 288 and urges the General Assembly to reject this bill.

Adopted, this ____ day of March, 2021.

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

ATTEST:

/s/ Town Clerk

Councilwoman Hildebran expressed her disappointment with not being informed about this from Senator Daniel and being rushed through. Mayor Black shared the process of when a local bill is introduced and explained that if Senator Daniel can get Representative Hugh Blackwell to support it, it will pass.

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

FINANCE DEPARTMENT Finance Director Bo Weichel provided an overview of the Town's fund balance, major revenues and projections, debt services, and budget challenges. Mr. Weichel shared that the total fund balance for last year was \$4,528,437 and reminded Council that this is the committed fund balance. The unassigned fund balance was in the amount of \$3,524,437, with a 73% fund balance percentage. Mr. Weichel feels that this is a healthy percentage and thanked everyone for their hard work. Mr. Weichel shared impacts for the New Year and explained one effect: the USDA annual reserve increase from \$16,112 to \$137,459. Mr. Weichel explained that we received unplanned revenues from COVID-19 funds and will see a decrease in revenues from the low numbers of Recreation Department memberships and canceled events due to COVID-19. Mr. Weichel shared that on the Water & Sewer side, the unrestricted balance was \$1,265,793 with 24% of expenditures and stated that we would need to keep an eye on percentages since it was a decrease from the prior year. Mr. Weichel went over the major revenue sources, and there was a brief discussion on the Recreation Membership numbers due to COVID-19. The general fund's operating debt ratio is 4.33%, and in the utility fund, debt is 7.83%. Mr. Weichel identified challenges for the upcoming year, with one being the increase of the Town portion of retirement moving from 10.23% to 11.43% that is state-mandated. Mr. Weichel ended the presentation by sharing the proposed ten-year Capital Improvement Plan.

FUND BALANCE

PURPOSE OF FUND BALANCE

- PREVENT SHORT-TERM BORROWING
- RESERVE FOR EMERGENCIES, UNFORESEEN EVENTS, OR UNEXPECTED OPPORTUNITIES
- INCREASE AVAILABLE FUNDS FOR INVESTMENT
- AVOIDS LGC WARNING LETTERS
(WARNING WHEN FB IS LESS THAN 50% OF AVERAGE FOR SIMILAR SIZED NC UNITS)

GENERAL FUND

WHERE DID WE END LAST YEAR ON JUNE 30TH?

- TOTAL FUND BALANCE WAS \$ 4,528,437
- UNASSIGNED FUND BALANCE WAS \$ 3,524,437
- FUND BALANCE PERCENTAGE 73% OF EXPENDITURES
- INCREASE FROM PRIOR YEAR OF \$ 419,336 OR 13% OF EXPENDITURES

WHAT WILL IMPACT FUND BALANCE SO FAR THIS YEAR?

- USDA ANNUAL RESERVE INCREASE OF \$16,112 TO \$137,459 (COMMITTED)
- FUND BALANCE APPROPRIATIONS \$16,220 (RADAR SPEED SIGN & PARK REPAIRS)
- UNPLANNED REVENUE (COVID FUNDS, SALES TAX)
- UNREALIZED REVENUE (REC MEMBERSHIPS, EVENTS)

WATER & SEWER FUND

WHERE DID WE END LAST YEAR ON JUNE 30TH?

- UNRESTRICTED WAS \$ 1,265,793
- FUND BALANCE PERCENTAGE 24% OF EXPENDITURES
- DECREASE FROM PRIOR YEAR \$ 56,702 OR 3%

WHAT WILL IMPACT FUND BALANCE SO FAR THIS YEAR?

- CAPITAL ITEMS/PROJECTS APPROVED IN CIP MODEL (FEE/MATCHES) \$ 20,911
- FUND BALANCE APPROPRIATIONS \$ 89,734 (PINEBURR CULVERT, RODERET LINE)

REVENUES

DEBT

TOWN OF VALDESE

Major Revenue Sources (General Fund)

	Current Budget	Actuals (67% of Year)	% Collected	FY 21-22 Projection	Projected Increase (Decrease)
Current Ad Valorem Tax	2,047,557	2,018,184	98.6%	2,046,729	0.0%
Motor Vehicle Tax	162,000	128,502	79.3%	180,000	11.1%
Utility Franchise Tax	457,000	221,962	48.6%	457,000	0.0%
Powell Bill	144,500	135,606	93.8%	144,500	0.0%
Sales & Use Tax	1,064,476	879,321	82.6%	1,225,000	15.1%
Refuse Collection Fee	202,000	137,355	68.0%	202,000	0.0%
Recycle Fee	44,200	29,979	67.8%	44,200	0.0%
Recreation Memberships	176,250	27,404	15.5%	141,000	-20.0%

TOWN OF VALDESE

General Fund Debt

	Annual Payment	Balance Remaining	Years Remaining
Fire Engine (USDA)	26,908	80,724	3
Fire Ladder Truck (USDA)	52,761	896,937	17
Trucks & Equip-Street (BB&T)	was 53,743	paid off	-
Trucks & Equip-Street (new)	53,743	268,715	5
Town Hall (USDA)	88,878	2,666,340	30
Splash Park (USDA)	19,483	720,871	37
Patrol Vehicles (BB&T)	18,471	73,880	4
Total	260,244	4,707,467	
Operating Debt Ratio	4.33%		

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TOWN OF VALDESE			
Utility Fund Debt			
	Annual Payment	Balance Remaining	Years Remaining
Triple Community Water (TD Bank)	was 36,855	paid off	-
Inflow & Infiltration (SRF)	15,009	200,894	15
Waste Water Plant Upgrades (NCDENR)	was 154,115	paid off	-
Settings – Water & Sewer (USDA)	67,050	1,793,465	27
St Germaine Water Line (SRF)	8,626	155,259	18
Water Meter AMI (SRF)	84,952	1,699,039	20
2018 Water System Improvements (SRF)	23,327	443,220	19
Main St. Waterline Replacement (SRF)	85,444	1,708,886	20
Bleach Conversion-Water Plant (SRF)	35,920	718,398	20
2022 Vehicles (new)	25,600	128,000	5
IA Building Rehab	31,000	155,000	5
TOTAL	376,928	4,291,877	
Debt Ratio	7.83%		

2020 BUDGET CHALLENGES FOR VALDESE:

BUDGET CHALLENGES

- STATE MANDATED 1.20% INCREASE TOWN PORTION OF RETIREMENT (WILL BE 11.43%)
 - INCREASE OF \$26,231 EXPENSE IN **GENERAL FUND**
 - INCREASE OF \$13,497 EXPENSE IN **WATER SEWER FUND**
 - COLA? (2% = \$47,198 IN GENERAL & \$25,413 WATER SEWER)
 - HEALTH INSURANCE? EXPECTING 4% - 5% MORE FOR CURRENT BCBS PLAN.
 - COVID RECOVERY RATE UNKNOWN...FULL OPERATIONS FOR REVENUE/EXPENSE?
 - STANDARD PRICE INCREASES / CONSUMER PRICE INDEX INCREASES FROM VARIOUS VENDORS SUCH AS TRASH/RECYCLING, SOFTWARE/IT, SERVICES, & MATERIALS.
- EXPENSES INCREASE (OUT OF OUR CONTROL) > INCREASE OF REVENUE

POLICE DEPARTMENT Police Chief Jack Moss shared Police Department accomplishments for FY 20-21 and identified objectives for FY 2021-2022. Chief Moss shared with Council the idea of a new position in the Police Department. This new position would be a pro-active Code Enforcement/Animal Control Officer. Chief Moss feels that 70% of the position would go towards Code Enforcement and 30% would go towards Animal Control. Town Manager Seth Eckard explained to Council that we are two months away from renewing our Code Enforcement contract with the WPCOG, which would be a good time to transition. Mr. Eckard recommends not renewing the WPCOG Code Enforcement and the Planning Technical Assistance contract. That money would go towards the salary for the full-time new position. Mr. Eckard identified the pros for making this change. Mr. Eckard would like to open this position up to a non-sworn or a sworn officer. Chief Moss prefers a sworn officer. Councilman Ogle suggests hiring a full-time Code Enforcement officer without Animal Control, at first, which reports to the Planning Department. Finance Director Bo Weichel shared that we do not have a second vehicle in the budget to support a Code Enforcement position and Animal Control separately. Councilwoman Hildebran asked how taking the WPCOG Technical Assistants away from the Planning Department would affect the service. Planning Director Larry Johnson explained that we have always had a relationship with WPCOG and feels a need for Code Enforcement and supports taking away the Technical Assistance contract.

Budget Accomplishments 2020-2021

- Officer take-home patrol unit established for all officers.
- Stayed in the Top 10 safe cities.
- Initiated contract with Motorola to upgrade Police/Fire reporting and computer automated dispatch system.
- Purchased additional Mobile Data Computers (MDT's) for new patrol units.

Accomplishments Continued:

- The department is at full staff and has been working extremely hard to rid our community of drugs and crime.
- Responded to 2284 calls for service (2,449 for 2019-2020)
- Initiated 10,036 CAD reported incidents (13,592 for 2019-2020)
- Traffic accidents as reported were 107, from March 1, 2020, to February 14, 2021. The previous year was 129.

Budget needs 2021-2022:

- Animal Control/Code Enforcement has been asked to be moved under the supervision of the police department.
- This reallocated position will transition the employee from a reactive role to a proactive role.
- Breaking down the job duties regulates the Officer to spend an estimated 30% on animal control and 70% on code enforcement.
- These percentages will vary from year to year as many animal control concerns will be alleviated while on patrol.

Budget needs continued:

- The officer will not be used as a shift officer. The only outside duties will be town-sponsored events.
- I believe within a year this officer could alleviate most of the general complaints issued.
- I will need direction from the Council and Manager as to how stringent we will be in enforcing abatement of property and removal of items from a property in violation of city codes.
- Officer will be required to attend monthly council meetings to address any concerns council members have.

Accomplishments continued:

- Purchased new Traffic Radar for Laurel Rd.
- Initiated more community watch programs.
- Upgraded In-Car video systems.
- We have been fortunate that we have only had a few absentees due to the COVID 19 pandemic.
- We updated our two desktops and two laptops.

Accomplishments Continued:

- Issued 22 written warnings (68 last year) and gave 206 verbal warnings (354 last year).
- 176 arrests (239 last year)
- Issued 305 traffic citations (603 last year)
- This budget year has seen many challenges for our department. Our personnel have taken on more responsibilities and met these challenges head-on and will continue to improve our community's safety.

Budget needs continued:

- Proactive code enforcement will be the main focus of this position. (ex. Junk cars, lawn care issues, trash, general code violations)
- Considering the number of complaints in hand and new complaints issued, the officer will need time to prioritize the complaints and work towards solving the issues.
- The officer will work Monday – Friday, 8 am to 5 pm, with the ability to change his/her schedule as needed to fulfill their duties.

Budget needs continued:

- Officer will be required to submit a weekly log of animal and code enforcement actions along with any updates from previous weeks.
- The animal control vehicle, currently at Public Works, will be transferred to the Police Department fleet for use as the Code/Animal Control patrol unit.
- This position would also overlap this current budget year by two months. This would allow for transition training for the new Officer to start the new budget year readily trained.
- Officer will be under the direct supervision of the Chief of Police.

Budget Needs 2021-2022:

- One patrol unit will need replacing this year.
- Animal Control/Code Enforcement vehicle will need police equipment installed. (Viper radio, emergency lighting, computer, and decaling).
- With the loss of our install mechanic, we will be using a company out of Statesville. (Retired North Carolina Highway Patrol Officer)
- Salaries are very competitive with area departments. We need to continue to stay competitive.
- Replace 5 laptops and add an additional laptop if the Animal Control/Code Enforcement position is approved.

Conclusion:

- Our department will continue to stress the benefits of training to better equip today's Officers in facing new challenges.
- We will continue to aggressively pursue criminals that commit crimes in our city and follow through with their criminal prosecutions. We will emphasize public awareness and public education to complement the enforcement of motor vehicle laws to make the streets of Valdese safer.
- I will continue to meet with the merchants and community organizations to hear their concerns, keep them informed as to how we may be of service, and provide them with information to help protect themselves and their property.
- Our objective is to be a department of more community-related Officers and make Valdese a safe place to raise a family and operate a business where law enforcement is seen as part of, and respected by, the community.
- Our desires are that the Town will respect its law enforcement Officers, as the Officers will respect and honor all citizens by protecting and serving them as we uphold our oaths of office.

PLANNING DEPARTMENT Planning Director Larry Johnson provided an overview of zoning permits, housing development updates, and items the Planning Board is currently working on. Mr. Johnson shared that he is currently working on a major recodification of Chapter 160D (Planning and Development), due by July 1, 2021. This is a requirement from the General Assembly.

OVERVIEW

• Year 2020 Zoning Permits Overview

• Housing Development Updates

• Planning Board Agenda

- Accessory
(11) \$93,500.00
- Boat Dock
(6) \$162,900.00
- Commercial Addition
(4) \$1,409,000.00
- Commercial
(8) \$119,000.00
- Demolition
(1) \$128,000.00

Zoning Permits issued 2020

55

Permit Value
\$4,800,390.00

- New Construction Site-Built
(8) \$2,526,040.00
- Residential Addition
(7) \$97,000.00
- Residential Renovation
(4) \$222,000.00
- Signage
(3) \$4,400.00

WARD BREAKDOWN

- Well/Wastewater/Septic Tank
(8) \$3,250.00
- Other
(2) \$300.00

○ Ward 1 (Thompson)	26 Permits	\$3,279,765.00
○ Ward 2 (Stevenson)	16 Permits	\$ 915,475.00
○ Ward 3 (Sweezy)	6 Permits	\$ 502,300.00
○ Ward 4 (Hildebran)	5 Permits	\$ 38,850.00
○ Ward 5 (Ogle)	2 Permits	\$ 64,000.00

YEAR COMPARISON

<u>2019</u>		<u>2020</u>
41	Permits	55
\$5,263,571.00	Value	\$4,800,390.00
11	New Construction Residential	8

HOUSING DEVELOPMENT UPDATES

LAKE FRONT SUBDIVISIONS

- Lake Rhodhiss Estates
- Lake Vistas Phase I and 2
- Waterside
- McGalliard Pointe
- Island Pointe Shores

Lake Rhodhiss Estates
(The Settings)
2008

210 Lots
2 Houses Occupied
2 Houses under construction

**Lake Vistas Phase I & II
2012**

72 Lots
8 Homes Occupied

**Waterside
2013**

124 Lots
16 Houses Occupied
1 House Under Construction
5 - House Plans under Review

**McGalliard Pointe
2015**

5 Lots
1 House Occupied

**Island Pointe Shores at Lake Vistas
2018**

48 Lots
5 Houses Occupied
1 House Under Consideration

WATERFRONT TOTALS

459 Subdivision Lots

**36 House Occupied/Under
Construction**

2 Permits issued in 2021

5 House Plans under review in Waterside

HOUSING PROJECTS?

- Pine Crossing (66 Unit Affordable Housing Plan Unit Development) Plans under review; land closing slated for March 24; Construction likely to begin in Summer 2021
- Edelweiss Subdivision (19 Lots) In final construction phase; street paving slated for April; Beginning construction of first model home within two months
- Williams Subdivision - Property to be annexed; propose to construction 1,100 to 1,300 sf homes on 21.46 parcel located on Laurel and Meytre.

◎CDBG Scattered Site Program

- Award Fall 2019
- CDBG Funds Awarded \$350,000.00
- Town Commitment \$25,000.00
- Identified 12 Homes for Rehabilitation
- Total Expended or Committed \$312,150.00 (Inspections, lead Paint Testing, Administration, Rehabilitation
- COVID
- Two original Applicants passed before assistance
- Building material and Labor Cost increases of 35 percent or higher

- 1 House Complete
- 2 Houses under Construction/Rehabilitation
- 3 Houses under contract for Construction/Rehabilitation
Will not be able to complete Scattered Site Program with CDBG funding
- *State rejected request for additional Funding*
- *Program Administrator Lisa Helton seeking additional funding sources for remaining applicants*

PLANNING BOARD 2021 AGENDA

North Caroling G.S. Chapter 160D

General Assembly requiring ALL units of governments to comply with requirement of Chapter 160D (Planning and Development Regulations)by July 1, 2021.

Chapter 160D of the General Statutes is the first major recodification of City and County Planning and Development regulations in decades. The attempted impact through this effort is to provide clearer language, efficient regulations and structure to City and County regulations.

160D CONT.

Changes or amendments range from:

- Definitions - No Conditional Use (Special)
- Board Standards (conflict of Interest)
- Land Use Administration (digital, paper maps retention)
- Enforcement - procedures outlined for NOV's
- Development Agreements - align Performance Guarantee requirements with statutory standards
- Comprehensive or Land Use Plans adoption by July 1, 2022
- Quasi-Judicial Decisions - must follow statutory requirements in decisions i.e. variances, special use permits, appeals
- Town Council or BOA for Conditional or Special Permits?

PLANNING BOARD 2021 AGENDA CONT.

Food Trucks

To be submitted to Town Council following review of proposals by Town Attorney.

- Recommendation to allow food trucks on private property
- Not allowed in street right-of-way or town owned property
- Town sponsored events exempted from policy

Commercial Districts

- ◎ Rewrite of permitted uses and standards in the B-1 Central Business and B-2 General Business commercial zoning districts, creating new district, DBC-Downtown Business Corridor

PLANNING

BUDGET 2021-2022

No expected increase from
2020-2021 Fiscal Year

FIRE DEPARTMENT Fire Chief Greg Stafford shared departmental accomplishments, including acquiring a fire prevention replacement vehicle and the Junior Firefighter Program. There are currently four juniors between the ages 14-18 years old. Chief Stafford also provided an overview of calls and activities throughout FY 20-21 at the Fire Department. Chief Stafford discussed upcoming purchases for FY 21-22, including rescue equipment and a thermal imaging camera. Chief Stafford informed Council of all the existing programs the Fire Department is involved in.



2020-2021 Accomplishments



Fire Prevention Replacement Vehicle

USES

- Fire inspections and education
- Training
- Pull UTV and Safe Kids trailers
- Medical responses
- Mutual aid responses

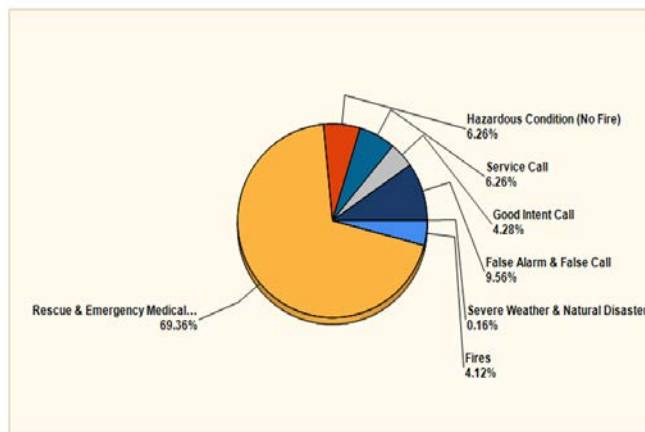
Fire Prevention Replacement Vehicle



Junior Firefighter Program

- Total training hours: **2,996**
- Fire Inspections: **62** Violations: **644**
- Maintenance of all fire hydrants in the service district
- Total Fire Department Responses: **607**
 - **Fire** – **183**
 - **Medical** - **400**
 - **Fire** and **Medical** – **24**

Miscellaneous Accomplishments



- 17 requests to check detectors
- 32 detectors checked. 19 non-functional (59%)
- 25 new detectors installed



Smoke Detector Program

- Registered Permanent Checking Station
- 57 child restraints checked at VFD in 2020
- Part of Safe Kids Burke County Coalition
- Assisted with 1 seat check event.
- 62 hours total hours



Safe Kids Program



2021-2022 Objectives

- Rescue Cutter: \$9,000



- Rescue Spreader: \$10,000



- Rescue Ram: \$7,200



Rescue

EXISTING PROGRAMS



Thermal Imaging Camera: \$6,000

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

Councilwoman Hildebran thanked Chief Stafford on the great job he has done with taking over the role of Chief.

PARKS & RECREATION Parks and Recreation Director Doug Knight shared an overview of the revenues going back to FY15-16. Mr. Knight shared that the Recreation Department is above the national average. Mr. Knight explained that COVID-19 has affected revenues and feels encouraged that it will get better as the Governor opens up the state. Mr. Knight is hopeful that he will be able to open up the pool bubble this year. Mr. Knight shared budget highlights and CIP projects for FY21-22, including updating the gymnasium, resurfacing tennis courts, and replacing some pool equipment. Mr. Knight shared an idea of closing the Community Center on Sundays, except for scheduled pool parties. Council encouraged the Recreation's communication to the public on all changes. Mr. Knight would like to increase the hourly rate for lifeguards to be more competitive, and the Council agreed due to their responsibilities. Mr. Knight ended with a brief discussion on the Lakeside Park progress.

* Revenues as a Percentage of Operating Expenditures (Cost Recovery)						
Budget Year	Budgeted Revenues	Budgeted Expenditures	% Ratio	Actual Revenues	Actual Expenditures	% Ratio
*21-22	\$266,305	\$804,308	33.1%			#DIV/0!
*20-21	\$324,350	\$852,030	38.1%	\$69,057	\$448,580	15.4%
*19-20	\$318,500	\$826,905	38.5%	\$229,006	\$785,818	29.1%
18-19	\$303,200	\$835,103	36.3%	\$315,664	\$925,914	34.1%
17-18	\$313,500	\$825,745	38.0%	\$305,326	\$1,118,661	27.3%
16-17	\$268,200	\$762,749	35.2%	\$289,956	\$980,888	29.6%
15-16	\$259,000	\$760,406	34.1%	\$251,658	\$842,877	29.9%
Budgeted Revenues compared to Budgeted Expenditures				Actual Revenues compared to Actual Expenditures		
*Budget number does not include CIP projects				*Projects and emergency spending included		

* COVID affected budgets 19-20, 20-21, 21-22 (20-21 through 3/15/21)

* Median for ALL Agencies - 25.9%,

* Median for Population of Less than 20,000 - 29.4%

21-22 Budget Highlights

- Reduced Expenditures & Revenues
- No Sunday Community Center hours, except for scheduled Pool Parties
- Close Center at 8:30 pm
- Adjust Lifeguard hourly rate to make us competitive with surrounding pools.

21-22 CIP Projects

- Gymnasium Project
- Pool Equipment Room
- Tennis Courts

Present Gymnasium & Lobby



Gymnasium Remodeling Project in memory of Wayne Owens



Replace Pumps and Piping in Pool Equipment Room



Tennis Court Repair and Resurface



LUNCH At 12:15 pm, Mayor Black invited everyone to enjoy lunch by JD's Smokehouse. At 1:10 p.m., Mayor Black called the meeting back to order.

COMMUNITY AFFAIRS Community Affairs Director Morrissa Angi shared all the promotions, magazines, and guides created to promote Valdese. Ms. Angi shared the annual statistics showing a decline in events, visitors, and Old Rock School attendees due to COVID-19. Ms. Angi shared all the different virtual events and activities different this year due to the pandemic. Ms. Angi informed Council of the many projects and renovations that Community Affairs completed this year. Ms. Angi updated Council on Community Affairs CIP for the next three years. Ms. Angi finished her presentation by announcing that the Old Rock School will celebrate its 100th birthday in 2022-2023 and is already in the planning stages for special events in 2023. Ms. Angi shared an idea of creating a front lawn at the Old Rock School for future events. There was a brief discussion on financial support for the Old Colony Players, which will be discussed more in the future.

Promotions
Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022

- Blue Ridge Country
- Burke Navigator
- Our State Magazine
- Blue Ridge Towns & Trails
- Burke County Chamber
- Smoky Mountain Living
- WNC Magazine

Promotions: Visitor Guide & Brochures
Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022

Promotions: \$10,000 Grant
Visit NC Marketing Credit Program
Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022

Promotions: WRAL Segment – Out & About
Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022

- 45,000 Raleigh area households
- 20 county market
- 300k website visits unique to the segment
- Only Google, Facebook, and YouTube draw more unique visitors in NC than WRAL.com
- Segment featured: Waldensian Heritage Museum, The Levee, Valdese Lakeside Park
- On TOV Facebook – 25,530 People Reached & 3,668 Engagements

Community Support: Websites
Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022

- downtownvaldese.com
 - Listing for each Valdese Business
 - Link to their websites/social media
 - Various shop local promotions
- oldcolonyplayers.com
 - Created content, design, format
 - Created shared access to the site for GM to make necessary edits & additions
- waldensianheritagemuseum.com
 - Worked with museum director to create format, layouts, content, photography to showcase the museum digitally
 - Trained museum director on how to manage the site with minimal assistance

2019

Annual Town Sponsored Events - Downtown	63 Events in 2019
Estimated Event Attendees	48,900
Old Rock School Attendees & Events	Attendees: 32,846
Total events	425
Visitors	1,843

2020

Annual Town Sponsored Events - Downtown	8 Events in 2020
Estimated Event Attendees	3,000
Old Rock School Attendees & Events	Attendees: 8,012
Total events	194
Visitors	358

Approximate Major Event Attendance -

- Independence Day Celebration – Cancelled
- Waldensian Festival – Cancelled - Virtual Events
- Summer Concert Series – Cancelled
- Treats in the Streets – 600 – Drive Thru Event
- Concerts at the Rock – Postponed to 2021-2022
- Holiday Events – Cancelled – Drive Thru & Virtual Events

Social Media -

- Facebook – 11,786 | Reach 112,623
- Instagram Followers – 1,548
- Twitter – 669

Annual Website Visits – 62,205

- Top Areas for Website Hits – Morganton, Nashville, Charlotte
- Top Interests - Music Events, Recreation, Old Rock School

E-Newsletter Subscribers – 5,722 (Increase of 5,086 since 2019)

Annual Statistics

Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022

- DOWNTOWN EVENTS & OTHERS**
- Thank you video - COVID-19
 - 3,783 views & 566 engagements
- WALDENSIAN FESTIVAL VIRTUAL EVENTS**
- Glorious Return Shop Hop
 - Where's Waldo Scavenger Hunt
- SMALL BUSINESS SATURDAY**
- HOLIDAY EVENTS**
- Furriocious Halloween Costume Contest (Pet)
 - Treats Thru the Streets
 - 5 Town Departments, 14 Merchants, 3 Attractions
 - Santa Tour through town
 - Santa Letters over 200 returned
 - Home Decorating Contest
 - Merchant Window Decorating Contest
 - Virtual Story-time with Santa
 - Valentine's Day Promotion Videos & Advertisements
 - Created Shop Local Promo = 6,773 People Reached
 - Created ads for more than 20 businesses
 - All ads were boosted through social media
- Lucky Leprechaun Hunt**
- 230 Created & Hidden – 230+ found!

Events
Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022

Community Support & Outreach
Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022

- Sanitation Calendars
- WaterSmart Program
- Rec Promotions
- Shop Small Promotions
- COVID-19 Resource Page
- Business & Public

March 23, 2021, MB#31



- Flooring Replaced – Luxury Vinyl Tile
- New Roof – Architectural Shingles
- Guttering Replaced
- Painted
- New Lockable Metal Cabinets for Meals on Wheels

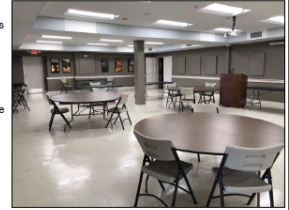
Completed CIP Projects: Teachers Cottage

Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022



Donations from Rostan Family Foundation: \$35,000

- Insulate ceiling to increase sound proofing between floors
- Remove drop ceiling & install drywall
- Create & install sound panels
- Wall repair & paint throughout
- Addition of electrical outlets to columns
- Photography Installation
- Custom Podium
- Ice machine
- Microwave
- New baseboard in kitchen
- Convert lobby into area meeting
- Replace lobby carpet with matching tile
- New furnishings & art installations



Renovation Projects: Waldensian Room

Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022

Misc. Repair Projects: Operating Budget Funds

- Humidistat Installed
- Rear soffit replaced & additional gutters installed to prevent future damage
- Teachers Cottage duct work repaired
- All public areas of the ORS painted by staff
 - Classrooms, Hallways, Lobby, Stairwells, Kitchen, Side Rooms
- ORS Main Lobby drop ceiling replaced
 - Removed Drop Ceiling from 80's
- Window casing replaced in front lobby by staff

Rostan Family Foundation Donation: \$25,000

- Installation of 8 additional security cameras with 32 channel system
- Entire ORS building rekeyed with new master lock system
- Side entrance door to be replaced with ADA opener

Historic Valdese Foundation

- Kiosk & Directory for Visitors - \$2,500 donation to Old Rock School

Capital Budget		Year 2		Year 3	
2021-2022		2022-2023		2023-2024	
Item	Amount	Item	Amount	Item	Amount
Replace Stage Lighting Phase One – June 2022	81,000	Replace Stage Lighting Phase Two – July 2022	55,000	Replace Clock Tower Controls	13,000
				Clock Tower Stucco Repairs	10,000

Renovation & Repair Projects

Community Affairs & Tourism
Budget Retreat Presentation FY 2020-2021

CIP – 3 Year Plan

Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022

Stage Lighting System

The current lighting system is over 30 years old and part of the system was in used condition when it was first installed. We are having numerous complications with the dimmer rack system. At this time, one dimmer rack is no longer functional – which limits the amount of lighting effects possible for productions.

Turn-key cost estimates have been generated from Barbizon Lighting Company who specializes in theatre lighting applications. With the replacement of our current system to an LED system, we will be able to cut auditorium electricity costs during productions by two-thirds. The system is used on average for 100 events each year.

Some of the fixtures are so outdated, that you can no longer get parts or have repairs made.

Building Safety –

- Existing quartz light fixtures can reach 200-300 degrees during operation.
- LED fixtures operate at a much lower temperature of 70-80 degrees.
- We would also see a reduction in the use of the air condition system to cool backstage areas and the auditorium

Current fixtures – use 750 watts
LED fixtures – use approximately 100 watts

Employee Safety –

- This system would also greatly reduce the time spent by employees on ladders changing, focusing and redirecting fixtures.

The new system will also reduce the number of fixtures necessary to create lighting effects. Currently there are 74 – the new system would reduce the number to 55.



CIP – 3 Year Plan

Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022



Clock Tower Repairs

- Replace Clock Timepieces & Bell Controller
- Repair Damage to stucco where birds have nested
- Paint Stucco

CIP – 3 Year Plan

Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022

- Capacity Restrictions with Events & COVID-19 – Event locations may need to change to accommodate larger crowds



- Old Rock School 100th Birthday Celebration Events - 2023
- Old Rock School Front Lawn for concerts?
- Creation of Valdese Tourism Website with VanNoppen Marketing

Future Projects & Ideas

Community Affairs & Tourism
Budget Retreat Presentation FY 2021-2022

UTILITY DEPARTMENTS Public Services Director Greg Padgett provided a presentation on recent accomplishments and challenges at the Wastewater and Water Treatment Plants. Mr. Padgett identified various projects that have been completed. Mr. Padgett recapped the Watersmart project and wants to see an increase in users' number with the online app that will show usage. Currently, there are only 200 users. Mr. Padgett will propose in the future that we drop the app if it does not increase. Mayor Black shared that he has had several people ask how to locate the online link. Mayor Black encouraged staff to make it easier to find. Mr. Padgett explained that our industry revenue would be down this year.

WATER PLANT



WATER NUMBERS

- 5000 RESIDENTIAL METERS
- 188 COMMERCIAL METERS
- 27 INDUSTRIAL METERS
- 3 WHOLESALE CUSTOMERS BURKE COUNTY, ICARD WATER CORP., RUTHERFORD COLLEGE
- PERMITTED FLOW: 12 MGD
- CALENDAR YEAR 2019: AVERAGED 2.8 MGD
- CALENDAR YEAR 2020: AVERAGED 2.7 MGD

ONGOING AND FUTURE PROJECTS

MCC PROJECT

Motor Control Center:
Located in finish pump house



BLEACH PROJECT



WASTEWATER PLANT



BUILT 1981,
MINOR UPGRADE
2001.

WASTEWATER NUMBERS

- 1661 RESIDENTIAL CUSTOMERS
- 157 COMMERCIAL CUSTOMERS
- 12 INDUSTRIAL CUSTOMERS
- 3 WHOLESALE CUSTOMERS BURKE COUNTY, DREXEL, RUTHERFORD COLLEGE
- PERMITTED TO TREAT 7.5 MGD
- CALENDAR YEAR 2019: AVERAGED 2.1 MGD
- CALENDAR YEAR 2020: AVERAGED 2.4 MGD

Ongoing and Current Projects

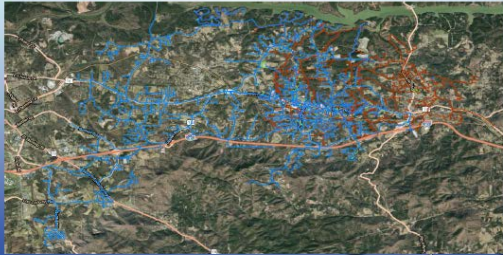
Replacement of
Centrifuge backdrives



New backdrive in the foreground
New controls in the background
against the wall



TOWN OF VALDESE COLLECTION AND DISTRIBUTION SYSTEM



DISTRIBUTION AND COLLECTION NUMBERS

- 149 MILES OF WATER LINES
- SOME LINES NEAR 100 YEARS OLD
- 50 MILES OF SEWER LINES
- LINES 50+ YEARS OLD

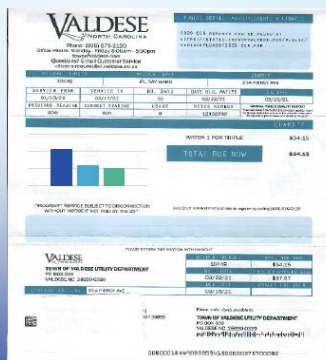
Water Line Projects

- Water systems upgrade project: approximately 10,400 feet of new pipe
- Hill Drive
 - Logan Drive
 - Lakeview Acres Drive
- Main Street project: approximately 7,500 feet of new pipe
- Main Street: Eldred to Hoyle
 - Columbo St. NW
 - Rodoret St. S

METER PROJECT

- THE TOWN HAS UPGRADED TO A FIXED AND REAL-TIME READING NETWORK, REFERRED TO AS ADVANCED METERING INFRASTRUCTURE (AMI).

Typical new utility bill: Front



Utility bill: Back

New AMI meter with RDM (remote disconnect)

This is the typical single family resident meter

WATERSMART

- <https://admin.valdesenc.watersmart.com/index.php/dashboard/dashboardanalytics/consumption>
- TOP CONSUMERS > FULL SCREEN > DIFFERENT METER CLASSES
- IPAD IN TOWN HALL FOR CUSTOMERS TO SIGN UP FOR WATERSMART

UNC DASHBOARD

For anyone interested: Data of utilities across the state.

<https://efc.sog.unc.edu/resource/north-carolina-water-and-wastewater-rates-dash-board>

PUTTING COST IN PERSPECTIVE FOR PRIORITIZATION

- COST OF TAP WATER TO VALDESE RESIDENTIAL CUSTOMERS
 - 3000 GALLONS = **.011 PER GALLON** AT CURRENT RATES (\$32.80 PER 3000 GALLONS)
 - PLUS AN ADDITIONAL **.002 PER GALLON** FOR THE SAME AMOUNT OF WASTEWATER.
 - TOTAL COST OF WATER AND SEWER FOR CUSTOMERS = **.013 PER GALLON**

CAPITAL IMPROVEMENTS PLAN WATER & SEWER RATE STUDY R.J. Mozeley with McGill Associates provided updates on recent accomplishments, current projects, upcoming projects and presented the Water and Sewer Utility Fund Capital Improvement Plan. Mr. Mozeley recapped the twelve projects that the Town was awarded funding. Mr. Mozeley explained to Council that the CIP list items are either for a regulatory requirement, viability as if the equipment will stay running, efficiency, and is their growth needing to expand. These are the four categories that everything on the CIP list has to fit in. Mr. Mozeley discussed a few highlights over the next ten years.

Dale Schepers with McGill Associates provided an overview of the Water and Sewer Utility Fund Summary Financial Analysis and Funding Awards Summary. Mr. Schepers noted a graph that shows projected debt services and cash financed CIP over the next several years, and the amounts continue to climb. Mr. Schepers explained that an increase in water and sewer rates would need to occur. Mayor Black asked what kind of impact COVID-19 will have with the revenues being down. Mr. Schepers reminded Council that the numbers are made on assumptions and adjustments would be made in the 10-year plan.

Mr. Mozeley shared the current and proposed water and sewer rates based on the projected numbers. Mr. Mozeley noted that residential and commercial rates compared are off. It is not intended for commercial to pay the same as residential. Mr. Mozeley shared that we need a 4% revenue growth for water and is recommending a 3% residential increase and an 8% increase for commercial and industrial increase for this coming year. The sewer increase would be 4% across the board.

VALDESE
NORTH CAROLINA

Capital Improvements Plan
Water & Sewer Rate Study

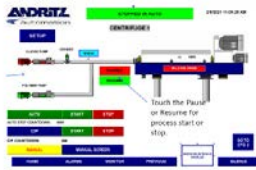
Prepared by:
RJ Mozeley, PE
Project Manager

Dale R. Schepers
Senior Consultant

March 23, 2021

Recent Accomplishments

Triple Community District Water Line Replacements
Hydraulic Model
AMI Meter Replacement Project
WWTP Centrifuge Controls Replacement



Centrifuge Controls Replacement
Wastewater Treatment Plant

Projects in Progress

WTP Electrical Upgrades
Raw Water PS
High Service PS
WTP Disinfection Conversion
Main Street Water Line Replacement
Water Asset Inventory & Assessment Grant



Water Treatment Plant
Motor Control Centers – High
Service Pump Replacement

Funding Award Summary

No.	Project Name	Total Project Cost (\$)	Grant / Principal Forgiveness Amount (\$)	Loan Amount (\$)	Loan Rate (%)
1	Generator Addition at WTP	\$ 1,000,000	\$ 1,000,000	\$ -	-
2	24" Transmission Main Valve Replacement	\$ 61,000	\$ 61,000	\$ -	-
3	Grit System Replacement at WWTP	\$ 1,082,300	\$ 725,141	\$ 357,159	-
4	AMI Meter Replacement	\$ 2,265,386	\$ 566,347	\$ 1,699,039	0.00%
5	St. Germain Water Line Replacement	\$ 313,656	\$ 156,828	\$ 156,828	0.00%
6	MCC Replacements at WTP	\$ 842,770	\$ 210,692	\$ 632,078	0.00%
7	Water System Line Replacements	\$ 1,181,700	\$ 500,000	\$ 681,700	0.00%
8	Reach Conversion Project at WTP	\$ 658,300	\$ 164,575	\$ 493,725	0.00%
9	Main Street Water Line Replacement	\$ 2,782,950	\$ 1,000,000	\$ 1,782,950	0.00%
10	Sewer System AIA	\$ 150,000	\$ 150,000	\$ -	N/A
11	Water System AIA	\$ 150,000	\$ 150,000	\$ -	N/A
12	Cline Avenue Basin & PS Improvements	\$ 1,176,000	\$ -	\$ 1,176,000	1.10%
Totals		\$ 11,664,062	\$ 4,684,583	\$ 6,979,479	

Town of Valdese Water and Sewer Utility Fund Capital Improvements Plan

Water Distribution/Sewer Collection Division

Project Number	Project Description	Cost	Year 1 FY22	Year 2 FY23	Year 3 FY24	Year 4 FY25	Year 5 FY26	Year 6 FY27	Year 7 FY28	Year 8 FY29	Year 9 FY30	Year 10 FY31	Years 11+
Vehicles and Equipment													
1	2019 P250 Service Truck	55,000	55,000										
2	2014 Cat Mini Tractor	80,000		80,000									
3	2009 Pile Hunter Jet in 2018	40,000					40,000						
4	2014 Ford P350 Meter Truck	27,000		27,000									
5	Trailer	15,000						15,000					
6	2002 4x4 Chevrolet	25,000				25,000							
7	2011 Ford 4x4 P350	30,000			30,000								
8	2002 4x4 Dura Dump	40,000		40,000									
9	2008 Chevy Dump Truck 1.5 Ton	50,000			50,000								
10	2013 P350 Service Truck	40,000						40,000					
11	2016 Ford P350 4x4	35,000					35,000						
Subtotal Vehicles and Equipment		482,000	82,000	173,000	82,000	25,000	70,000	57,000	0	0	0	0	0
Infrastructure Improvements													
12	Fac. 18 South Tank Project	0											2,026,800
13	High District Tank Inspection & Interior Cleaning (Lugin St., Creek St., Elm St.)	75,000	0	75,000				13,300	13,300	13,300	13,300		
14	Meter Replacements	105,000			15,000	15,000	15,000	15,000	15,000	15,000	15,000		
15	Reflow AIO Paved Road	5,500		5,500									
16	North Avenue P350 Sewer Extension	1,335,000									1,335,000		
17	North Avenue P350 Sewer Extension	0											3,300,000
18	Redwood 180 Loop	675,000			675,000								
19	St. Home - Hawley Loop	1,150,000						1,150,000					
20	Edinac St. Water Line Replacement	400,000					400,000						
21	Water Main Replacement	1,170,000	0	0	300,000	0	1,100,000	100,000		250,000			
22	Sewer Main Replacement	1,170,000	0	600,000	300,000	0	0	100,000	1,500,000		120,000		
Subtotal Infrastructure Improvements		8,214,400	0	625,500	980,000	215,000	1,515,000	1,378,300	1,531,300	278,300	1,578,000	0	5,326,800
Subtotal - Water Distribution/Sewer Collection		9,707,000	82,000	800,500	1,072,000	243,000	1,885,000	1,635,300	1,631,300	278,300	1,678,000	0	5,326,800
Proposed Debt Financed													

March 23, 2021, MB#31
Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

Water Treatment Division													
Project Number	Project Description	Cost	Year 1 FY22	Year 2 FY23	Year 3 FY24	Year 4 FY25	Year 5 FY26	Year 6 FY27	Year 7 FY28	Year 8 FY29	Year 9 FY30	Year 10 FY31	Years 11+
1	2019 Explorer	30,000					30,000						
2	2017 Ford F-250	28,000				28,000							
3	2004 Ford F-150	27,000			27,000								
4	New 4 Wheel Drive Lawnmower	10,000					10,000						
Subtotal Vehicles and Equipment		95,000	0	0	27,000	28,000	40,000	0	0	0	0	0	0
Plant Upgrades and Improvements													
5	Roof Replacement - Main Building	55,000	55,000	0									
6	Roof Replacement - Raw Water PS	25,000		25,000									
7	Roof Replacement - Finished Water PS	20,000			20,000								
8	Replace Chemical Feed Pumps	17,000				5,000	5,000	5,000					
9	Raw Water Intake	0											8,000,000
10	Raw Water Pump Replacement	1,000,000			1,000,000								721,130
11	Replace Raw Water Control Valves	81,000			81,000								
12	Check Raw Water PS Access Road	67,000										67,000	
13	Roof Structure Assessment	610,000	10,000		600,000								
14	Review Air Flow Study	27,125		10,125					15,000				
15	SCADA Upgrades (WQ and pH)	20,000	20,000				15,000					15,000	
16	Waste #2 and #3 Pumps WQ to Raw Loadings	0		0									150,000
17	Flow Meter to #2 and #3 Pumps	15,000	15,000										
18	#3 Finished Water Motor Replacement	90,000		90,000									
19	Pilot Turbidity Meters	30,000	0	0	30,000								
20	Tank Maintenance	185,000	0	30,000		20,000		0	175,000				
21	Water Treatment Plant Equipment Rehab & Replacement	105,000					50,000	75,000	75,000	75,000			
Subtotal Plant Upgrades and Improvements		2,506,775	100,000	117,125	1,741,000	25,000	20,500	55,000	215,000	75,000	75,000	82,000	8,881,130
Subtotal - Water Treatment Division		2,601,775	100,000	117,125	1,768,000	25,500	65,500	55,000	215,000	75,000	75,000	82,000	8,881,130
Proposed Debt-Financed													

Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

Wastewater Treatment Division													
Project Number	Project Description	Cost	Year 1 FY22	Year 2 FY23	Year 3 FY24	Year 4 FY25	Year 5 FY26	Year 6 FY27	Year 7 FY28	Year 8 FY29	Year 9 FY30	Year 10 FY31	Years 11+
1	Mini Excavator Truck	50,000		50,000									
2	Sludge Trailer	30,000			30,000								
3	2008 Compact Loader	155,000		155,000									
4	Pilot Truck	30,000					30,000						
5	Mini Vehicle 2013	25,000	25,000										
6	Lab Truck	25,000						25,000					
7	Rolling Mower (2004)	20,000								10,100	10,100		10,100
Subtotal Vehicles and Equipment		562,000	50,000	214,900	56,900	0	30,000	0	25,000	10,100	10,100	0	10,100
Plant Upgrades and Improvements													
8	Reel Replacement for Influent Pump #10	10,000		0,000					7,000				10,000
9	Reel Replacement for Influent Pump #6A	15,000					15,000						0,000
10	Reel Replacement for Secondary Waste Pump	9,000		0,000									
11	Reel Replacement for Sludge Recycle Pump	10,100				10,100							
12	Clarifuge #2 Overhaul	30,000			30,000								
13	Clarifuge #1 Overhaul	30,000				50,000							
14	Roof WQ Building	12,100		12,100									
15	Admin Building Roof	40,000					40,000						30,000
16	Dewatering Building Roof	80,000								80,000			35,000
17	Sludge Recycle PS Building Roof	30,000						30,000					20,000
18	Influent PS Building Roof	0											10,100
19	Sludge Grinder #1	0											10,100
20	Sludge Grinder #2	0											10,100
21	Aeration Basin	1,114,000					1,114,000						
22	Spine Pump Close Street	5,000			5,000								
23	Close Street PS Modifications	1,000,000			1,000,000								
24	Spine Pump Morgan Trace	10,000	5,000			5,000							
25	Spine Pump High Meadows	10,000	5,000			5,000							
26	Spine Pump John Berry	0											80,000
27	Spine Pump Sells	0											40,000
28	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	60,000	60,000										
31	Thickener Slower #1	6,100			6,100								
32	Thickener Slower #2	6,500				6,500							
33	SCADA	30,000				10,000						10,000	
34	Review Air Flow Study	22,675		10,675					12,000				
35	Dewatering Building Drainage System	20,000		20,000									
36	8" Compound Flow Meter	0											80,000
37	Wastewater Drying Equipment	5,671,000										5,671,000	
38	Conversion to Ultraviolet Disinfection	0											807,000
39	Concrete Work at Compost Pad	50,400	15,000		25,000					10,400			
40	#3 & #4 Influent Valves & Check Valves	140,000	70,000	70,000									
41	Wastewater Treatment Plant Equipment Rehab & Replacement	275,000						30,000	75,000	75,000	75,000		
42	Chemical Meter	4,000	4,000										
43	Concrete Pump / Water / WQ Repair	200,000		200,000									
Subtotal Plant Upgrades and Improvements		9,804,375	289,300	316,475	1,286,100	70,100	73,500	1,224,000	143,400	135,000	75,000	5,891,000	1,267,900
Subtotal - Wastewater Treatment Division		9,806,375	324,300	631,375	1,323,200	70,100	103,500	1,224,000	168,400	145,100	85,100	5,891,000	1,267,900
Proposed Debt-Financed													
Capital Improvements Plan Total		21,101,150	508,300	1,458,500	4,101,200	468,600	1,758,500	2,715,700	1,814,700	498,400	1,738,100	8,973,800	10,475,800

March 23, 2021, MB#31

Valdese, NC
Revenue Requirements Analysis

Financial Model Output Summary

10-Year Planning Period

Combined Water and Sewer Revenue Requirements Output: Data Table

Description	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31
Cash Financed CIP	131,000	389,000	189,000	346,000	487,000	265,000	391,000	415,000	498,000	438,000	101,000
Projected Debt Service	-	-	71,070	236,979	236,979	360,721	509,831	606,052	606,052	693,433	1,089,190
Existing Debt Service	387,000	385,000	385,000	384,000	451,000	456,000	425,000	423,000	386,000	386,000	384,000
Operating Expenses	4,567,000	4,447,000	4,533,000	4,538,000	4,686,000	4,791,000	4,882,000	4,958,000	5,029,000	5,137,000	5,283,000
Operating Revenue Existing Rates	5,039,000	5,049,000	5,049,000	5,049,000	5,049,000	5,049,000	5,049,000	5,049,000	5,049,000	5,049,000	5,049,000
New Revenue (Cumulative Increase amount)	206,000	411,000	617,000	823,000	1,015,000	1,202,000	1,387,000	1,572,000	1,755,000	1,938,000	1,938,000
Projected Revenue	5,039,000	5,255,000	5,460,000	5,666,000	5,872,000	6,064,000	6,251,000	6,436,000	6,621,000	6,804,000	6,987,000

Percent Increase Applied

Revenue Adjustment Percentage	4.1%	4.1%	4.1%	4.1%	3.8%	3.7%	3.7%	3.7%	3.7%	3.6%	3.6%
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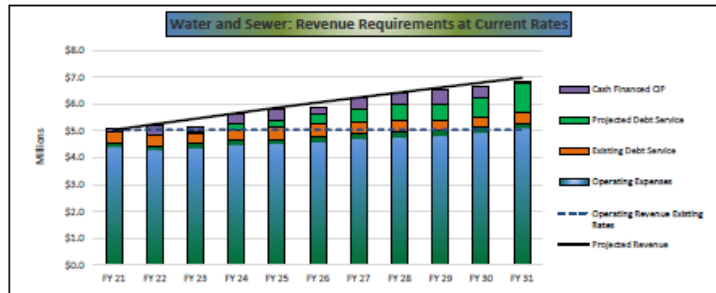
Outcomes and Effect on Customer Bill

Description	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31
Expenses to Cover	5,085,000	5,321,000	5,178,070	5,603,979	5,839,979	5,862,721	6,207,831	6,403,052	6,519,052	6,653,433	6,856,190
Difference / (Shortage)	34,000	281,930	62,021	32,021	201,279	43,169	33,948	101,948	150,567	130,810	130,810
Combined Residential Bill 3,000 gal	\$ 41.40	\$ 42.75	\$ 44.20	\$ 45.65	\$ 47.15	\$ 48.70	\$ 50.30	\$ 51.95	\$ 53.65	\$ 55.45	\$ 57.25
Monthly Combined Residential Bill Change	\$ 1.35	\$ 1.45	\$ 1.45	\$ 1.45	\$ 1.50	\$ 1.55	\$ 1.60	\$ 1.65	\$ 1.70	\$ 1.80	\$ 1.80

Financial Indicator

Fund Balance Tracker	1,100,000	1,134,000	1,415,930	1,477,952	1,509,973	1,711,252	1,754,421	1,788,368	1,890,316	2,040,884	2,171,693
Fund Balance / Expenses to Cover	22%	22%	27%	26%	26%	29%	28%	28%	29%	31%	32%
Cumulative Increase (decrease)		34,000	315,930	377,952	409,973	611,252	654,421	688,368	790,316	940,884	1,071,693

Revenue Requirements Output: Summary Chart



Water Utility Capital Investment

Description	Total CIP	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31
Water Plant	2,610,000	100,000	117,125	1,768,500	53,900	66,850	55,900	215,000	75,000	75,000	82,600
Wastewater Plant	9,866,000	324,300	531,375	1,323,000	70,100	103,500	1,224,500	168,400	145,100	85,100	5,891,000
Water/Sewer Mains/System	9,707,000	82,000	802,100	1,072,000	343,000	1,585,000	1,435,300	1,531,300	278,300	1,579,000	-
Total Water/Sewer System CIP	21,183,000	506,300	1,450,600	4,163,500	486,900	1,755,350	2,715,700	1,914,700	498,400	1,739,100	5,973,600

Town of Valdese
Water and Sewer Utility Fund

Current and Proposed Water Rates

Customer Class	Current Rate	Projected				
	FY21	FY22	FY23	FY24	FY25	FY26
Inside Water Residential						
Minimum 3,000 gallons	34.15	35.20	36.30	37.40	38.55	39.75
Volume Charge (per 1,000 gal); 3,001+ gallons	3.40	3.55	3.70	3.85	4.00	4.15
Outside Water Residential						
Minimum 3,000 gallons	53.20	54.80	56.45	58.15	59.90	61.70
Volume Charge (per 1,000 gal); 3,001+ gallons	6.30	6.50	6.20	6.35	6.50	6.65
Inside Water Commercial						
Minimum 3,000 gallons	34.45	37.25	40.25	43.50	47.00	50.30
Volume Charge (per 1,000 gal); 3,001+ gallons	3.45	3.75	4.05	4.40	4.80	5.15
Outside Water Commercial						
Minimum 3,000 gallons	68.95	74.50	80.50	86.95	93.95	100.55
Volume Charge (per 1,000 gal); 3,001+ gallons	6.75	7.30	7.90	8.55	9.25	9.90
Inside Water Industrial						
Minimum 3,000 gallons	13.40	14.50	15.70	17.00	18.40	19.55
Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	2.55	2.80	3.05	3.30	3.60	3.85
Volume Charge (per 1,000 gal); 3,000,000+ gal	1.25	1.35	1.50	1.65	1.80	1.95
Outside Water Industrial						
Minimum 3,000 gallons	26.70	28.85	31.20	33.70	36.40	38.60
Volume Charge (per 1,000 gal); 3,001 - 300,000 gallons	5.10	5.55	6.00	6.50	7.05	7.50
Volume Charge (per 1,000 gal); 300,000+ gal	2.35	2.55	2.80	3.05	3.30	3.50
Burke County & Rutherford College						
Volume Charge (per 1,000 gal); 3,001+ gallons	3.85	4.05	4.25	4.45	4.65	4.85
icard						
Minimum 10,000,000 gal	10,600.00	10,700.00	10,800.00	10,900.00	11,000.00	11,100.00
Volume Charge (per 1,000 gal) 10,000,000+ gal	1.36	volume charge not to exceed current Hickory Rate				

March 23, 2021, MB#31

Town of Valdese
Water and Sewer Utility Fund

Current and Proposed Sewer Rates

Customer Class	Current Rate	Projected				
	FY21	FY22	FY23	FY24	FY25	FY26
Inside Sewer Residential						
Minimum 3,000 gallons	7.25	7.55	7.90	8.25	8.60	8.95
Volume Charge (per 1,000 gal); 3,001+ gallons	2.45	2.55	2.70	2.85	3.00	3.15
Outside Sewer Residential						
Minimum 3,000 gallons	13.55	14.10	14.70	15.30	15.95	16.60
Volume Charge (per 1,000 gal); 3,001+ gallons	4.60	4.80	5.00	5.20	5.45	5.70
Inside Sewer Commercial						
Minimum 3,000 gallons	7.65	8.00	8.35	8.70	9.05	9.45
Volume Charge (per 1,000 gal); 3,001+ gallons	2.60	2.75	2.90	3.05	3.20	3.35
Outside Sewer Commercial						
Minimum 3,000 gallons	15.20	15.85	16.50	17.20	17.90	18.65
Volume Charge (per 1,000 gal); 3,001+ gallons	5.15	5.40	5.65	5.90	6.15	6.40
Inside Sewer Industrial						
Minimum 0 gallons	7.35	7.65	8.00	8.35	8.70	9.05
Volume Charge (per 1,000 gal)	2.45	2.55	2.70	2.85	3.00	3.15
Outside Sewer Industrial						
Minimum 0 gallons	14.60	15.20	15.85	16.50	17.20	17.90
Volume Charge (per 1,000 gal)	4.90	5.10	5.35	5.60	5.85	6.10
Burke County						
Volume Charge (per 1,000 gal)	2.70	2.85	3.00	3.15	3.30	3.45
Drexel						
Volume Charge (per 1,000 gal)	2.70	2.85	3.00	3.15	3.30	3.45
Rutherford College						
Volume Charge (per 1,000 gal)	2.70	2.85	3.00	3.15	3.30	3.45

Town of Valdese
Water and Sewer Utility Fund

Current and Proposed Combined Water and Sewer Rates

Customer Class	Current Rate	Projected				
	FY21	FY22	FY23	FY24	FY25	FY26
Inside Combined Residential						
Minimum 3,000 gallons	41.40	42.75	44.20	45.65	47.15	48.70
Volume Charge (per 1,000 gal); 3,001+ gallons	5.85	6.10	6.40	6.70	7.00	7.30
Outside Combined Residential						
Minimum 3,000 gallons	66.75	68.90	71.15	73.45	75.85	78.30
Volume Charge (per 1,000 gal); 3,001+ gallons	10.90	11.30	11.20	11.55	11.95	12.35
Inside Combined Commercial						
Minimum 3,000 gallons	42.10	45.25	48.60	52.20	56.05	59.75
Volume Charge (per 1,000 gal); 3,001+ gallons	6.05	6.50	6.95	7.45	8.00	8.50
Outside Combined Commercial						
Minimum 3,000 gallons	84.15	90.35	97.00	104.15	111.85	119.20
Volume Charge (per 1,000 gal); 3,001+ gallons	11.90	12.70	13.55	14.45	15.40	16.30
Inside Combined Industrial						
Water Minimum 3,000 Gallons, Sewer Minimum 0 gallons	20.75	22.15	23.70	25.35	27.10	28.60
Water Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	2.55	2.80	3.05	3.30	3.60	3.85
Water Volume Charge (per 1,000 gal); 3,000,000+ gallons	1.25	1.35	1.50	1.65	1.80	1.95
Sewer Volume Charge (per 1,000 gal)	2.45	2.55	2.70	2.85	3.00	3.15
Outside Combined Industrial						
Water Minimum 3,000 Gallons, Sewer Minimum 0 gallons	41.30	44.05	47.05	50.20	53.60	56.50
Water Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	5.10	5.55	6.00	6.50	7.05	7.50
Water Volume Charge (per 1,000 gal); 3,000,000+ gallons	2.35	2.55	2.80	3.05	3.30	3.50
Sewer Volume Charge (per 1,000 gal)	4.90	5.10	5.35	5.60	5.85	6.10
Burke County						
Water Volume Charge (per 1,000 gal); 3,001+ gallons	3.85	4.05	4.25	4.45	4.65	4.85
Sewer Volume Charge (per 1,000 gal)	2.70	2.85	3.00	3.15	3.30	3.45
Rutherford College						
Water Volume Charge (per 1,000 gal); 3,001+ gallons	3.85	4.05	4.25	4.45	4.65	4.85
Sewer Volume Charge (per 1,000 gal)	2.70	2.85	3.00	3.15	3.30	3.45
Icard						
Minimum 10,000,000 gal	10,600.00	10,700.00	10,800.00	10,900.00	11,000.00	11,100.00
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)	2.70	2.85	3.00	3.15	3.30	3.45

2022FY Rate Recommendations

Water

- 3% Residential
- 8% Commercial & Industrial
- 4% Wholesale

Sewer

- 4% All Classes

Percentage Increase	Monthly Residential Increase (3,000 gal)	Resulting 2021 Enterprise Fund Revenue
3%	\$1.35	\$206,000

Other Financial Benchmarks

Metric	2021 Value	Proposed 2022 Value	Benchmark
Operating Ratio	0.99	1.01	1.0 or greater
Days Working Capital	114 days	108 days	120 days or greater
Debt Service Coverage Ratio	2.49	2.84	1.2 or greater
Sufficiency of Revenue above Debt	8%	7%	20%-35% or less

Recap / Conclusions

- 6th Year of CIP & Financial Model Planning Process
- CIP Guides Decision Making, Budgeting & Operations
- Balance Cash vs Debt vs Rate Increases
- Future Capital Needs
- Sustain a Healthy Enterprise Fund

PUBLIC WORKS Public Services Director Greg Padgett informed Council that Public Works' upcoming equipment needed would be a leaf machine and dump truck. Mr. Padgett shared the schedule change of leaf and brush pickup and has possible ideas for the future. Mr. Padgett went over the calls that Animal Control had this FY and shared with Council that he is comfortable with Animal Control possibly moving to the Police Department. The Animal Control employee would be used in all areas of the department. Mr. Padgett went over the FY20-21 street paving completed projects and shared the Public Works repaired 110 potholes and 40 patch cuts. Mr. Padgett recommended going forward to look at the existing water and sewer lines before paving another street to make sure there is not an aged line that needs to be replaced. Mr. Padgett is also recommending a fee increase for burial plots at the cemetery. In comparison to others in the area, Valdese is low. There are 60 spots left, and he feels that there needs to be an expansion in the near future. Mr. Padgett identified challenges within the department and provided Council with an overview of the possibilities of using the Industrial Arts Building. He believes that it would take approximately \$250K to get it usable for storage and create a blank slate upstairs. Councilman Ogle asked how much it would cost to demolish the building, and it is estimated to be around \$100,000. Mr. Padgett feels that he does not need it for Public Works storage. After a brief discussion, it was decided for Mr. Padgett to research past plans that have been proposed on the building and bring them back to Council. Councilwoman Hildebran thanked Greg Padgett and Assistant Public Works Director Allen Hudson for their hard work.

PAST YEAR REVIEW GENERAL FUND

- VEHICLE AND EQUIPMENT CIP PROGRAM
- START OF NEW 5 YEAR LOAN CYCLE
- (NEXT CYCLE 2026/2027)

2003 LEAF MACHINE - \$175,328.02

1989 GMC DUMP TRUCK - \$108,000

REPLACEMENT OF 2003 LEAF TRUCK



REPLACEMENT OF 1989 GMC DUMP TRUCK



ANIMAL CONTROL

- 43 CALLS THROUGH FIRST 8 MONTHS OF FISCAL YEAR.
- DOES NOT INCLUDE DEAD ANIMAL CLEAN UP

FLEET MAINTENANCE



FLEET MAINTENANCE



PAVEMENT MAINTENANCE



Storm drain repair Louise Ave



Pothole repair Mical Ave

110 potholes repaired
40 patch cut repairs

STREET PAVING 2020- 2021 PROJECTS

STREET PAVING

- SPRINGWOOD



STREET PAVING

- BECKER AVE



STREET PAVING

- ERVIN AVE



SANITATION

- GARBAGE TRUCK



SANITATION



- OLD BRUSH TRUCK — USED FOR ROUGH TRASH AND BACK UP FOR NEWER BRUSH TRUCK

Year Round Services Provided



TOWN TRASH PICKUP

- 256.10 TONS OF TRASH — JULY 1ST — FEB. 28TH

AVERAGE 32 TONS PER MONTH

THIS WAS THE TOTAL TONNAGE TOWN STAFF PICKED UP OVER THE FIRST 8 MONTH OF THIS YEAR.

REPUBLIC SERVICES

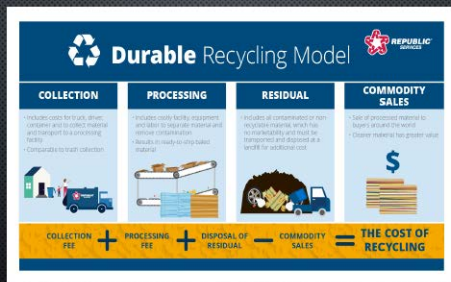
No Prices for next year yet, but prices are based on Water/Sewer/Trash CPI for February that is around 3.5%

- TRASH 902.12 TONS THROUGH 8 MONTHS
 - AVERAGE 112.77 TONS PER MONTH
- RECYCLE 213.18 TONS THROUGH 8 MONTHS
 - AVERAGE 26.65 TONS PER MONTH

HOW DOES THIS COMPARE TO LAST YEAR

- TRASH AVERAGE 109.1 TONS PER MONTH
- RECYCLE AVERAGE 22.7 TONS PER MONTH

BUSINESS MODEL



The cost of a recycling program is the sum of fees for two services: the Collection Fee and the Net Processing Fee

PUBLIC EDUCATION — CLEAN UP THE STREAM

NEW SIMPLIFIED EDUCATIONAL COLLATERAL THAT CAN BE DISTRIBUTED TO RESIDENTS AND BUSINESSES.



CEMETERY

- CURRENT FEES
 - INSIDE: \$300
 - OUTSIDE: \$500

PROPOSED NEW RATES

- INSIDE: \$400
- OUTSIDE: \$800



2021 – 2022 CEMETERY EXPANSION



Approximately 60 spots left



CEMETERY

Yellow highlighted area shows remaining spots including expansion area.



TOWER REMOVAL \$5200

PLUS APPROX. \$5000 SURVEY COST

PREVIOUSLY IDENTIFIED CHALLENGES

- WORK LOAD WITHIN THE DEPARTMENT *MODIFIED THE WAY WE PROVIDE SERVICES.*
- HOW DO WE MAINTAIN OUR IMPROVEMENTS *WE HAVE A PLAN, CIP (LONGTERM VISION).*
- DEAL WITH AGING INFRASTRUCTURE *PART OF THE LONG TERM PLAN*
- HOW TO WE MAINTAIN CURRENT FACILITIES *GOOD QUESTION*

INDUSTRIAL ARTS BUILDING



- APPROXIMATELY \$250K JUST TO MAKE DOWNSTAIRS USABLE AND CREATE A BLANK SLATE UPSTAIRS.

WHAT DOES \$250K GET YOU



IA BUILDING PLANS



COUNCIL COMMENTS Mayor Black thanked the staff for all their hard work on preparing for the budget retreat.

ADJOURNMENT – Mayor Black adjourned the meeting at 4:20 p.m.

The next meeting is a regularly scheduled meeting on Monday, April 12, 2021, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

jl