

**TOWN OF VALDESE
ANNUAL COUNCIL/DEPARTMENT HEAD BUDGET RETREAT
THURSDAY, MARCH 23, 2023 & FRIDAY, MARCH 24, 2023**

The Valdese Town Council met on Thursday, March 23, 2023, and Friday, March 24, 2023, at 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 Charles Watts, Councilwoman Frances Hildebran, Councilman Tim Barus, Councilwoman Rexanna Lowman, Councilman Tim Skidmore, and Councilman Paul Mears. Also present: Town Manager Seth Eckard, Town Clerk Jessica Lail, and Department Heads.


Absent: None

A quorum was present; however, no action was taken.

DAY 1 – MARCH 23, 2023

CALL TO ORDER At 9:00 a.m., Mayor Watts opened the meeting with an invocation and led in the Pledge of Allegiance to the Flag. Mayor Watts welcomed everyone and thanked the staff for all the planning that went into the budget retreat. Mayor Watts shared several goals he would like to see for the future. Mayor Watts would like to maintain staff’s high level of service, personnel recruitment and retention, our current Capital Improvement Plan(CIP), and street paving while using taxpayer monies wisely, consistently, and conservatively.

Town Manager Seth Eckard reviewed the Town’s 2022 Annual Statistics:

Administration <ul style="list-style-type: none"> 4,867 population 7.87 square miles 73 full time employees 9 town departments 60 zoning permits issued 19 zoning permits for new home construction 10 industries 	Police <ul style="list-style-type: none"> 168,230 patrol miles 19,623 CAD logged events 7,369 security checks 6,181 extra patrols 608 community policing contacts 107 traffic accidents reports 45 written warning citations 417 verbal warning traffic stops 353 traffic citations issued 201 arrests made 	Recreation <ul style="list-style-type: none"> 7 unique facilities tennis/pickleball courts, 2 gyms, year around pool, bowling alley, & fitness center, 3 ball fields 319 weekly fitness center visitors 2 miles crushed cinder greenway 353 acres of recreation parks 26 classes weekly 708 participants in youth athletics 145 facility reservations 502 pool/fitness memberships 9 trails
Community Affairs <ul style="list-style-type: none"> 35 season performances at Old Rock School 18 times the stage at Temple Field was used last year 14 events in downtown 87 businesses (downtown district) Restaurants = 8 Retail = 21 Industry & Commercial = 5 Health & Wellness = 15 Automotive = 6 Misc. Services = 32 624 events at the Old Rock School 27,184 Old Rock School attendance 122,386 social media followers 6,040 e-newsletter subscribers with 36% open rate 154,238 website visits 	Fire <ul style="list-style-type: none"> 4 primary emergency response vehicles 3 support vehicles 287 fire inspections with 1,046 violations 200 fire responses 478 medical responses 1,804 training hours 	Public Works <ul style="list-style-type: none"> 3 buildings 2 mowers 37.5 miles of streets 1 cemetery 30 pieces of equipment Ex: 2 dump trucks, 2 brush trucks, 1 trash, 2 flat-beds, 1 water truck, sand spreader truck 1466 work orders completed
 <p>TOWN OF VALDESE NORTH CAROLINA</p>		Utilities <ul style="list-style-type: none"> Water Plant Capacity: 12 million gals/day Waste Water Plant Capacity: 75 million gals/day 5,324 water customers 164 miles of water line 5 pump stations (water resources) 4 water tanks 2 - 250,000 gallon tanks, 1 - 500,000 gallon tank, 1 - 2,000,000 gallon tank 65 miles of sewer line 36 new water taps
<p>2022 Annual Statistics Valdese, in the heart of Burke County is located in the foothills of Western North Carolina "where the Piedmont meets the Mountains." The Catawba River traverses Burke County west to east creating a wide valley and Lake Rhodhiss. Founded on the rich traditions of 19th century Waldensian settlers, the Town of Valdese honors the heritage and determination of the Waldenses with its historic attractions, parks and annual events. Find out more at townofvaldese.com</p>		

UTILITY FUND OVERVIEW Assistant Town Manager/CFO Bo Weichel provided an overview of the Town’s utility fund balance, debt services, and budget challenges. Mr. Weichel shared that the unassigned fund balance for last year was in the amount of \$2,845,266, with a 50% fund balance percentage of expenditures. Mr. Weichel shared that this was an increase of \$1,100,000, or 18% of expenditures. Mr. Weichel identified items that will affect this year’s fund balance. Mr. Weichel identified challenges for the upcoming year, with one being the increase of the Towns portion of retirement moving from 12.16% to 12.91%, which is state-mandated.

UTILITY DEPARTMENTS Water Resources Director Greg Padgett shared that the Utility Departments consist of Collections & Distribution Systems, Water Treatment Plant, and Wastewater Treatment Plant. Mr. Padgett said that each department would share its presentations.

COLLECTIONS & DISTRIBUTION SYSTEM Public Works Director Allen Hudson identified obstacles that the Collections & Distribution department faces due to the price increase of materials. In addition, he shared the proposed water/sewer tap fee increases.

WATER TREATMENT PLANT Water Plant Superintendent Eric Wilson presented all the locations of the Town's pump stations and water tanks and explained the water flushing and sampling process. Mr. Wilson highlighted the recent Water Plant projects that are a part of the Capital Improvement Plan.

WASTEWATER TREATMENT PLANT Water Resources Director Greg Padgett shared that the Wastewater Plant is looking into chlorine disinfection alternatives due to the rising costs. Mr. Padgett went over the sampling process and provided an overview of all the pump stations that the Wastewater employees manage. Mr. Padgett identified various projects that have been completed and showed Council the rate dashboard on the NC Water Infrastructure Environmental Quality website of where we should be with water and sewer rates. Mr. Padgett encourages everyone to visit <https://dashboards.efc.sog.unc.edu/nc> to review it.

CAPITAL IMPROVEMENTS PLAN WATER & SEWER RATE STUDY R.J. Mozeley with McGill Associates provided updates on projects in progress, upcoming projects, and went over why developing a Capital Improvement Plan(CIP) is important. Mr. Mozeley explained to Council that the CIP list items are either for a regulatory requirement, viability of equipment, efficiency, and growth causing the need to expand. Dale Schepers with McGill Associates provided an overview of market considerations, which have increased over the years. Mr. Mozeley noted that looking at the overall market in planning for utilities is important. Mr. Schepers reviewed the Water and Sewer Utility Fund Summary Financial Analysis and Funding Awards Summary. Mr. Schepers explained that an increase in water and sewer rates would need to occur. Mr. Schepers shared the current and proposed water and sewer rates based on the projected numbers. Mr. Schepers recommends an 8% residential increase, 8% for wholesale, and an 8% increase for commercial and industrial increase for this coming year. The sewer increase would be 8% across the board. This would be a \$3.60 increase in residential monthly bills. Mr. Schepers noted that it is important not to defer costs because of escalates of emergency repairs. Mr. Mozeley reviewed water bill comparisons for Valdese and neighboring communities showing FY 22-23 rates and the anticipated percentage increases for FY 23-24. Mr. Mozeley reminded Council that the CIP guides in decision-making, budgeting, and operations.

Councilwoman Hildebran asked if this proposed 8% increase was due to the inflation we are seeing today because a 4% increase was recommended last year. Mr. Mozeley said yes. Councilman Mears asked if the Triple community could pay more than our Valdese citizens. Town Manager Seth Eckard shared that the original contract stated that the Triple community had to pay the same, but it may be something staff could re-visit and discuss with the Town Attorney. Councilwoman Hildebran is concerned with the thoughts of an 8% increase due to the conversations she continues to have with her constituents. Councilman Barus feels the same based on all the other additional costs on the bill. Council members discussed what it would look like for a 4% or 6% increase. Mr. Mozeley shared to keep in mind that if do not increase now, the increases would more than likely be more significant next year. Mr. Mozeley will provide Council with a rate comparison increasing by 4% and 6%.

EMPLOYEE BENEFITS Town Manager Seth Eckard shared a possible plan for employee recruitment and retention. Mr. Eckard is requesting that we update the pay plan, and increase the starting salaries by 10%. Mr. Eckard explained that anyone below the minimal salary would be brought up to the new minimum. Mr. Eckard would also like to bring back retiree insurance for full-time employees who have completed at least 25 years of employment with the Town of Valdese but are not yet eligible for Medicare. Mr. Eckard would like to sunset this benefit, so any employees hired after June 30, 2026, will not qualify for this benefit. Council discussed other ways we could improve recruitment and retention.

GENERAL FUND OVERVIEW Assistant Town Manager/CFO Bo Weichel provided an overview of the Town's general fund balance, debt services, and budget challenges. Mr. Weichel shared that the unassigned fund balance for last year was in the amount of \$5,569,974, with a 113% fund balance percentage of expenditures. Mr. Weichel shared that this was an increase of \$1,270,297, or 20% of expenditures from the prior year. Mr. Weichel identified items that will affect this year's fund balance. Mr. Weichel identified challenges for the upcoming year and shared that we do not have employee insurance rates yet but should by the April budget workshop.

COMMUNITY AFFAIRS Community Affairs Director Morrissa Angi shared the annual statistics on community outreach and engagement, showing an additional increase of 44,201 visits to the website from 2021. Ms. Angi shared ideas for new Town of Valdese welcome signs, downtown streetscape improvements, and wayfinding signs. Ms. Angi informed the Council of the many events and projects that Community Affairs completed this year. Ms. Angi finished her presentation with requests for FY 2023-2024, including repairs to the clock tower and the front stairs at the Old Rock

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School and an increase to the current fee schedule and lease rates at Old Rock School. Council members would like to see staff raise funds for the clock tower repairs.

PARKS & RECREATION Parks and Recreation Director David Andersen discussed various local and state organizations that the department had collaborated with this past year that brought more opportunities to Parks & Recreation. Mr. Andersen gave an overview of the updates to the gymnasium, locker rooms, lobby area, and pool boilers. Mr. Andersen identified departmental challenges and shared ways to expand revenues, such as increasing facility rentals. In addition, the Council discussed increasing Recreation fees for patrons living outside of the Town limits. Mr. Andersen shared budget highlights and CIP projects for FY 23-24.

At 3:00 p.m., Mayor Watts closed the meeting and continued it to Day 2.

DAY 2 CONTINUED – MARCH 24, 2023

CALL TO ORDER At 9:00 a.m., Mayor Watts continued the meeting with an invocation and led in the Pledge of Allegiance to the Flag.

POLICE DEPARTMENT Police Chief Jack Moss shared the Police Department accomplishments for FY 22-23, identified objectives, and budget needs for FY 23-24. Chief Moss shared that the Police Department recorded 19,623 CAD logs and shared other stats, such as security checks, incident reports, traffic accidents, and arrests made.

PLANNING DEPARTMENT Planning Director Larry Johnson provided an overview of zoning permits, housing development updates, rental housing projects, and items the Planning Board is working on. Mr. Johnson shared that the Planning Department and Planning Board has a big project coming to work on re-zoning the Downtown Business Corridor. Mr. Johnson has been working on creating a Unified Development Ordinance and showed Council an example of what it will look like compared to the current format. Mr. Johnson shared that he has no new funding request for the next FY but shared improvements that the Council will need to consider in the future.

FIRE DEPARTMENT Assistant Fire Chief Truman Walton shared departmental accomplishments. Assistant Chief Walton also provided an overview of calls and activities throughout FY 22-23 at the Fire Department. Assistant Chief Walton shared operational budget increases and reviewed capital improvement needs for the next four years. Assistant Chief Walton informed Council of all the existing programs the Fire Department is involved in and possibly offering a community CPR/First Aid class in the future.

PUBLIC WORKS Public Works Director Allen Hudson gave an overview of the services provided by Public Works. Mr. Hudson shared the need for the upcoming FY. Mr. Hudson discussed the extra trash that Public Works has to pick up around town. The excess trash is due to citizens overflowing their trash bins. Council discussed ways to improve the process. Mr. Hudson recommended a \$75.00 charge to citizens who need to use the flatbed truck to help cover the cost of fuel, maintenance, and land field fees.

FINANCE DEPARTMENT Assistant Town Manager/CFO Bo Weichel shared the proposed ten-year General Fund Capital Improvement Plan.

Copies of department presentations are located on the Town of Valdese website.

ADJOURNMENT At 12:38 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilman Barus. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, April 3, 2023, 6:00 p.m., Valdese Town Hall.

Town Clerk
jl

Mayor