

**Town of Valdese
Town Council Meeting
Valdese Town Hall
102 Massel Avenue SW, Valdese
Monday, February 7, 2022
6:00 P.M.**

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

4. Informational Items:

- A. Communication Notes
- B. Reading Material

5. Open Forum/Public Comment

- A. Recognition of the Valdese Tigers Football PeeWee Team

6. Consent Agenda

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

- A. Approval of Regular Meeting Minutes of January 3, 2022
- B. Approval of Special Meeting Minutes of January 13, 2022

7. New Business

- A. Public Hearing for BDI Economic Development Incentive
- B. Introduction of New Employee
- C. Foundation Forward Update
- D. Public Hearing for Community Development Block Grant Closeout
- E. Public Hearing for Re-Zoning Application 1-11-21 Pons/Burke County Habitat
- F. Adoption of the Valdese Town Council Zoning Map Amendment Consistency Statement
- G. Award of Bid for Permanent Stage at Temple Field
- H. Approval of FY 22-23 Audit Contract – Lowdermilk Church & Co., LLP
- I. Budget Amendment

8. Manager's Report

- A. Concerts at the Rock presents: Darin and Brooke Aldridge, February 5, 2022 at 7:30 p.m.
- B. Coffee with the Chief, February 10, 2022, 9:00 a.m. at Old World Baking Company
- C. Public Safety Building Workshop, February 15, 2022 at 6:00 p.m. Old Rock School Auditorium
- D. Concerts at the Rock presents: Sister Sadie, March 5, 2022 at 7:30 p.m.
- E. Next Council meeting scheduled for Monday, March 7, 2022, 6:00 p.m.

9. Mayor and Council Comments

10. Adjournment

The Town of Valdese holds all public meetings in accessible rooms. Special requests for accommodation should be submitted by individuals with disabilities at least 48 hours before the scheduled meeting time. Contact Town Hall at 828-879-2120 or TDD Phone Line (hearing impaired) 1-800-735-2962.

COMMUNICATION NOTES

To: Mayor Watts
Town Council

From: Seth Eckard, Town Manager

Date: February 4, 2022

Subject: Monday, February 7, 2022 Council Meeting

6. Consent Agenda:

- A. Approval of Regular Meeting Minutes for January 3, 2022
- B. Approval of Special Meeting Minutes for January 13, 2022

7. New Business:

A. Public Hearing for Burke Business Park

Burke Development, Inc., President & CEO Alan Wood will present the proposed project to build up to 500,000 sq. ft. of distribution space in the Burke Business Park. The project will create up to 72 jobs over three to five years and the company will invest approximately \$35-\$42 M when construction is complete. This will take lots A, B, C in the park. As a funding partner of the Burke Business Park; BDI requests the Town of Valdese support the project by conveying approximately 23.6 acres as the local incentive. The market value is estimated at \$944,000. A map of the Business Park is included in the agenda packet.

Requested Action: Staff recommends that Council approve the request to conveying approximately 23.6 acres to Burke Business Park.

B. Introduction of New Employee

Parks & Recreation Director David Andersen will introduce new employee Alex Bustle, Aquatics & Fitness Supervisor

C. Foundation Forward Update

Perry Snider, Operations Manager for Foundation Forward, Inc., will be at the meeting to give Council an update on the progress of the Charters of Freedom Park.

D. Public Hearing for Community Development Block Grant Close Out

WPCOG Community Development Administrator Lisa Helton will present the closeout of the Scattered Site Housing Project, Community Development Block Grant (CDBG) Number 17-C-2986. The grant rehabilitated six houses in the city limits of Valdese. CDBG funds provided 93% of the total expenditures. The total budget was \$350,600 and local funds for \$25,000. Five of

the homeowners were low income elderly citizens of Valdese. One household was a low income family with two children. The program improved their quality of life with the housing upgrades made to their homes.

E. Public Hearing for Re-Zoning Application 1-11-21 Pons/Burke County Habitat

Planning Director Larry Johnson will present the proposed re-zoning requested by Leon and Betty Pons and Habitat for Humanity Burke County for four vacant properties located on Margaret Street NW from B-2 General Business District to R-8 Residential District. The R-8 Residential District allows for residential development. Enclosed in your agenda packet is a memo, a Valdese Planning Board Zoning Map Amendment Consistency Statement, proof of advertisement in the newspaper, and a map showing the re-zoning area.

Requested Action: Staff recommends that Council approve the re-zoning as presented.

F. Adoption of the Valdese Town Council Zoning Map Amendment Consistency Statement

Planning Director Larry Johnson will present the Valdese Town Council Zoning Map Amendment Consistency Statement. The adoption of a consistency statement is new to Council. No later than July 2021, all towns were required to adopt changes from the planning statutes amended by the General Assembly (160D). Valdese adopted the 160D amendments in June 2021. General Statute 160D-605 and Section 9-3142 of the Valdese Zoning Ordinance states that before adoption or rejection of any zoning amendment, adoption of a statement describing whether its action is consistent with the adopted land use plan and reasonable and in the public interest by the Town Council.

Requested Action: Staff recommends that Council adopt the Valdese Town Council Zoning Map Consistency Statement, as presented.

G. Award of Bid for Permanent Stage at Temple Field

Enclosed in the agenda packet is a memo from Community Affairs Director Morrissa Angi, a project outline, and bid estimates for constructing a permanent stage on the Temple Field at the Old Rock School. Staff recommends the bid be awarded to the lowest bidder, Houck Contracting, LLC, in the amount of \$53,450.00. (Other bids: Hefner Construction - \$53, 500.00, and Jeff McGee - \$55,000.00 with Stone or \$47,000.00 with Stone Caps.) Funding has been secured through various donations and savings from annual stage rentals. Ms. Angi will be at the meeting to discuss.

Requested Action: Staff recommends that Council award the bid to the lowest bidder, Houck Contracting, LLC, in the amount of \$53,450.00.

H. Approval of FY22-23 Audit Contract – Lowdermilk Church & Co., LLP

Enclosed in the agenda packet is a memo from Finance Director Bo Weichel and a contract with Lowdermilk Church & Co., LLP, to audit the Town's accounts for FY22, in the amount of \$16,800.00. The contract price last year was \$16,310.00. This \$490.00 increase is due to additional compliance reporting requirements for ARP funding.

Requested Action: Staff recommends that Council approve the FY22 audit contract in the amount of \$16,800.00.

I. Budget Amendment

Enclosed in the agenda packet is a budget amendment prepared by Finance Director Bo Weichel. This amendment will move funds to the appropriate account. Mr. Weichel will be at the meeting to present.

Requested Action: Staff recommends that Council approve the budget amendment as presented.

READING MATERIAL

**VALDESE FIRE DEPARTMENT
ANNUAL ACTIVITY REPORT-2021**

THE BELOW REPORT OUTLINES THE ACTIVITIES PERFORMED BY THE FIRE DEPARTMENT DURING 2021. THE REPORT SHOWS THE AMOUNT OF TIME SPENT ON EACH ACTIVITY AND ALSO THE TYPE AND NUMBER OF EMERGENCY RESPONSES.

<u>ACTIVITY / FUNCTION</u>	<u>TOTAL HOURS</u>
STATION DUTY	1924 HOURS
VEHICLE DUTY	1249 HOURS
EQUIPMENT DUTY	735 HOURS
ON-DUTY EMERGENCY RESPONSES	652 HOURS
TRAINING	1555 HOURS
FIRE ADMINISTRATION	2349 HOURS
TRAINING ADMINISTRATION	89 HOURS
MEETINGS	156 HOURS
FIRE PREVENTION ADMINISTRATION	444 HOURS
FIRE PREVENTION INSPECTIONS	279 HOURS
TOTAL NUMBER OF INSPECTIONS PERFORMED:	211
TOTAL NUMBER OF VIOLATIONS:	810
PUBLIC RELATIONS	108 HOURS
HYDRANT MAINTENANCE	159 HOURS
SAFETY ADMINISTRATION/INSPECTIONS	260 HOURS
SAFE KIDS ADMIN/CRS INSPECTIONS	80 HOURS
OFF-DUTY EMERGENCY RESPONSES	499 HOURS
OFF-DUTY TRAINING	514 HOURS
FIRE/MEDICAL STANDBY	96 HOURS
PHYSICAL TRAINING	152 HOURS
TOTAL TRAINING MANHOURS: (INCLUDES VOLUNTEER FIREFIGHTERS)	3082 HOURS
FIRE RESPONSES:	173
MEDICAL RESPONSES:	386
FIRE/MEDICAL RESPONSES:	<u>17</u>
TOTAL NUMBER OF RESPONSES:	576

**VALDESE FIRE DEPARTMENT - MONTHLY ACTIVITY REPORT
DECEMBER 1st-31st, 2021**

THE BELOW REPORT OUTLINES THE ACTIVITIES PERFORMED BY THE FIRE DEPARTMENT DURING THE MONTH OF DECEMBER, 2021. THE REPORT SHOWS THE AMOUNT OF TIME SPENT ON EACH ACTIVITY AND THE TYPE AND NUMBER OF EMERGENCY FIRE DEPARTMENT RESPONSES.

<u>ACTIVITY / FUNCTION</u>	<u>MONTHLY TOTAL</u>
STATION DUTY	189 HOURS
VEHICLE DUTY	84 HOURS
EQUIPMENT DUTY	47 HOURS
EMERGENCY RESPONSES (ON DUTY)	52 HOURS
TRAINING (ON DUTY)	25 HOURS
FIRE ADMINISTRATION	151 HOURS
TRAINING ADMINISTRATION	5 HOURS
MEETINGS	9 HOURS
FIRE PREVENTION ADMINISTRATION	86 HOURS
FIRE PREVENTION INSPECTIONS	37 HOURS
<u>TYPE</u>	<u>NUMBER OF INSPECTIONS</u> <u>VIOLATIONS</u>
ASSEMBLY	5 30
BUSINESS	2 0
DAYCARE	0 0
FACTORY	2 0
HAZARDOUS	1 0
INSTITUTIONAL	0 0
MERCANTILE	1 3
RESIDENTIAL	1 0
STORAGE	3 62
UTILITY/MISC	0 0
REINSPECTIONS	<u>13</u> <u>36</u>
TOTAL:	28 131
PUBLIC RELATIONS	11 HOURS
HYDRANT MAINTENANCE	0 HOURS
SAFETY ADMINISTRATION	15 HOURS
SAFE KIDS ADMIN/CRS INSPECTIONS	3 HOURS
EXTRA DUTY FIRES	18 HOURS
NON-DEPARTMENTAL DUTIES	0 HOURS
EXTRA DUTY TRAINING	1 HOURS
EXTRA DUTY FIRE/MED STANDBY	0 HOURS
PHYSICAL TRAINING	12 HOURS
EXTRA DUTY MEDICAL RESPONSES	21 HOURS
VOLUNTEER FIREFIGHTER TRAINING	70 HOURS
TOTAL TRAINING MANHOURS:	85 HOURS

FIRE DEPARTMENT EMERGENCY RESPONSES:

<u>FIRE:</u>	<u>MONTHLY TOTAL</u>
FIRE ALARM	3
MUTUAL AID TO STATION 63	6
MUTUAL AID TO STATION 66	1
MUTUAL AID TO STATION 67	3
ELECTRICAL HAZARD	1
ILLEGAL BURN	1
SMOKE SCARE/INVESTIGATION	3
SERVICE CALL	2
VEHICLE FIRE	0
STANDBY	<u>0</u>
	20
<u>MEDICAL:</u>	
ABDOMINAL PAIN	1
ALLERGIC REACTION	0
ANIMAL BITE	0
ASSAULT	0
ASSIST EMS	1
BACK PAIN	0
CANCELLED ENROUT	0
CARDIAC	0
CHEST PAIN	0
CHOKING	0
CODE BLUE	0
DIABETIC	2
DOA	1
FAINTING	2
FALL	6
HEADACHE	0
HEMORRHAGE	0
OTHER	4
OVERDOSE/INTOXICATED	1
PREGNACY	0
PSYCHIATRIC	0
RESPIRATORY	3
SEIZURE	1
SICK	3
STROKE	1
TRAUMATIC	0
UNCONSCIOUS	0
UNKNOWN	<u>0</u>
	26
<u>FIRE AND MEDICAL:</u>	
MOTOR VEHICLE ACCIDENT	<u>1</u>
	1
<u>TOTAL RESPONSES:</u>	<u>47</u>

GREG STAFFORD, CHIEF
VALDESE FIRE DEPARTMENT

Community Affairs & Tourism Monthly Stats

January 2022

Tourism Statistics

visitvaldese.com Visits (reported from Dec 27-Jan 16) 1,677

townofvaldese.com Visits (reported from Dec 27-Jan 16) 4,701

Top 5 Pages Viewed: Utilities, Blog: State of Emergency Declaration, Career Opportunities, Recreation, Blog: How to Pay Your Utility Bill

Facebook

of followers 14,192

Total # of engaged 174,665

Daily Total Reach 138,986

Zoho Social Media Monthly Report: Positive vs. Negative Feedback

Positive 99.29%

Negative .71%

TOP FIVE MARKETS: Morganton, Valdese, Hickory, Lenoir, Drexel

Approximate # of Visitors to the Tourism/CA Office 118

Community Affairs Stats

Old Rock School Rental Breakdown

AUDITORIUM	0
TEACHER'S COTTAGE	10
WALDENSIAN ROOM	4
CLASSROOMS	2
MAJOR EVENT (ENTIRE SCHOOL)	2
Major Events Held at the Old Rock School	Average Number of Attendees
Tim Raybon Band Concert, Steel Magnolias	210
Monthly Old Rock School Rentals	18
Old Rock School Total Attendance	900

CA Summary for January 2022

January is full of preparation and planning for the Community Affairs Department. Booking of Summer entertainment for the Family Friday Nights Concert Series and Waldensian Festival was finalized, as well as a few bookings for the 2022-2023 Bluegrass at the Rock season. Food truck/vendor applications were created for the Independence Day Celebration to be held on July 1st. Planning for the Spring Craft Market set for April 30th included distribution of vendor applications, design of marketing materials, and drafting an outline of the vendor layout on Temple Field. Materials for the second annual Lucky Leprechaun Hunt are in the making and prizes have been ordered. The first Main Street Meeting of the year was held on January 13th and a great success. Discussion of Downtown's past triumphs and brainstorming for future ways to enhance life in Valdese took place with 9 members present. The Old Rock School saw a busy month of rental bookings, hosted the Tim Raybon Band bluegrass concert, and Old Colony Player's production of "Steel Magnolias".

Town of Valdese Personnel Report

	<u>Employee Name</u>	<u>Position</u>	<u>Previous Position</u>	<u>Department</u>	<u>Date of Event</u>
<i>Promotions</i>	Eric Wilson	Water Plant Superintendent	Water Plant Operator A	Water Plant	1/17/2022
<i>New Hires</i>	Alex Bustle	Fitness & Aquatics Supervisor		Parks & Rec Department	1/10/2022
<i>Transfers</i>					

January 3, 2022, MB#31

**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
JANUARY 3, 2022**

The Town of Valdese Town Council met on Monday, January 3, 2022, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The following were present: Mayor Leonard "Charlie" Watts, Councilwoman Frances Hildebran, Councilwoman Rexanna Lowman, Councilman J. Andrew Thompson, Councilman Keith Ogle and Councilman Paul Mears. Also present were: Town Attorney Tim Swanson, Town Manager Seth Eckard, and various Department Heads.

Absent: Town Clerk Jessica Lail

A quorum was present.

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

OPEN FORUM/PUBLIC COMMENT: Mayor Pro Tem Frances Hildebran read the Rules & Procedures for Public Comment.

Rule 5. Public Comment

Any individual or group who wishes to address the council shall inform the town clerk, any time prior to the start of the meeting, and provide their name, address and subject matter about which they wish to speak. Comments should be limited to five minutes per speaker.

CONGRATULATIONS – SANDY WALKER, 124 MAIN ST. W, VALDESE: Ms. Walker congratulated the newly incoming Council. Ms. Walker shared that the Council is in her prayers and gave each elected Council member a non-denomination devotional book. Ms. Walker said that her door was always open to help the community and shared the scripture Proverbs 29:2.

REGOGNITION OF THE VALDESE MASTERS SWIM TEAM: Parks and Recreation Director David Andersen shared that several members of the Valdese Masters Swimmers participated in the NC State Senior Games in the fall. Mr. Anderson introduced and recognized the swimmers and thanked them for their participation.

UPDATE FROM OLD COLONY PLAYERS: Edyth Pruitt, General Manager of Old Colony Players presented a 2021 year review.





The mission of Old Colony Players is to preserve Waldensian cultural heritage, promote quality theatre, and celebrate diverse artistic expression.

THE WIZARD OF OZ



April/ May 2021



Performed at the Fred B Cranford Amphitheatre



Audiences limited to 1/2 capacity



Over 1500 Patrons
50% from outside of Burke County



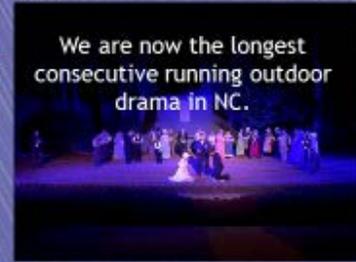
36 Cast Members, many new to OCP



Performed with clear masks for the safety of our audiences and cast members.

January 3, 2022, MB#31

FROM THIS DAY FORWARD



OCP SUMMER CAMP JULY 2021

19 children
Ages 4-16

Full scale production at the end of the week
4 dynamic teachers who taught skills in
Music,
Dance,
and Acting



THE ROCKY HORROR SHOW

New, diverse crowd and cast.

1075 patrons

October 2021
Performed at the
Fred B Cranford
Amphitheatre

All cast and crew
vaccinated
for the safety of
our community

December 2021

First time
back inside at the
Old Rock School

1312 patrons



Amphitheatre Upgrades

(due to a generous grant from the Rostan Family Foundation)

- Turntable totally rebuilt and new reversible motor
- Replaced the roof on the concession stand at the top of the amphitheatre
 - Total rewiring of the dressing room building
 - Rubber mulch in the pitt
- Extended the stage front for more versatility in staging with a new trap door.

Frequently asked questions:

- Where do our audiences come from?

Over 50% of our audiences are from outside of Burke County, making Old Colony Players a destination attraction for Valdese. This year alone, during the pandemic, we have had visitors from Virginia, Georgia, New York, New Mexico, Georgia, Tennessee and towns across North Carolina from as far away as Wilmington in the east and West Jefferson in the west. Most patrons not only see our shows but frequent our restaurants and other area attractions.

- Where do our actors come from?

Our actors are a diverse group. This year alone we have had actors travel from Hickory, Lenoir, Boone, Asheville, Hendersonville, Marion, Cherryville, Lincolnton, Shelby and Statesville as well as many people in our local acting community. In each production this year, we have had seasoned professionals who have been with OCP for decades and at least one actor each show for whom it has been their first time on stage. Most volunteer at least 150 hours of their time at the theatre per production. From This Day Forward is the only production for which actors are paid. Pay range is from \$150-\$400 for the whole summer.

- How much does it cost to put on a production?

Depending on the production, the rights run anywhere from \$120-\$285 per performance. Add to that the cost of production staff, costuming, sets, musicians, and props, and productions cost anywhere from \$3000- \$10,000 to produce.

Upcoming Season for 2022



January 21, 22, 27, 28 and 29 at 7:30
January 23 and 30 at 3:00 at the Old Rock School



A dinner theatre done in conjunction with the Waldensian Winery.
Feb 10 & 11



April 15, 16, 21, 22, 23, 28, 29 & 30
At the Fred B. Cranford Amphitheatre



June 17, 18, 19, 24 and 25
A dinner theatre
(rescheduled from September 2021)



54th consecutive season
Fridays and Saturdays
July 15 through August 13

Summer camps
July 25-29 and August 1-5

Oct Show TBA
Pending approval
Oct. 14-30

Holiday Show TBA
Pending approval
December 2022



CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF DECEMBER 6, 2021

APPROVED DATE FOR PUBLIC HEARING FOR RE-ZONING APPLICATION 1-11-21, PONS/BURKE COUNTY HABITAT ON MONDAY, FEBRUARY 7, 2022, 6:00 P.M., VALDESE TOWN HALL

APPROVED DATE FOR PUBLIC HEARING FOR CDBG CLOSEOUT ON MONDAY, FEBRUARY 7, 2022, 6:00 P.M., VALDESE TOWN HALL

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

End Consent Agenda

ITEMS REMOVED FROM CONSENT AGENDA: None

INTRODUCTION OF NEW EMPLOYEES & PROMOTION: Police Chief Jack Moss introduced Police Officer Caleb Mace. Public Services Director Greg Padgett introduced Street Maintenance Worker Derek Estes and Utility Field Technician Nathan Barajas. Town Manager Seth Eckard congratulated David Andersen, who was promoted to Parks & Recreation Director.

VALDESE ABC STORE PRESENTATION: Karen Caruso, Manager of the Valdese ABC Store, thanked Council for the loan agreement they approved in November 2013 in the amount of \$162,775.00. Ms. Caruso happily presented a check to the Town of Valdese for the final principal payment of \$35,000.00.

MCGALLIARD CREEK BRIDGE PROJECT PRESENTATION: Before his presentation, Parks and Recreation Director David Andersen asked Beth Heile to share something with Council. Ms. Heile shared the background of Lakeside Park that started back in 2013 and said that the number one thing people wanted that came out of a survey was to connect McGalliard Falls to Valdese Lakeside Park. Ms. Heile shared that a bridge will allow that wish to happen as well as becoming a tourist attraction. Ms. Heile presented the town with a \$50,000 check going towards the bridge.

Mr. Andersen presented the following presentation:

McGalliard Creek Bridge Project

January 3, 2022

Town of Valdese Parks and Recreation Department



Project Overview

Project Purpose:

- ▶ To connect McGalliard Falls Park to the new greenway constructed at Valdese Lakeside Park.
- ▶ Creates a larger, connected park and trail system within town limits.
- ▶ Allows for greater access to amenities and focal points at both parks.



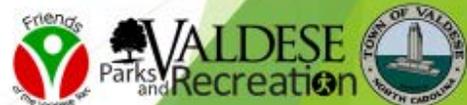
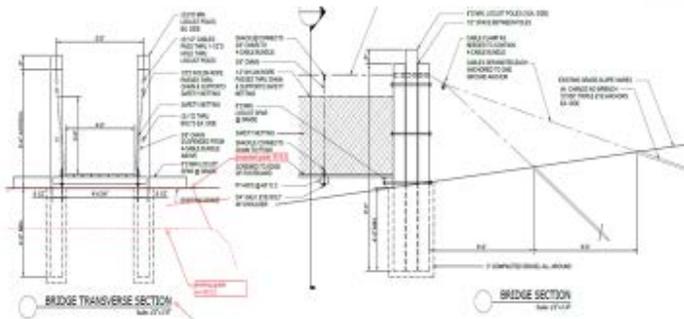
Construction Bids

- ▶ Staff-recommended bid: Beanstalk Bridges/Builders
 - ▶ \$150,000 total cost
 - ▶ Burke County-based company
- ▶ Other bids:
 - ▶ Alpine Towers International: \$148,750 + estimated \$10,000 cost of engineering and Geotech study
 - ▶ Phoenix Experiential Designs: \$145,000 + estimated \$15,000-\$20,000 cost of engineering and Geotech study



Proposed Bridge: Beanstalk Bridges/Builders

- ▶ 155' Suspension bridge spanning McGalliard Creek
 - ▶ 4' wide walking area
 - ▶ 3'6" tall safety netting along side of bridge
 - ▶ Locust beams for support at ends



Bridge Costs and Funding

Project Funding Sources:

- ▶ Recreational Trails Program (RTP) Grant
- ▶ State Budget Allocation to the Friends of the Valdese Rec
- ▶ Friends of the Valdese Rec Donations
- ▶ Rostan Family Foundation Gift

Project Budget	
	Projected Project Expenses
Indicate construction costs by line item	
Construction Costs	
Mobilization (Beanstalk)	\$ 15,000
Bridge Construction (Beanstalk)	\$ 135,000
Contingency (10% of construction costs):	\$ 15,000
Construction Total:	\$ 165,000
Engineering/Attorney Costs	
Review of Bidding & Award	\$ 850
Flood Modeling & Permitting	\$ 51,000
Construction Surveying, Administration and Observation	\$ 17,500
Engineering/Legal Subtotal:	\$ 69,350
Administration Costs	
Loan Administration (WPCOG)	\$ 5,000
Administration Subtotal:	\$ 5,000
TOTAL PROJECT COST:	\$ 239,350



AWARD OF BID FOR MCGALLIARD CREEK BRIDGE PROJECT: During his presentation, Parks and Recreation Director David Andersen, presented an award of bid for the construction of the suspension-style bridge. Mr. Andersen shared that he recommended the award to go to Beanstalk Bridges/Builders of Morganton, in the amount of \$150,000 total cost.

January 3, 2022, MB#31

**McGalliard Creek Falls Catenary Bridge
BRIDGE CONSTRUCTION AGREEMENT
November 24, 2021**



This Bridge Construction Agreement (hereinafter the "**Agreement**") is made and entered into this _____ day of _____, 2021 between **BEANSTALK BRIDGES, LLC**, a North Carolina limited liability company with its principal place of business in Burke County, North Carolina, and **BEANSTALK BUILDERS LLC**, a North Carolina limited liability company with its principal place of business in Burke County, North Carolina (hereinafter collectively the "**Contractor**"); and **TOWN OF VALDESE**, a body politic and corporate of the State of North Carolina (hereinafter the "**Owner**") (the Contractor and Owner are hereinafter sometimes referred to individually as "**Party**" and collectively as "**Parties**").

WHEREAS, Contractor is engaged in the business of constructing bridges;

WHEREAS, Gregory S. Hoff serves as the license qualifier for Contractor with the North Carolina Licensing Board for General Contractors, License No. 82865;

WHWHEREAS, Owner is the owner of those certain tracts or parcels of real property situated in the Town of Valdese, Burke County, North Carolina, commonly known as McGalliard Pointe Drive NE, Parcel ID No. 2734843186, which is more particularly described in Deed Book 2488, Page 799, Burke County Registry, and 1149 Lake Rhodhiss Drive NE, Parcel ID No. 2744445905, which is more particularly described in Deed Book 2331, Page 723, Burke County Registry (hereinafter collectively, the "**McGalliard Falls Properties**"); and

WHEREAS, the Parties desire to enter into a contract for the construction of a catenary bridge connecting the McGalliard Falls Properties.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree to the following terms and conditions:

1. CONTRACTOR RESPONSIBILITIES. Contractor agrees to furnish all materials, labor, supervision, tools, equipment, supplies, licenses, tests and permits as necessary to perform all of Contractor's Work described in Paragraph 2 below, for the construction of the McGalliard Creek Falls Catenary Bridge (hereinafter the "**Project**") in accordance with the terms and conditions of this Agreement and all plans and specifications for the Project, which are incorporated herein by reference.

2. CONTRACTOR WORK. "Contractor Work" or "Contractor's Work" or "Work" shall consist of the following:

◆ P.O. Box 1273 ◆ Morganton, NC 28680 ◆ BeanstalkBridges.com ◆

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A. Contractor shall provide all materials, labor, supervision, tools, equipment, supplies, licenses, tests and permits for construction of the Project including, but not limited to, the following: (i) protection of the Work and any adjacent infrastructure during the Project; (ii) provision of the bridge design, engineering, and layout; (iii) provision of all required permitting; (iv) provision of all necessary tools, scaffolding, implements, equipment, lifts, unloading, and storage; (v) provision of all materials required to complete the Project, including, but not limited to, four (4) bundles of 3 locust posts, locust deck boards and supporting locust members, full length safety netting, and entry ramp on west entrance of bridge; (vi) construction and/or installation of one 150' Catenary Bridge, including, but not limited to, lane clearing and brushing, grading the trail and terrace on east side of bridge, installation of locust post, ground screw anchors, cables and hardware, decking and safety netting; (vii) commissioning of all necessary testing and inspections; and (viii) completion of all clean-up from installation of the scope of Work.

B. No financial contingencies have been included for (i) site preparation, including, but not limited to, drainage infrastructure, fill or grading of the site, construction pad prep, or erosion mitigation measures, (ii) location and relocation of any underground utilities, (iii) provision of ADA access, (iv) poor site conditions including, but not limited to, sub-grade rock/soil that must be drilled for pole placements or guy wire anchor placements, low load-bearing soils, and unforeseen subsoil debris (stumps, stump holes, old septic areas, rocks, concrete, etc.). If such conditions are incurred, expenses associated with managing these conditions will be billed to Owner upon Owner's approval at market costs.

C. Contractor will not make any substitutions to its Work or materials unless it first receives written approval of Owner.

D. Contractor will at all times keep the Project site in a safe and orderly condition.

E. The Contractor Work includes all work incidental or related thereto, or reasonably inferable therefrom, for a complete Project. The Contract Work will be performed in accordance with the Contract and in a skillful and workmanlike manner, with material and equipment being both ample in quantity for the Project and of the kind and grade necessary for the purpose intended.

F. All labor, services and materials to be furnished as part of this Agreement will comply with all applicable federal, state and local statutes, regulations, rules, and ordinances, including without limitation, those relating to safety, hazardous waste, discrimination, fair employment, equal opportunity and workers' compensation. Additionally, Contractor is responsible for compliance with all building codes. Contractor will, solely at its own expense, correct any violations of the obligations in this Paragraph.

G. Contractor warrants that it is duly licensed by all applicable government authorities to perform the Contract Work, and that it will maintain such licenses at its own expense for a minimum of one (1) year after the date of final acceptance of the Project.

H. Contractor will prepare and submit to Owner in a timely manner all drawings, product samples, test results, instructions, certificates, and other required submittals

◆ P.O. Box 1273 ◆ Morgantown, NC 28680 ◆ BeanstalkBridges.com ◆

requested by Owner, if any, and obtain all required approvals, permits, and licenses necessary or required in connection with the Project.

3. OWNER'S RESPONSIBILITIES. Owner shall be responsible for the following on the Project: (i) location of underground utilities in and around the building site prior to the Contractor commencing the Project, (ii) provision of Builders Risk Insurance for the duration of the Project, (iii) provision of brush and maintenance access roads on either side of the bridge so trucks and machinery can easily pass through, (iv) removal of any unwanted brush and wood remaining from the clearing and brushing phase, (v) securing a no-rise analysis and any required certifications, and (vi) locating the Bridge Center Line.

4. COMMENCEMENT, COMPLETION AND SCHEDULE.

A. Contractor will commence and complete all Contract Work on the schedule specified below (hereinafter the "**Project Schedule**"):

i. Design Phase: The Design Phase shall include the course design and layout of the Project. The Design Phase shall commence immediately upon the Parties' execution of this Agreement. Owner agrees to meet with Contractor at the beginning of the Design Phase of the Project to examine the location and confirm the layout of the course of the Catenary Bridge. Owner or its agents or representatives also will be available for routine inspections of the Project, and will be available as reasonably necessary to visit the site if requested by the Contractor.

ii. Build Phase: The Build Phase shall include construction of the Project in accordance with Paragraph 2 and other applicable provisions of this Agreement. The Build Phase shall commence within thirty (30) days of the Parties' execution of this Agreement and shall be completed no more than ninety (90) days from the Parties' execution of this Agreement.

iii. Walkthrough and Inspections Phase. Within ten (10) days of Contractor's completion of the Work, Owner and its architects, engineers, and representative shall have the opportunity to inspect the Contract Work. Completion of the Walkthrough and Inspections Phase will not relieve Contractor of liability for the obligations assumed under this Agreement or for faulty or defective Work discovered after completion thereof.

B. The Project Schedule shall be extended as reasonably necessary due to unforeseeable causes reasonably beyond the control of the parties. Such causes may include, but shall not be limited to, delays in payment, bad weather, acts of God, supply chain delays, regulations or orders of governmental authorities, emergency making it impossible, illegal, or otherwise inadvisable to continue construction. Contractor reserves the right to cease work if payment is late until such time as the default in payment is cured.

5. CONTRACT PRICE.

A. As total compensation for the Contract Work, and subject to the terms of this Agreement, Owner shall pay to Contractor One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00) (hereinafter the "**Contract Price**") on the following schedule:

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i. Upon execution of this Agreement, Owner shall pay thirty-five percent (35%) of the Contract Price (\$52,500.00);

ii. Upon completion of the Building Phase, Owner shall pay Contractor thirty-five percent (35%) of the Contract Price (\$52,000.00); and

iii. Final payment of the balance of the Contract Price shall be made to Contractor within seven (7) days of: (a) completion of the Inspection and Walkthrough Phase of the Project Schedule; (b) receipt of Owner's waiver of all claims related to Contractor's Work, and (c) written resolution between Contractor and Owner of liens, defective work, and noncompliance with this Agreement or warranties. Final payment will not relieve Contractor of liability for the obligations assumed under this Agreement or for faulty or defective Work discovered after final payment.

B. When Owner so orders in writing, Contractor will make any and all changes in the Work that are within the general scope of this Agreement. Adjustments in the Contract Price or time, if any, resulting from such changes shall be identified in a Change Order. No such adjustments will be made for any such changes performed by Contractor that have not been so ordered in writing by Owner or its authorized representative before the change has begun.

C. In the event of default in payment under the terms of this Agreement and such default is not cured within ten (10) days' written notice by the non-defaulting party, a late fee of two percent (2%) of the amount due will be charged and assessed to the defaulting party.

D. As a condition to all payments under this Agreement, Contractor will provide, in a form satisfactory to Owner, partial lien or claim waivers and affidavits from Contractor and its subcontractors and material suppliers for the completed portion of the Work.

6. **WARRANTY.** Contractor warrants and guarantees that its Work is in conformance in all respects with this Agreement and further warrants that the Contract Work shall be free from structural defects and defects in workmanship under normal use and service. For a period of one year from the date of final acceptance of the Contract Work Contractor shall repair and/or replace any part of the Contract Work that fails to comply with this warranty or the terms of this Agreement. This warranty covers only such defects that are reported to Contractor in writing within one year of completion of the Work. Contractor shall have no obligation to repair or replace any part of the Work damaged by normal wear and tear, misuse, vandalism, Act of God or other cause not the act or deficient Work of Contractor. This warranty is expressly in lieu of all other warranties and representations, expressed or implied, and all other obligations or liabilities on the part of seller.

7. **CONTRACTOR DEFAULT.**

A. Should Contractor (a) fail to prosecute the Contractor Work diligently (including but not limited to failure to provide sufficient numbers of skilled workmen or property materials, or failure to adhere to the applicable performance schedules), (b) fail to perform any of its obligations under this Agreement, (c) file bankruptcy, assign assets for the benefit of creditors, become insolvent, or be unable or fail to pay its obligations as they mature, or (d) repeatedly perform the Contract Work in a manner which is rejected by the Owner's architect or

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engineer or government inspectors having jurisdiction over the Project, the Owner may deem the Contractor to be in default and, at Owner's sole option, and without limitation and other remedies available at law or in equity, take one or more of the following actions:

i. Take temporary possession for a period of up to 120 hours of all Contractor's materials and equipment intended for performance of the Contract Work in order to assure its availability for completion of the Contract Work;

ii. Upon forty-eight (48) hours prior written notice of the default (and provided the default is not fully cured within forty-eight (48) hours), cure the default at Contractor's expense and deduct the cost thereof from the Contract Price;

iii. Upon forty-eight (48) hours prior written notice of the default (and provided the default is not fully cured within forty-eight (48) hours), give Contractor written notice of termination of this Agreement and, at Owner's option, take permanent possession of all of Contractor's materials, equipment, manuals, records, drawings, and other items intended for the performance of the Contract Work, which Contractor hereby assigns and transfers to Owner for such purpose.

B. In the event of termination of this Agreement as provided in this Paragraph, Contractor will receive no further payment of any unpaid portion of the Contract Price until such time as the Contract Work is completed, at which time the Contractor will be entitled to the unpaid portion of the Contract Price, less all costs and expenses (including reasonable attorneys' fees) incurred by Owner in curing said default and completing the Contract Work. If the Owner's said costs and expenses exceed the unpaid portion of the Contract Price, Contractor and its surety, if any, will be liable for, and will promptly pay to Owner, such excess amount and Owner shall have a lien upon Contractor's materials, tools, and equipment in Owner's possession to secure payment thereof.

8. INSPECTIONS. Contractor will be solely responsible for its own inspections of the Contract Work for conformance with this Agreement. Contractor will provide, and will ensure that its subcontractors and material suppliers provide sufficient, safe, and proper facilities for the inspection and/or observation of the Contract Work by the Owner or its architect, engineer, or representative as may be requested.

9. PUNCH LIST OBLIGATIONS. Contractor will promptly perform any and all punch list work submitted by Owner. If this work is not performed within five (5) working days from Owner's written notice of such work, then without waiving any other remedies it has, Owner may complete the work and deduct the costs from the Contract Price.

10. RISK OF LOSS. Contractor will be responsible for the receipt, delivery, unloading, storage, warehousing, protection, insurance, and all risk of loss relating to any materials or equipment it is to furnish, install, provide, or have provided to it in performance of this Agreement.

11. CORRECTION OF NON-COMPLYING WORK. Contractor will, within seventy-two (72) hours after notice from Owner or immediately upon notice from Owner in emergency or critical path situations, remove any designated portion of the Contract Work which is condemned

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or is disapproved as not being in compliance with the requirements of this Agreement. Contractor will promptly, at its own expense, correct the same. If Owner decides that it will accept nonconforming Work, Owner will be entitled to an equitable credit for the nonconformity.

12. CONTRACTOR'S INSURANCE. Prior to start of the Contract Work, Contractor will procure for the Contract Work and maintain in force Workers' Compensation Insurance, Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, and any other insurance required under this Agreement.

13. CONTRACTOR INDEMNITY. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold harmless Owner, and its architects, engineers, agents, and representatives from and against all claims, damages, loss and expenses, including but not limited to attorney's fees, arising out of or resulting from the performance of Contractor's Work, including, but not limited to, (a) any such claim, damage, loss, or expense attributable to bodily injury, sickness, diseases, or death, or to injury to or destruction of tangible property (other than Contractor's Work itself) including the loss of use resulting therefrom, to the extent caused in whole or in any part by any negligent act or omission of Contractor or anyone directly or indirectly employed by Contractor or anyone for whose acts Contractor may be liable; and (b) such obligation shall not be construed to negate, or abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this Agreement. Loss or damage due to acts of Contractor will be deducted from the amounts otherwise due Contractor. Contractor agrees to obtain, maintain and pay for such Commercial General Liability insurance coverage and endorsements as will insure the provisions of this Agreement.

14. OWNER INDEMNITY. To the fullest extent permitted by law, Owner shall defend, indemnify and hold harmless Contractor from and against all claims, damages, loss and expenses, including but not limited to attorney's fees, arising out of or resulting arising out of or resulting from Owner's operation of the bridge structure after completion of the Work and not otherwise resulting from Contractor's negligent conduct or faulty or deficient Work, including trespassers or others not authorized to be on the structure. Such obligation shall not be construed to negate, or abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this Agreement, specifically including, but not limited to, Contractor's obligation for indemnity set forth in Paragraph 13.

15. TIME IS OF THE ESSENCE. Time is of the essence for both Owner and Contractor, and both Parties mutually agree to perform their respective obligations so that the entire Project may be completed in accordance with this Agreement and the Project Schedule. Contractor agrees that its work shall be prosecuted regularly, diligently, and in an uninterrupted fashion.

16. ENTIRE AGREEMENT. This Agreement contains the entire agreement between the Parties, and all agreements entered prior to or contemporaneously with the execution of this Agreement are excluded whether or not in writing. All changes, additions, or deletions hereto must be in writing and signed by the Parties.

17. APPLICABLE LAW. Conflicts arising from this Agreement shall lie exclusively within the jurisdiction of the laws and courts of the North Carolina and this Agreement shall be

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governed by and interpreted under the laws of North Carolina excluding its conflict of laws provisions. In the event of breach of this Agreement, the breaching Party shall be liable for all reasonable attorney's fees and costs necessary to enforce this Agreement by the non-breaching Party.

[Signatures appear on the following page.]

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year above written.

CONTRACTOR:

BEANSTALK BUILDERS LLC,
a North Carolina limited liability company

By: _____
Its: _____

BEANSTALK BRIDGES LLC,
a North Carolina limited liability company

By: _____
Its: _____

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____ a Notary Public of said county and state, certify that _____ personally came before me this day and acknowledged that he is the Member-Manager for Beanstalk Builders, LLC, and that by authority duly given and as the act of the company, the foregoing instrument was signed in its name and by him as Member-Manager.

WITNESS my hand and Notarial Seal, this ____ day of _____, 2021.

Notary Public
Print Name: _____
My Commission expires: _____
☞ NOTARY SEAL

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____ a Notary Public of said county and state, certify that _____ personally came before me this day and acknowledged that he is the Member-Manager for Beanstalk Bridges, LLC, and that by authority duly given and as the act of the company, the foregoing instrument was signed in its name and by him as Member-Manager.

WITNESS my hand and Notarial Seal, this ____ day of _____, 2021.

Notary Public
Print Name: _____
My Commission expires: _____
☞ NOTARY SEAL

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year above written.

OWNER:

THE TOWN OF VALDESE,
a North Carolina Municipal Corporation

ATTEST:

(SEAL)

_____, Mayor

Jessica Lail, Town Clerk

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____ a Notary Public of said county and state, certify that Jessica Lail personally came before me this day and acknowledged that she is Town Clerk of the Town of Valdese, a North Carolina municipal corporation, and that by authority duly given and as the act of the Town Council of the Town of Valdese, the foregoing instrument was signed in its name and by its Mayor, _____, sealed with its corporate seal and attested by her as its Town Clerk.

WITNESS my hand and Notarial Seal, this ____ day of _____, 2021.

Notary Public
Print Name: _____
My Commission expires: _____
☞ NOTARY SEAL

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Councilman Mears made a motion to approve the Award of Bid to Beanstalk Bridges/Builders, LLC, seconded by Councilman Thompson. The vote was unanimous.

Councilwoman Hildebran thanked the Friends of the Valdese Recreation and Beth Heile as their leader for all they have done. Councilwoman Hildebran asked if bicycles could go across the bridge, and Ms. Heile said yes. Mayor Watts also thanked Beth Heile and everything she has done for the Town.

CONTRACT FOR MCGILL ASSOCIATES CONSTRUCTION MANAGEMENT: RJ Mozeley with McGill Associates presented a contract for the construction management on the bridge project. Mr. Mozeley shared that that means they will assist the Town in construction administration through the project's construction phase. Mr. Mozeley said McGill Associates would be the eyes and ears, independent of the contractor to be present to make sure everything is built according to the plans. Councilwoman Hildebran

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asked if these funds would come from the grants and donated money. Town Manager Seth Eckard said yes, no Town funds are being used. Town Attorney Tim Swanson has reviewed the contract.



Shaping Communities Together

December 17, 2021

Mr. Seth Eckard, Manager
Town of Valdese
102 Massel Avenue SW
Valdese, North Carolina 28690

RE: McGalliard Creek Bridge Engineering Services
Construction Phase

Dear Mr. Eckard,

Pursuant to your request, McGill Associates (McGill) is pleased to provide this proposal for engineering services to the Town of Valdese for the above-referenced project.

We understand that the Town will execute an agreement with Beanstalk Builders to construct a new suspension bridge over McGalliard Creek which will connect the Town's Lakeside Park and McGalliard Falls Park. The project includes the construction of all bridge members and associated site work to construct the proposed bridge as previously discussed with the Town and as permitted by the local Flood Plain Administrator.

Further we understand that this project's funding sources are all coming from external sources including private donations from the Friends of the Valdese Rec, grant funds from NCDOT and the Recreational Trails Program. Those funds are to be administered by the Town or Others.

Based upon our statement of understanding above, we propose to provide the services enumerated below, utilizing plans prepared by Beanstalk Builders to the extent possible. It is understood that those design plans prepared by Beanstalk are hereby deemed reliable and will be utilized as prepared, with only minor modifications as needed for implementation and construction.

Construction Phase Services

1. Attend a preconstruction meeting with the Town and Contractor to review the requirements of the project and establish anticipated schedules.
2. Review and process shop drawings, diagrams, illustrations, brochures, catalog data, schedules and samples as required.
3. Provide professional surveying services to assist the Contractor in construction "layout and staking" for the proposed two end points of the bridge.
4. Provide a Construction Field Representative (CFR) to observe the progress and quality of the executed work and determine in general if the work is proceeding in accordance with the Contract Documents. As part of this contract, field observation will be provided for up to

Mr. Seth Eckard
December 17, 2021
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ten (10) hours per week during active construction (regular working hours) by a CFR for an anticipated construction period of two (2) months.

5. Based on the on-site observations as an experienced and qualified design professional and on review of the Contractor's applications for payment and supporting data, determine the amount owing to the Contractor(s) and approve to the Owner payment to the Contractor(s) in such amounts; based on such observations and review, that the work has progressed to the point indicated and that to the best of his knowledge, information and belief the quality of the work is in accordance with the Contract Documents.
6. Receive, review, and respond to Requests for Information submitted by the Contractor. Coordinate with the Owner to issue Bulletin Drawings providing clarification for differing, previously unknown field conditions.
7. Prepare change orders as required and require special inspection or testing of the work if necessary.
8. Review the results of tests and inspections and other data which any Contractor is required to submit, and receive and review schedules, guarantees, bonds and certificates of inspection which are to be assembled by the Contractor(s) in accordance with the Contract Documents.
9. Conduct a final walk through with applicable parties to determine if the project has been completed in accordance with the Contract Documents and if the Contractor has fulfilled all his obligations thereunder so that the Engineer may approve to the Owner final payment to the Contractor.
10. Conduct a final visit to the site by professional surveyors to verify as-built locations of the bridge comply with the permitted No-Rise Certification.

Exclusions and Additional Services

1. Making revisions when such revisions are inconsistent with approvals or instruction previously given by the Town or are due to causes beyond the control of McGill.
 2. Work required because of errors in sketches, drawings, or bridge system information provided by others.
 3. Providing services of professional consultants for items of work other than those outlined under the Scope of Services.
 4. Preparing to serve and/or serving as an expert witness in connection with any public hearing, arbitration proceeding or legal proceeding, other than as specified in the Scope of Services above.
 5. Providing construction observation and construction administration for more time than outlined in the Scope of Services.
 6. Providing additional testing documentation and information related to requirements associated with NCDOT funding requirements.
-

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Mr. Seth Eckard
December 17, 2021
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- 7. Assisting with funding administration, reporting, compliance document preparation and reimbursement requests including but not limited to funding administration related to NCDOT and RTP.

Basis for Compensation

Based on our understanding of the requested work, we propose to provide the scope of services detailed in this agreement for the following fees:

<u>Construction Phase Services (Lump Sum)</u>	<u>\$17,500</u>
<u>Additional Services – (If Required)</u>	<u>Hourly per enclosed Standard Fee Schedule</u>

We appreciate the opportunity to provide this proposal and look forward to assisting the Town with this important effort. We are prepared to begin work upon your authorization. If this proposal is acceptable to you, please sign below and return one (1) copy to our office.

If you have any questions concerning this proposal, please do not hesitate to contact us.

Sincerely,
McGILL ASSOCIATES, P.A.

Douglas Chapman, PE
Principal – Hickory Office Manager

cc: Mr. RJ Mozeley, PE, McGill Associates, P.A.

ACCEPTED:

Seth Eckard, Town Manager Date

This Instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act, this the ____ day of _____, 2022 by Finance Officer, _____, Town of Valdese, North Carolina.

Councilman Ogle made a motion to approve the Contract with McGill Associates as presented, seconded by Councilwoman Lowman. The vote was unanimous.

PRESENTATION OF FISCAL YEAR ENDING JUNE 30, 2021 FINANCIAL UPDATE: Phil Church and Rick Hammer of Lowdermilk Church, & Co., informed Council that we had an A-133 audit that creates more compliance work. Mr. Hammer reviewed the following highlight sheets:

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TOWN OF VALDESE
Financial Highlights
Years Ended June 30, 2021 and 2020

General Fund (Includes Powell Bill Funds)	2021 Summarized Budget	2021	2020
Total assets		\$ 5,504,828	\$ 4,734,056
Fund balance		\$ 5,286,477	\$ 4,528,448
Fund balance - Reserved for Streets - Powell Bill (included in total fund balance)		\$ 38,562	\$ 9,107
Total revenue	\$ 4,936,220	\$ 5,226,030	\$ 5,043,110
Total expenditures	\$ 5,339,790	\$ 4,589,002	\$ 4,771,543
Revenues over (under) expenditures before other financing sources (uses)		\$ 637,028	\$ 271,567
Other income (expense)	\$ 403,570	\$ 121,000	\$ 92,313
Increase (decrease) in fund balance		\$ 758,028	\$ 363,880
Ad valorem taxes collected		\$ 2,313,313	\$ 2,220,386
Percent of taxes collected - current year levy		97.81%	97.89%
Investment income		\$ 4,357	\$ 89,543
Fund Balance Available			
Unassigned Fund Balance		<u>4,299,677</u>	<u>3,524,437</u>
Expenditures and other financing sources and uses		4,589,002	4,771,543
Unassigned Fund Balance Percentage		93.69%	73.86%

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

Mr. Hammer shared that from 2020 to 2021 there was a substantial increase of the unassigned fund balance percentage.

Water and Sewer Fund	2021	2020
Cash, cash equivalents and investments	\$ 1,381,860	\$ 829,467
Total assets	\$ 28,098,972	\$ 25,005,206
Net position	\$ 22,478,620	\$ 20,630,921
Operating revenue	\$ 5,130,346	\$ 4,947,109
Operating expenses	\$ 5,237,551	\$ 5,139,005
Operating income (loss)	\$ (107,205)	\$ (191,895)
Nonoperating revenue (expenses)	\$ 126,506	\$ (177,114)
Transfers (to) from	\$ (221,000)	\$ (126,935)
Capital Contributions	\$ 2,049,398	\$ 201,624
Change in net position, includes \$1,120,935 of depreciation expense 2021	\$ 1,847,699	\$ (294,320)
Accounts receivable - customers	\$ 582,893	\$ 561,937
Investment income	\$ 222	\$ 12,830
Days sales in accounts receivable	41.46	41.48
Fund Balance Available		
Unrestricted Fund Balance	<u>\$ 1,678,904</u>	<u>\$ 1,265,793</u>
Expenditures and other financing sources and uses	5,237,551	5,139,005
Unrestricted Fund Balance Percentage	32.05%	24.63%

Mr. Hammer shared that the increase of the Capital Contributions in 2021 was due to Utility Fund Capital projects and the federal money the Town received from the State. Mr. Hammer shared that any new debt

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has to go through the Local Government Commission and approved. Town Manager Seth Eckard asked what kind of financial shape the Town was currently in. Mr. Church stated that overall it was very good.

CAPITAL PROJECT ORDINANCE AMENDMENT: Town Manager Seth Eckard presented the following Capital Project Ordinance Amendment:

Valdese Town Council Meeting

Monday, January 3, 2022

Capital Project Ordinance Amendment # 1-33

Subject: McGalliard Creek Bridge

Description: To amend capital project ordinance Fund 33
This will setup the revenues and expenses to account for the various financing sources and contracts associated with the bridge construction.

Proposed Action:

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

Section I:

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

Account	Description	Decrease/ Debit	Increase/ Credit
33.3970.002	State Budget Appropriation		57,500
33.3970.003	Donations		50,000
33.3970.004	RTP Grant		100,000
Total		\$0	\$207,500

Amounts appropriated for capital projects are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
33.6200.150	Bidding and Award	850	
33.6200.150	Construction Administration	17,500	
33.6200.160	Grant Administration	5,000	
33.6200.760	Construction	150,000	
33.6200.900	Contingency	34,150	
Total		\$207,500	\$0

Section II:

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

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

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

Bluegrass at the Rock presents: Tim Raybon, Saturday, January 8, 2022, at 7:30 p.m.

Coffee with the Chief, Thursday, January 13, 2022, 9:00 a.m. at Old World Baking Company

Special Council Employee Insurance Workshop scheduled for Thursday, January 13, 2022, 10:00 a.m. at the Town Hall Community Room

Town Offices Will Be Closed on Monday, January 17, 2022, in Observance of Martin Luther King Jr., Day

MAYOR AND COUNCIL COMMENTS: Councilman Ogle asked if the agenda would be published earlier. Mayor Watts shared that the agendas would be published the Tuesday before the Monday Council meeting starting in April.

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Councilman Ogle also asked how we could show our Council meetings live on the internet. Mr. Eckard said we could look at it during our budget workshops.

Councilwoman Hildebran thanked our Police Department for their Boots on the Ground effort. Ms. Hildebran also shared that she was impressed with Code Enforcement Officer Dylan Hicks and asked for an update on 808 Colonial Street. Mr. Eckard shared that we went through the process of fining her, and she paid her fines, but now it has started over. Mr. Eckard shared that he is looking for a volunteer group to help her clean things up. The property owner has agreed to it if we can find someone to help. Councilman Thompson asked about the property at the West end of Main Street. Officer Hicks said that workers had been out working, but sometimes they had to wait on the material. Councilman Ogle asked for an update on the property on Church Street. Officer Hicks is in the process of trying to get a hold of the property owners, but he did talk to the people living there.

Mayor Watts reminded Council of the January 26, 27, & 28, 2022, newly elected officials' training class. Mayor Watts also reminded Council of the Public Safety building public meeting on February 15, 2022, and it would be posted on the website and social media.

ADJOURNMENT: At 7:11 p.m., there being no further business to come before Council, Councilman Ogle made a motion to adjourn, seconded by Councilwoman Hildebran. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, February 7, 2022, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

jl

January 13, 2022, MB#31

**TOWN OF VALDESE
TOWN COUNCIL SPECIAL MEETING
JANUARY 13, 2022**

The Town of Valdese Town Council met on Thursday, January 13, 2022, at 10:00 a.m., in the Community Room at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The following were present: Mayor Leonard "Charlie" Watts, Councilwoman Frances Hildebran, Councilwoman Rexanna Lowman, Councilman Keith Ogle and Councilman Paul Mears. Also present were: Town Manager Seth Eckard, Town Clerk Jessica Lail and Finance Director Bo Weichel.

Absent: Councilman J. Andrew Thompson

A quorum was present.

Mayor Watts called the meeting to order at 10:00 a.m.

DWAYNE WILSON: Dwayne Wilson with Dwayne Wilson Insurance & Financial Services gave Council a background of his experience as a community servant and insurance broker. Mr. Wilson has been in the insurance business for 37 years. Mr. Wilson explained that he decided last year to merge his agencies with a larger firm named The Hilb Group. This group has approximately 200 agencies and around 4,000 employees. Mr. Wilson did this to have more resources and platforms. Mr. Wilson's office consists of eleven full-time employees, five part-time employees, and four outside brokers. Mr. Wilson went over all the different wellness programs, employer-sponsored solutions, voluntary benefits solutions, and plans that he offers. Mr. Wilson shared that over the ten years he has been the broker for the Town of Valdese, he has created Wellness Fairs, Flu Shot Clinics, and a variety of Lunch and Learn Seminars for the employees. Town Manager Seth Eckard asked Mr. Wilson if he can provide the insurance rates sooner. Mr. Wilson explained that he has to work with the insurance providers to get rates as low as possible; it has to play out. Mr. Wilson went over the last ten years' medical plans and rates he has provided the Town. Mr. Wilson feels that his company is the most well-rounded agency for the Town to pick to represent our needs. Councilwoman Hildebran expressed her appreciation to Mr. Wilson for all he has done for the Town of Valdese.

GLENN WINTERS: Glenn Winters with Glenn Winters Insurance shared with Council that he started in the insurance business about 40 years ago. Mr. Winters started working for Blue Cross Blue Shield and then started his own agency. Mr. Winters has been through many trainings and knows the business very well. Mr. Winters feels that service is the most important aspect of a broker. Mr. Winters gave an overview of his clients in the surrounding area. Mr. Winters shared after looking over the Town's current plan that he would strongly encourage a dual option. Town Manager Seth Eckard said we have had that option in the past, but only a few employees took advantage of it. Mr. Winters also shared that you can do a dual option on the dental plan. Employees could buy up to a \$2,000 maximum if they needed more than the current \$1,000 plan. Mr. Winters explained how the negotiations work for renewals and some of his past experiences. Mr. Winters shared that he has very good relationships with Blue Cross Blue Shield but will always bid out to other carriers for the best rate. Mr. Winters stated that he genuinely cares and does his very best to take care of his clients, and he would do the same for the Town of Valdese. Mr. Winters shared that he and his office will take care of whatever services we need. Finally, there was a brief discussion on when Mr. Winters could provide the staff rates for the budgeting process.

JASON BRADSHAW: Jason Bradshaw with USI Insurance Services shared that USI is a national insurance brokerage and consulting firm with approximately 200 local offices across the United States. Mr. Bradshaw shared that USI Charlotte has been serving the local community since 1979 and listed several Cities and Towns he currently services in North and South Carolina. Mr. Bradshaw shared that he has been with USI for six years, and before that, he worked for Blue Cross Blue Shield for over ten years. Mr. Bradshaw is the Account Executive that would manage the Town. Mr. Bradshaw introduced Jennifer Davis, who is also an Account Manager and would help support Valdese and Shannon Buckner, the Employee Benefits Leader. Mr. Buckner shared that USI Charlotte has a team behind the main team to provide resources such as a Senior Underwriting Consultant, Communication Specialists, Compliance Consultant, Pharmaceutical expert, and a Population Health Manager. Mr. Bradshaw shared that he would create an annual strategy overview for us to know what is coming up each month. Mr. Bradshaw would provide us with a monthly dashboard report that would give us data and constant communication throughout the year. Mr. Bradshaw explained to Council how he negotiates the rates and when we would get our renewal rates.

January 13, 2022, MB#31

Mr. Buckner shared that USI has an advantage because of their relationships with Blue Cross Blue Shield and the amount of business they bring to them. Mr. Buckner explained the importance of having an effective wellness program and employees engaging in preventive care. Mr. Bradshaw shared the different resources for the employees and HR team that include use of a USI mobile app, custom communication tools, on-demand and video content, new hire booklets, and the benefit resource center who provide claim appeals and any other questions or issues the employees have. Mr. Buckner shared that the Town would receive two hours a month in employment legal advice.

DISCUSSION: HR Director Jessica Lail shared with Council that the Admin leadership team was interested in learning more from USI after attending an insurance meeting. Ms. Lail explained that it was suggested to hear from three different brokers, including Valdese's current broker. Council discussed the ten-year relationship the Town has had with current broker Dwayne Wilson and what a great job he has done. In addition, there was discussion on improvements that needed to be made with receiving the renewal rates earlier and past issues with the last open enrollment. Ms. Lail expressed her interest in USI because of the many resources they had for her as a HR Director and for the employees but has worked well with Dwayne Wilson and team. Council suggested staff check with other Municipalities and Burke County to reference Jason Bradshaw with USI. Council will make a decision whether to stay with Dwayne Wilson or change brokers over the next several days. No action or vote was taken.

ADJOURNMENT: At 12:34 p.m., there being no further business to come before Council, Councilwoman Lowman made a motion to adjourn, seconded by Councilman Mears. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, February 7, 2022, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

jl

Prepared

MASTER SITE PLAN



Progressive

Memo

To: Jessica Lail, Town Clerk

From: Lisa Helton

cc: Mayor & Town Council

Date: February 4, 2022

Re: Public Hearing for Community Block Grant Closeout

The Public Hearing is to receive public comment for the closeout of the Scattered Site Housing Project, Community Development Block Grant (CDBG) Number 17-C-2986. This grant rehabilitated six houses in the city limits of Valdese. CDBG funds provided 93% of the total expenditures. The total budget was CDBG \$350,600 and local funds for \$25,000. Five of the homeowners were low-income elderly citizens of Valdese, and they were all very appreciative of the rehab work done on their houses. One household was a low-income family with two children. This program improved their quality of life with the housing upgrades made to their home. No action is required for the closeout.

Planning Department

TO: Valdese Town Council

FROM: Larry Johnson, Planning Director 

DATE: January 26, 2022

SUBJECT: Rezoning Application 1-11-21
Leon and Betty Pons and Habitat for Humanity Burke County

Property Location: 1267 - 1287 Margaret Street NW

Record Number: 13745 (Pons), 13716, 13765, 63425

ACREAGE: 0.74 (Pons), 0.70, 0.72, 0.73 (Habitat Burke County)

Requested Action: Rezone properties from B-2 General Business District to R-8 Residential District

BACKGROUND: The four parcels are zoned B-2 General Business. The R-8 zoning designation the applicants are seeking allows residential development. The parcels are currently vacant, and Pons applicant states an interested buyer would like to build on the lot. Habitat has not stated intent; however, rezoning will allow residential development.

REVIEW CRITERIA:

1. Existing land uses in the general vicinity of the subject's property
 - **North:** The properties are zoned R-1 Residential by Burke County and occupied by single-family homes.
 - **South:** The property is zoned B-2 General Business and contains a vacant building.
 - **East:** The properties to the East are zoned R-8 Residential and Burke County R-1 Residential. These properties are either occupied by single-family residences or vacant.
 - **West:** The properties to the West are zoned R-8 Residential, M-1 Manufacturing. The properties are single-family residences, vacant, and a manufacturing plant.

To the extent to which zoning will detrimentally affect properties in the general vicinity of the applicant's properties, the requested R-8 Residential District permit uses are similar to those in the area.

2. Traffic

Margaret Street is a local or minor residential street. The street provides ingress and egress for five single-family homes a manufacturing plant. Lydia Avenue NW also intersects with Margaret Street for ingress and egress to 64 unit apartment complex (Falls Road Terrace)

Church Street is considered a medium collector with a 15,000 vehicles per day capacity. The current annual average vehicles per day are 2,600.

The Town's Public Works Department conducted a Margaret Street traffic study. The study reveals an average daily of 56 vehicles per day.

Traffic generated from the residential development of four lots will not impact existing traffic volumes.

3. Public Services;

The extent to which the proposed amendment (zoning map) will cause public services to fall below acceptable levels, public services are in place to service the area. These include public infrastructure (water and sewer), police, and fire protection.

4. Consistency of the proposed zoning with the Valdese Vision: A Land Use Action Plan for the Future;

The general area is classified as residential by the land use plan adopted by the Valdese Town Council.

RECOMMENDED ACTION:

Staff finds Rezoning Petition 1-11-21 to be considered **consistent** with the Valdese Vision: A Land Use Action Plan for the Future; and

1. The Valdese Planning Board adopted a statement affirming the petition's consistency with the Valdese Vision; and
2. Recommend approval to the Valdese Town Council and request the adoption of a statement affirming the petition's consistency with the Valdese Vision: A Land Use Action Plan for the Future.

CITIZEN INPUT

A Notice of Public Hearing will appear in the News-Herald on January 26, 2022, and February 2, 2022. All adjoining property owners to receive notices of the hearing. Notice of Public Hearing was on the properties.



TOWN OF VALDEESE
NORTH CAROLINA'S FRIENDLY TOWN



P.O. BOX 339
VALDEESE, NORTH CAROLINA 28690-0339
PHONE (828) 879-2120 | FAX (828) 879-2139 | TOWNOFVALDEESE.COM

**VALDEESE PLANNING BOARD
ZONING MAP AMENDMENT CONSISTENCY STATEMENT**

On January 24, 2022 the Valdeese Planning Board met for the purpose of considering Rezoning Petition 1-11-21. Upon consideration, the Valdeese Planning Board found:

1. The four parcels under consideration are identified as R-8 Residential by the Valdeese Vision: A Land Use Action Plan for the Future land use map.
2. The R-8 Residential District is intended to provide areas for high density residential development. Permitted residential development include single-family, two-family (duplexes), Class A Manufacturing (double-wide), modular, multi-family buildings.
3. The four parcels are contiguous with residential uses, similar to what is planned.
4. The lots exceed the minimum lot size requirement of the R-8 Residential District.
5. Any and all improvements that are to take place on the properties will be required to follow all applicable development regulations.
6. Public infrastructure currently in place in the area is sufficient to handle development possible on the subject's property.
7. Development of the lots for residential uses will have minimal impact on existing traffic along Margaret Street NW and Church Street NW.
8. Any development occurring on the subject's property will be required to adhere to all local, county and state regulations related to development. Such regulations will ensure proper protections are provided to ensure surrounding residents, and property owners are properly protect as prescribed by law.

Based upon these findings, the Valdese Planning Board has found Rezoning Petition 1-11-21 to be consistent with the findings and recommendations of the Valdese Vision: A Land Use Action Plan for the Future and recommends Valdese Town Council approval of the petition. This recommendation was affirmed by **unanimous** vote of the Valdese Planning Board.

Roy Sweezy, Chairman

Date

**NOTICE OF PUBLIC HEARING ON PROPOSED AMENDMENT TO THE
ZONING MAP OF THE TOWN OF VALDESE**

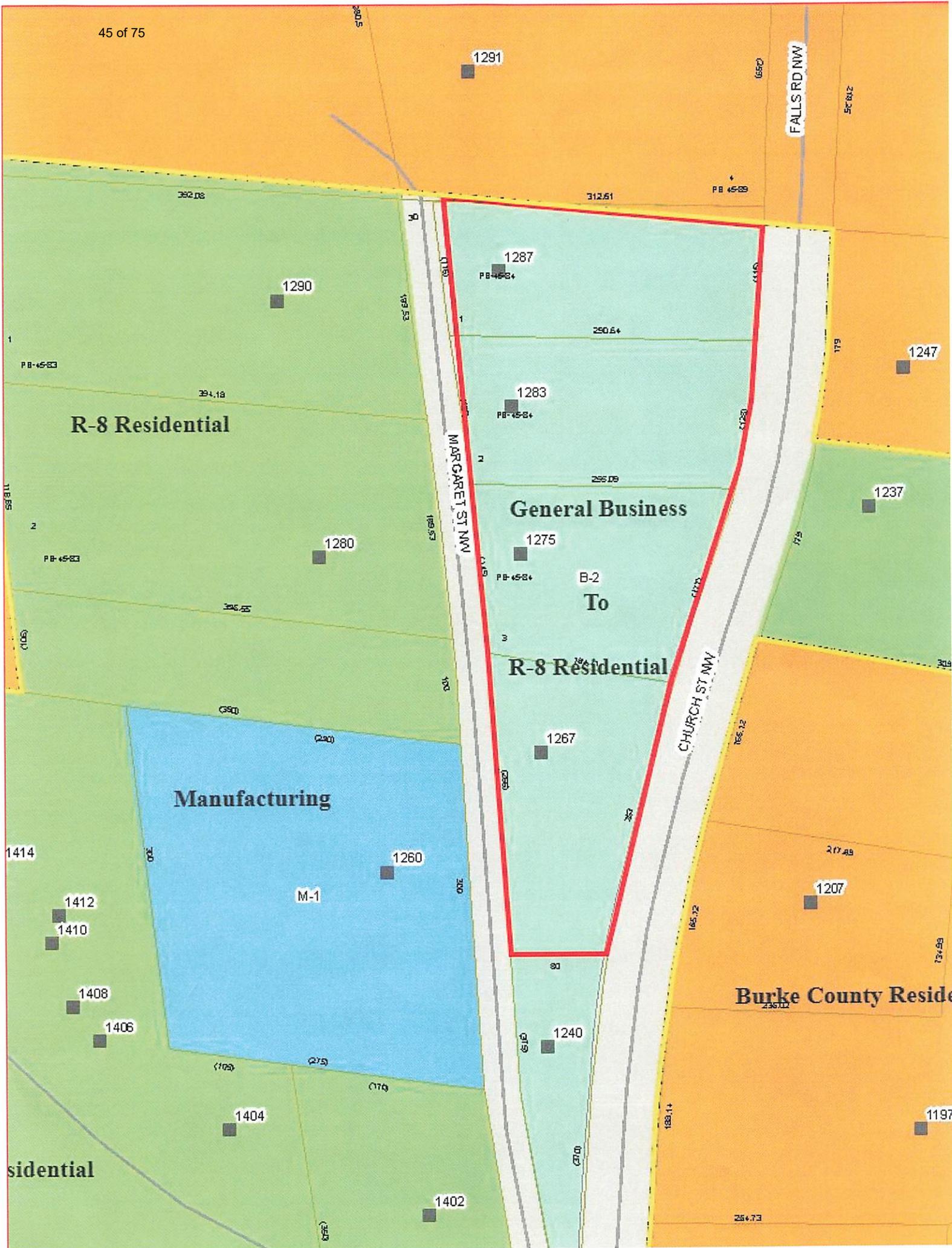
Valdese Town Council will meet in the Council Chambers of the Valdese Town Hall, at 102 Massel Avenue SW, February 7, 2022, at 6:00 p.m., upon rezoning four parcels from B-2 General Business R-8 Residential.

Map Amendment #01-11-21

The Valdese Town of Valdese Council will consider an application by Susan Pons and Habitat for Humanity to rezone four parcels located on Margaret Street NW. The parcel can be further identified by Parcel Identification Numbers 2734709872, 2734719090, 2734810104, 2734810206. The applicants request a change in the zoning designation from B-2 General Business District to R-8 Residential District.

At the hearing, all interested persons may voice support or objections to the proposed amendment to the Town of Valdese zoning map. Complete copies of the proposed map amendment and this notice are on file in the Office of the Planning Department at Valdese Town Hall for inspection by all interested citizens until the public hearings. For information regarding the above-listed items, contact the Planning Department at (828) 879-2124.

Interested parties should attend this hearing and present comments. Request for accommodations by persons with disabilities should contact Jessica Lail, Town Clerk, at (828) 879-2117 at least 48 hours before the scheduled meeting time.



R-8 Residential

General Business

R-8 Residential

Manufacturing

Burke County Residential

Residential

MARGARET ST NW

CHURCH ST NW

FALLS RD NW

1291

1290

1287

1283

1280

1275

1267

1260

1412

1410

1408

1406

1404

1402

1247

1237

1207

1197

PB-45-83

PB-45-83

1414

PB-45-84

PB-45-84

PB-45-84

6500

6500

6500

PB-45-88

118-85

(105)

118-83

120

120

179

6500

179

179

179

179

165.12

165.12

188.14

254.73

392.08

394.18

396.85

6500

(240)

M-1

(105)

(275)

179

6500

312.61

255.09

30

90

179

1650

57002

179

179

165.12

165.12

188.14

254.73

392.08

394.18

396.85

6500

(240)

M-1

(105)

(275)

179

6500

312.61

255.09

30

90

179

1650

57002

179

179

165.12

165.12

188.14

254.73



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VALDEESE TOWN COUNCIL ZONING MAP AMENDMENT CONSISTENCY STATEMENT

On February 7, 2022, the Valdeese Town Council met to consider Rezoning Petition 1-11-21 and receive a recommendation from the Valdeese Planning Board. Upon consideration, the Valdeese Town Council finds:

1. The four parcels under consideration are identified as R-8 Residential by the Valdeese Vision: A Land Use Action Plan for the Future land use map.
2. The R-8 Residential District permits high-density residential development areas. Permitted residential development includes single-family, two-family (duplexes), Class A Manufacturing (double-wide), modular, multi-family buildings.
3. The four parcels are contiguous with residential uses, similar to planned.
4. The lots exceed the minimum lot size requirement of the R-8 Residential District. *The minimum lot size for the R-8 Residential District is 8,000 square feet or 0.18 acres.*
5. Any improvements to the properties will be required to follow all applicable development regulations.
6. Public infrastructure currently in place in the area is sufficient to handle the development possible on the subject's property. *Public Works identifies waterlines along Margaret Street NW and Church Street NW and a sewer line along Margaret Street.*
7. Development of the lots for residential uses will have minimal impact on existing traffic along Margaret Street NW and Church Street NW. *The average daily traffic count is 56 vehicles per day.*
8. Development on the subject's property will require adherence to all local, county, and state regulations related to the action to ensure proper protections are provided to surrounding residents and property owners as prescribed by law.

Based upon the recommendation of the Valdese Planning Board and the findings from the public hearing, the Valdese Town Council has found Rezoning Petition 1-11-21 to be consistent with the Valdese Vision: A Land Use Action Plan for the Future and approves the petition.

Charles Watts, Mayor

Date

CITIZEN INPUT

A Notice of Public hearing appeared in the News-Herald on January 26, 2022, and February 2, 2022. In addition, adjoining property owners received the hearing notices by first-class mailings. Staff posted the Notice of Public Hearing on the properties.

**Town of Valdese
Community Affairs**

Memo

To: Town Council
From: Morrissa Angi
cc: Seth Eckard
Date: 1/28/2022
Re: Award of Bid for Permeant Stage

Attached you will find three bids for the construction of a permanent stage at Temple Field. Funding has been secured through various donations and the cost savings from annual stage rentals. The attached packet includes the project outline provided to all contractors with images and a bid comparison sheet.

Based on the correspondence with all three contractors and the details provided in their estimates, it is staff's recommendation to go with the lowest bid – Houck Contracting, LLC.

Thank you for your consideration of this project.

Family Friday Nights – Stage Project

Specifications:

1. Construct stage platform – 20' deep by 30' wide by 2' tall – Concrete stage with one ramp
2. Construct concrete dance floor joining stage area flush with field – 40' long by 16' deep by 4" thick
3. Construct & install roofing structure – post and beam style with metal roofing material
4. Construct 2' tall wall to border the rear of the covered stage area at stage height
5. Minor grading to level area (other prep has been completed by Public Works)
6. Electrical –
 - o Wiring & breaker panel – from meter at Teachers Cottage
 - o 2 outdoor ceiling fans
 - o Work lighting fixtures
 - o 220/50 outlet for sound needs
 - o Outlets along the roof at the front and along the rear wall
7. All permitting and inspections

Add Ons:

Rockwork – Waldensian Style similar to Field House & Old Rock School

- Install rock façade around the 2' tall rise of the stage
- Install rock columns half way up the supporting wood columns to match

Images for consideration:

The image contains three main components: two photographs of pavilion structures, a detailed structural diagram, and an aerial site plan with a color-coded legend.

Photographs:
- Top left: A wooden pavilion with a gabled roof and stone base.
- Middle left: A similar wooden pavilion with a flat roof and stone base.

Structural Diagram:
- **Roof:** Angled Metal or Canvas "Roof" - 20'x30'
- **Structure:** Rear Height 10', Entrance Height 14'
- **Foundation:** Concrete floor surrounded with Waldensian Style Rock Work - 2' tall
- **Floor:** Concrete Ground Level Dance Floor - 40'x16'

Aerial Site Plan:
- Shows a large green field, a parking lot, and various colored zones.
- **Legend:**
 - Blue: STAGE
 - Yellow: BAND AREA
 - Green: CONCESSIONS
 - Purple: RESTROOMS
 - Pink: GAME AREA
 - Light Green: DANCE AREA



HEFNER CONSTRUCTION
CUSTOM HOMES & RENOVATIONS

BID # 1

P. O. Box 117
Valdese, NC 28690

Office: 828.443.8354
Cell: 828.448.2498

matthefner@yahoo.com
HefnerConstruction.com

Customer: Town of Valdese
Address: PO Box 339
Valdese, NC 28690

Phone: 828.879.2129
Fax: 828.874.2311
Email: mangi@valdesenc.gov

Estimate Date: 1/3/2022

Estimate for: Construction of New Friday Night Music/Entertainment Stage

Project Description

Construct stage platform- 20' deep by 30' wide by 2' tall- Concrete stage with one ramp

Construct concrete dance floor joining stage area flush with field- 40' long by 16' deep by 4" thick

Construct & install roofing structure- post and beam style with ribbed metal roofing material

Construct 2' tall wall to border the rear of the covered stage area at stage height

Minor grading to level area (other prep has been completed by Public Works)

Electrical:

Wiring & breaker panel- from meter at Teachers Cottage

2 Outdoor Ceiling Fans

Work lighting fixtures

220/50 Outlet for Sound Needs

Outlets along the roof at the front and along the rear wall

All permitting and inspections

All materials and labor are included in this quote except for the rock work to be installed on the block. Town of Valdese will contract directly with installer of choice for rock installation.

Estimate Total: \$44,500

+ Rock \$9,000
Total \$53,500

BID#2 INVOICE

0406

(828) 379-2604

TO

Town of Valdese
Stage
Estimate

DATE	11-23-21
CUSTOMER ORDER NO.	
SALESPERSON	
VIA	

TERMS:

QUANTITY	DESCRIPTION	PRICE	AMOUNT
	material & labor with stone	\$	55000.00
	material & labor stucko & stone caps	\$	47000.00

Thank You!



Houck Contracting LLC

34 Shipwatch Dr
 Hickory, NC 28601
 Ph: (828) 495-8595
 Fax: (828) 495-8592

Estimate

DATE	ESTIMATE ...
11/22/2021	9225

NAME / ADDRESS
Valdese/ Outside Stage Area Atten: Morrissa

			PROJECT
DESCRIPTION	QTY	COST	TOTAL
To construct a new 20'x30'x24" concrete stage with one ramp as specified. To form and pour a new 16'x40' x4" concrete dance floor The stage will have a 20'x30' covering constructed of rough sawn post and beam with a metal roof Includes a 2' concrete block wall to run across the rear of the covered area. Price includes some minor grading with the majority performed by the city. Labor and materials	1	35,900.00	35,900.00
Option: To furnish and install new rock to match similar to the Old School around the 4 columns, the front of the stage, and the face of the rear retainer wall. Labor and materials	1	7,500.00	7,500.00
Each item on proposal bid separately.		TOTAL	



Houck Contracting LLC

34 Shipwatch Dr
 Hickory, NC 28601
 Ph: (828) 495-8595
 Fax: (828) 495-8592

Estimate

DATE	ESTIMATE
11/22/2021	9225

NAME / ADDRESS
Valdese/ Outside Stage Area Atten: Morrissa

PROJECT

DESCRIPTION	QTY	COST	TOTAL
Electrical: To install single phase 240/120 volt, 200 amp service with a meter base and 16 circuit panel. Provide and install 4 task light with associated switching along with emergency lighting. Install circuitry and mount ceiling fans provided by others. Install 8 duplex 20 amp 120 volt receptacles for general use and theatrical lighting. Install one specialty receptacle with circuitry up to 50 amp 240 volts. Permitting and coordination with utilities is included. Any other cost for work required by the utility company other than the meter base is not covered. Labor and materials	1	10,050.00	10,050.00
Each item on proposal bid separately.	TOTAL		\$53,450.00

Family Friday Nights - Stage at Temple Field

Specifications Provided to Contractors By CA	Hefner Construction	Jeff McGee & Brent Lowman	Houck Contracting
Construct Stage Platform 20' deep x30' long x 2' tall Concrete with 1 loading ramp	YES	YES	YES
Construct Concrete Dance Floor joining stage flush with field 40' long x 16' deep x 4" thick	YES	YES	YES
Construct & Install Roofing Structure - post & beam style with metal roofing material	YES	YES	YES
Construct 2' tall wall to border rear of the covered stage area	YES	YES	YES
Minor Grading to level area	YES	YES	YES
Electrical - 1. Wiring & Breaker Panel - from meter at Teachers Cottage 2. 2 Outdoor Ceiling Fans 3. Work Lighting Fixtures 4. 220/50 amp outlet for sound needs 5. Outlets along the roof at the front & along the rear wall	YES	YES	YES with extras included
			\$10,050.00
			Emergency Lighting Theatrical Lighting
Permitting & Inspections	YES	YES	YES
Stage & Dance Floor Cost:	\$44,500.00	\$47,000.00	\$35,900.00
Add ons: Waldensian Style rock work similar to Old Rock School 1. Install rock façade around 2' tall rise of the stage 2. Install rock columns half way up the supporting columns	Not included on quote if contracted separately \$9,000.00	\$8,000.00	\$7,500.00
Total Quote:	\$53,500.00	\$55,000.00	\$53,450.00
Contractor Notes:	<i>Start end Feb. - Finish mid-April</i>	<i>No Response Received</i>	<i>Start mid-February with completion estimated mid to late March</i>
Donations:			
Rostan Family Foundation	\$30,000.00		
Historic Valdese Foundation	\$10,000.00		
UNC Health - Blue Ridge	\$5,000.00		
Wright Way Dance	\$1,000.00		
College Pines with Grace Heights Health & Rehab	\$5,000.00		
<i>Town of Valdese (Budget Savings from Stage Rental)</i>	\$5,000.00		
Total Donations	\$56,000.00		

Additional Funds raised will go toward landscaping, banners, and sponsor recognition.

COUNCIL AGENDA MEMO

To: Town Clerk
From: Bo D. Weichel / CFO
Agenda: 2/8/2022

REQUEST

Accept and approve the audit contract for FY22 with Lowdermilk Church & Co., LLP.

BACKGROUND

The Town has utilized the services of Lowdermilk Church & Co. for the past several years with excellent results. This firm was also contracted to produce the Town’s Financial Statements.

ANALYSIS

The North Carolina Local Government Commission (LGC) does not enforce formal bid requirements for auditing services due to the professional relationship formed between auditors and clients over an extended work history. The Secretary of the Local Government Commission approves all local government contracts for audit or audit-related work.

Lowdermilk Church & Co. offers a competitive rate for their services and is widely known for their professional staff and service throughout the local government community. The proposed fees for the Town for fiscal years ending June 30, 2022 is \$16,800. This price reflects a \$490 increase over the prior year due to additional compliance reporting requirements in respects to ARP funding.

RECOMMENDATION

Staff recommends approval to accept the contract for auditing services with Lowdermilk Church & Co.

BUDGET ANALYSIS:

Budgetary Action

Is a Budget Amendment required?

Yes

No

The	Governing Board Town Council
of	Primary Government Unit Town of Valdese
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Lowdermilk Church & Co., LLP
	Auditor Address 121 North Sterling Street, Morganton, NC 28655

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/22	Audit Report Due Date 10/31/22
-----	--------------------------------	-----------------------------------

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.)[G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Governmental Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	Title and Unit / Company:	Email Address:
Bo Weichel	Finance Director	bweichel@valdesenc.gov

OR Not Applicable (Identification of SKE Individual not applicable for GAAS-only audit or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. Should the 75% cap provided below conflict with the cap calculated by LGC Staff based on the billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

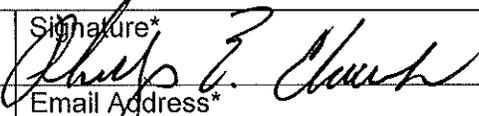
Primary Government Unit	Town of Valdese
Audit Fee	\$ 11,760
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$ 5,040
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$ 12,600.00

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit Fee	\$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm*	
Lowdermilk Church & Co., LLP	
Authorized Firm Representative (typed or printed)*	Signature*
Phillip E. Church	
Date*	Email Address*
1-13-22	phil.church@lowdermilkchurchcpa.com

GOVERNMENTAL UNIT

Governmental Unit*	
Town of Valdese	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)*	Signature*
Charles Watts	
Date	Email Address
	mayor@valdesenc.gov

Chair of Audit Committee (typed or printed, or "NA")	Signature
N/A	
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Bo Weichel	
Date of Pre-Audit Certificate*	Email Address*
	bweichel@valdesenc.gov

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* N/A	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all
required signatures prior to submission.

PRINT

Lowdermilk Church & Co., L.L.P.
Certified Public Accountants

121 N. Sterling Street
Morganton, North Carolina 28655
Phone: (828) 433-1226
Fax: (828) 433-1230

To the Honorable Mayor and Members of
the Town Council
Town of Valdese
Valdese, North Carolina

January 11, 2022

We are pleased to confirm our understanding of the services we are to provide for Town of Valdese for the year ended June 30, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related disclosures, which collectively comprise the basic financial statements, of Town of Valdese as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as the Management's Discussion and Analysis (MD&A), to supplement Town of Valdese's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town of Valdese's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Information.
- 3) Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll.
- 4) Local Government Employees' Retirement System Schedule of the Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions.
- 5) Schedule of Changes in the Total OPEB Liabilities and Related Ratios.

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Valdese's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Expenditures of Federal and State Awards.
- 2) Combining and Individual Fund Financial Statements.
- 3) Budgetary Schedules.
- 4) Other Schedules.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individual or in the aggregate, they would influence the judgement of a reasonable user based on the financial statements. The objective also includes reporting on:

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or a disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in the financial audit nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In connection with the engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically, disclaim, and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risk(s) of material misstatement as part of our audit planning.

- Improper revenue recognition.
- Management override of controls.

The significant risks above were identified in the prior-period audit and we believe they are still relevant. However, planning has not been concluded and modifications may be made.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and to those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Town of Valdese's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Town of Valdese's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Town of Valdese's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, the Schedule of Expenditures of Federal and State Awards, and the related notes of Town of Valdese in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. We will also prepare the following based on information provided by you: Depreciation Schedules, AFIR, Data Collection Form and Unit Data Input Worksheet. These nonaudit services do not constitute an audit under *Government Auditing Standards*, and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, the Schedule of Expenditures of Federal and State Awards, and the related notes services previously defined. We, in our sole judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and State awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, the Schedule of Expenditures of Federal and State Awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, the Schedule of Federal and State Awards, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledger). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the

conclusion of our audit, we will require certain written representations from you about the financial statements; the Schedule of Expenditures of Federal and State Awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal and State awards received and understanding and complying with the compliance requirements and for the preparation of the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received, and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the Schedule of Expenditures of Federal and State Awards in any document that contains, and indicates that we have reported on, the Schedule of Expenditures of Federal and State Awards. You also agree to include the audited financial statements with any presentation of the Schedule of Expenditures of Federal and State Awards that includes our report thereon OR make the audited financial statements readily available to intended users of the Schedule of Expenditures of Federal and State Awards no later than the date the Schedule of Expenditures of Federal and State Awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the Schedule of Expenditures of Federal and State Awards in accordance with the Uniform Guidance; (2) you believe the Schedule of Expenditures of Federal and State Awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the Schedule of Expenditures of Federal and State Awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

You agree to assume all management responsibilities for the financial statements, the Schedule of Expenditures of Federal and State Awards, and the related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the Schedule of Expenditures of Federal and State Awards and the related notes, and that you have reviewed and approved the financial statements, the Schedule of Expenditures of Federal and State Awards, and the related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including the financial statements, the Schedule of Expenditures of Federal and State Awards, the Summary Schedule of Prior Audit Findings, the auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the Town; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Lowdermilk Church & Co., L.L.P. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request, and in a timely manner, to the Local Government Commission or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Lowdermilk Church & Co., L.L.P. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Local Government Commission. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Phillip E. Church is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

To ensure that Lowdermilk Church & Co., L.L.P.'s independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Our fee for these services will be at our standard hourly rates, plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$16,800. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. We are required to inform you that we charge interest at a rate of 18% per annum on all invoices over 30 days old.

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Town Council of Town of Valdese. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add emphasis-of-matter or other-matter paragraph to our report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets which in our professional judgement prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue reports, or withdrawing from the engagement.

The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters, will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

You have requested that we provide you a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2021 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Town of Valdese and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Phillip E. Church
Partner

RESPONSE:

This letter correctly sets forth the understanding of Town of Valdese.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____



Bernard Robinson & Company, L.L.P.

Report on the Firm's System of Quality Control

November 2, 2021

To the Partners of Lowdermilk, Church & Co., L.L.P.
and the Peer Review Committee of the Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Lowdermilk, Church & Co., L.L.P. (the firm) in effect for the year ended May 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under Government Auditing Standards, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Lowdermilk, Church & Co., L.L.P. in effect for the year ended May 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Lowdermilk, Church & Co., L.L.P. has received a peer review rating of *pass*.

Bernard Robinson & Company, L.L.P.

BERNARD ROBINSON & COMPANY, L.L.P.

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P.O. Box 19608 | Greensboro, NC 27419
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brccpa.com

Valdese Town Council Meeting

Monday, February 7, 2022

Budget Amendment #

10

Subject: Donation for Stage project

Description: To accept a private donation to the stage project behind Old Rock School

Proposed Action:

BE IT ORDAINED by the Council of the Town of Valdese that, pursuant to Section 15 of Chapter 159 of the General Statutes of North Carolina, the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2022:

Section I:

The following revenues available to the Town will be increased:

Account	Description	Decrease/ Debit	Increase/ Credit
10.3350.000	Donations		30,000
Total		\$0	\$30,000

Amounts appropriated for expenditure are hereby amended as follows:

Account	Description	Increase/ Debit	Decrease/ Credit
10.6250.740	Capital Outlay	30,000	
Total		\$30,000	\$0

Section II:

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