



**Town of Valdese
Town Council Meeting
Valdese Town Hall
102 Massel Avenue SW, Valdese
Monday, June 7, 2021
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

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 May 3, 2021
- B. Approval of Budget Workshop Minutes of May 24, 2021
- C. VEDIC Board of Directors Appointments
- D. Approval of Lease Agreements at the Old Rock School with Dream Connections and Still Waters Counseling, Inc.

7. New Business

- A. Presentation of Lifesaver Award
- B. Introduction of New Employees
- C. FY 2021-2022 Proposed Budget and Scheduling of Public Hearing for Monday, June 28, 2021
- D. Industrial Arts Building Discussion
- E. Public Hearing for Conditional Use Permit Application 1-4-21

8. Manager's Report

- A. Next Regular Council meeting scheduled for Monday, June 28, 2021, 6:00 p.m.

9. Mayor and Council Comments

10. Adjournment

COMMUNICATION NOTES

To: Mayor Black
Town Council

From: Seth Eckard, Town Manager

Date: June 4, 2021

Subject: Monday, June 7, 2021 Council Meeting

6. Consent Agenda

A. Approval of Regular Meeting Minutes of May 3, 2021

B. Approval of Budget Workshop Minutes of May 24, 2021

C. VEDIC Board of Directors Appointments

The VEDIC Board of Directors recommends the re-appointment of Keith Ogle (second term), who filled Thomas Winfield's unexpired term in 2020, and the appointment of Kylie Gera (first term), who replaces Rick McClurd, to the VEDIC Board. The three-year terms will expire on July 1, 2024.

D. Approval of Lease Agreements at the Old Rock School with Dream Connections and Still Waters Counseling, Inc.

Enclosed in your agenda packet are two lease agreements for rental space at the Old Rock School. The Dream Connections Lease in the amount of \$1045.00 per month and the Still Waters Counseling Lease in the amount of \$305.00 per month.

7. New Business

A. Presentation of Lifesaver Award

Fire Chief Greg Stafford will present a lifesaver award.

B. Introduction of New Employees

Due to COVID-19, staff has not been able to introduce new employees to Council. Over the next several Council meetings, a Department Head will introduce their new hires.

C. FY 2021-2022 Proposed Budget and Scheduling of Public Hearing

Town Manager Seth Eckard will present the FY 2021-2022 Proposed Budget to Council.

Requested Action: Staff requests that Council set the Public Hearing date for Monday, June 28, 2021, 6:00 p.m., Valdese Town Hall.

D. Industrial Arts Building Discussion

Enclosed in your agenda packet is a memo from Public Services Director Greg Padgett. Mr. Padgett will discuss the option to demolish the Industrial Arts Building and share quotes received. The quotes will also include backfilling the property with dirt creating a slop from the football field side sown to the parking lot. Mr. Padgett will present bids at the Council meeting.

Requested Action: Staff recommends Council awarding the bid to demolish the Industrial Arts Building.

E. Public Hearing for Conditional Use Permit Application #1-4-2021

Enclosed in the agenda packet is a memo from Planning Director Larry Johnson regarding Application #1-4-2021 for Carolina Residential Service, Inc., requesting a Conditional Use Permit to allow a Psychosocial Rehabilitation (PSR) Service to operate in the M-1 Manufacturing Zoning District. This service is designed to help adults with psychiatric disabilities to increase their functioning so they can be successful in the community and live independently. The applicant will be at the meeting to testify, following staff report.

Requested Action: Mayor Black will need to open the public hearing to accept public comment. Anyone wishing to speak will need to be sworn by the Town Clerk. Staff and the Planning Board are recommending that Council approve the Conditional Use Permit as presented.

NOTE: Council will sit as a Quasi-judicial board during this hearing, and verbatim minutes will be prepared.

READING MATERIAL

VALDESE FIRE DEPARTMENT - MONTHLY ACTIVITY REPORT**April 1st-30th, 2021**

THE BELOW REPORT OUTLINES THE ACTIVITIES PERFORMED BY THE FIRE DEPARTMENT DURING THE MONTH OF APRIL, 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	126 HOURS
VEHICLE DUTY	102 HOURS
EQUIPMENT DUTY	55 HOURS
EMERGENCY RESPONSES (ON DUTY)	57 HOURS
TRAINING (ON DUTY)	224 HOURS
FIRE ADMINISTRATION	160 HOURS
TRAINING ADMINISTRATION	4 HOURS
MEETINGS	14 HOURS
FIRE PREVENTION ADMINISTRATION	13 HOURS
FIRE PREVENTION INSPECTIONS	2 HOURS

<u>TYPE</u>	<u>NUMBER OF INSPECTIONS</u>	<u>VIOLATIONS</u>
ASSEMBLY	0	0
BUSINESS	0	0
DAYCARE	0	0
EDUCATIONAL	1	5
HAZARDOUS	0	0
INSTITUTIONAL	0	0
MERCANTILE	0	0
RESIDENTIAL	0	0
FOSTER HOMES	1	0
UTILITY/MISC	0	0
REINSPECTIONS	0	0
TOTAL:	2	5

PUBLIC RELATIONS	6 HOURS
HYDRANT MAINTENANCE	37 HOURS
SAFETY ADMINISTRATION	24 HOURS
SAFE KIDS ADMIN/CRS INSPECTIONS	2 HOURS
EXTRA DUTY FIRES	11 HOURS
NON-DEPARTMENTAL DUTIES	2 HOURS
EXTRA DUTY TRAINING	26 HOURS
EXTRA DUTY FIRE/MED STANDBY	0 HOURS
PHYSICAL TRAINING	1 HOURS
EXTRA DUTY MEDICAL RESPONSES	19 HOURS
VOLUNTEER FIREFIGHTER TRAINING	82 HOURS
TOTAL TRAINING MANHOURS:	330 HOURS

FIRE DEPARTMENT EMERGENCY RESPONSES:

<u>FIRE:</u>	<u>MONTHLY TOTAL</u>
FIRE ALARM	5
MUTUAL AID TO STATION 63	2
MUTUAL AID TO STATION 67	1
ELECTRICAL HAZARD	1
STRUCTURE FIRE	3
SMOKE/GAS ODOR	0
GAS LEAK	0
SERVICE CALL	1
VEHICLE FIRE	0
STANDBY	<u>1</u>
	14
<u>MEDICAL:</u>	
ABDOMINAL PAIN	2
ALLERGIC REACTION	1
ANIMAL BITE	0
ASSAULT	1
ASSIST EMS	0
BACK PAIN	1
CANCELLED ENROUTE	1
CARDIAC	0
CHEST PAIN	0
CHOKING	0
CODE BLUE	1
DIABETIC	0
DOA	0
FAINTING	0
FALL	6
HEADACHE	1
MUTUAL AID	1
OTHER	3
OVERDOSE/INTOXICATED	1
PREGNACY	0
PSYCHIATRIC	0
RESPIRATORY	3
SEIZURE	1
SICK	3
STABBING	0
STROKE	2
TRAUMATIC INJURY	0
UNKNOWN	<u>2</u>
	30
<u>FIRE AND MEDICAL:</u>	
MOTOR VEHICLE ACCIDENT	<u>2</u>
	2
<u>TOTAL RESPONSES:</u>	<u>46</u>

GREG STAFFORD, CHIEF
VALDESE FIRE DEPARTMENT

Town of Valdese Personnel Report

Employee NamePositionPrevious PositionDepartmentDate of Event***Promotions******New Hires***

Matthew Smith

Police Officer I

Reserve Police Officer(PT)

Police Department

5/24/2021

Transfers

Community Affairs & Tourism Monthly Stats

April 2021

Tourism Statistics

<i>townofvaldese.com Visits</i>	17,858
<i>downtownvaldese.com Visits</i>	410

Top Pages Viewed: 1)Utilities 2)Aquatics 3) Recreation 4)Community Affairs

Facebook

<i># of followers</i>	11,883
<i>Total # of engaged</i>	13,420
<i>Daily Total Reach</i>	88,963

Zoho Social Media Monthly Report: Postive vs. Negative Feedback

Postive 99.38%

Negative .62%

Zoho Page Reach by City: Morganton 16.5K, Hickory 13.4K, Valdese 9.4K , Lenoir 7.8K, Lincolnton 4K

<i>Approximate # of Visitors to the Tourism/CA Office</i>	70
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Community Affairs Stats

<i>Old Rock School Rental Breakdown</i>	
AUDITORIUM	2
TEACHER'S COTTAGE	2
WALDENSIAN ROOM	3
CLASSROOMS	2
MAJOR EVENT (ENTIRE SCHOOL)	2
<i>Major Events Held at the Old Rock School</i>	<i>Number of Attendees</i>
NC Cinderella Scholarship Program	200
Holt Church Service	100
<i>Monthly Old Rock School Rentals</i>	3
<i>Old Rock School Total Attendance</i>	390

CA Summary for April 2021

With Spring/Summer events quickly approaching, April was a busy month for Community Affairs. The month kicked off with "Egg Hunt on Main"! Thanks to the help of volunteers and staff, 2,500 eggs were hidden along Main St for the children of our community. Participation in this event was overwhelming and eggs disappeared quickly, so plans for next year include separating the hunt based on age groups and hiding a larger number of eggs for each group. Plans continued for the Craft Market (postponed to May 22) including securing vendors, booking entertainment, and monitoring executive orders. With FFN concerts on the horizon, discussion/brainstorming began on alternate locations for these events in an effort to provide more space for social distancing (Old Rock School field). April was successfully polished off with the announcement of the "Moms with Moxie" Mother's Day Photo Contest, in which members of our community could enter a mother figure in their life into a virtual photo contest for a gift. We had generous donations from our local businesses to make this possible! Our team also distributed business resource bags to our local merchants, as well as over 300 visitor guides across the region. The Old Rock School visitation continued to pick up, as the facility hosted 2 major events and 5 rentals.

Community Affairs & Tourism Monthly Stats

May 2021

Tourism Statistics

<i>townofvaldese.com Visits</i>	20,916
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<i>downtownvaldese.com Visits</i>	532
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Top Pages Viewed: 1)Aquatics & Fitness 2)Utilities 3)Recreation 4)Community Affairs

Facebook

<i># of followers</i>	12,546
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<i>Total # of engaged</i>	27,699
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<i>Daily Total Reach</i>	78,513
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Zoho Social Media Monthly Report: Postive vs. Negative Feedback

Postive 99.19%

Negative .81%

Zoho Page Reach by City: Morganton 17.4K, Hickory 15.3K, Valdese 10.3K , Lenoir 8.3K, Granite Falls 4.2K

<i>Approximate # of Visitors to the Tourism/CA Office</i>	87
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Community Affairs Stats

<i>Old Rock School Rental Breakdown</i>	
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AUDITORIUM	2
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TEACHER'S COTTAGE	1
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WALDENSIAN ROOM	1
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CLASSROOMS	2
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MAJOR EVENT (ENTIRE SCHOOL)	2
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Major Events Held at the Old Rock School	Number of Attendees
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Dance Factory Recital	400
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Dance Factory Recital	400
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<i>Monthly Old Rock School Rentals</i>	2
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Old Rock School Total Attendance (approximate)	1,300
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CA Summary for May 2021

May was an exciting month for our department as we hosted our first major community events post COVID. The May Craft Market was a tremendous success as the Old Rock School Field hosted over 60 handmade crafting vendors and hundreds of patrons. Concessions were provided by Valdese First Baptist Church and live music provided by Jon & Matthew Boerger. The department received excellent feedback among both patrons and vendors. The 2021 FFN Summer Concert Series Kickoff was also hosted at the Old Rock School field with a performance of Cat5. The Community Affairs team worked together to make this temporary location a success, including building a dance floor for the field, prepping the concession area, and boosting awareness of the location change in addition to usual promotions. The event saw a record number of patrons and recieved an overwhelming amount of postive feedback and appreciation of the community. The Moms with Moxie Virtual Photo Contest was a hit online, and the winner took home a wonderful prize of generous donations from our local merchants. Promotions for the Rad Dad Father's Day Photo Contest are currently underway. Preparations for the 46th Annual Waldensian Festival began with sending out vendor and sponsorship applications. The Old Rock School also hosted 4 regular facility rentals and 2 major dance recitals this month.

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**TOWN OF VALDESE
TOWN COUNCIL REGULAR MEETING
May 3, 2021**

The Town of Valdese Town Council met on Monday, May 3, 2021, at 6:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, Councilman J. Andrew Thompson, and Councilman Roy F. Sweezy. Also present were: Town Attorney Marc Mitchell, Town Manager Seth Eckard, and various department heads.

Absent: Mayor John F. "Chip" Black, Jr., Councilman Keith Ogle, Town Clerk Jessica Lail

A quorum was present.

Mayor Pro Tem Susan Stevenson called the meeting to order at 6:00 p.m. She offered the invocation and led in the Pledge of Allegiance to the flag.

OPEN FORUM/PUBLIC COMMENT:

LIGHTING AT ORS – GINA WALKER, 213 COLOMBO ST NW, VALDESE: Ms Walker submitted the following comment: We are in desperate need of lighting near and around the backside of the Old Rock School and the track. This is a critical issue from a safety standpoint for our citizens.

GUARD RAIL/GRAVEL UPKEEP – ERIC ASHBAUGH, 4628 CARSWELL ROAD, VALDESE: Mr. Ashbaugh submitted the following comment: Two items - 1. I would like to see if a guard rail can be installed on the sharp bend coming down Flat Gap Road. This a huge drop off on the inside of the bend, if a car was to go off that side it could be fatal. 2. I would like to see if there is any possibility of getting some financial support for the gravel upkeep of Carswell Road. The residents there have been maintaining it themselves for quite a few years. Even if it was a once a year expenditure, it would be appreciated.

Town Manager Seth Eckard noted that Flat Gap Road is not in the Town limits and is maintained by DOT. Mr. Eckard shared that Carswell Road is part of a private subdivision, and the Town would not be responsible for that. Staff has already contacted DOT to make them aware of the request. Mr. Eckard also shared that staff is looking into Ms. Walker's request.

CONSENT AGENDA: (enacted by one motion)

APPROVED REGULAR MEETING MINUTES OF APRIL 12, 2021

APPROVED BUDGET WORKSHOP MINUTES OF APRIL 19, 2021

REVISED VALDESE TOWN COUNCIL RULES OF PROCEDURES The Valdese Town Council Rules of Procedures adopted March 7, 2016, have been revised to change the "Deputy Town Clerk" language to "Town Clerk," which was approved at the April 12, 2021, regular meeting. A copy can be found on the Town of Valdese website or in the Clerk's office.

SET PUBLIC HEARING DATE FOR CONDITIONAL USE PERMIT APPLICATION #1-4-21 Staff requests Monday, June 7, 2021, as the date to hold a public hearing for Conditional Use Permit Application #1-4-21.

SET PUBLIC HEARING DATE FOR 160D PLANNING AND DEVELOPMENT REGULATIONS Staff requests Monday, June 28, 2021, as the date to hold a public hearing for 160 D Planning and Development Regulations

APPROVED VALDESE ABC BOARD TRAVEL POLICY

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VALDESE ABC BOARD

1018 MAIN STREET WEST • VALDESE, NC 28690 • PHONE 828-879-2227 • FAX 828-874-0332

TRAVEL POLICY

Proposed Date: April 20, 2021
 Effective Date: July 1, 2021
 Re: Adoption of Town of Valdese Travel Policy
 JULY 01, 2000, "Revised"

The following guidelines will be used as a travel policy for all employees traveling on Valdese ABC Board business:

1. Reimbursement of travel expenses-

Meals will be covered on a per day rate. (Based on the current Federal Per Diem Rate) The Federal Per Diem Rates listing (found online at www.gsa.gov) is updated on an annual basis in October. If the traveler's destination is not listed on the website, the standard rate is used.

When traveling to attend a conference, where some meals are provided by the conference, remaining meals not provided by the conference will be eligible for reimbursement on a reasonable and actual basis (receipts required).

When on a trip not involving an over-night stay, expenses (i.e. mileage, meals) will be eligible for reimbursement on a reasonable and actual basis (receipts required).

Lodging will be covered for reasonable and actual cost (receipt required). Unless attending a conference, the Federal Per Diem Listing should be used as a guideline in determining reasonable cost.

2. Board credit cards may be used to reserve lodging. Travel related cost however, should not be charged to the credit cards. All travel expenses will be covered through travel advances and / or reimbursements.

3. It is the responsibility of the General Manager to determine which meal allowances are eligible for reimbursement to employees for partial day travel. Reimbursement will be for reasonable and actual cost (receipt required).

4. All requests for travel expense reimbursement (i.e. meals, lodging, mileage, etc.) must be accompanied by a travel expense report.

5. Other issues-

- Transportation: As a general rule, it is the Board's policy that an employee is authorized to use a private vehicle and be reimbursed at the current standard mileage rate. The current standard rate shall be the same as paid by the Town of Valdese following the IRS rate.
- Telephone: Any employee traveling out of town and staying overnight will be allowed a personal telephone call up to \$4 per night. Board business related calls will be paid by the Board.
- Registration: Registration fees are generally paid in advance directly to the vendor, not from travel advance.
- Advances: The Board does permit employees to request advances whenever an estimated trip cost exceed \$25. If the cost is less than \$25, employee must seek reimbursement when the trip is completed.

Adopted this the 20th day of April, 2021


 Chairman

Attest:

 Secretary/Treasurer

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

End Consent Agenda**ITEMS REMOVED FROM CONSENT AGENDA** None

INTRODUCTION OF NEW EMPLOYEES Finance Director Bo Weichel introduced Customer Services Representative, Emily Fore.

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APPROVED ACCEPTANCE OF BUILDING DONATION LOCATED AT 408 PINEBURR AVE. SW Town Manager Seth Eckard explained that we have already purchased the three parcels on the Pineburr Mill Site that will eventually be the new Public Safety Building home. Mr. Eckard shared that this is a donation of a fourth parcel that has the building on it. This donation is 100% free to the Town.

RESOLUTION
(Gift of Pineburr Property)

WHEREAS, Pineburr 408, LLC (the Donor) has offered to donate to the Town of Valdese that property identified as REID 33227 by the Burke County Tax Office; and

WHEREAS, the Donor has provided to the Town a Donor Letter of Intent (the Donor Letter) outlining the terms of this proposed donation; and

WHEREAS, the Town desires to develop this offered property in connection with the construction of a new public safety complex for the Town; and

WHEREAS, the Town Council is therefore of the opinion that the acceptance of this donation would be in the best interest of the Town;

IT IS THEREFORE RESOLVED AS FOLLOWS:

1. The Town of Valdese agrees to accept the donation of real property as outlined in the Donor Letter.

2. The Town Manager is authorized to execute the Donor Letter on behalf of the Town.

THIS 3RD DAY OF MAY, 2021

/s/ Susan Stevenson, Mayor Pro Tem

ATTEST:

/s/ Town Clerk

DONOR LETTER OF INTENT

Name of Donor: Pineburr 408, LLC, a North Carolina limited liability company
Address: P. O. Box 816, Morganton, NC 28680

To: The Town of Valdese
Attention: Seth Eckard, Town Manager and Members of the Town Council
P.O. Box 339
Valdese NC 28690

Date: April 7, 2021

Dear Mr. Eckard and Members of the Town Council:

On behalf of Pineburr 408, LLC, I am pleased to submit this letter of intent to gift the real property located at 408 Pineburr Avenue, SE (the "Property"), to the Town of Valdese. The Property is identified by the Burke County Tax Office as PIN 2743-03-8327 (REID 33227) and is a portion of the property shown in Plat Book 5, Page 95, of the Burke County Registry.

It is my understanding that the Town is interested in acquiring and developing this Property for the purpose of constructing a new public safety complex to serve the Town. I am pleased to be able to donate the Property to the Town and to have a role in helping the Town to achieve its goal of developing a new facility to serve the community in the coming years.

The gift will be a voluntary donation of the Property to the Town for use for public purposes, and the Donor does not expect to receive any payment or other compensation.

The Donor will execute a **Special Warranty Deed** to the Town for the Property within thirty (30) days of the Town's acceptance of this Letter of Intent, unless otherwise agreed by the Parties. The Donor will convey fee simple marketable title, subject to ad valorem taxes for the current year (which will be prorated), utility easements, access easements, rights of way, and other matters of record.

The Property will be conveyed by the Donor to the Donee in AS IS/WHERE IS condition without representation or warranty, express or implied, as to the condition thereof, the merchantability thereof or the fitness thereof for any particular use or purpose, and Donor is under no obligation to repair any portion of the Property.

By agreeing to accept the donation of this Property, the Donee agrees to cooperate with the Donor in reporting the donation to the Internal Revenue Service and NC Department of Revenue, upon the request of the Donor.

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This the ____ day of _____, 2021.

Donor: PINEBURR 408, LLC

By: _____
W. Gresham Orrison, Member/Manager**ACCEPTANCE:**

Donee: The Town of Valdese, a municipal corporation

By: _____
Printed name and title: _____STATE OF NORTH CAROLINA
COUNTY OF BURKE

I, _____, a Notary Public of the County and State aforesaid, certify that W. Gresham Orrison personally came before me this day and acknowledged that he is the Member/Manager of **PINEBURR 408, LLC**, a North Carolina limited liability company, and that by authority duly given and as the act of such entity, he signed the foregoing instrument in its name on its behalf as its act and deed.

Witness my hand and Notarial stamp, this ____ day of April, 2021.

(NOTARY STAMP-SEAL)

Notary Public (Signature) _____

Printed Name _____
My Commission Expires: _____STATE OF NORTH CAROLINA
COUNTY OF BURKE

I, the undersigned Notary Public, do hereby certify that _____ personally came before me this date and acknowledged that he/she is the _____ of the TOWN OF VALDESE, a local government of the State of North Carolina, and that by authority duly given and as the act of the Town of Valdese, the foregoing document was signed in its name by _____ its authorized representative.

Witness my hand and official stamp or seal, this the ____ day of April, 2021.

(NOTARY STAMP-SEAL)

_____, Notary Public

Print Name: _____
My Commission Expires: _____

Councilman Sweezy made a motion to approve the Resolution accepting the building donation and authorizing the Town Manager to execute the letter of intent, seconded by Councilman Thompson. The vote was unanimous.

RESOLUTION AMENDING SECTION 9-1085 (B) (MINIMUM HOUSING ENFORCEMENT) Planning Director Larry Johnson shared with Council that Town Attorney Marc Mitchell found language within Section 9-1085(b) that needed to be changed after a recent code enforcement action. Mr. Johnson explained that what is presented are two items: one allowing the code enforcement office to order a repair for a deteriorated building, and the second being the filing of the code enforcement actions. Town Attorney Marc Mitchell explained that the old language gives the homeowner a choice whether or not to repair a deteriorated building, now the code enforcement officer has the option. The second change is filing a notice of lis pendens that would be filed in the Clerk's office. If the enforcement is filed, you will not have to start over with enforcement. Councilwoman Hildebran asked if this would affect the property on 909 Main St. W and Mr. Mitchell said no, but we could file a lis pendens in the future if it meets the requirements.

**RESOLUTION AMENDING SECTION 9-1085(b)
OF THE TOWN OF VALDESE CODE OF ORDINANCES**

WHEREAS, the minimum housing code statutes for the State of North Carolina (formerly G.S. 160A-441 et. seq., now G.S. 160D-1201 et. seq.) allowed a municipal ordinance to provide in the case of deteriorated dwellings that the owner of the unfit dwelling could be ordered "to repair, alter or improve or to vacate and close" the unfit structure; and

WHEREAS, the minimum housing code statutes were subsequently amended to allow a municipal ordinance to provide that instead of the owner being given a choice as to whether to repair, alter or improve or to vacate and close, the owner could be ordered "to repair, alter or improve the dwelling in order to render it fit for human habitation"; and

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WHEREAS, the town council desires to amend the town's minimum housing code ordinance as now allowed so that owners of a deteriorated dwelling will no longer be given a choice as to whether to repair, alter or improve the dwelling, or to vacate and close it; and

WHEREAS, to avoid having to reinstitute enforcement proceedings when there is a change of ownership, the town council desires to provide for the filing of a notice of lis pendens to notify property owners that minimum housing code enforcement actions are being taken;

IT IS THEREFORE RESOLVED that Section 9-1085(b) is amended to read as follows:

“(b) If after such notice and hearing the code enforcement officer determines that the dwelling under consideration is unfit for human habitation, the code enforcement officer shall state in writing the findings of fact in support of such determination and shall issue and cause to be served upon the owners an order as follows:

(1) If the repair, alteration or improvement of the dwelling can be made at a cost not to exceed fifty percent (50%) of the value of the dwelling, requiring the owner to repair, alter and improve such dwelling to comply with the minimum standards of fitness established by this chapter within a specified period of time, not to exceed ninety (90) days. Such order may also direct and require the owner to vacate and close such dwelling until such repairs, alterations and improvements have been made. Upon application by the owner of a dwelling within the specified time, the code enforcement officer may grant extensions of up to one (1) year if such dwelling is occupied by its owner, or up to 180 days if the dwelling is not occupied by its owner, for good cause shown.

(2) Within ten (10) days from the date of an order determining that a building is dilapidated, the owner may notify the code enforcement officer in writing of his intent to make such repairs or alterations to the place of habitation so as to comply with the minimum standards of fitness. Upon receipt of an owner's written intent to repair the place of habitation within the time provided in this subsection, the code enforcement officer shall issue a supplemental order directing the owner to commence and complete the repairs or alterations necessary to comply with the minimum standards of fitness. The code enforcement officer shall allow a reasonable time for the owner to make such repairs or alterations, but in no event shall the period of time allow for such repairs or alterations be less than 30 days nor more than 90 days unless an extension of up to 90 days is granted by the code enforcement officer for good cause. Upon application by the owner within the specified period of time, the code enforcement officer may grant extensions of up to one (1) year for an owner-occupied dwelling, or up to 180 days for all other places of habitation for good cause shown.

(3) The code enforcement officer may cause the complaint and notice issued under subsection (a) and the findings of fact and order issued under this subsection along with a notice of lis pendens to be filed in the office of the Clerk of Superior Court of Burke County. From the date and time of indexing by the clerk of court, the complaint and notice of hearing or findings of fact and order shall be binding upon the successors and assigns of the owners of and parties in interest in the place of habitation. A copy of the notice of lis pendens shall be served upon the owners and parties in interest in the place of habitation at the time of filing. The notice of lis pendens shall remain in full force and effect until it is canceled. The code enforcement officer shall have the authority to notify the clerk of court to cancel the notice of lis pendens when the code enforcement officer determine that there no longer is a need for that notice to remain in effect.

(4) The code enforcement officer is authorized to fix the reasonable value of any housing and to estimate the cost of repairs, alterations or improvements for the purposes of this section.

(5) If the owner fails to comply with an order to repair, alter or improve or to vacate and close the dwelling, the code enforcement officer may cause such to be repaired, altered or improved or to be vacated and closed, and may cause to be posted on the main entrance of any dwelling so closed a placard with the following words: “This building is unfit for human habitation; the use or occupation of this building for human habitation is prohibited and unlawful.” Occupation of a building or posted shall constitute a misdemeanor.

(6) If the owner fails to comply with an order to remove or demolish the dwelling, the code enforcement officer may cause such dwelling to be removed or demolished;” provided, however, that the powers of the code

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enforcement officer set forth in subsection (d) and this subsection shall not be exercised until the Town Council has, by ordinance, ordered the code enforcement officer to proceed to effectuate the purpose of this article with respect to the particular property or properties, which the code enforcement officer has found to be unfit for human habitation and which shall be described in the ordinance. No such ordinance shall be adopted to require demolition of a dwelling until the owner has first been given a reasonable opportunity to bring it into conformity with the housing code. Such ordinance shall be recorded in the office of the register of deeds of the county and shall be indexed in the name of the property owner in the grantor index.

(7) The amount of the cost of such repairs, alterations or improvements, or vacating and closing, or removal or demolition by the code enforcement officer, shall be a lien against the real property upon which the cost was incurred, which lien shall be filed, have the same priority, and be collected as the lien for special assessment provided in G.S. § Ch. 160A, art. 10. If the dwelling is removed or demolished by the code enforcement officer, he shall sell the materials of such dwelling, any personal property, fixtures or appurtenances found in or attached to the dwelling, and shall credit the proceeds of such sale against the cost of the removal or demolition and any balance remaining shall be deposited in the superior court by the code enforcement officer, shall be secured in such manner as may be directed by the court, and shall be disbursed by the court to the persons found to be entitled thereto by final order or decree of the court.

(8) If any occupant fails to comply with an order to vacate a dwelling, the code enforcement officer may file a civil action in the name of the Town to remove such occupant. The action to vacate the dwelling shall be in the nature of summary ejectment and shall be commenced by filing a complaint naming as parties-defendant any person occupying such dwelling. The clerk of superior court shall issue a summons requiring the defendant to appear before a magistrate at a certain time, date and place not to exceed ten (10) days from the issuance of the summons to answer the complaint. The summons and complaint shall be served as provided in G.S. § 42-29. The summons shall be returned according to its tenor, and if on its return it appears to have been duly served, and if at the hearing the code enforcement officer produces a certified copy of an ordinance adopted by the governing body pursuant to subdivision (e), authorizing the code enforcement officer to proceed to vacate the occupied dwelling, the magistrate shall enter judgment ordering that the premises be vacated and that all persons be removed. The judgment ordering that the dwelling be vacated shall be enforced in the same manner as the judgment for summary ejectment entered under G.S. § 42-30. An appeal from any judgment entered hereunder by the magistrate may be taken as provided in G.S. § 7A-228, and the execution of such judgment may be stayed as provided in G.S. 7A-227. An action to remove an occupant of a dwelling who is a tenant of the owner may not be in the nature of a summary ejectment proceeding pursuant to this paragraph unless such occupant was served with notice at least thirty (30) days before the filing of the summary ejectment proceeding that the governing body has ordered the code enforcement officer to proceed to exercise duties under paragraphs (d) and (e) of this section to vacate and close or remove and demolish the dwelling.

(9) Any violation of this section shall additionally subject the offender to a civil penalty to be recovered by the Town pursuant to section 1-7.

ADOPTED THIS, THE ____ DAY OF _____, 2021.

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

ATTEST:

/s/ Town Clerk

Councilman Sweezy made a motion to approve Resolution to amend the Section 9-1085(b), seconded by Councilwoman Hildebran. The vote was unanimous.

FAMILY FRIDAY NIGHT CONCERT LOCATION (This item was added at the beginning of the meeting.) Community Affairs Director, Morrissa Angi shared a presentation on the Family Friday Nights Summer Concert Series location. Ms Angi went over the two locations' pros and cons: the current Wells Fargo parking lot and the possible new location on the Old Rock School football field. Ms Angi explained that it would not include the Independence Day Celebration and Festival if the location changes to the ORS field. Ms Angi feels that due to COVID-19 restrictions and Morganton and Lenoir not holding their Friday night music we will have a large crowd and wants to be able to spread out and accommodate the crowd.



Town Council Meeting – Monday, May 3rd, 2021
Concert Series Location Discussion

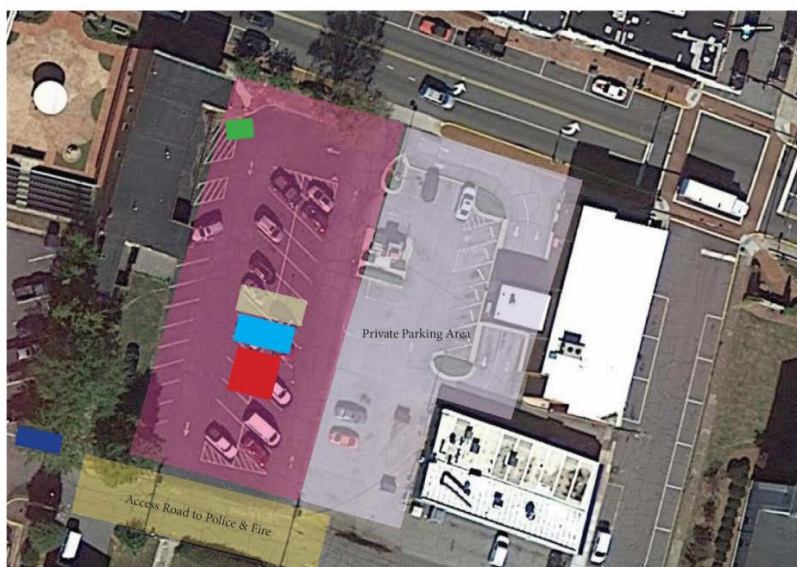
Town Parking Lot at Wells Fargo

Pros

- No crowd limit in June - *Hopefully*
- Proximity to merchants
- Known Location
- On Main Street = Visibility

Challenges

- 18,000 sq.ft. = 324 people allowed in May
- Asphalt is extremely hot in summer temps
- Packed area in 2019 = no room to grow event or social distance
- Parking can be a challenge
- Location is on a hill
- Little to no band visibility with dancers
- Traffic to ATM with pedestrians coming to the event – until 6pm
- Keeping emergency access road behind stage clear



Current Layout at
Town Parking Lot

- STAGE
- CONCESSIONS
- RESTROOMS
- EVENT AREA
- BAND LOAD IN
- DANCE AREA

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Field behind the Old Rock School**Pros**

- **108,000 sq.ft.** = 1,944 people allowed in May
- No crowd limit in June - *Hopefully*
- Permanent Concession Stand
- Grass - Level Area - Cooler
- Permanent Restrooms = Cost Savings
- Off Main Street = Safer for Families with young children
- Parking proximity
- Utilize Teachers Cottage for Band dressing area
- Easier for families to join - grassy area, picnics, blankets
- Room for the event to grow & expand
- Safer for children - away from traffic

Challenges

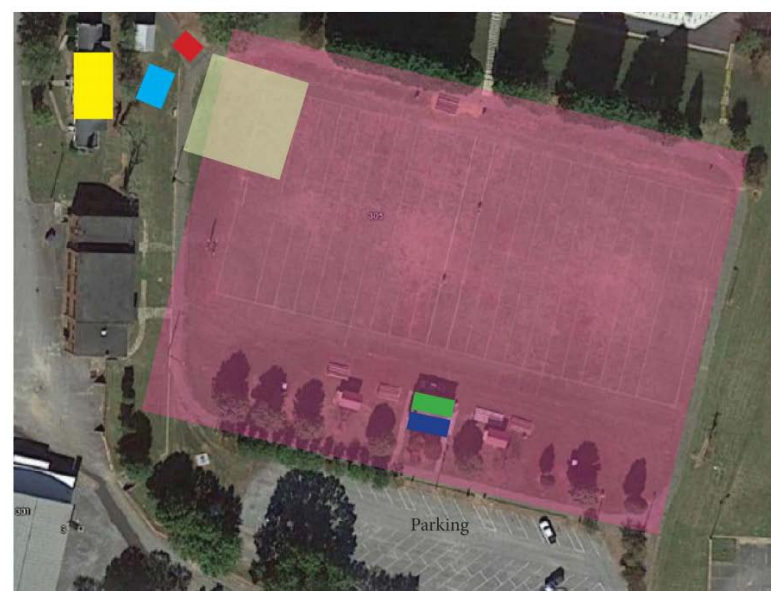
- Proximity to merchants
- Dance Floor – possible need to purchase
- Off Main Street Visibility
- Possibility for "bass" to be heard at the outdoor drama

July 16-August 14 (Fridays Only = 5 shows) - Cast now has headmics - OCP is aware that music may be heard

**Temporary Move Plan
At Football Field**

- STAGE
- BAND AREA
- CONCESSIONS
- RESTROOMS
- EVENT AREA
- BAND LOAD IN
- DANCE AREA

- Use electric hookup at field house

**Permanent Move Plan
At Football Field**

- STAGE
- BAND AREA
- CONCESSIONS
- RESTROOMS
- EVENT AREA
- BAND LOAD IN
- DANCE AREA

- Electric service installed by Duke min \$20 per month - no cost for install
- Sound directed away from amphitheater

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2019 FFN Concert Series

- Would public perception be better/safer in regards to COVID-19 if we moved locations to a much larger venue this season?
- Could the event attendance be drastically increased due to the lack of events in 2020?
- Would the event have a larger crowd size due to Morganton's Courthouse Square construction and their concerts beginning in late August?
- Is this the proper time to make a change to the football field permanently due to the increase in crowd size that was seen in 2019? **Not including Independence Day & Festival.**
- Would the new location spur new excitement for the concert series that would encourage even more attendees?

Options to consider:

- A. No change – All held in the Town Parking Lot as before
- B. Host Kickoff Celebration on the Football Field – Rest at the Town Parking Lot
- C. Host Kickoff Celebration & Concerts through June 25 on the Football Field
 - Staff would hand out dining/shopping guides to attendees and would promote the event with proper signage on Main Street.
 - By following this recommendation, the change will not impact any of the major events nor OCP's production - but in our opinion, would help to alleviate public concerns surrounding COVID-19.
- D. Move entire Concert Series to Football Field (*not including Independence Day & Festival*)



Ms Angi shared that she would like Council's feedback and has four options for consideration. 1. No change 2. Just host the kickoff celebration at the football field and then move the rest back downtown like normal. 3. Host the kickoff and concerts through June 25, 2021. 4. Consider moving the entire series to the football field. Town Manager Seth Eckard feels that this will be a huge event due to Morganton and Lenoir not hosting Friday night events. Councilman Thompson is concerned about moving away from the merchants and the visibility and feels item three would be best. Councilwoman Hildebran agrees and is worried about the residential area. Councilwoman Hildebran feels item three would be best. Mr. Eckard said staff would communicate with the residents in that area. Ms Angi's recommendation would be item three as well.

Councilwoman Hildebran made a motion to start the FFN concerts behind the Old Rock School through June 25, 2021, seconded by Councilman Thompson. The vote was unanimous.

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

The Craft Market is scheduled for Saturday, May 22, 2021, from 9:00 a.m. – 4:00 p.m. at the Old Rock School Field.

The Town Council Budget Workshop is scheduled for Monday, May 24, 2021, at 6:00 p.m.

The Family Friday Night Kickoff Celebration is scheduled for Friday, May 28, 2021, from 7:00 p.m. – 10:00 p.m. Concerts will continue every Friday until September 3, 2021.

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Town Offices will be closed Monday, May 31, 2021, in observance of Memorial Day.

MAYOR AND COUNCIL COMMENTS: Councilwoman Hildebran thanked those that attended the Little Library ribbon cutting at Corner Stone Baptist Church.

Councilman Sweezy reminded Council that Rutherford College has a groundbreaking ceremony for their Greenway on May 6, 2021. Councilman Sweezy also shared the K&L Dunrite Roofing & Restoration has a ribbon cutting on May 13, 2021. Councilman Sweezy is excited that the Craft Market event has sold all the booths.

Councilwoman Stevenson reminded Council that the Old Colony Players, The Wizard of Oz, has one more weekend of shows and shared how wonderful it was.

ADJOURNMENT: At 6:31 p.m., there being no further business to come before Council, Councilwoman Hildebran made a motion to adjourn, seconded by Councilman Sweezy. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, June 7, 2021, 6:00 p.m.

Town Clerk

jl

Mayor

TOWN OF VALDESE
TOWN COUNCIL MEETING - BUDGET WORKSHOP #2
APRIL 24, 2021

The Town of Valdese Town Council met on Monday, May 24, 2021, at 6:00 p.m., in the Community Room at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor John F. "Chip" Black, Jr., Councilwoman Susan Stevenson, Councilwoman Frances Hildebran, Councilman Keith Ogle, and Councilman Roy F. Sweezy. Also present were Town Clerk Jessica Lail, Town Manager Seth Eckard, and Finance Director Bo Weichel

Absent: Councilman J. Andrew Thompson


A quorum was present.

Others present: Dwayne Wilson of Dwayne Wilson Insurance & Financial Services

Mayor Black called the meeting to order at 6:00 p.m.

EMPLOYEE HEALTH INSURANCE UPDATE Mr. Wilson presented an update on the most recent insurance quotes through Blue Cross Blue Shield. Mr. Wilson reviewed a few options one including spousal carveout. Mr. Wilson explained if we carved out spouses, our percentage would decrease even more. After a brief discussion, Council felt it was a good idea to carve out spouses, being that there are only two currently on our insurance. Mr. Wilson will talk with the employees and offer a different plan for them.

Town of Valdese
 Medical Rates Only
 Renewal Effective Date: July 1, 2021

 BlueCross BlueShield of North Carolina		Current Quote# 353869 Blue Options HSA	Original Renewal Quote # 374238 Blue Options HSA	Revised Renewal ** Quote # 374238 Blue Options HSA	Revised Renewal with Spousal Carveout Quote # 377507 Blue Options HSA
In-Network Deductible					
Employee Only		\$2,000	\$2,000	\$2,000	\$2,000
Family Member		\$4,000	\$4,000	\$4,000	\$4,000
Family Total		\$4,000	\$4,000	\$4,000	\$4,000
In-Network Out of Pocket Maximum					
Employee Only OOP Limit		\$4,000	\$4,000	\$4,000	\$4,000
Family Member OOP Limit		\$6,650	\$7,000	\$7,000	\$7,000
Family Total OOP Limit		\$8,000	\$8,000	\$8,000	\$8,000
In-Network Coinsurance					
Inpatient Hospital Services		20% after ded	20% after ded	20% after ded	20% after ded
Outpatient Hospital Services		20% after ded	20% after ded	20% after ded	20% after ded
Physician Office Visit					
In-Network Primary Care Visit		20% after ded	20% after ded	20% after ded	20% after ded
In-Network Specialist Visit		20% after ded	20% after ded	20% after ded	20% after ded
Telehealth Visit		\$45 copayment	\$45 copayment	\$45 copayment	\$45 copayment
Preventive Care		No Charge	No Charge	No Charge	No Charge
Urgent Care		20% after ded	20% after ded	20% after ded	20% after ded
Emergency Room Care		20% after ded	20% after ded	20% after ded	20% after ded
Prescription Drugs					
Tier 1 Drugs		20% after ded	20% after ded	20% after ded	20% after ded
Tier 2 Drugs		20% after ded	20% after ded	20% after ded	20% after ded
Tier 3 Drugs		20% after ded	20% after ded	20% after ded	20% after ded
Tier 4 Drugs		20% after ded	20% after ded	20% after ded	20% after ded
Employee Only	73	\$556.22	\$736.21	\$634.09	\$617.46
Employee + Spouse	2	\$1,142.32	\$1,512.26	\$1,302.24	\$900.56
Employee + Child(ren)	3	\$812.74	\$1,075.60	\$926.52	\$1,183.72
Family	0	\$1,572.94	\$2,082.10	\$1,793.15	
Total Monthly Premium	78	\$45,326.92	\$59,994.65	\$51,672.69	\$49,860.66
			32.4%	14.0%	10.0%

Town of Valdese
Medical Rates Only
Renewal Effective Date: July 1, 2021

BlueCross BlueShield of North Carolina		Current Quote# 353869 Blue Options HSA	Original Renewal Quote # 374238 Blue Options HSA	Revised Renewal with Spousal Carveout Quote # 377507 Blue Options HSA	Option #1 with Spousal Carveout Quote #377808 Blue Options HSA	Option #2 with Spousal Carveout Quote #377807 Blue Options HSA
In-Network Deductible						
Employee Only		\$2,000	\$2,000	\$2,000	\$2,000	\$2,500
Family Member		\$4,000	\$4,000	\$4,000	\$4,000	\$5,000
Family Total		\$4,000	\$4,000	\$4,000	\$4,000	\$5,000
In-Network Out of Pocket Maximum						
Employee Only OOP Limit		\$4,000	\$4,000	\$4,000	\$4,000	\$5,000
Family Member OOP Limit		\$6,650	\$7,000	\$7,000	\$7,000	\$7,000
Family Total OOP Limit		\$8,000	\$8,000	\$8,000	\$8,000	\$10,000
In-Network Coinsurance						
Inpatient Hospital Services		20% after ded	20% after ded	20% after ded	30% after ded	30% after ded
Outpatient Hospital Services		20% after ded	20% after ded	20% after ded	30% after ded	30% after ded
Physician Office Visit						
In-Network Primary Care Visit		20% after ded	20% after ded	20% after ded	30% after ded	30% after ded
In-Network Specialist Visit		20% after ded	20% after ded	20% after ded	30% after ded	30% after ded
Telehealth Visit		\$45 copayment	\$45 copayment	\$45 copayment	\$45 copayment	\$45 copayment
Preventive Care		No Charge	No Charge	No Charge	No Charge	No Charge
Urgent Care		20% after ded	20% after ded	20% after ded	30% after ded	30% after ded
Emergency Room Care		20% after ded	20% after ded	20% after ded	30% after ded	30% after ded
Prescription Drugs						
Tier 1 Drugs		20% after ded	20% after ded	20% after ded	30% after ded	30% after ded
Tier 2 Drugs		20% after ded	20% after ded	20% after ded	30% after ded	30% after ded
Tier 3 Drugs		20% after ded	20% after ded	20% after ded	30% after ded	30% after ded
Tier 4 Drugs		20% after ded	20% after ded	20% after ded	30% after ded	30% after ded
Employee Only	75	\$556.22	\$736.21	\$617.46	\$604.14	\$560.78
Employee + Child	0	\$812.74	\$1,075.60	\$900.56	\$880.88	\$817.66
Employee + Child(ren)	3	\$812.74	\$1,075.60	\$1,183.72	\$1,158.14	\$1,075.04
Total Monthly Premium		78	\$45,326.92	\$59,994.65	\$49,860.66	\$48,784.92
			32.4%	10.0%	7.6%	-0.1%

FY 21-22 PROPOSED BUDGET AND HIGHLIGHTS Mr. Eckard and Mr. Weichel reviewed highlights from the proposed FY 21-22 budget. Mr. Weichel noted that Council should receive their final proposed budget by the end of the week.

FY 21-22 PROPOSED RATE STRUCTURE & FEE SCHEDULES Mr. Weichel shared that there would be a 5% increase to industrial and commercial utility customers and a 3% increase to residential utility customers. The proposed residential rate increase equates to a \$1.35 increase for minimum users each month.

ADJOURNMENT At 7:13 p.m., there being no further business to come before Council, Mayor Black adjourned the meeting.

The next meeting is a regularly scheduled meeting on Monday, June 7, 2021, 6:00 p.m., Valdese Town Hall.

Town Clerk

Mayor

jl

Memo

To: Seth Eckard, Town Manager

From: Kerri Poteat, VEDIC Executive Director

Date: June 7, 2021

Re: VEDIC Board of Directors Appointments

Staff recommends the following appointments to the Valdese Economic Development Investment Corporation (VEDIC) Board of Directors:

- Reappointment – Keith Ogle
- Appointment – Kylie Gera

Each member will serve a three-year-term that will expire July 1, 2024.

jl



State of North Carolina – County of Burke

**Town of Valdese Lease Agreement**

THIS AGREEMENT, made and entered into this **First** day of **July 2021**, by and between the TOWN OF VALDESE, hereinafter called “Lessor” and **Dream Connections** hereinafter called “Lessee”; Lessor and Lessee are hereinafter referred to collectively as the “Parties”.

ARTICLE 1.00**Creation of Tenancy, Term and General Conditions**

- 1.01 **DEMISE OF PREMISES:** Lessor, for and in consideration of the rentals hereinafter provided and in further consideration of the covenants, conditions, and provisions hereinafter contained, does hereby demise and lease unto Lessee the property (hereinafter called “Premises”) located in that building known as the Valdese Old Rock School, Main Street, Valdese, Burke County, North Carolina, and being Suite(s) **10, 16, 17, 18, 19, 20** as described on the attached Exhibit “A,” together with the right of access and use to the common areas of the building and parking, subject to the restrictions hereinafter set out.
- 1.02 **TERM:** The Lessee shall have and hold the premises for a period of time commencing the **First** day of **July 2021** and extending to the **30th** day of **June 2022**.
- 1.03 **RENT:** Lessee agrees to pay Lessor a monthly rent of **\$1045.00**. The first month’s rent shall be due and payable at the time of execution of this Lease, with each subsequent monthly rent being due and payable on the first day of the month for each and every month thereafter during the Lease term. In addition, the Lessee shall pay to the Lessor a deposit in the sum equal to one month’s rent. Said sum will be held by the Lessor and applied as a payment or partial payment of any damages that might occur by reason of a default under this agreement.
- 1.04 **UTILITIES:** During the term of this Lease the Lessor shall provide heating and air conditioning Monday through Friday of each week from 8:00 A.M. until 5:00 P.M., and such other times in the Lessor’s sole discretion. The Lessee shall be responsible for all other utilities, including electricity (other than lights) and telephone.
- 1.05 **TAXES:** During the term of this Lease the Lessor shall pay any taxes which might come due on the real property, however, the Lessee shall be responsible for all taxes on the personalty located on the premises.

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1.06 **GENERAL CONDITIONS:** This Lease is made by Lessor and accepted by Lessee subject to the following:

1.01.1 All zoning regulations affecting the premises now or hereafter in force.

1.01.2 All ordinances, statutes, and regulations, and any presently existing violations thereof, whether or not of record.

1.01.3 The existing condition and state of repair of the premises.

ARTICLE 2.00

Use of Premises

2.01 CHARACTER OF USE:

2.01.1 The premises shall be used by the Lessee for an **Office Space** and shall not be used by Lessee for any other purpose without the prior written consent of the Lessor.

2.01.2 Lessee covenants and agrees to comply with all legal requirements of the City, County, State and Federal Governments respecting any operation conducted, or any equipment installations or property located at the premises, and Lessee further covenants and agrees not to create or permit the creation of any nuisance on the premises, or to make any other offensive use thereof.

2.02 IMPROVEMENT AND ALTERATION OF PREMISES: Lessee shall not make, and shall not have the right to make any alterations, changes or improvements, structural, or otherwise in or to the premises without Lessor's prior written consent, provided, that if such consent is given, all such alterations, changes, and improvements shall be at Lessee's expense and shall become the property of Lessor at the termination of the Lease. The granting or denial of consent as provided for in this section shall be the subject of Lessor's sole and absolute discretion.

2.03 TRADE FIXTURES: Lessee will be permitted to install trade fixtures on the premises without necessity of written consent by Lessor, and shall be permitted to remove such fixtures upon the expiration of the Lease term, provided that the removal of such fixtures will not permanently damage the premises, and provided that Lessee shall return the premises to their condition at the commencement of this Lease.

ARTICLE 3.00

Condition of Premises

3.01 ACCEPTANCE OF PREMISES: Lessee acknowledges that the act of taking possession of the premises shall constitute conclusive evidence that Lessee has inspected and examined the premises, and that the same were and are in good and satisfactory condition.

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- 3.02 MAINTENANCE:** Lessee covenants and agrees to maintain said premises in their present condition, reasonable wear and tear excepted, during the term of this Lease or any extension thereof at Lessee's own cost and expense. Lessor shall maintain the roof, exterior walls, plumbing, heating and electrical system except to the extent that the same shall be damaged by the negligence, misuse or overuse by Lessee in which case Lessee shall make said repairs.
- In addition, the Lessor shall be responsible for and maintain all common areas in the building, which shall consist of halls and restrooms. The Lessee and its guests may use such common areas, but will make no business use of or store any property in any common areas.
- 3.03 PARKING:** The Lessee and its guests and/or customers, may use the parking lot adjacent to the building between the hours of 7:30 A.M. and 6:00 P.M. on Monday through Friday, and such other times subject to regulations and restrictions as may be determined by the Lessor.
- 3.04 ACCESS:** The Lessee shall have access to the building between the hours of 7:30 A.M. and 6:00 P.M. on Monday through Friday (except on Holidays) and such other times subject to regulations and the Lessor may determine restrictions. The Lessor reserves the right to secure and lock the building and otherwise limit access, as it should determine advisable during other hours.
- 3.05 CONDITIONS UPON TERMINATION:** Upon the expiration, termination or acceleration of Lessee's obligations under this Lease, Lessee shall return the premises to a condition at least as good as their condition upon the commencement of this Lease, ordinary wear and tear accepted.

ARTICLE 4.00

Insurance, Liability of Parties

- 4.01 CASUALTY INSURANCE:** Lessor shall carry, at Lessor's expense, fire insurance with extended coverage insuring loss or damage to the premises. Lessee shall be responsible for insuring Lessee's personal property on the premises.
- 4.02 LIABILITY INSURANCE:** Throughout the continuance of this Lease, Lessee shall keep the premises insured, at Lessee's sole cost and expense, against claims for personal injury or property damage under a policy of general liability insurance, with a single limit of at least \$500,000.
- 4.03 INDEMNIFICATION:** The Lessee will protect, indemnify, save and hold harmless the Lessor, its officers, agents, servants, and employees, from and against any and all claims, demands, expense, and liability, arising out of injury or property which may occur on or in the demised premises or which may arise, or in any way grow out of any act or omission of the Lessee, its (his) agents, subcontractors, servants, and employees of the use and occupancy of the demised premises by the Lessee or anyone using or occupying said premises as a guest, patron, or invitee of Lessee.
- 4.04 WAIVERS:** Insofar as it may be permitted by the terms of the fire or extended coverage insurance policy carried by the Lessor or Lessee, each party hereby releases the other with respect to any claim

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(including a claim for negligence) that it might have against the other party for loss, damage or destruction with respect to its property by fire or other casualty (including rental value or business interruption, as the case may be) occurring during the term of this Lease. In the event one or both of the parties' insurance policies do not permit this waiver, such party will immediately give notice of such denial to the other party and upon such request shall cause the other party to be named in such policy or policies as one of the name insured.

ARTICLE 5.00

Termination, Default, Remedies

- 5.01 HOLDOVER TENANCY:** In the event that Lessee remains in possession after the expiration of the term hereof or the validly commenced extension thereof and without the execution of a new Lease, Lessee shall not acquire any right, title or interest in or to the premises and in such event Lessee shall occupy the premises as Lessee from month to month and be subject to all conditions, provisions, and obligations of this Lease in so far as the same shall be applicable.
- 5.02 DEFAULT OR BREACH OF COVENANT:** If Lessee shall fail to timely make any payment of rent herein provided for, or promptly perform any other covenant or obligation imposed upon it hereunder and shall fail to make good such Default within ten (10) days after written notice from the Lessor to Lessee, Lessor may enter the premises and expel Lessee therefrom without prejudice to any and all other remedies that may be available to Lessor under the laws.
- 5.03 REMEDIES ARE CUMULATIVE:** To the extent that the remedies provided for under this Lease are not clearly inconsistent, they shall be cumulative, and Lessor shall be entitled to pursue all or any part of the remedies provided herein. The remedies specified in this Lease are in addition to, and not in lieu of any remedies otherwise available to Lessor by law or in equity. Pursuit of any remedy by Lessor shall not constitute a binding election of such remedy or prevent Lessor from seeking other relief.
- 5.04 COSTS AND ATTORNEYS FEES:** In addition to any other damages sustained by Lessor as a result of Lessee's Default, Lessor shall be entitled to recover of Lessee all reasonable attorneys' fees and costs incurred in pursuit of Lessor's remedies.
- 5.05 ACCEPTANCE OF SURRENDER:** No act or conduct of Lessor, including without limitation, the acceptance of the keys to the premises shall constitute an acceptance of the surrender of the premises by Lessor before the expiration of the term. Only a Notice from Lessor to Lessee shall constitute acceptance of the surrender of the Premises and accomplish a termination of this Lease.

ARTICLE 6.00

Destruction of Taking of Premises

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6.01 DAMAGE BY CASUALTY OR FIRE: If said premises should be damaged or destroyed by casualty, explosion or fire, as to be unfit for Lessee's continued use, then this Lease shall thereupon be terminated and the rent for the month in which the damage occurred shall be apportioned and refunded to Lessee; but if said premises should be damaged or destroyed by casualty, explosion or fire, however caused or by the elements, or any cause or happening and still be fit for Lessee's continued use, then the same shall be promptly restored by Lessor to their previous condition and a just and fair proportion of the rent herein reserved shall abate until the same have been completely restored, and a like proportion of any rent unpaid in advance shall be refunded to Lessee.

The Lessor may, following damage as above provided, elect to terminate this Lease by providing the Lessee with written notice of its election within ninety (90) days of the occurrence of the damage.

ARTICLE 7.00

Additional Provisions

- 7.01 ASSIGNMENT AND SUBLETTING:** Lessee shall not have the right to assign or sublet the within Lease or sublet the premises in whole or in part without first obtaining the written consent of the Lessor. No approval of assignment or subletting shall be effective until the prospective assignee or Sublessee shall have given Lessor Notice acknowledging familiarity with the terms of this Lease and evidencing agreement to be bound thereby. Any assignment or subletting in violation of this provision shall be void and the discretion of the Lessor as to whether to permit such assignment or sublease is absolute.
- 7.02 RIGHT OF ENTRY:** Lessor shall have the right at all reasonable times to enter and inspect the premises, and to take any action which Lessor reasonably believes to be necessary to protect the premises from damage.

ARTICLE 8.00

Special Provisions

- 8.01 RELATIONSHIP OF PARTIES:** It is specifically understood that the parties hereto have created a Lessor-Lessee relationship with respect to the demised premises and that the Lessor shall in no way control or be responsible for the acts of the Lessee with respect to the operations carried out on the demised premises. The Lessee specifically agrees to indemnify and hold harmless the Lessor from any loss by reason of operation on the premises and it is further agreed to erect a suitable sign to be placed in a visible located on the demised premises indicating the name and ownership of the business being rented upon the property and further the Lessee agrees not to take any action that might in any way indicate any involvement by Lessor in the Lessee's business except as hereinafter set out.

ARTICLE 9.00

Interpretation, Execution

- 9.01 GOVERNING LAW:** The laws and decisions of the State of North Carolina will govern and control the construction, enforceability, validity, and interpretation of this Lease and of all agreements, instruments and documents heretofore, now or hereafter executed by Lessee and delivered to Lessor pertaining or relating to this Lease or the transaction contemplated herein.
- 9.02 MODIFICATION:** This Lease, together with the schedules and exhibits attached hereto, contains the full, final and exclusive statement of the Lease between Lessor and Lessee relating to the leasing of the premises and cannot be amended, altered, modified or terminated except by a written agreement signed by both Lessor and Lessee. The parties hereto specifically relinquish any rights they may have to orally rescind or otherwise terminate this Lease and acknowledge that they will not rely upon any such oral agreements.
- 9.03 SEVERABILITY:** If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the term of extensions thereof, in that event it is the intention of the Parties hereto that the remainder of this Lease shall not be affected thereby.
- 9.04 CAPTIONS:** The caption of each Section is added as a matter of convenience only, and shall be considered of no effect in the construction of any provision of this Lease.
- 9.05 WORD USAGE:** Throughout this Lease, the masculine gender shall include the plural and vice versa, wherever the context requires such construction.
- 9.06 EFFECT UPON SUCCESSORS:** This Lease shall inure to the benefit of and shall be binding upon the heirs, executors, administrators, conservators, guardians, or other legal representatives and assigns of each party.
- 9.07 MULTIPLE SIGNATURES:** If there is more than one signer (exclusive of Lessor) of this Lease, whether as Lessee or a co-signer, their obligations will joint and several, and term "Lessee" will include each such party, jointly and severally.
- 9.08 QUIET ENJOYMENT:** The Lessor agrees that Lessee on paying the stipulated rental and keeping and performing the agreement and covenants herein contained, shall hold and enjoy the premises for the term aforesaid, subject however to the terms of this Lease, and further warrants that the use of the premises called for herein do not violate the terms of any zoning affecting the premises.

X_____

Town of Valdese

Seth Eckard, Town Manager

Lessor

X_____

Witness (Attest)

X_____

Dream Connections, INC.

John Morrison, President or Carolyn Miller

Lessee

X_____

Witness9



State of North Carolina – County of Burke

**Town of Valdese Lease Agreement**

THIS AGREEMENT, made and entered into this First day of July, 2021, by and between the TOWN OF VALDESE, hereinafter called “Lessor” and Still Waters Counseling, Inc. hereinafter called “Lessee”; Lessor and Lessee are hereinafter referred to collectively as the “Parties”.

ARTICLE 1.00**Creation of Tenancy, Term and General Conditions**

- 1.01 **DEMISE OF PREMISES:** Lessor, for and in consideration of the rentals hereinafter provided and in further consideration of the covenants, conditions, and provisions hereinafter contained, does hereby demise and lease unto Lessee the property (hereinafter called “Premises”) located in that building known as the Valdese Old Rock School, Main Street, Valdese, Burke County, North Carolina, and being Suite(s) 35 as described on the attached Exhibit “A,” together with the right of access and use to the common areas of the building and parking, subject to the restrictions hereinafter set out.
- 1.02 **TERM:** The Lessee shall have and hold the premises for a period of time commencing the First day of July, 2021 and extending to the 30th day of June, 2022; provided, however, because the Lessee may be required to move to a new facility during the one-year term of this lease, the Lessee shall have the right to terminate this lease at any time during the one-year lease term by providing to the Lessor at least 30 days prior written notice of termination.
- 1.03 **RENT:** Lessee agrees to pay Lessor a monthly rent of \$305.00. The first month’s rent shall be due and payable at the time of execution of this Lease, with each subsequent monthly rent being due and payable on the first day of the month for each and every month thereafter during the Lease term. In addition, the Lessee shall pay to the Lessor a deposit in the sum equal to one month’s rent. Said sum will be held by the Lessor and applied as a payment or partial payment of any damages that might occur by reason of a default under this agreement.
- 1.04 **UTILITIES:** During the term of this Lease the Lessor shall provide heating and air conditioning Monday through Friday of each week from 8:00 A.M. until 5:00 P.M., and such other times in the Lessor’s sole discretion. The Lessee shall be responsible for all other utilities, including electricity (other than lights) and telephone.

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1.05 **TAXES:** During the term of this Lease the Lessor shall pay any taxes which might come due on the real property, however, the Lessee shall be responsible for all taxes on the personalty located on the premises.

1.06 **GENERAL CONDITIONS:** This Lease is made by Lessor and accepted by Lessee subject to the following:

1.01.1 All zoning regulations affecting the premises now or hereafter in force.

1.01.2 All ordinances, statutes, and regulations, and any presently existing violations thereof, whether or not of record.

1.01.3 The existing condition and state of repair of the premises.

ARTICLE 2.00

Use of Premises

2.01 CHARACTER OF USE:

2.01.1 The premises shall be used by the Lessee for an **Office Space** and shall not be used by Lessee for any other purpose without the prior written consent of the Lessor.

2.01.2 Lessee covenants and agrees to comply with all legal requirements of the City, County, State and Federal Governments respecting any operation conducted, or any equipment installations or property located at the premises, and Lessee further covenants and agrees not to create or permit the creation of any nuisance on the premises, or to make any other offensive use thereof.

2.02 IMPROVEMENT AND ALTERATION OF PREMISES: Lessee shall not make, and shall not have the right to make any alterations, changes or improvements, structural, or otherwise in or to the premises without Lessor's prior written consent, provided, that if such consent is given, all such alterations, changes, and improvements shall be at Lessee's expense and shall become the property of Lessor at the termination of the Lease. The granting or denial of consent as provided for in this section shall be the subject of Lessor's sole and absolute discretion.

2.03 TRADE FIXTURES: Lessee will be permitted to install trade fixtures on the premises without necessity of written consent by Lessor, and shall be permitted to remove such fixtures upon the expiration of the Lease term, provided that the removal of such fixtures will not permanently damage the premises, and provided that Lessee shall return the premises to their condition at the commencement of this Lease.

ARTICLE 3.00

Condition of Premises

- 32 of 146
- 3.01 ACCEPTANCE OF PREMISES:** Lessee acknowledges that the act of taking possession of the premises shall constitute conclusive evidence that Lessee has inspected and examined the premises, and that the same were and are in good and satisfactory condition.
- 3.02 MAINTENANCE:** Lessee covenants and agrees to maintain said premises in their present condition, reasonable wear and tear excepted, during the term of this Lease or any extension thereof at Lessee's own cost and expense. Lessor shall maintain the roof, exterior walls, plumbing, heating and electrical system except to the extent that the same shall be damaged by the negligence, misuse or overuse by Lessee in which case Lessee shall make said repairs.
- In addition, the Lessor shall be responsible for and maintain all common areas in the building, which shall consist of halls and restrooms. The Lessee and its guests may use such common areas, but will make no business use of or store any property in any common areas.
- 3.03 PARKING:** The Lessee and its guests and/or customers, may use the parking lot adjacent to the building between the hours of 7:30 A.M. and 6:00 P.M. on Monday through Friday, and such other times subject to regulations and restrictions as may be determined by the Lessor.
- 3.04 ACCESS:** The Lessee shall have access to the building between the hours of 7:30 A.M. and 6:00 P.M. on Monday through Friday (except on Holidays) and such other times subject to regulations and the Lessor may determine restrictions. The Lessor reserves the right to secure and lock the building and otherwise limit access, as it should determine advisable during other hours.
- 3.05 CONDITIONS UPON TERMINATION:** Upon the expiration, termination or acceleration of Lessee's obligations under this Lease, Lessee shall return the premises to a condition at least as good as their condition upon the commencement of this Lease, ordinary wear and tear accepted.

ARTICLE 4.00

Insurance, Liability of Parties

- 4.01 CASUALTY INSURANCE:** Lessor shall carry, at Lessor's expense, fire insurance with extended coverage insuring loss or damage to the premises. Lessee shall be responsible for insuring Lessee's personal property on the premises.
- 4.02 LIABILITY INSURANCE:** Throughout the continuance of this Lease, Lessee shall keep the premises insured, at Lessee's sole cost and expense, against claims for personal injury or property damage under a policy of general liability insurance, with a single limit of at least \$500,000.
- 4.03 INDEMNIFICATION:** The Lessee will protect, indemnify, save and hold harmless the Lessor, its officers, agents, servants, and employees, from and against any and all claims, demands, expense, and liability, arising out of injury or property which may occur on or in the demised premises or which may arise, or in any way grow out of any act or omission of the Lessee, its (his) agents, subcontractors,

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servants, and employees of the use and occupancy of the demised premises by the Lessee or anyone using or occupying said premises as a guest, patron, or invitee of Lessee.

4.04 WAIVERS: Insofar as it may be permitted by the terms of the fire or extended coverage insurance policy carried by the Lessor or Lessee, each party hereby releases the other with respect to any claim (including a claim for negligence) that it might have against the other party for loss, damage or destruction with respect to its property by fire or other casualty (including rental value or business interruption, as the case may be) occurring during the term of this Lease. In the event one or both of the parties' insurance policies do not permit this waiver, such party will immediately give notice of such denial to the other party and upon such request shall cause the other party to be named in such policy or policies as one of the name insured.

ARTICLE 5.00

Termination, Default, Remedies

- 5.01 HOLDOVER TENANCY:** In the event that Lessee remains in possession after the expiration of the term hereof or the validly commenced extension thereof and without the execution of a new Lease, Lessee shall not acquire any right, title or interest in or to the premises and in such event Lessee shall occupy the premises as Lessee from month to month and be subject to all conditions, provisions, and obligations of this Lease in so far as the same shall be applicable.
- 5.02 DEFAULT OR BREACH OF COVENANT:** If Lessee shall fail to timely make any payment of rent herein provided for, or promptly perform any other covenant or obligation imposed upon it hereunder and shall fail to make good such Default within ten (10) days after written notice from the Lessor to Lessee, Lessor may enter the premises and expel Lessee therefrom without prejudice to any and all other remedies that may be available to Lessor under the laws.
- 5.03 REMEDIES ARE CUMULATIVE:** To the extent that the remedies provided for under this Lease are not clearly inconsistent, they shall be cumulative, and Lessor shall be entitled to pursue all or any part of the remedies provided herein. The remedies specified in this Lease are in addition to, and not in lieu of any remedies otherwise available to Lessor by law or in equity. Pursuit of any remedy by Lessor shall not constitute a binding election of such remedy or prevent Lessor from seeking other relief.
- 5.04 COSTS AND ATTORNEYS FEES:** In addition to any other damages sustained by Lessor as a result of Lessee's Default, Lessor shall be entitled to recover of Lessee all reasonable attorneys' fees and costs incurred in pursuit of Lessor's remedies.
- 5.05 ACCEPTANCE OF SURRENDER:** No act or conduct of Lessor, including without limitation, the acceptance of the keys to the premises shall constitute an acceptance of the surrender of the premises by Lessor before the expiration of the term. Only a Notice from Lessor to Lessee shall constitute acceptance of the surrender of the Premises and accomplish a termination of this Lease.

ARTICLE 6.00

Destruction of Taking of Premises

6.01 DAMAGE BY CASUALTY OR FIRE: If said premises should be damaged or destroyed by casualty, explosion or fire, as to be unfit for Lessee's continued use, then this Lease shall thereupon be terminated and the rent for the month in which the damage occurred shall be apportioned and refunded to Lessee; but if said premises should be damaged or destroyed by casualty, explosion or fire, however caused or by the elements, or any cause or happening and still be fit for Lessee's continued use, then the same shall be promptly restored by Lessor to their previous condition and a just and fair proportion of the rent herein reserved shall abate until the same have been completely restored, and a like proportion of any rent unpaid in advance shall be refunded to Lessee.

The Lessor may, following damage as above provided, elect to terminate this Lease by providing the Lessee with written notice of its election within ninety (90) days of the occurrence of the damage.

ARTICLE 7.00

Additional Provisions

7.01 ASSIGNMENT AND SUBLETTING: Lessee shall not have the right to assign or sublet the within Lease or sublet the premises in whole or in part without first obtaining the written consent of the Lessor. No approval of assignment or subletting shall be effective until the prospective assignee or Sublessee shall have given Lessor Notice acknowledging familiarity with the terms of this Lease and evidencing agreement to be bound thereby. Any assignment or subletting in violation of this provision shall be void and the discretion of the Lessor as to whether to permit such assignment or sublease is absolute.

7.02 RIGHT OF ENTRY: Lessor shall have the right at all reasonable times to enter and inspect the premises, and to take any action which Lessor reasonably believes to be necessary to protect the premises from damage.

ARTICLE 8.00

Special Provisions

8.01 RELATIONSHIP OF PARTIES: It is specifically understood that the parties hereto have created a Lessor-Lessee relationship with respect to the demised premises and that the Lessor shall in no way control or be responsible for the acts of the Lessee with respect to the operations carried out on the demised premises. The Lessee specifically agrees to indemnify and hold harmless the Lessor from any loss by reason of operation on the premises and it is further agreed to erect a suitable sign to be placed in a visible located on the demised premises indicating the name and ownership of the business being rented upon the property and further the Lessee agrees not to take any action that might in any way indicate any involvement by Lessor in the Lessee's business except as hereinafter set out.

ARTICLE 9.00

Interpretation, Execution

- 9.01 GOVERNING LAW:** The laws and decisions of the State of North Carolina will govern and control the construction, enforceability, validity, and interpretation of this Lease and of all agreements, instruments and documents heretofore, now or hereafter executed by Lessee and delivered to Lessor pertaining or relating to this Lease or the transaction contemplated herein.
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X_____

Lessor

Seth Eckard, Town of Valdese (Town Manager)

X_____

Lessee

Beth Brannon, Still Waters Counseling, Inc.

X_____

Witness (Attest)

X_____

Witness



Fiscal Year 2021-2022 Recommended BUDGET

Prepared for Valdese Town Council

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TOWN OF VALDESE

NORTH CAROLINA'S FRIENDLY TOWN

P.O. BOX 339

VALDESE, NORTH CAROLINA 28690-0339

PHONE (828) 879-2120 | FAX (828) 879-2139 | TOWNOFVALDESE.COM

TOWN OF VALDESE BUDGET MESSAGE 2021 – 2022

TO: Mayor John F. “Chip” Black, Jr.
 Councilman Andy Thompson – Ward 1
 Councilwoman Susan Stevenson – Ward 2
 Councilman Roy Sweezy – Ward 3
 Councilwoman Frances Hildebran – Ward 4
 Councilman Keith Ogle – Ward 5

FROM: Seth Eckard, Town Manager

DATE: May 13, 2021

SUBJECT: Proposed 2021 – 2022 Town of Valdese Budget

Honorable Mayor Black and Members of the Valdese Town Council:

In accordance with the North Carolina Local Government Fiscal Control Act, the recommended budget for fiscal year 2021-2022 is presented for your consideration. The budget document represents balanced revenues and expenditures. Continuing to reinvest in our Town in ways that support our vision and implement our Masterplans for the betterment of Valdese requires leadership. Each Town department contributes to the whole and is vital to the team. The capital budgets include equipment replacements, facility improvements, and substantial utility system investments.

The proposed combined fiscal year 2021-2022 operating and capital budget is \$12,030,352. This includes a total General Fund budget of \$6,713,722 and a total Utility Fund budget of \$5,316,630. The proposed budget maintains a property tax rate of 54.5 cents per \$100 valuation.

Economic Improvements and Constraints

Housing

The housing market has exploded in Valdese over the past couple of years. Average home prices have risen sharply, and there is a lack of available stock on the market. Fortunately, there is a significant number of open lots to build upon and several new multi-family and single-family subdivisions scheduled to begin construction in 2021-2022.

Lake Front Subdivisions

Lake Rhodhiss Estates

- 210 Lots
- 2 Homes Occupied
- 2 Houses Under Construction

Lake Vista Phase 1 and 2

- 72 Lots
- 8 Home Occupied

Waterside

- 124 Lots
- 16 Homes occupied
- 1 House Under Construction
- 5 House Plans Under Review

McGalliard Pointe

- 5 Lots
- 1 House occupied

Island Pointe Shores at Lake Vistas

- 48 Lots
- 5 Houses occupied
- 1 House under construction

Upcoming Housing Projects**Pine Crossing**

- 66 Unit apartment complex
- Plans under review
- Construction likely to begin late Summer 2021

Edelweiss Subdivision

- 19 Single Family Lots
- In the final construction phase
- Beginning of construction of first two homes in the Summer of 2021

Williams Subdivision

- Property to be annexed
- Propose to construct 1,100 to 1,300 square foot homes on 21.46 parcel located on Laurel and Meytre

Industrial Development

The only unoccupied manufacturing building of quality left in Valdese is the Valdese Textiles building located on HWY 70. The Town of Valdese is working diligently with the property owner to find a suitable business that will create a significant number of jobs and proposes to make a substantial capital investment.

North Carolina Local Government Pension System

The Board of Trustees of the Local Government Employees' Retirement System (LGERS) voted to approve its planned 1.18 percent increase to the system's employer contribution rate for fiscal year 2021-22 – keeping with their January 2019 decision to amend the Employer Contribution Rate Stabilization Policy (ECRSP) to keep the system well-funded.

The board voted for contribution rates for general employees to increase from the current 10.23 percent in fiscal year 2020-21 to 11.41 percent for fiscal year 2021-22. The contribution rate for law enforcement officers increases at the same pace, rising from 10.84 percent to 12.04 percent.

It is important to remember these rates are not a pay increase to employees; it is a mandatory expenditure imposed by the State.

General Fund

The proposed budget includes a total General Fund budget of \$6,713,722 and proposes maintaining the current tax rate of 54.5 cents per \$100 valuation. Beginning last fiscal year, in accordance with the Local Government Budget & Fiscal Control Act (G.S. chapter 159), the budget ordinance includes both capital and operating expenditures as opposed to amending the budget ordinance throughout the year for each approved capital item. This shift in the way we budget accounts for the increase of size for the general fund budget from prior years.

The proposed budget includes a two percent cost of living adjustment increase for full-time employees. Republic Services contractually increases their solid-waste and recycling contract with the Town each year based on the annual consumer price index. This increase translates into a \$17,000 increase to our Republic Services contract. The proposed budget includes a seven percent increase for health insurance premiums.

Sales tax revenue accounts for 25 percent of the Town's unrestricted General Fund revenue, second only behind property taxes. Sales tax revenues came in better than expected during COVID-19 due to increased online sales. We have incorporated a modest increase in projected sales tax revenues based on the League of Municipalities' market predictions.

The Town's finance department has done an outstanding job over the past few years collecting back taxes and increasing our annual tax collection rate from 95 percent to 98 percent. We anticipate an increase in residential real property tax value; however, we also expect a decrease in industry's personal property value. The reduction of the value of the industry's personal property is due to the depreciation schedule of Meridian's manufacturing equipment in their new facility. The net result is a projected \$22,000 decrease in the Town's property tax revenue.

The percentage of the General Fund's annual operating budget used to service existing debt is 4.33 percent.

ABC Distributions

Fiscal Year 2021 – 2022 will mark the final debt payment to the Town of Valdese from the Valdese ABC Store. The Valdese ABC Store is now debt-free. From 2013 through 2016, the Valdese ABC Store borrowed a total of \$162,775 from the Town. The Valdese ABC Board did an outstanding job aggressively paying off this debt. North Carolina law allows a debt-free ABC Store with a substantial operating reserve to make quarterly distributions to the local government in which they operate. We project that the ABC Store will distribute \$100,000 to the Town of Valdese in 2021-2022. ABC funds will be placed in the Town's public safety building capital reserve account.

Burke County Library

The proposed budget includes a \$40,000 donation to the Burke County Library.

Public Safety Building

The Town secured the services of CBSA Architects out of Hickory to design our new public safety building that is to be constructed at the old Pineburr Alba Mill site. We anticipate going out for bid in early 2022.

General Fund Capital Projects:

In the Fiscal Year 2021-2022 budget, the Town plans to make strategic capital investments amongst all departments to ensure efficient and effective service delivery and repair our aging infrastructure. The General Fund Budget reflects expenditures of \$635,200 in capital projects across multiple departments. Highlights include:

Fire Department

- Hydraulic rescue spreader
- Hydraulic rescue cutter
- Thermal imaging camera
- Hydraulic rescue ram

Community Affairs

- Replace stage lighting system in the Old Rock School

Police Department

- Patrol Vehicle and equipment

Public Works

- Resurface public works parking lot
- Replace leaf collection truck
- Replace dump truck

Parks and Recreation

- Tennis court resurfacing
- Replace pool pumps
- Replace pool variable frequency drives
- Gym floor replacement

Administration

- Planning department computer

Utility Fund

The Utility Fund budget for Fiscal Year 2021-2022 is \$5,316,630.

In the Fiscal Year 2015-2016 budget, the Town conducted a comprehensive capital improvement plan for the utility system. The study revealed that the Town has pressing needs, which should be addressed to ensure high-quality water and wastewater treatment for our citizens. The Town is heading into implementation year five of our 10-year plan.

The Capital Improvement Plan contains a recommended funding model that restructures our utility rates to ensure that we will be able to pay for all of our capital needs. The Town proposes to restore the utility fund balance to a level that will accommodate future projects; this budget proposes a three percent increase in residential utility rates to cover our aging infrastructure needs.

The Town of Valdese Utility Capital Improvement Plan calls for several significant investments next fiscal year.

Utility Fund Capital Projects:

Water Plant

- Roof replacement on the main building
- Flowmeter for #2 and #3 FWP
- SCADA upgrades
- Basin structural assessments
- #3 Finished Water Motor Replacement
- Tank Maintenance

Waste Water Plant

- Maintenance vehicle replacement
- Seal replacement for influent pumps 1 & 2
- Seal replacement for secondary waste pumps
- Spare pump (Morgan Trace)
- Spare pump (High Meadows)
- Primary clarifier #2 drive & bridge replacement
- Replace valve to the aeration basin
- Concrete work at compost pad
- Replacement #3 or #4 influent valves
- Replace chlorine meter

Water Distribution and Wastewater Collection System

- Replace service truck
- Various waterline upgrades

Conclusion

I appreciate the dedicated employees of the Town of Valdese for their hard work and good stewardship of the Town's resources. Our team works hard and take pride in carrying out their duties. I also thank Mayor Black and the Town Council for their dedication in carrying out their responsibilities in providing leadership and guidance during the budgeting process.

Respectfully,



Seth Eckard
Town Manager

GENERAL FUND SUMMARY

2021-2022 Budget General Fund Summary

OPERATING BUDGET

Department	FY19-20 Budget	FY20-21 Budget	FY21-22 Recommended
GOVERNING BODY	57,592	67,971	70,846
ADMINISTRATION	1,123,026	1,001,572	1,043,162
PUBLIC WORKS ADMIN	382,120	285,090	237,388
MAINTENANCE & GROUNDS	216,744	260,513	234,828
PLANNING	121,781	121,284	65,673
POLICE	1,020,677	1,031,661	1,123,965
FIRE	894,289	907,336	934,819
STREET	358,595	360,498	412,189
POWELL BILL	169,685	19,500	144,500
SANITATION	288,958	301,430	321,720
RECREATION	826,905	832,030	929,973
COMMUNITY AFFAIRS	560,425	513,658	559,459
Operating Total	6,020,797	5,702,543	6,078,522

CAPITAL BUDGET

GOVERNING BODY	-	0	0
ADMINISTRATION	-	49,500	10,000
PUBLIC WORKS ADMIN	-	0	50,000
MAINTENANCE & GROUNDS	-	0	0
PLANNING	-	0	2,000
POLICE	-	41,000	45,000
FIRE	-	45,000	32,200
STREET	-	325,000	277,000
POWELL BILL	-	125,000	0
SANITATION	-	0	0
RECREATION	-	20,000	138,000
COMMUNITY AFFAIRS	-	31,000	81,000
Capital Total	0	636,500	635,200

TOTAL BUDGET	6,020,797	6,339,043	6,713,722
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REVENUES

TOTAL REVENUES	6,713,722
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GENERAL FUND REVENUES

2021-2022 Budget Allocation
GENERAL FUND REVENUES

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
2017 AD VALOREM TAXES	10-3010-171	35,908	3,785	9,244	5,500	4,900
2018 AD VALOREM TAXES	10-3010-181	1,834,014	35,611	41,768	8,000	6,025
2019 AD VALOREM TAXES	10-3010-191	0	2,016,898	1,980,102	25,000	10,757
2020 AD VALOREM TAXES	10-3010-201	0	0	0	2,047,557	13,625
2021 AD VALOREM TAXES	10-3010-211	0	0	0	0	2,040,795
MOTOR VEHICLE TAXES	10-3010-212	0	166,518	140,000	162,000	180,000
TAX DISCOUNTS	10-3110-000	-21,473	0	0	0	0
TAX REFUNDS	10-3120-001	-18,893	-14,972	-14,972	-14,813	-13,811
TAX PENALTY & INTEREST	10-3170-000	44,199	57,126	10,000	10,000	10,000
OCCUPANCY TAX	10-3200-000	67,020	67,378	65,000	32,500	75,000
INTEREST ON INVESTMENTS	10-3290-000	73,507	91,270	60,000	40,000	1,000
ABC LOAN INTEREST	10-3290-001	6,711	5,911	5,911	4,231	1,400
RENTS	10-3310-000	58,701	71,173	64,602	64,602	67,104
DONATIONS-RECREATION	10-3350-002	0	0	0	0	50,000
OTHER	10-3350-030	148,839	13,138	2,500	3,700	2,500
UTILITY FRANCHISE TAX	10-3370-000	442,942	444,748	457,000	457,000	457,000
ALCOHOL/BEVERAGE TAX	10-3410-000	19,292	19,368	20,000	19,000	19,000
POWELL BILL ST ALLOCATION	10-3430-000	144,452	143,933	144,685	144,500	144,500
UNRESTRICTED SALES TAX	10-3450-010	1,151,283	1,207,250	1,163,145	1,064,476	1,282,942
ALARM PERMIT FEES	10-3530-010	460	1,490	2,000	2,000	1,500
JAIL FEES	10-3580-000	3,855	1,275	2,000	1,500	1,500
REFUSE COLLECTION FEES	10-3590-000	202,077	204,058	202,000	202,000	202,000
RECYCLE FEES	10-3590-010	24,955	25,182	25,000	44,200	44,200
SOLID WASTE DISPOSAL TX	10-3590-020	3,317	3,420	3,000	3,000	3,400
CEMETERY REVENUES	10-3610-000	6,850	6,200	5,000	4,000	6,000
SALES TAX CERTIFICATION REFUND	10-3670-000	83,980	47,265	75,000	7,000	7,000
SALE OF REAL PROPERTY	10-3820-000	62,250	0	0	0	0
SALE OF FIXED ASSETS	10-3830-000	5,285	1,300	0	0	0
ABATEMENTS	10-3930-001	195	825	0	0	0
HOUSING AUTHORITY	10-3970-020	18,331	21,861	19,000	19,000	21,000
PARAMOUNT FORD	10-3970-021	1,545	1,115	1,100	1,910	1,910
XTREME MACHINES	10-3970-022	846	473	650	809	809
COMMUNITY AFFAIRS	10-3970-025	14,387	16,535	18,600	18,600	19,100
ROCK SCHOOL - ASSEMBLY HALL	10-3970-026	44,395	41,448	37,600	38,600	30,000
ROCK SCHOOL - OTHER	10-3970-027	21,148	25,515	22,620	23,160	23,760
VALDESE TOURISM COMMISSION	10-3970-028	598	2	400	400	400
YOUTH SPORTS REGISTRATION FEES	10-3970-029	10,940	9,109	11,000	11,000	9,900
COMMUNITY CENTER MEMBERSHIPS	10-3970-030	170,397	122,059	172,250	176,250	144,000
COMMUNITY CENTER CONCESSIONS	10-3970-031	40,930	29,140	43,250	42,000	33,600
SUMMER SWIM TEAM	10-3970-032	3,972	920	1,500	2,500	2,000
BOWLING	10-3970-033	49,194	34,965	54,500	54,500	46,325
VENDING	10-3970-034	939	511	1,200	1,000	800
RECREATION CREDIT CARD FEES	10-3970-035	29	1,196	1,300	1,600	1,280
WALDENSIAN FOOTRACE	10-3970-036	2,140	2,719	3,000	3,000	2,400
MCGALLIARD FALLS CONCESSIONS	10-3970-038	2,386	393	2,500	2,500	2,000
RECREATION MISC REV & PARK RENTAL	10-3970-039	34,739	27,995	28,000	30,000	27,000
ROCK SCHOOL - TICKET SALES	10-3970-126	785	1,981	900	1,500	1,500
CONCESSION STAND TRAILER	10-3970-129	429	1,790	2,500	2,500	2,500
PRO RATA	10-3970-300	1,055,000	1,100,000	1,100,000	1,100,000	1,100,000
CAPITAL PROJECTS	10-3970-302	221,000	126,935	0	221,000	221,000
FESTIVAL	10-3970-920	17,945	11,720	25,000	25,000	15,000
TRANSFER FROM CAPITAL RESERVE	10-3970-930	0	0	0	0	139,101
FUND BALANCE APPROPRIATED	10-3990-000	617,067	-19,625	0	220,061	0
POWELL BILL FUND BALANCE	10-3991-000	0	0	0	0	0
PROCEEDS FROM FINANCING	10-3995-001	0	85,003	0	0	250,000
PROCEEDS FROM GRANTS	10-3995-002	0	0	0	0	0
TOTAL		6,708,868	6,263,910	6,009,855	6,333,843	6,713,722

GENERAL FUND EXPENDITURES

2021-2022 Budget Allocation
GOVERNING BODY

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	10-4100-020	17,600	18,300	18,300	18,300	18,300
PROFESSIONAL SERVICES	10-4100-040	433	0	200	200	0
FICA TAX	10-4100-050	728	729	1,400	1,400	1,400
GROUP INSURANCE	10-4100-060	27,795	35,608	34,592	44,971	47,846
TRAINING	10-4100-140	752	0	1,500	1,500	1,500
DEPT SUPPLIES	10-4100-330	93	0	100	100	100
IT	10-4100-490	0	0	0	0	0
DUES AND SUBSCRIPTIONS	10-4100-530	0	0	0	0	0
MISCELLANEOUS	10-4100-570	583	40	1,500	1,500	1,700
CAPITAL OUTLAY	10-4100-740	0	0	0	0	0
CONTINGENCY	10-4100-999	0	0	0	0	0
TOTAL		47,984	54,677	57,592	67,971	70,846

2021-2022 Budget Allocation
ADMINISTRATION

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	10-4200-020	386,720	368,779	355,156	365,724	373,202
PART TIME PAY	10-4200-022	18,737	7,847	14,575	14,575	0
PROFESSIONAL SERVICES	10-4200-040	79,104	44,864	53,641	47,525	47,875
FICA TAX	10-4200-050	28,220	28,072	28,165	28,907	28,363
GROUP INSURANCE	10-4200-060	51,415	58,521	57,246	56,583	54,979
RETIREMENT	10-4200-070	28,023	32,534	31,965	36,550	41,619
UNEMPLOYMENT CHARGES	10-4200-080	3,343	334	4,000	4,000	4,000
TELEPHONE & INTERNET	10-4200-110	16,599	15,611	18,132	23,150	23,150
POSTAGE	10-4200-111	4,500	4,000	4,000	4,600	4,600
PRINTING	10-4200-120	1,733	4,175	7,650	7,800	7,975
ELECTRIC	10-4200-130	8,041	7,780	8,460	8,460	8,460
TRAINING	10-4200-140	8,982	11,521	13,668	14,490	10,810
MAINT & REPAIR BLDG & GROUNDS	10-4200-150	31,722	2,400	5,540	5,540	5,540
MAINT & REPAIR - EQUIP	10-4200-160	658	4,961	3,000	3,000	4,020
MAINT & REPAIR - AUTO	10-4200-170	211	14	500	500	250
ADVERTISING	10-4200-260	2,379	1,616	2,850	2,850	2,850
AUTO SUPPLIES GAS	10-4200-311	205	175	300	1,000	400
AUTO SUPPLIES TIRES	10-4200-313	0	0	300	300	0
AUTO SUPPLIES OIL	10-4200-314	0	0	40	40	40
DEPT SUPPLIES & MATL	10-4200-330	17,010	10,770	15,700	15,700	15,700
CONTRACTED SERVICES	10-4200-450	39,562	40,497	48,698	41,206	40,976
IT	10-4200-490	4,714	48,460	49,725	67,308	73,732
DUES & SUBSCRIPTIONS	10-4200-530	9,663	9,309	15,000	15,000	15,000
INSURANCE & BONDS	10-4200-540	8,641	98,531	107,033	137,236	140,092
MISC EXPENSE	10-4200-570	7,759	6,460	10,650	10,650	10,650
CAPITAL OUTLAY	10-4200-740	7,028	7,626	4,000	49,500	10,000
ECONOMIC DEVELOPMENT GRANT	10-4200-763	2,817	121,327	121,327	0	0
BURKE COUNTY LIBRARY	10-4200-930	50,000	40,000	40,000	0	40,000
INDUSTRIAL DEVELOPMENT	10-4200-961	30,100	30,099	30,099	0	0
DEBT SERVICE	10-4200-962	88,878	88,878	88,878	88,878	88,878
TRANSFER TO CAPITAL RESERVE	10-4200-963	0	0	0	0	0
CONTINGENCY	10-4200-990	26,886	441	18,795	0	0
TOTAL		963,650	1,095,602	1,159,093	1,051,072	1,053,162

2021-2022 Budget Allocation
PUBLIC WORKS ADMIN

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	10-4250-020	214,366	221,779	235,013	158,715	122,262
OVER TIME PAY	10-4250-021	2,427	3,700	3,400	3,400	3,400
PART TIME PAY	10-4250-022	0	0	0	0	0
PROFESSIONAL SERVICES	10-4250-040	968	493	1,200	1,200	1,200
FICA TAX PAYABLE	10-4250-050	14,961	16,315	18,080	12,282	9,534
GROUP INSURANCE	10-4250-060	35,753	39,082	42,285	33,196	26,799
RETIREMENT PAYABLE	10-4250-070	16,153	20,192	21,365	16,425	14,219
TELEPHONE	10-4250-110	1,826	995	1,080	0	0
POSTAGE	10-4250-111	0	0	0	0	0
PRINTING	10-4250-120	0	0	0	0	500
ELECTRIC	10-4250-130	6,327	6,503	6,600	6,600	6,720
NATURAL GAS	10-4250-131	2,190	2,380	3,000	3,000	3,000
TRAINING	10-4250-140	337	0	0	0	0
MAINT & REPAIR BLDGS & GROUNDS	10-4250-150	12,090	14,596	15,000	15,000	15,100
MAINT & REPAIR EQUIP	10-4250-160	1,187	3,681	3,985	3,985	3,985
MAINT & REPAIR AUTO	10-4250-170	718	1,973	1,974	1,949	1,949
ADVERTISING	10-4250-260	0	0	0	0	0
AUTO SUPPLIES GAS	10-4250-311	5,009	4,329	4,635	4,635	6,180
AUTO SUPPLIES TIRES	10-4250-313	653	610	1,400	1,400	2,120
AUTO SUPPLIES OIL	10-4250-314	25	0	343	343	383
DEPT SUPPLIES & MATERIAL	10-4250-330	13,203	14,480	14,590	14,590	13,500
CHEMICALS	10-4250-332	0	0	0	0	0
UNIFORMS	10-4250-360	2,351	2,967	2,980	3,180	2,380
CONTRACTED SERVICES	10-4250-450	3,915	3,542	4,250	4,250	3,216
IT	10-4250-490	0	0	0	0	0
DUES & SUBSCRIPTIONS	10-4250-530	840	940	940	940	940
MISC EXPENSE	10-4250-570	-780	0	0	0	0
CAPITAL OUTLAY	10-4250-740	0	1,175	0	0	50,000
TOTAL		334,519	359,732	382,120	285,090	287,388

2021-2022 Budget Allocation
GROUNDS AND MAINTENANCE

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	10-4350-020	98,906	99,006	98,119	127,387	100,453
OVER TIME PAY	10-4350-021	5,075	4,704	8,750	8,750	8,750
PART TIME PAY	10-4350-022	3,276	9,676	11,200	11,200	9,600
FICA TAX	10-4350-050	7,214	8,193	8,913	11,152	8,969
GROUP INSURANCE	10-4350-060	20,647	24,653	25,193	32,920	26,523
RETIREMENT	10-4350-070	7,265	9,205	9,520	13,767	12,282
TRAINING	10-4350-140	-12	25	200	200	200
MAINT & REPAIR BLDGS & GROUND	10-4350-150	5,035	777	4,150	4,150	4,150
MAINT & REPAIR EQUIP	10-4350-160	1,661	3,555	4,895	4,770	3,480
MAINT & REPAIR AUTO	10-4350-170	396	362	2,122	1,962	2,253
AUTO SUPPLIES - GAS	10-4350-311	87	3222	3,742	3,742	4,620
AUTO SUPPLIES DIESEL	10-4350-312	5796	348	1,051	1,051	812
AUTO SUPPLIES - TIRES	10-4350-313	505	20	1,750	1,750	1,350
AUTO SUPPLIES - OIL	10-4350-314	425	104	693	693	566
DEPT SUPPLIES & MATERIAL	10-4350-330	385	2643	3,400	3,400	3,400
CHRISTMAS DECORATIONS-SUPPLIES	10-4350-331	3084	7170	10,000	10,000	10,000
CHEMICALS	10-4350-332	9934	951	2,300	2,300	2,300
UNIFORMS	10-4350-360	1562	1712	1,800	1,800	1,800
CONTRACT SERVICES	10-4350-450	1605	630	1,550	1,800	250
CONT SERVICES - HELPING HANDS	10-4350-451	1050	1848	8,268	8,269	8,269
IT	10-4350-490	5185	0	0	0	0
MISC EXPENSE	10-4350-570	0	0	0	0	11,000
CAPITAL OUTLAY	10-4350-740	0	0	0	0	0
ARBOR BEAUTIFICATION	10-4350-927	6,472	9,017	9,450	9,450	13,800
TOTAL		185,553	187,821	217,066	260,513	234,828

2021-2022 Budget Allocation
PLANNING

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	10-4900-020	0	60	670	670	670
PART TIME PAY	10-4900-022	33,256	33,471	33,205	34,340	34,800
PROFESSIONAL SERVICES	10-4900-040	28,636	46,039	57,725	58,206	7,500
FICA TAX	10-4900-050	2,209	2,451	2,591	2,678	2,713
GROUP INSURANCE	10-4900-060	4,646	1,057	1,410	0	0
RETIREMENT	10-4900-070	0	0	0	0	0
TRAINING	10-4900-140	237	0	500	500	500
MAINT & REPAIR BLDG & GROUNDS	10-4900-150	0	0	750	750	750
MAINT & REPAIR EQUIP	10-4900-160	97	400	2,720	3,120	2,720
ADVERTISING	10-4900-260	(29)	419	1,125	1,125	1,125
DEPT SUPPLIES & MATL	10-4900-330	336	255	685	695	695
CONTRACTED SERVICES	10-4900-450	1,015	0	4,000	4,000	4,000
ABATEMENTS	10-4900-451	4,500	980	14,000	14,000	9,000
IT	10-4900-490	8,442	823	1,500	0	0
DUES & SUBSCRIPTIONS	10-4900-530	200	200	200	200	200
MISC EXPENSE	10-4900-570	328	85	700	1,000	1,000
CAPITAL OUTLAY	10-4900-740	0	0	0	0	2,000
TOTAL		83,873	86,240	121,781	121,284	67,673

2021-2022 Budget Allocation
POLICE

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	10-5100-020	520,486	580,908	588,606	590,668	633,224
OVER TIME PAY	10-5100-021	11,210	8,145	8,387	9,830	9,830
PART TIME PAY	10-5100-022	18,080	12,407	16,560	16,560	16,560
EXTRA DUTY HOURS	10-5100-024	19,111	25,562	24,570	24,363	24,363
PROFESSIONAL SERVICES	10-5100-040	1,715	1,805	830	850	1,350
FICA TAX	10-5100-050	40,203	46,542	48,309	48,591	51,807
GROUP INSURANCE	10-5100-060	88,254	104,601	109,427	108,507	124,760
DEFERRED COMP 401K	10-5100-065	18,015	25,944	28,790	28,965	31,027
RETIREMENT	10-5100-070	43,741	58,699	59,390	66,819	79,290
TELEPHONE	10-5100-110	4,010	4,013	4,285	4,578	5,951
POSTAGE	10-5100-111	563	311	1,090	1,090	1,090
PRINTING	10-5100-120	497	408	685	1,174	1,174
ELECTRIC	10-5100-130	2,731	0	5,900	0	0
NATURAL GAS	10-5100-131	452	0	1,550	0	0
TRAINING	10-5100-140	638	142	1,400	500	500
MAINT & REPAIR BLDG & GROUNDS	10-5100-150	4,630	3,487	4,034	1,570	1,570
MAINT & REPAIR EQUIP	10-5100-160	6,384	3,161	2,603	3,737	3,942
MAINT & REPAIR AUTO	10-5100-170	10,108	6,565	10,393	11,495	15,995
ADVERTISING	10-5100-260	153	100	354	354	354
AUTO SUPPLIES GAS	10-5100-311	19,760	28,777	23,130	28,875	28,875
AUTO SUPPLIES TIRES	10-5100-313	5,871	3,842	7,647	7,647	7,647
AUTO SUPPLIES OIL	10-5100-314	620	595	1,851	1,851	1,851
DEPT SUPPLIES & MATL	10-5100-330	35,419	12,522	15,700	13,210	18,820
UNIFORMS	10-5100-360	9,864	8,405	9,422	12,845	14,770
CONTRACTED SERVICES	10-5100-450	15,041	9,651	13,156	13,186	13,944
IT	10-5100-490	0	9,995	10,208	13,460	14,334
DUES & SUBSCRIPTIONS	10-5100-530	386	91	400	400	400
INSURANCE & BONDS	10-5100-540	33,701	0	2,000	2,065	2,065
MISC EXPENSE	10-5100-570	0	0	0	0	0
CAPITAL OUTLAY	10-5100-740	60,429	151,545	151,937	41,000	45,000
DEBT SERVICE - CARS	10-5100-910	36,000	0	20,000	18,471	18,471
TOTAL		1,008,071	1,108,223	1,172,614	1,072,661	1,168,965

2021-2022 Budget Allocation
FIRE

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	10-5300-020	295,102	254,998	318,006	316,679	319,556
OVER TIME PAY	10-5300-021	0	239	1,000	1,000	1,000
PART TIME PAY	10-5300-022	70,800	101,583	67,950	72,455	76,055
EXTRA DUTY HOURS	10-5300-024	39,772	40,239	38,974	38,974	39,741
PROFESSIONAL WAGES	10-5300-040	23,774	3,329	5,700	5,860	5,900
FICA TAX	10-5300-050	28,989	29,619	32,504	32,747	33,262
GROUP INSURANCE	10-5300-060	46,907	57,940	70,855	70,279	75,519
RETIREMENT	10-5300-070	24,001	29,341	32,267	36,379	40,932
TELEPHONE	10-5300-110	456	456	456	456	457
POSTAGE	10-5300-111	22	0	200	200	200
PRINTING	10-5300-120	863	0	700	700	700
ELECTRIC	10-5300-130	7,057	11,159	8,500	14,400	14,400
NATURAL GAS	10-5300-131	3,972	2,347	3,000	4,550	4,550
TRAVEL	10-5300-140	10,357	9,548	13,640	13,640	14,672
MAINT & REPAIR BLDGS & GROUNDS	10-5300-150	5,873	3,778	5,770	5,950	5,950
MAINT & REPAIR EQUIP	10-5300-160	10,619	12,813	10,429	9,973	9,995
MAINT & REPAIR AUTO	10-5300-170	11,939	17,209	12,025	12,025	17,220
ADVERTISING	10-5300-260	150	100	500	500	500
AUTO SUPPLIES GAS	10-5300-311	435	318	700	737	1,150
AUTO SUPPLIES DIESEL	10-5300-312	3,042	3,072	3,900	3,900	4,200
AUTO SUPPLIES TIRES	10-5300-313	3,653	635	1,200	600	0
AUTO SUPPLIES OIL	10-5300-314	245	423	1,170	1,228	1,531
DEPT SUPPLIES & MATL	10-5300-330	32,481	30,720	37,297	37,080	38,305
UNIFORMS	10-5300-360	5,894	3,366	7,000	7,000	7,000
CONTRACTED SERVICES	10-5300-450	21,238	4,550	3,200	3,200	3,200
IT	10-5300-490	0	6,176	8,857	5,360	4,660
DUES & SUBSCRIPTIONS	10-5300-530	7,170	4,823	5,660	5,845	5,845
INSURANCE & BONDS	10-5300-540	26,611	18,060	16,010	18,800	21,100
MISC EXPENSE	10-5300-570	(21)	0	0	0	0
SAFETY	10-5300-572	5,772	4,852	7,150	7,150	7,550
TRANSFER TO PUBLIC SAFETY BUILDING	10-5300-720	0	112,000	100,000	100,000	100,000
CAPITAL OUTLAY	10-5300-740	14,063	23,414	0	45,000	32,200
DEBT SERVICE - ENG #1	10-5300-910	26,908	26,908	26,908	26,908	26,908
DEBT SERVICE LADDER TRK	10-5300-912	52,761	52,761	52,761	52,761	52,761
TOTAL		780,903	866,776	894,289	952,336	967,019

2021-2022 Budget Allocation
STREET

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	10-5600-020	100,093	105,828	104,180	105,060	136,001
OVER TIME PAY	10-5600-021	3,096	3,092	3,600	3,600	3,600
PART TIME PAY	10-5600-022	0	0	0	0	0
PROFESSIONAL SERVICES	10-5600-040	2,708	478	1,000	1,000	1,000
FICA TAX	10-5600-050	7,236	8,025	8,126	8,194	10,520
GROUP INSURANCE	10-5600-060	20,681	24,724	25,193	24,870	35,293
RETIREMENT	10-5600-070	7,605	9,728	9,602	10,956	15,691
ELECTRIC	10-5600-130	452	1,289	1,668	1,701	1,701
ELECTRIC - STREET LIGHTS	10-5600-133	64,232	59,237	76,980	78,520	78,520
ELECTRIC - TRAFFIC LIGHTS	10-5600-134	698	1,236	1,428	1,428	1,224
TRAINING	10-5600-140	0	0	350	350	350
MAINT & REPAIR BLDGS & GROUNDS	10-5600-150	13,934	13,616	16,100	16,100	16,100
MAINT & REPAIR EQUIP	10-5600-160	10,188	10,031	12,121	11,846	12,046
MAINT & REPAIR AUTO	10-5600-170	4,977	3,110	9,314	8,373	8,173
AUTO SUPPLIES GAS	10-5600-311	3,775	2,481	3,031	2,581	2,775
AUTO SUPPLIES DIESEL	10-5600-312	8,878	6,481	11,132	11,132	14,058
AUTO SUPPLIES TIRES	10-5600-313	2,939	4,648	5,768	5,836	5,836
AUTO SUPPLIES OIL	10-5600-314	1,510	1,042	3,005	2,954	2,954
DEPT SUPPLIES & MATL	10-5600-330	4,156	5,180	6,950	6,950	7,150
CHEMICALS	10-5600-332	0	780	1,500	1,500	1,500
UNIFORMS	10-5600-360	1,961	2,269	2,304	2,304	2,454
CONTRACTED SERVICES	10-5600-450	337	18,015	1,500	1,500	1,500
IT	10-5600-490	0	0	0	0	0
CAPITAL OUTLAY	10-5600-740	29,167	30,754	25,000	325,000	277,000
DEBT SERVICE	10-5600-910	53,743	53,743	53,743	53,743	53,743
TOTAL		342,366	365,787	383,595	685,498	689,189

2021-2022 Budget Allocation
POWELL BILL

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	10-5700-020	0	0	0	0	0
OVER TIME PAY	10-5700-021	0	0	0	0	0
PROFESSIONAL SERVICES	10-5700-040	0	0	0	0	0
PROF SERVICES PAVING PROJECT	10-5700-041	0	0	0	0	0
FICA TAX	10-5700-050	0	0	0	0	0
GROUP INSURANCE	10-5700-060	0	0	0	0	0
RETIREMENT	10-5700-070	0	0	0	0	0
MAINT & REPAIR BLDG & GRDS	10-5700-150	0	10,834	3,000	3,000	3,000
MAINT & REPAIR - PATCHING	10-5700-151	0	248	9,279	5,950	7,000
RIGHT OF WAY	10-5700-153	0	0	0	0	0
DRAINAGE AND STORM SEWER	10-5700-154	0	0	3,000	3,000	3,000
SNOW AND ICE REMOVAL	10-5700-155	260	2,462	4,000	4,000	4,000
MAINT & REPAIR EQUIP	10-5700-160	0	0	850	850	0
MAINT & REPAIR VEHICLE	10-5700-170	0	0	200	200	0
DEPT SUPPLIES & MATL	10-5700-330	442	0	2,500	2,500	2,500
CONTRACTED SERVICES	10-5700-450	0	0	0	0	0
MISC EXPENSE	10-5700-570	0	0	0	0	0
CAPITAL OUTLAY OTHER	10-5700-720	0	0	0	0	0
CRACK SEALING	10-5700-721	0	0	0	0	0
CAPITAL OUTLAY SIDEWALKS	10-5700-730	0	0	0	0	0
CAPITAL OUTLAY	10-5700-740	0	56,848	0	125,000	0
DEBT SERVICE	10-5700-910	121,856	121,856	121,856	0	125,000
TOTAL		122,558	192,248	144,685	144,500	144,500

2021-2022 Budget Allocation
SANI TATION

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	10-5800-020	27,899	30,207	30,359	30,359	30,948
OVER TIME PAY	10-5800-021	546	764	1,000	1,000	1,000
PART TIME PAY	10-5800-022	0	0	0	0	0
PROFESSIONAL SERVICES	10-5800-040	0	0	0	0	0
FICA TAX	10-5800-050	2,027	2,291	2,359	2,359	2,404
GROUP INSURANCE	10-5800-060	6,865	8,214	8,398	8,266	8,841
RETIREMENT	10-5800-070	2,091	2,744	2,788	3,155	3,586
POSTAGE	10-5800-111	833	608	1,000	1,000	1,000
PRINTING EXPENSE	10-5800-120	0	0	750	750	750
TRAINING	10-5800-140	-6	0	0	0	0
MAINT. & REPAIR EQUIPMENT	10-5800-160	52	325	2,000	2,000	2,000
MAINT. & REPAIR AUTO & TRUCK	10-5800-170	778	5,117	2,039	2,134	2,134
ADVERTISEMENT	10-5800-260	0	0	0	0	0
AUTO SUPPLIES GAS	10-5800-311	1,742	2,449	2,587	2,729	3,639
AUTO SUPPLIES DIESEL	10-5800-312	593	538	1,375	1,375	1,750
AUTO SUPPLIES TIRES	10-5800-313	235	0	2,290	2,290	2,290
AUTO SUPPLIES OIL	10-5800-314	0	0	628	628	628
DEPT SUPPLIES & MATERIALS	10-5800-330	665	634	1,400	1,400	1,400
CHEMICAL	10-5800-332	0	0	200	200	200
UNIFORMS	10-5800-360	751	906	945	945	970
CONTRACTED SERVICES	10-5800-450	201,361	235,610	228,840	240,840	258,180
IT	10-5800-490	0	0	0	0	0
MISCELLANEOUS EXPENSE	10-5800-570	0	0	0	0	0
CAPITAL OUTLAY	10-5800-740	0	0	0	0	0
DEBT SERVICE	10-5800-910	0	0	0	0	0
TOTAL		246,432	290,407	288,958	301,430	321,720

2021-2022 Budget Allocation
RECREATION

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	10-6200-020	226,600	223,577	223,579	223,579	256,826
OVER TIME PAY	10-6200-021	0	0	0	0	0
PART-TIME PAY	10-6200-022	227,801	159,840	216,925	220,315	212,065
PROFESSIONAL SERVICES	10-6200-040	617	0	0	1,000	1,000
FICA TAX	10-6200-050	32,787	28,730	33,659	33,918	35,830
GROUP INSURANCE	10-6200-060	46,150	53,348	54,058	53,646	59,989
RETIREMENT	10-6200-070	15,449	20,917	20,165	22,819	29,244
TELEPHONE	10-6200-110	3,121	2,871	3,250	1,200	1,200
POSTAGE	10-6200-111	4	0	500	500	0
PRINTING	10-6200-120	0	0	500	500	0
ELECTRIC	10-6200-130	45,372	40,490	48,000	48,000	48,000
NATURAL GAS	10-6200-131	41,430	31,395	46,000	46,000	46,000
TRAINING	10-6200-140	-33	551	1,500	1,500	1,500
MAINT & REPAIR BLDGS	10-6200-150	130,433	97,526	29,100	29,350	29,350
PARK REPAIRS	10-6200-151	0	0	0	0	60,000
MAINT & REPAIR EQUIPMENT	10-6200-160	14,915	10,959	15,950	15,950	15,950
MAINT & REPAIR AUTO	10-6200-170	98	376	1,200	1,200	1,200
ADVERTISING	10-6200-260	100	369	700	700	500
AUTO SUPPLIES GAS	10-6200-311	830	1,124	1,170	1,170	1,560
AUTO SUPPLIES TIRES	10-6200-313	0	0	0	0	0
AUTO SUPPLIES OIL	10-6200-314	0	0	240	240	240
DEPT SUPPLIES & MATERIALS	10-6200-330	20,067	16,751	21,200	21,200	21,200
CHEMICALS	10-6200-332	10,961	12,078	12,350	12,350	12,350
UNIFORMS	10-6200-360	893	623	1,500	1,500	1,000
CONTRACTED SERVICES	10-6200-450	41,181	25,954	33,376	33,410	32,986
WALDENSIAN FOOTRACE	10-6200-454	3,575	3,790	4,000	4,000	4,000
SWIM TEAM	10-6200-480	1,997	416	1,500	1,500	1,500
P F R CONCESSIONS	10-6200-481	27,769	15,757	24,000	24,000	24,000
P F R OTHER	10-6200-484	6,994	5,409	8,000	8,000	8,000
IT	10-6200-490	0	0	0	0	0
DUES AND SUBSCRIPTIONS	10-6200-530	4,760	3,654	5,000	5,000	5,000
INSURANCE & BONDS	10-6200-540	18,419	0	0	0	0
CAPITAL OUTLAY	10-6200-740	0	9,401	0	20,000	138,000
DEBT SERVICE	10-6200-910	22,646	19,483	19,483	19,483	19,483
TOTAL		944,936	785,389	826,905	852,030	1,067,973

2021-2022 Budget Allocation
COMMUNITY AFFAIRS

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	10-6250-020	130,137	145,501	141,360	142,236	145,651
OVER TIME PAY	10-6250-021	0	0	0	0	0
PART-TIME PAY	10-6250-022	17,475	14,982	20,000	20,000	20,000
PROFESSIONAL SERVICES	10-6250-040	1,500	0	1,500	1,500	1,500
FICA TAX	10-6250-050	10,617	11,808	12,264	12,332	12,593
GROUP INSURANCE	10-6250-060	20,996	25,116	25,417	25,280	27,075
RETIREMENT	10-6250-070	9,743	13,075	12,685	14,445	16,500
TELEPHONE	10-6250-110	3,487	1,811	5,260	385	400
POSTAGE	10-6250-111	2,185	1,933	4,200	4,800	4,800
PRINTING	10-6250-120	6,294	1,915	4,200	4,200	4,100
ELECTRIC	10-6250-130	26,346	27,987	34,000	32,800	33,000
NATURAL GAS	10-6250-131	10,000	6,702	10,000	9,000	9,000
TRAINING	10-6250-140	112	100	100	100	100
MAINT. & REPAIR BLDGS	10-6250-150	59,429	68,434	22,000	22,000	22,000
MAINT & REPAIR EQUIPMENT	10-6250-160	1,786	1,259	2,100	2,100	2,000
ADVERTISING	10-6250-260	5,014	5,200	5,200	5,200	5,000
DEPT SUPPLIES & MATERIAL	10-6250-330	9,939	5,488	6,500	6,600	7,000
EVENT SUPPLIES & DÉCOR	10-6250-331	806	214	300	500	500
CONCESSION STAND TRAILER	10-6250-332	2,308	1,913	2,000	2,500	2,500
CONTRACTED SERVICES	10-6250-450	46,467	33,073	40,920	42,760	38,040
CONT SERVICES ENTERTAINMENT	10-6250-452	92,241	67,555	100,500	97,500	95,500
CONT SERVICES TOURISM	10-6250-453	727	0	500	500	500
IT	10-6250-490	0	498	500	500	500
DUE AND SUBSCRIPTIONS	10-6250-530	878	649	920	920	1,200
MISCELLANEOUS EXPENSE	10-6250-570	0	0	0	0	0
WELLNESS	10-6250-572	4,509	4,771	7,000	7,000	7,000
CAPITAL OUTLAY	10-6250-740	2,894	35,000	0	31,000	81,000
BUILDING REUSE & FACADE	10-6250-920	189,910	4,500	10,000	0	5,000
FESTIVAL	10-6250-922	21,319	17,362	20,000	20,000	20,000
MAIN STREET PROGRAM	10-6250-924	3,924	2,201	3,000	3,000	3,000
VALDESE TOURISM COMMISSION	10-6250-925	59,984	56,188	65,000	32,500	75,000
ROCK SCHOOL ARTS FOUNDATION	10-6250-926	3,000	3,000	3,000	3,000	0
TRANS TO PUBLIC ART FUND	10-6250-928	99,056	0	0	0	0
TOTAL		843,083	558,235	560,426	544,658	640,459

CAPITAL IMPROVEMENT PLAN GENERAL FUND

Summary of General Fund Capital Improvement Plan (CIP)

	<i>Capital Budget</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>Year 6</i>	<i>Year 7</i>	<i>Year 8</i>	<i>Year 9</i>	<i>Year 10</i>
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
<i>Capital Expenditures by Department</i>										
Administration	12,000	4,000	9,000	2,000	15,000	6,000	-	17,000	30,000	-
Public Works	50,000	25,000	18,500	38,000	14,000	8,000	42,000	-	-	-
Streets	277,000	30,000	38,500	580,000	-	6,000	410,000	22,000	587,000	42,000
Sanitation	-	150,000	35,000	-	-	-	-	-	30,000	-
Grounds	-	7,000	50,000	60,000	-	25,000	-	32,000	-	15,000
Police	45,000	45,000	130,000	45,000	45,000	45,000	45,000	45,000	62,000	45,000
Fire	32,200	50,000	175,000	225,000	12,000	50,000	-	700,000	250,000	-
Community Affairs	81,000	55,000	23,000	80,000	45,000	90,000	35,000	65,000	-	80,000
Parks & Recreation	138,000	39,000	75,000	75,000	35,000	-	17,000	10,000	30,000	-
<i>Expense</i>	635,200	405,000	554,000	1,105,000	166,000	230,000	549,000	891,000	989,000	182,000
<i>Financing Sources</i>										
Operating Revenues	335,200	256,099	256,099	221,000	239,471	293,214	293,214	293,214	239,471	264,471
Grants	50,000	-	-	-	-	-	-	-	-	-
Loan Proceeds	250,000	-	-	-	-	-	-	700,000	505,000	-
Reserved/Project Funds	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Fund Balance Appropriated	-	148,901	297,901	884,000	(73,471)	(63,214)	255,786	(102,214)	244,529	(82,471)
<i>Revenue</i>	635,200	405,000	554,000	1,105,000	166,000	230,000	549,000	891,000	989,000	182,000
<i>Fund Balance Net Effect</i>	(150,000)	(1,099)	147,901	734,000	(223,471)	(213,214)	105,786	(252,214)	94,529	(232,471)
10 year Fund Balance Effect:	9,747									

General Fund Capital Improvement Plan (CIP)

	Capital Budget		Year 2		Year 3		Year 4		Year 5		Year 6		Year 7		Year 8		Year 9		Year 10	
	2021-22		2022-23		2023-24		2024-25		2025-26		2026-27		2027-28		2028-29		2029-30		2030-31	
DEPARTMENT	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount	Item	Amount
Administration	Town Hall Security Upgrades	10,000	Computer-Manager (2018)	2,000	Computer-Clerk (2018)	2,000	Computer-Finance Dir. (2019)	2,000	Council Chambers Audio/Video	15,000	Computers(3)-Front (2019)	6,000			Computer-Planning (2020)	2,000	Replace Town Hall ROOF	30,000		
	Computer-Planning	2,000	Map Cabinet for Planning	2,000	Council Tablets	7,000									Replace Carpets	15,000				
Public Works	Parking Lot	50,000	Roll Up Doors	25,000	Replace HVAC	6,500	Vehicle Wash Bay upgrades	8,000	Replace HVAC	7,000	Replace InGround Lift	8,000	Replace 2017 F150	42,000						
					Fuel Management System	12,000	Replace 2014 F150	30,000	Air Compressor	7,000										
Street	(L) Replace Leaf / Machine	170,000	Replace 2001 F-150	30,000	Replace 1987 Ford Tractor	35,000	Paving	450,000			6' Bush Hog	6,000	Paving	300,000	Replace 2018 John Deere Gator	10,000	Paving	300,000	Replace 2020 Chevy 1500	42,000
	(L) Dump Truck	80,000			5' Bush Hog	3,500	Replace 1995 Ford Dump Truck	90,000					Replace 1987 Ford Flatbed Dump	110,000	Replace 2003 Spreader Box	12,000	Replace Ford F150	32,000		
	Dump Truck (cash)	27,000					Replace 2001 Ford Bucket Truck	40,000									(L) Replace Single Axel Dump Truck	80,000		
																	(L) Replace Brush Truck	175,000		
Sanitation			Replace 2001 Trash Truck w/used	150,000	Replace 2007 Chevy 1500	35,000											Utility Building	30,000		
Grounds			Replace Golf Cart	7,000	Replace 1999 F-150	30,000	Replace 2004 F150	30,000			Replace 2016 Grasshopper Mower	25,000			Replace 2018 F150	32,000			Replace 2020 Bobcat Mower	15,000
					Christmas Decorations	20,000	Replace 2012 F150	30,000												
Police	Patrol Vehicle	45,000	Patrol Vehicle (replace unit 117)	45,000	(32) Viper Radios - Kenwood	85,000	Patrol Vehicle (replace unit 115)	45,000	Patrol Vehicle (replace unit 113)	45,000	Patrol Vehicle (replace unit 112)	45,000	Detective Vehicle (replace unit 125)	45,000	Patrol Vehicle (replace unit 110)	45,000	Patrol Vehicle (replace unit 111)	45,000	Patrol Vehicle (replace unit 166)	45,000
					Patrol Vehicle (replace unit 118)	45,000											Replace Tasers	17,000		
Fire	Hydraulic Rescue Spreader	10,000	Replace Medic Truck	50,000	(35) Viper Radios	175,000	Fire Chief Vehicle	50,000	(2) Thermal Imaging Cameras	12,000	Replace Utility Truck	50,000			(L) Replace Engine Three	700,000	(L) Replace all SCBA equipment	250,000		
	Thermal Imaging Camera	6,000					Demolish Existing Public Safety facility	175,000												
	Hydraulic Rescue Cutter	9,000																		
	Hydraulic Rescue Ram	7,200																		
Community Affairs	Replace Stage Lighting System - (Part one in June 2022)	81,000	Replace Stage Lighting System - (Part two in July 2022)	55,000	Clock Tower Control Replacements	13,000	Parking Lots Surrounding ORS	65,000	Replace Auditorium Carpet & Tile	35,000	Paint & Repair Exterior Wood ORS	75,000	Replace Boiler	35,000	Reupholster Auditorium Seats	65,000			Replace ORS Roof	80,000
					Clock Tower Stucco Repairs	10,000	Waterproofing & Rock Repair Front ORS	15,000	Sound System Upgrade	10,000	Seal Moat	15,000								
Parks & Recreation	Tennis Court Resurface	15,000	Fitness Center Equip	7,000	Locker Rooms Refurbishment	75,000	Pool Heater & Blower Unit	75,000	HVAC Systems (2) Fitness areas	25,000			Tennis Court Resurface	17,000	HVAC Unit - Office	10,000	Fitness Center Equip.	30,000		
	Replace Pool Pumps & Upgrade Variable Frequency Drives	23,000	HVAC units for Bowling Center (2)	25,000					Fitness Center Equip.	10,000										
	Comm. Center Gym Floor Replacement	100,000	McGalliard Falls Park roof replacement	7,000																
		635,200	405,000		554,000		1,105,000		166,000		230,000		549,000		891,000		989,000		182,000	

UTILITY FUND

SUMMARY

2021-2022 Budget Utility Fund Summary

OPERATING BUDGET

Department	FY19-20 Budget	FY20-21 Budget	FY21-22 Recommended
WATER PLANT	1,824,064	1,956,317	1,871,061
WASTE WATER PLANT	1,897,375	1,858,506	1,689,112
WATER & SEWER CONSTRUCTION	1,170,985	1,093,558	1,235,157

Operating Total	4,892,424	4,908,381	4,795,330
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CAPITAL BUDGET

WATER PLANT	-	45,000	165,000
WASTE WATER PLANT	-	45,000	274,300
WATER & SEWER CONSTRUCTION	-	40,600	82,000

Capital Total	0	130,600	521,300
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TOTAL BUDGET	4,892,424	5,038,981	5,316,630
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REVENUE

TOTAL REVENUES	5,316,630
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UTILITY FUND

REVENUES

2021-2022 Budget Allocation
UTILITY FUND REVENUES

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
INTEREST ON INVESTMENTS	30-3290-000	14,075	12,830	15,000	8,500	300
RENTS	30-3310-000	3,810	1,550	1,800	1,800	1,800
OTHERS	30-3350-030	-35,315	2,803	0	0	0
UTILITY BILL PENALTIES	30-3350-040	55,865	44,887	48,500	48,500	51,000
WATER CHARGES - RES	30-3710-010	2,222,060	2,340,281	2,110,941	2,174,269	2,300,000
WATER CHARGES - COMM	30-3710-011	226,906	243,812	199,000	204,970	250,000
WATER CHARGES - IND	30-3710-012	475,295	403,474	583,783	601,296	500,000
WASTE WATER CHARGES	30-3710-020	1,111,200	1,021,134	1,165,000	1,199,950	1,199,950
LONG TERM MONITORING	30-3710-021	19,861	18,498	18,500	18,500	18,500
SPRINKLER SERVICE CHARGES	30-3710-030	100	0	0	0	0
TAP & CONNECTION FEES	30-3730-000	25,492	43,130	9,900	9,900	10,000
RECONNECTION FEES	30-3750-000	17,354	7,767	23,000	23,000	20,000
TOWN OF DREXEL	30-3810-020	205,563	194,508	158,000	162,740	204,740
BURKE CNTY-E BURKE SYST-WW	30-3810-030	136,564	150,818	93,000	95,790	145,790
BURKE COUNTY WATER	30-3810-032	98,974	85,129	104,000	107,120	108,120
RC WATER CORP	30-3810-040	172,100	199,807	183,000	188,490	188,490
RC WW	30-3810-042	16,932	9,843	13,000	13,390	13,890
ICARD WATER CORP	30-3810-070	134,642	161,019	143,000	143,000	128,400
CONNELLY SPRINGS MAINT	30-3810-080	11,500	23,000	23,000	23,000	23,000
SALE OF FIXED ASSETS	30-3830-000	-103,120	23,935	0	0	0
TRANSFER FROM CAPITAL RESERVE	30-3970-700	0	0	0	0	260,000
PROCEEDS FROM FINANCING	30-3970-812	0	0	0	0	117,000
FUND BALANCE-APPROPRIATED	30-3990-000	89,113	0	0	14,765	-224,350
TOTAL		4,898,971	4,988,225	4,892,424	5,038,980	5,316,630

UTILITY FUND

EXPENDITURES

2021-2022 Budget Allocation
WATER PLANT

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	30-8100-020	285,852	387,819	380,037	390,214	388,210
OVER TIME PAY	30-8100-021	48	100	3,000	3,000	3,000
PART TIME PAY	30-8100-022	0	0	0	0	0
PROFESSIONAL SERVICES	30-8100-040	12,975	9,778	21,500	11,500	11,500
FICA TAX	30-8100-050	20,035	28,676	28,874	29,652	29,729
GROUP INSURANCE	30-8100-060	61,163	77,970	81,667	75,368	80,722
RETIREMENT	30-8100-070	21,439	34,832	34,120	39,653	44,340
TELEPHONE & INTERNET	30-8100-110	1,384	810	1,400	1,400	1,400
ELECTRIC	30-8100-130	215,201	206,325	243,492	245,892	245,892
FUEL OIL	30-8100-132	0	858	5,000	5,000	5,000
TRAINING	30-8100-140	615	692	3,000	3,000	3,000
MAINT & REPAIR BLDGS	30-8100-150	23,882	25,635	34,570	27,770	27,770
MAINT. & REPAIR EQUIPMENT	30-8100-160	26,445	15,214	29,000	29,000	29,000
MAINT. & REPAIR AUTO & TRUCKS	30-8100-170	14	52	680	680	680
ADVERTISING	30-8100-260	0	0	600	600	600
AUTO SUPPLIES GAS	30-8100-311	774	1,760	2,000	2,000	2,500
AUTO SUPPLIES DIESEL	30-8100-312	114	78	1,000	1,000	1,000
AUTO SUPPLIES TIRES	30-8100-313	14	0	625	625	625
AUTO SUPPLIES OIL	30-8100-314	-7	0	162	162	162
DEPT SUPPLIES & MATERIALS	30-8100-330	2,397	1,528	3,400	10,500	3,400
CHEMICALS	30-8100-332	75,794	50,219	78,500	78,500	78,500
LAB SUPPLIES	30-8100-333	13,093	11,734	18,500	18,500	18,500
WATER TESTING-PROFESSIONAL	30-8100-334	16,196	6,389	10,900	10,900	10,900
UNIFORMS	30-8100-360	3,064	1,579	3,120	0	7,100
CONTRACTED SERVICES	30-8100-450	5,469	3,030	5,000	5,040	5,040
IT	30-8100-490	0	488	7,400	4,800	4,800
DUES AND SUBSCRIPTIONS	30-8100-530	3,815	1,085	8,500	10,624	10,624
INSURANCE AND BONDS	30-8100-540	19,634	24,342	24,342	24,342	24,342
MISCELLANEOUS EXPENSE	30-8100-570	0	0	0	0	0
SAFETY	30-8100-572	1,246	516	3,400	3,400	3,400
CAPITAL OUTLAY	30-8100-740	37,145	0	0	45,000	165,000
DEBT SERVICE	30-8100-910	0	0	0	0	35,920
PRO RATA	30-8100-920	456,533	550,000	550,000	550,000	550,000
VEDIC	30-8100-930	4,038	12,500	12,500	12,500	12,500
ECONOMIC DEVELOPMENT BPED	30-8100-931	4,038	9,695	9,695	9,695	9,904
ECONOMIC GRANTS	30-8100-935	137,513	0	0	130,000	0
CONTINGENCY	30-8100-990	221,000	126,935	221,000	221,000	221,000
TOTAL		1,670,923	1,590,639	1,826,984	2,001,317	2,036,061

2021-2022 Budget Allocation
WASTE WATER PLANT

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	30-8110-020	414,021	389,620	382,216	397,966	374,886
OVER TIME PAY	30-8110-021	0	0	0	0	0
PART TIME PAY	30-8110-022	0	0	0	0	0
PROFESSIONAL SERVICES	30-8110-040	2,149	2,419	2,500	2,500	2,500
FICA TAX	30-8110-050	29,747	29,088	29,080	30,285	28,559
GROUP INSURANCE	30-8110-060	70,429	83,280	84,493	83,272	80,398
RETIREMENT	30-8110-070	31,053	34,931	34,364	40,499	42,596
TELEPHONE & INTERNET	30-8110-110	3,382	1,365	4,000	3,264	3,264
ELECTRIC	30-8110-130	233,946	217,318	275,000	225,000	225,000
FUEL OIL	30-8110-132	6,622	3,785	7,500	7,500	7,500
TRAINING	30-8110-140	7,873	2,842	7,350	5,425	4,925
MAINT. & REPAIR BLDGS	30-8110-150	106,344	106,207	110,000	110,000	110,000
MAINT. & REPAIR EQUIPMENT	30-8110-160	10,000	15,578	17,000	12,000	12,000
MAINT. & REPAIR AUTO	30-8110-170	1,642	667	2,090	2,090	2,090
ADVERTISING	30-8110-260	73	0	100	100	100
AUTO SUPPLIES GAS	30-8110-311	2,680	2,970	4,050	4,050	4,860
AUTO SUPPLIES DIESEL	30-8110-312	0	0	0	0	0
AUTO SUPPLIES TIRES	30-8110-313	465	5,510	5,600	2,900	2,900
AUTO SUPPLIES OIL	30-8110-314	119	216	750	750	750
DEPT. SUPPLIES & MATERIALS	30-8110-330	10,114	6,077	12,000	12,000	12,000
CHEMICALS	30-8110-332	56,540	44,527	60,365	57,614	59,014
LAB SUPPLIES	30-8110-333	8,507	8,918	9,000	9,000	9,000
WOOD CHIPS	30-8110-336	33,601	29,796	39,000	51,000	51,000
UNIFORMS	30-8110-360	3,284	3,711	3,750	3,750	3,750
CONTRACTED SERVICES	30-8110-450	13,415	14,812	14,860	13,060	13,060
IT	30-8110-490	0	375	500	500	500
LONG TERM MONITORING	30-8110-500	16,802	16,263	18,500	18,500	18,500
DUES AND SUBSCRIPTIONS	30-8110-530	8,060	7,690	7,970	8,670	8,670
INSURANCE AND BONDS	30-8110-540	23,558	28,000	28,000	28,000	28,000
MISCELLNEOUS EXPENSE	30-8110-570	0	0	0	0	0
SAFETY	30-8110-572	1,979	2,123	2,500	2,500	2,500
CAPITAL OUTLAY	30-8110-740	77,167	0	0	45,000	274,300
DEBT SERVICE	30-8110-910	161,780	157,948	157,948	154,116	7,650
PRO RATA	30-8110-920	456,533	550,000	550,000	550,000	550,000
VEDIC	30-8110-930	4,038	12,500	12,500	12,500	12,500
ECONOMIC DEV BPED	30-8110-931	4,038	9,695	9,695	9,695	10,639
TOTAL		1,799,961	1,788,231	1,892,681	1,903,506	1,963,412

2021-2022 Budget Allocation
W&S CONSTRUCTION

Line Item Description	Account Code	2018-19 Actual	2019-20 Actual	2019-20 Budget	2020-21 Budget	2021-22 Recommended
SALARIES & WAGES	30-8120-020	303,113	284,260	312,564	312,092	362,434
OVER TIME PAY	30-8120-021	7,658	8,309	18,030	18,030	18,030
PART TIME PAY	30-8120-022	0	0	0	0	0
PROFESSIONAL SERVICES	30-8120-040	33,112	71,503	76,456	76,463	76,806
FICA TAX	30-8120-050	22,064	21,188	24,972	24,936	28,747
GROUP INSURANCE	30-8120-060	54,532	61,887	79,311	72,232	86,104
RETIREMENT	30-8120-070	22,016	26,122	29,510	33,346	41,491
TELEPHONE & INTERNET	30-8120-110	4,027	4,398	4,452	5,520	2,700
POSTAGE	30-8120-111	27	10	510	510	510
PRINTING	30-8120-120	83	694	981	981	1,481
ELECTRIC	30-8120-130	12,896	12,513	20,856	23,208	18,108
NATURAL GAS	30-8120-131	4,459	3,040	4,260	4,260	0
TRAINING	30-8120-140	730	1,305	2,970	2,970	2,970
MAINT. & REPAIR BLDGS	30-8120-150	83,929	43,696	43,775	56,881	43,250
MAINT. & REPAIR EQUIPMENT	30-8120-160	14,555	5,022	12,550	9,100	10,650
MAINT & REPAIR AUTO	30-8120-170	2,561	4,252	6,473	5,715	3,693
ADVERTISING	30-8120-260	1,126	100	100	100	100
AUTO SUPPLIES GAS	30-8120-311	11,495	13,522	13,553	12,965	8,763
AUTO SUPPLIES DIESEL	30-8120-312	1,629	1,258	2,578	2,510	3,668
AUTO SUPPLIES TIRES	30-8120-313	4,732	2,682	5,600	5,700	5,200
AUTO SUPPLIES OIL	30-8120-314	582	1,306	2,631	2,531	2,180
DEPT. SUPPLIES & MATERIALS	30-8120-330	54,461	68,315	57,418	57,418	57,418
METERS	30-8120-331	4,927	2,303	10,250	7,750	5,000
CHEMICALS	30-8120-332	880	447	1,700	1,700	1,700
UNIFORMS	30-8120-360	5,750	6,354	6,380	6,380	6,730
CONTRACTED SERVICES	30-8120-450	72,204	81,528	88,144	81,389	102,283
IT	30-8120-490	0	500	500	1,000	1,000
DUES AND SUBSCRIPTIONS	30-8120-530	5,031	4,848	5,309	5,309	5,449
INSURANCE AND BONDS	30-8120-540	22,032	28,612	28,612	28,612	28,612
MISCELLANEOUS EXPENSE	30-8120-570	-9,298	0	0	0	0
SAFETY	30-8120-572	1,379	1,291	1,400	1,400	1,400
CAPITAL OUTLAY	30-8120-740	134,211	32,850	40,000	40,600	82,000
DEBT SERVICE	30-8120-910	62,163	147,188	232,112	232,550	308,681
TOTAL		939,066	941,303	1,133,957	1,134,158	1,317,157

CAPITAL IMPROVEMENT PLAN

UTILITY FUND

Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

Water Distribution/Sewer Collection Division

Project Number	Project Description	Cost	Year 1 FY22	Year 2 FY23	Year 3 FY24	Year 4 FY25	Year 5 FY26	Year 6 FY27	Year 7 FY28	Year 8 FY29	Year 9 FY30	Year 10 FY31	Years 11+
Vehicles and Equipment													
1	2006 F350 Service Truck	55,000	55,000										
2	2014 Cat Mini Trackhoe	83,600		83,600									
3	2009 Pipe Hunter Jet M 35418	42,000					42,000						
4	2014 Ford F150 Meter Truck	27,000	27,000										
5	Trailer	15,000						15,000					
6	2002 4x4 Classic	28,000				28,000							
7	2011 Ford 4x4 F350	32,000			32,000								
8	1985 John Deere Backhoe	90,000		90,000									
9	2006 Chevy Dump Truck 1.5 Ton	50,000			50,000								
10	2013 F350 Service Truck	42,000						42,000					
11	2016 Ford F150 4x4	28,000					28,000						
Subtotal Vehicles and Equipment		492,600	82,000	173,600	82,000	28,000	70,000	57,000	0	0	0	0	0
Infrastructure Improvements													
12	NC 18 South Tank Project	0											2,026,800
13	Triple District Tank Inspections & Interior Cleaning (Logan St., Drexel Rd., Flat Gap.)	0	0	0				0	0	0	0		
14	Meter Replacements	105,000			15,000	15,000	15,000	15,000	15,000	15,000	15,000		
15	Renew Arc-Flash Study	5,500		2,500					3,000				
16	Harris Avenue PS Gravity Sewer Extension	1,300,000									1,300,000		
17	Holly Hills Sewer System Extension	0											3,300,000
18	Ridgewood-18S Loop	675,000			675,000								
19	Mt. Home - Hawkins Loop	1,150,000						1,150,000					
20	Eldred St. Water Line Replacement	400,000					400,000						
21	Water Main Replacement	1,750,000	0	0	300,000	0	1,100,000	100,000		250,000		0	
22	Sewer Main Rehabilitation	2,750,000	0	600,000		300,000	0	100,000	1,500,000		250,000		
Subtotal Infrastructure Improvements		8,135,500	0	602,500	990,000	315,000	1,515,000	1,365,000	1,518,000	265,000	1,565,000	0	5,326,800
	Subtotal - Water Distribution/Sewer Collection	8,628,100	82,000	776,100	1,072,000	343,000	1,585,000	1,422,000	1,518,000	265,000	1,565,000	0	5,326,800

Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

Water Treatment Division

Project Number	Project Description	Cost	Year 1 FY22	Year 2 FY23	Year 3 FY24	Year 4 FY25	Year 5 FY26	Year 6 FY27	Year 7 FY28	Year 8 FY29	Year 9 FY30	Year 10 FY31	Years 11+
1	2018 Explorer	30,000					30,000						
2	2017 Ford F-250	28,000				28,000							
3	2004 Ford F-150	27,000			27,000								
4	New 4-Wheel Drive Lawnmower	16,000					16,000						
Subtotal Vehicles and Equipment		101,000	0	0	27,000	28,000	46,000	0	0	0	0	0	0
Plant Upgrades and Improvements													
5	Roof Replacement - Main Building	55,000	55,000	0									
6	Roof Replacement - Raw Water PS	25,000		25,000									
7	Roof Replacement - Finished Water PS	20,000			20,000								
8	Replace Chemical Feed Pumps	17,550				5,800	5,850	5,900					
9	Raw Water Intake	0											8,000,000
10	Raw Water Pump Replacement	1,000,000			1,000,000								731,100
11	Replace Raw Water Control Valves	91,500			91,500								
12	Pave Raw Water PS Access Road	67,600										67,600	
13	Basin Structural Assessments	610,000	10,000		600,000								
14	Renew Arc-Flash Study	27,125		12,125					15,000				
15	SCADA Upgrades (add #2 and #3 FWP)	50,000	20,000				15,000					15,000	
16	Move #2 and #3 FWP MCC to roof (upstairs)	0		0									150,000
17	Flow Meter for #2 and #3 FWP	15,000	15,000										
18	#3 Finished Water Motor Replacement	25,000	25,000	0									
19	Filter Turbidity Meters	0		0	0								
20	Tank Maintenance	165,000	40,000	0		0			125,000				
21	Water Treatment Plant Equipment Rehab & Replacement	275,000						50,000	75,000	75,000	75,000		
Subtotal Plant Upgrades and Improvements		2,443,775	165,000	37,125	1,711,500	5,800	20,850	55,900	215,000	75,000	75,000	82,600	8,881,100
	Subtotal - Water Treatment Division	2,544,775	165,000	37,125	1,738,500	33,800	66,850	55,900	215,000	75,000	75,000	82,600	8,881,100

Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

Wastewater Treatment Division

Project Number	Project Description	Cost	Year 1 FY22	Year 2 FY23	Year 3 FY24	Year 4 FY25	Year 5 FY26	Year 6 FY27	Year 7 FY28	Year 8 FY29	Year 9 FY30	Year 10 FY31	Years 11+
1	1998 Biosolids Truck	59,700		59,700									
2	Sludge Trailer	36,900			36,900								
3	2008 Compost Loader	155,200		155,200									
4	Plant Truck	30,000					30,000						
5	Maint Vehicle 2013	35,000	35,000										
6	Lab Truck	25,000							25,000				
7	Riding Mower (2004)	20,200								10,100	10,100		10,100
Subtotal Vehicles and Equipment		362,000	35,000	214,900	36,900	0	30,000	0	25,000	10,100	10,100	0	10,100
Plant Upgrades and Improvements													
8	Seal Replacement for Influent Pumps 1&2	13,000	6,000						7,000				18,300
9	Seal Replacement for Influent Pumps 3&4	15,000					15,000						6,000
10	Seal Replacement for Secondary Waste Pumps	9,300	9,300										
11	Seal Replacement for Sludge Recycle Pumps	10,100				10,100							
12	Centrifuge #2 Overhaul	50,000			50,000								
13	Centrifuge #1 Overhaul	50,000				50,000							
14	Roof SO2 Building	12,100		12,100									
15	Admin Building Roof	40,000					40,000						30,000
16	Dewatering Building Roof	60,000								60,000			35,000
17	Sludge Recycle PS Building Roof	30,000							30,000				
18	Influent PS Building Roof	0											20,000
19	Sludge Grinder #1	0											19,100
20	Sludge Grinder #2	0											18,000
21	Aeration Basin	1,174,500						1,174,500					
22	Spare Pump Cline Street	5,000			5,000								
23	Cline Street PS Modifications	1,200,000			1,200,000								
24	Spare Pump Morgan Trace	10,000	5,000			5,000							
25	Spare Pump High Meadows	10,000	5,000			5,000							
26	Spare Pump John Berry	0											82,500
27	Spare Pump Seitz	0											42,000
28	Primary Clarifier #2 Drive & Bridge Replacement	85,000	85,000										
29	Secondary Clarifier #2 Painting	6,000							6,000				
30	Recycle Valve to Aeration Basin	40,000	40,000										
31	Thickener Blower #1	6,100			6,100								
32	Thickener Blower #2	6,500					6,500						
33	SCADA	30,000					12,000					18,000	
34	Renew Arc-Flash Study	22,875		10,875					12,000				
35	Dewatering Building Drainage System	20,000		20,000									
36	6" Compound Flow Meter	0											60,000
37	Biosolids Drying Equipment	5,873,000										5,873,000	
38	Conversion to Ultraviolet Disinfection	0											937,000
39	Concrete Work at Compost Pad	53,400	15,000		25,000				13,400				
40	#3 & #4 Influent Valves & Check Valves	143,500	70,000	73,500									
41	Wastewater Treatment Plant Equipment Rehab & Replacement	275,000						50,000	75,000	75,000	75,000		
42	Chlorine Meter	4,000	4,000										
43	Recycle Pump / Motor / VFD Replace	200,000		200,000									
Subtotal Plant Upgrades and Improvements		9,454,375	239,300	316,475	1,286,100	70,100	73,500	1,224,500	143,400	135,000	75,000	5,891,000	1,267,900
	Subtotal - Wastewater Treatment Division	9,816,375	274,300	531,375	1,323,000	70,100	103,500	1,224,500	168,400	145,100	85,100	5,891,000	1,267,900

Capital Improvements Plan Total	20,989,250	521,300	1,344,600	4,133,500	446,900	1,755,350	2,702,400	1,901,400	485,100	1,725,100	5,973,600	15,475,800
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RATE and FEE SCHEDULES

Town of Valdese: Fiscal Year 2021-2022 Schedule of Fees OLD ROCK SCHOOL

WALDENSIAN ROOM	UNDER 5 HOURS \$150	EACH ADDITIONAL HOUR \$25	
TEACHERS COTTAGE	UNDER 4 HOURS \$75	EACH ADDITIONAL HOUR \$15	
AUDITORIUM (MONDAY-THURSDAY)	UNDER 4 HOURS	4-6 HOURS	6-12 HOURS
PROFIT	\$350	\$400	\$450
NON-PROFIT	\$250	\$300	\$350
(FRIDAY-SUNDAY)			
PROFIT	\$400	\$450	\$500
NON-PROFIT	\$300	\$350	\$400
	OVER 12 HOURS: EACH ADDITIONAL HOUR IS \$100		
REHEARSAL FEE	\$200		
LOAD IN FEE	\$100		
SOUND & LIGHT EQUIPMENT & SERVICE	\$20 PER HOUR		
ROOM #138 AND #139	\$20 PER DAY		
BOX OFFICE	\$50 PER DAY		
RISER/STAGE PLATFORMS	\$100		
GRAND OR UPRIGHT PIANO	\$50 PER DAY		
OTHER NEEDS	\$50 EACH		

Town of Valdese: Fiscal Year 2021-2022 Schedule of Fees
JIMMY C. DRAUGHN AQUATIC & FITNESS CENTER

Daily Swim Fees - (Over 18 - \$5.00); (5-18 & Senior - \$4.00); (Under 5 - \$3.00)
Daily Fitness Center Fee - \$5.00

INSIDE Valdese City Limits

	AQUATICS <u>or</u> FITNESS CENTER		AQUATICS <u>and</u> FITNESS CENTER	
	<u>3 month</u>	<u>Annual</u>	<u>3 month</u>	<u>Annual</u>
Individual Student(w/id) / Senior / Military	\$50.00	\$160.00	\$75.00	\$240.00
Individual / Sr. Couple / Military Couple	\$75.00	\$240.00	\$112.50	\$360.00
Couple / Military Family	\$87.50	\$280.00	\$131.25	\$420.00
Family	\$100.00	\$320.00	\$150.00	\$480.00

OUTSIDE Valdese City Limits

	AQUATICS <u>or</u> FITNESS CENTER		AQUATICS <u>and</u> FITNESS CENTER	
	<u>3 month</u>	<u>Annual</u>	<u>3 month</u>	<u>Annual</u>
Individual Student(w/id) / Senior / Military	\$62.50	\$200.00	\$93.75	\$300.00
Individual / Sr. Couple / Military Couple	\$93.75	\$300.00	\$140.75	\$450.00
Couple / Military Family	\$109.50	\$350.00	\$164.00	\$525.00
Family	\$125.00	\$400.00	\$187.50	\$600.00

10 Visit Punch Cards

One punch allows you to Swim and use the Fitness Room on the same day Carries
NO membership benefits - \$45 Adults / \$30 Seniors & Youth

Fitness Class Benefits

Aquatics <u>only</u> members - Core <u>water</u> exercise classes FREE	
- Premium/Advanced <u>water</u> exercise classes \$5	
- Core <u>land</u> exercise classes \$5	
- Premium/Advanced <u>land</u> exercise classes \$8	
Fitness <u>only</u> members - Core <u>land</u> exercise classes FREE	
- Premium/Advanced <u>land</u> exercise classes \$5	
- Core <u>water</u> exercise classes \$5	
- Premium/Advanced <u>water</u> exercise classes \$8	
Aquatics <u>and</u> Fitness members - Core <u>water and land</u> exercise classes FREE	
- Premium/Advanced <u>water and land</u> exercise classes \$5	
Non-members - Core <u>water and land</u> exercise classes \$5	
- Premium/Advanced <u>water and land</u> exercise classes \$8	

Aquatic Members receive 50% off all swim lessons for all persons listed on the membership

Town of Valdese: Fiscal Year 2021-2022 Schedule of Fees PARKS & RECREATION FACILITIES

Splash Park Multi-Purpose Room

\$ 50 for two hours (minimum)
\$ 25 for each additional hour

Picnic Shelters

(Rotary Park, Childrens Park, McGalliard Falls Park**, Splash Park)

\$ 30 for two hours (minimum)
\$ 15 for each additional hour

** McGalliard Falls Park - if renting both sides, second shelter is 1/2 price

Bowling Center Party Room

\$ 25 for 1.5 hours

Pool Parties

\$ 20 per table for 1.5 hours

Private Pool Parties

Sunday afternoons when the bubble is up (3 hrs.) All tables available.

\$ 200 up to 50 persons
\$ 225 for over 50 persons

Daily Pool Use

\$ 3 for ages under 5
\$ 4 for ages 5 - 18 & seniors
\$ 5 for ages over 18

Swim Lessons

\$ 40 for eight classes (non-members)
\$ 20 for eight classes (members)

Day Care Pool Use

\$ 2.50 per child

Town of Valdese: Fiscal Year 2021-2022 Schedule of Fees

PUBLIC WORKS

CEMETERY PLOTS		<u>Each</u>
	Inside Valdese Town Limit	\$400
	Outside Valdese Town Limit	\$1,000
	Deed Transfer	\$25
SOLID WASTE		<u>Monthly</u>
	Residential Trash	\$10.00
	Residential Recycling	\$2.30
	Small User Fee (small businesses)	\$13.30

Town of Valdese: Fiscal Year 2021-2022 Schedule of Fees PLANNING

	<u>Each</u>
CONDITIONAL USE PERMIT	\$350
REZONING PERMIT	\$350
VARIANCE APPLICATION	\$350

Town of Valdese: Fiscal Year 2021-2022 Schedule of Fees

FIRE

SCHEDULE OF INSPECTION FEES

These are the fees for inspections as referred to in Section 3-2021(g)
of the Code of Ordinances of Valdese, North Carolina:

<u>Inspection Type</u>	<u>Scheduled Fee:</u>
Periodic fire inspection:	None
Fire inspection pursuant to permit application:	None
First inspection for noncompliance, if code requirements are met:	None
First reinspection for noncompliance, if code requirements are not met:	\$50.00
Second and subsequent reinspections for noncompliance:	\$100.00

SCHEDULE OF CIVIL PENALTIES

These are the civil penalties for violations of the Fire Prevention
and Protection Code of Valdese, North Carolina as referred
to in Section 3-2021(h) of the Code of Ordinances of Valdese, North Carolina:

<u>Chapter Number</u>	<u>Title</u>	<u>Fee Amount</u>
1	Scope and Administration	\$50.00
2	Definitions	\$0.00
3	General Requirements	\$50.00
4	Emergency planning and preparedness	\$50.00
5	Fire service features	\$50.00
6	Building services and systems	\$50.00
7	Fire and Smoke Protection Features	\$50.00
8	Interior finish, decorative materials and furnishings	\$50.00
9	Fire protection systems	\$150.00
10	Means of egress	\$150.00
20	Aviation facilities	\$50.00
21	Dry cleaning	\$50.00
22	Combustible dust producing operations	\$50.00
23	Motor Fuel-Dispensing Facilities and Repair Garages	\$50.00
24	Flammable finishes	\$50.00
25	Fruit and crop ripening	\$50.00
26	Fumigation and insecticidal fogging	\$50.00
27	Semiconductor fabrication facilities	\$50.00
28	Lumber yards and Agro-Industrial, Solid Biomass and Wood Working Facilities	\$50.00

29	Manufacture of organic coatings	\$50.00
30	Industrial ovens	\$50.00
31	Tents and other membrane structures	\$50.00
32	High piled combustible storage	\$50.00
33	Fire Safety During Construction and Demolition	\$50.00
34	Tire rebuilding and tire storage	\$50.00
35	Welding and other hot work	\$50.00
36	Marinas	\$50.00
37	Combustible fibers	\$50.00
50	Hazardous materials – general provisions	\$50.00
51	Aerosols	\$50.00
53	Compressed gases	\$50.00
54	Corrosive materials	\$50.00
55	Cryogenic fluids	\$50.00
56	Explosives and fireworks	\$50.00
57	Flammable and combustible liquids	\$50.00
58	Flammable gases and Flammable Cryogenic Fluids	\$50.00
59	Flammable solids	\$50.00
60	Highly toxic and toxic materials	\$50.00
61	Liquefied petroleum gases	\$50.00
62	Organic peroxides	\$50.00
63	Oxidizers, Oxidizing Gases and Oxidizing Cryogenic Fluids	\$50.00
64	Pyrophoric materials	\$50.00
65	Pyroxylin (cellulose nitrate) plastics	\$50.00
66	Unstable (reactive) materials	\$50.00
67	Water-reactive solids and liquids	\$50.00
80	Referenced standards	\$0.00
Alarm Permit Fees:		\$10.00

Town of Valdese: Fiscal Year 2021-2022 Schedule of Fees

WATER & SEWER RATES

<i>Inside Water – Residential</i>	
Minimum 3,000 gallons	\$35.20
Volume Charge (per 1,000 gal); 3,001 + gallons	\$3.55
<i>Outside Water – Residential</i>	
Minimum 3,000 gallons	\$54.80
Volume Charge (per 1,000 gal); 3,001 + gallons	\$6.50
<i>Inside Water – Commercial</i>	
Minimum 3,000 gallons	\$36.20
Volume Charge (per 1,000 gal); 3,001 + gallons	\$3.65
<i>Outside Water – Commercial</i>	
Minimum 3,000 gallons	\$72.40
Volume Charge (per 1,000 gal); 3,001 + gallons	\$7.10
<i>Inside Water - Industrial</i>	
Minimum 3,000 gallons	\$14.10
Volume Charge (per 1,000 gal); 3,001 – 300,000 gallons	\$2.70
Volume Charge (per 1,000 gal); 300,000 +	\$1.35
<i>Outside Water - Industrial</i>	
Minimum 3,000 gallons	\$28.05
Volume Charge (per 1,000 gal); 3,001 – 300,000 gallons	\$5.40
Volume Charge (per 1,000 gal); 300,000 +	\$2.50
<i>Inside Sewer – Residential</i>	
Minimum 3,000 gallons	\$7.55
Volume Charge (per 1,000 gal); 3,001 + gallons	\$2.55
<i>Outside Sewer – Residential</i>	
Minimum 3,000 gallons	\$14.10
Volume Charge (per 1,000 gal); 3,001 + gallons	\$4.80
<i>Inside Sewer – Commercial</i>	
Minimum 3,000 gallons	\$8.00
Volume Charge (per 1,000 gal); 3,001 + gallons	\$2.75
<i>Outside Sewer – Commercial</i>	
Minimum 3,000 gallons	\$15.85
Volume Charge (per 1,000 gal); 3,001 + gallons	\$5.40
<i>Inside Sewer - Industrial</i>	
Minimum 0 gallons	\$7.65
Volume Charge (per 1,000 gal)	\$2.55
<i>Outside Sewer - Industrial</i>	
Minimum 0 gallons	\$15.20
Volume Charge (per 1,000 gal)	\$5.10

Town of Valdese: Fiscal Year 2021-2022 Schedule of Fees

WATER & SEWER RATES

Utility Fees

Non-owner resident deposit	\$100.00
Non-owner commercial deposit	\$100.00
Non-owner industrial deposit	\$100.00
Non-payment fee	\$25.00
Meter Tampering penalty	\$100 plus damages
Late penalty	10% after 15 th of month bill is due. Amended policy now included for large users. If the penalty exceeds \$200.00 the amended policy becomes effective.

Tap fees

Water line located on same side of road

¾" water tap	\$1,000.00
1" water tap	\$1,420.00
Greater than 1"	Cost plus 10%

Water line located on opposite side of road

¾" water tap	\$1,200.00
1" water tap	\$1,620.00
Greater than 1"	Cost plus 10%

Meter Relocate (using existing tap- not to exceed 20 feet)	\$300.00
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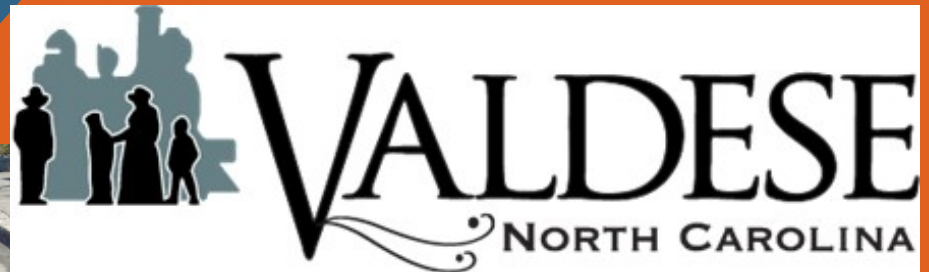
Sewer line located on same side of road

4" sewer tap	\$1,000.00
Larger than 4"	Actual cost plus 10%

Sewer line located on opposite side of road

4" sewer tap	\$1,200.00
(any other extreme circumstances)	\$1200.00 or cost plus 10% whichever is greater
Larger than 4"	Actual cost plus 10%

Industrial Pretreatment Surcharge	\$18,500.00
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Capital Improvements Plan Water & Sewer Rate Study 2021 Update

RJ Mozeley, PE
Project Manager

Dale R. Schepers
Senior Consultant

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APPENDIX

March 2021 Council Retreat Presentation Materials
Rate Sheets for Water, Sewer and Combined Bill

1.0 EXECUTIVE SUMMARY and KEY FINDINGS

1.1 Executive Summary:

McGill Associates (McGill) was retained by the Town of Valdese for the sixth consecutive year to review and update the Water and Sewer Capital Improvement Plan (CIP) and conduct a financial analysis of the water and sewer utility fund to determine the amounts and timing for revenue adjustments needed to maintain a reasonable level of sustainability. The Capital Plan and Financial Analysis Updates Project will provide the following:

- Review and update the 10-year Capital Improvements Plan (CIP), detailing future water and sewer treatment plant improvements, vehicle and equipment replacement and distribution/collection system rehabilitation.
- Determine the Utility's Revenue Requirements. This includes full cost recovery of expenses related to operations and maintenance, debt service, revenue-financed system renewal and replacements, transfers, contingencies and reserves.
- Determine the amounts and timing of revenue adjustments necessary to fully support the financial requirements identified in the above items.
- Recommend rate adjustments for each customer class that support the financial policies and goals of the utility and developed corresponding rate tables for the financial analysis planning period.

McGill worked closely with the Town's Manager, Public Utilities Director and Finance Director throughout the project to ensure the adequacy of data and accuracy of analyses. Several meetings, phone conversations, and email correspondence allowed the Town's staff to provide direction for the study's efforts and to align deliverables with the expectations of the Town Council.

1.2 Key Findings:

- Revenue Requirements Analysis determined rate adjustments (increases) are needed in each year of the 10-year planning period to generate revenue sufficient to continue to meet the financial obligations of the water/sewer utility fund.

Table 1 – Summary of annual revenue adjustments (combined water and sewer) required to recover the full cost of water and sewer services.

Annual Rate Increase Projection										
Percent Increase Applied	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Revenue Adjustment Percentage	3.4%	4.1%	4.1%	4.1%	3.8%	3.7%	3.7%	3.7%	3.6%	3.6%

- Revenue adjustments are driven primarily by the following factors:

- Debt issuances anticipated to support capital improvements projects required to address renewal and replacement of aging water and wastewater infrastructure including treatment plants, distribution and collection systems.
 - Increasing Operations and Maintenance (O&M) expenses, because of inflation.
 - System demand growth, new customers and/or increasing consumption patterns is observed to be stagnant or declining slightly. Forecast is for no growth in water and sewer demands through the planning period.
 - Since demand growth is stagnant, revenue growth will have to be realized through rate increases.
- Capital Improvements Schedule: Review and refinement of the CIP resulted in a total need of \$21 million over the 10-year planning period, FY22 through FY31.
 - McGill updated the existing water and sewer system capital construction projects to determine adjustments to the ten-year CIP.
 - Prioritization for project scheduling was based on regulatory compliance, workplace / work environment safety, operational viability, replacement of obsolete equipment, gain in efficiency, system growth and economic development.
 - Opinions of probable construction costs for recommended projects were also updated when necessary.
- Historically, the Town fashioned its rate structure to favor industrial users as a means to encourage industrial economic activity in Town. In 2020, industrial customers consumed 37% of the water volume produced by the WTP, while contributing 11% of revenue from consumption charges. Conversely, residential customers consumed 30% of the water and produced 70% of the revenue.
- A five-year snapshot of the rate increases on a typical monthly inside residential bill of 3,000 gallons is presented in Table 2.
- Council recognizes the need for the proposed schedule of rate adjustments and will review and consider each potential increase every fiscal year as part of the budget preparation process. This will allow fine tuning as needed using the most accurate and up-to-date data.

Table 2 – Proposed Rate Adjustments; Residential Customer Combined Water and Sewer Monthly Bill, based on 3,000-gallon consumption by an Inside Town Customer.

Monthly Residential Water and Sewer Bill: 3,000 gallons

Current Rate	5-year Rate Adjustment Projection				
FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
\$41.40	\$42.75	\$44.20	\$45.65	\$47.15	\$48.70
\$ change	\$1.35	\$1.45	\$1.45	\$1.50	\$1.55
% change	3.3%	3.4%	3.3%	3.3%	3.3%

2.0 **BACKGROUND and PURPOSE STATEMENT**

2.1 **Background:**

The Town of Valdese water and sewer utilities serve a population of approximately 12,700, with an average daily water demand of 2.93 million gallons per day (MGD) based on statistics gathered from the North Carolina Division of Water Resources, Local Water Supply Plan. Surface water is withdrawn from Lake Rhodhiss and treated through the Town's 12.0 MGD conventional Water Treatment Plant (WTP). Finished water is delivered through approximately 170 miles of water mains ranging in size from 2 to 24 inches in diameter and includes 5,230 service connections located within the Town's corporate boundaries, Triple Community District and certain areas beyond the Town's corporate limits. Wholesale water service is also provided to the Town of Rutherford College, Icard Water Corporation and Burke County.

Wastewater service is provided to approximately 2,230 connections with an average daily flow of 2.26 MGD. Treatment is provided by the Town's 7.5 MGD extended aeration Wastewater Treatment Plant (WWTP). The collection system consists of 101 miles of sewer mains ranging in size from 4 to 24 inches in diameter and also includes 7 sewer lift stations. Wastewater service is provided primarily to customers located within the Town's corporate boundaries. Wholesale wastewater service is also provided to the Town of Rutherford College, the Town of Drexel and Burke County.

The Town of Valdese continues with this annual capital planning and financial analysis effort to evaluate the ability of the water and sewer rates to fully recover the costs of water and sewer operations, maintenance and capital improvements.

2.2 **Purpose Statement:**

The Town of Valdese retained McGill Associates to conduct a Capital Improvements Plan Update and cost-of-service based Water and Sewer Fund Financial Analysis Update. The overall objectives of this effort are to determine:

- Capital improvements (CIP) needed to renew and replace the key water and sewer system components.
- Revenue Requirements that will meet ongoing O&M initiatives and fund the capital needs of the water and sewer utility, and
- Identify revenue adjustments and corresponding rate impacts that are necessary to fully support the utility system as an enterprise fund.

3.0**APPROACH AND METHODOLOGY**

The Town of Valdese continues to advance development and implementation of long-term water and sewer infrastructure management practices that identify and adequately address critical infrastructure needs, focusing on system reliability, operational efficiency, affordability and sustainability. This effort is built upon knowledgeable and experienced staff, supported by competent professionals that together can determine both the physical and financial needs of the utility, along with an implementation strategy and guidance that will result in continued short and long-term stability of water and sewer revenues and user rates.

McGill used the American Water Works Association (AWWA) cash-needs approach to determine the water and sewer utility's revenue requirements. This approach defines revenue requirements as the total amount of revenue that is required to cover all costs of the utility, including O&M, debt service, cash reserves, depreciation (reinvestment in the utility's infrastructure), and transfers to/from other municipal funds. Determining a utility's revenue requirements is the basis for setting rates, which includes providing adequate and sustainable funding levels for all operational costs and capital needs.

Adequacy of revenues is determined by comparing projected expenses required to fully support ongoing needs of the utility (administration, O&M, capital outlay, debt service, etc.) to revenues that are anticipated to be generated under the existing rate structure during the planning period. This comparison identifies potential revenue shortfalls. Corrective action (typically user rate adjustments) can then be applied to accurately address these potential revenue shortfalls as they are anticipated.

4.0**CAPITAL IMPROVEMENTS PLAN UPDATE**

The Capital Improvements Plan updates were developed interactively with Town Staff. This effort included an update of the CIP inventory and review of each project status and determination of new projects to be incorporated into the 10-year CIP. Priority and scheduling were determined based on regulatory compliance, safety, operational viability, obsolescence, efficiency, system growth and economic development.

This comprehensive capital needs assessment and planning effort focused on maximizing useful life through improved asset management, refining the scope of construction on several proposed projects and reviewing project priorities and scheduling. The result is an updated CIP schedule that represents a more complete understanding of the long-term needs of the utility.

Key elements of the CIP update include:

- Water/Wastewater Plant Projects:
 - FY18 to 19 CIP Decrease: Biosolids Study allows Capital Project to be deferred.
 - FY19 to 20 CIP Decrease: Reflects several Capital Projects reaching conclusion.
 - FY20 to 21 CIP Increase: Biosolids Project revised Scope, Cost and Schedule.
 - FY21 to 22 CIP Decrease: Biosolids Project revised schedule (deferred to FY31)
- Distribution/Collection System Projects:
 - FY18 to 20 CIP Increases: Additional water/sewer main work, scope and cost determined through Asset Inventory and Assessment (AIA) sewer work.
 - FY20 to 21 CIP Increase: Cline Ave. Pump Station rehab.
 - FY21 to 22 CIP Increase: Mt. Home & Ridgewood HWY 18S water loop projects added to CIP.

Table 3 – Comparison of Capital Investment Projections

10-Year CIP Projections by Fiscal Year					
Utility Function	FY18	FY19	FY20	FY21	FY22
Plant	16,496,800	8,481,520	6,573,220	8,740,550	8,628,100
Dist/Collect	5,792,156	8,834,286	10,757,150	11,947,150	12,361,150
Total	22,288,956	17,315,806	17,330,370	20,687,700	20,989,250

The detailed CIP schedule is included in the March 2021 Council Retreat Presentation Materials in the Appendix of this report.

5.0**FINANCIAL MODEL UPDATE**

McGill determined Revenue Requirements sufficient to meet ongoing expenses. Current financial information was reviewed to measure the adequacy of revenues generated from all sources compared to expenses required to sustain the entire utility system for the long-term. The 10-year financial model was updated to examine these interrelationships and determine the absolute necessity for revenue adjustments and recommended timing to help minimize rate impacts to customers.

5.1 Key Assumptions and Targets:

The model was constructed using the following general assumptions:

Revenue growth Metered Sales:	0.0%
Revenue growth all other sources:	0.0%
Expenses Salaries and Benefits growth:	3.0%
Expenses all other operations growth:	2.5%
Unrestricted Net Assets Target:	35 to 50%
Operation Ratio Target:	1.0 or Greater
Days of Working Capital	120 or Greater

5.2 Findings:*Consumption:*

Overall, water consumption declined slightly in FY20. This is most likely due to rainfall 26% above average, resulting in lower-than-normal seasonal demand for irrigation and increased industrial efficiency resulting in lower industrial demands. A marginal decline is anticipated to continue in the foreseeable future; however, more water usage is being captured by new water meters installed with the Town's Advanced Metering Infrastructure. Therefore, for the purposes of this revenue model, the metered revenue growth assumption will remain at 0.00%.

Sufficiency of Revenues:

Sufficiency of revenues above debt requirements remains very strong. Annual debt obligation is 6% for the current fiscal year and projected to remain under 10% for the remaining 9 years of the planning horizon. This falls well within an industry standard value of less than 35%, and less than the average debt service obligation (29%) of over 115 water utilities reporting to the National Association of Clean Water Agencies.

The Water Research Foundation cites capital funding through equity sources (enterprise fund cash) as a performance benchmark measuring financial viability and recommends a minimum 20% of capital funding through equity sources as prudent. The financial model projects capital

funding through equity sources to be slightly below this industry benchmark, averaging 17% through the 10- year planning period.

Unrestricted Net Assets & Days Working Capital:

One area where the Town's current standing has room for improvement is within the balance of unrestricted net assets (cash from the enterprise fund) from year to year. While balancing expenditures between debt and equity sources is important, it is also important to have enough of those equity sources to sustain the utility system in the event of a prolonged revenue loss. This is measured by the percentage of unrestricted net assets compared to the total annual expenditures. This percentage is 22% in FY21 and improves to 33% by FY23 and continues at that level through the remaining years of the planning period.

Industry benchmarks for days of working capital are set normally at 120 days or more. That means that if the utility system were to stop receiving any and all revenue, that the system would have enough liquid assets to operate for a period of 3 months. This is another metric that the Town's utility system and this revenue requirements evaluation is working to improve. In FY20, this metric fell to 72 days, but is projected to improve to above 100 days in FY21 and continue at or above this level throughout the planning period.

Rates:

Continuation of revenue increases proposed in the 2020 Capital Improvements Update and Rate Study will be necessary to fully support the ongoing O&M costs, debt service obligations and revenue-financed system renewal and replacements of the water and sewer utility over the 10-year planning horizon. New revenue averaging 4% per year is recommended to fully fund the utility through FY31.

Customer Equity:

Equity between water customer classes was examined by comparing the percentage of water consumed by each customer class to the percentage of revenue generated by each class. In 2020, industrial customers consumed 37% of the water, while producing 11% of revenue from rate charges. Conversely, residential customers consumed 30% of the water and produced 70% of the revenue.

Water customers continue to generate 70% of the Utility's overall revenues, while the sewer customers generate 30%. Expenses for water and sewer are roughly 50% each, which translates into an approximate 25% subsidy of sewer expenses by water revenues. Revenue adjustments presented in the financial model are uniformly applied to all customers and do not address this condition.

6.0**RECOMMENDATIONS***Rate Adjustments:*

Implement an overall revenue increase slightly below 4% for FY22, applying 3% to residential customers and 5% to commercial and industrial customers. Annual increases of 4.1% will be needed for the following 3 years, followed by annual increases averaging 3.7% thereafter, with annual review and adjustment(s) as necessary. The proposed Rate Summary Table, in the attached Presentation to the Town Council, provides recommended rate adjustments for the 10-year planning period along with sample water and sewer charges for typical monthly consumption for each customer class.

Unrestricted net position (assets) is a common indicator for tracking the general health of the utility fund. In the Town's 2020 Audited Financial Statement, the Enterprise Fund, which accounts for the water and sewer activities, reported a decrease in unrestricted net position in the amount of \$294,320 bringing the fiscal year-end total to \$1,265,793. This single year measurement alone cannot be taken as an indication of the Utility's overall financial condition. However, the financial model forecasts a general upward trend in this indicator throughout the 10-year planning period, signaling improvement in the Utility's overall health over time.

Customer Equity:

In 2020, industrial customers consumed 37% of the water, while producing 11% of revenue from rate charges. Conversely residential customers consumed 30% of the water and produced 70% of the revenue. The need for greater equity is apparent and the recommended rate adjustment percentages for FY22 will begin to address this condition. To continue reducing inequity, rate adjustments for industrial customers will need to remain above that of residential customers. A modest differential is anticipated for more than 5 years to reach the desired improvement in equity between those two customer classes. Establishing reasonable target equity values and timelines are recommended to ensure progress continues and targets are met.

Water revenue continues to represent approximately 70% and of the fund's overall revenue, and sewer revenue is 30%. Some consideration should be given to adjusting sewer rates more aggressively than water rates to generate a greater percentage of the sewer system's cost recovery and begin to move toward aligning sewer revenues with expenses. Higher sewer rates would typically move the Town toward better financing terms with funding agencies like NC Department of Water Infrastructure.

Customer equity will continue to be monitored and adjustments can be made to achieve greater alignment as the Town may determine over time.

Key Performance Indicators:

Consider developing financial management objectives to assist with analysis, interpretation and comparison to other utilities. Objectives can be used to set financial goals and facilitate efforts to monitor and track progress. These financial performance indicators may be in the form of formal, Council adopted financial management policies or directives, or informal administrative direction

through the Town Manager. Examples for consideration may include:

- Working Capital Reserves
- Capital Improvements Reserve Fund
- Sufficiency of Revenues Above Debt Requirements
- Credit Ratings
- Cash Financing of Capital
- Rate/Revenue Stabilization Fund
- Service Affordability

Presentation to Town Council:

McGill presented findings of the water and sewer rate review to the Town Council and responded to questions concerning approach, methodology and calculations. A copy of the pertinent presentation information is attached including tables from the financial model summarizing Capital Improvements, Financial Analysis and Proposed Rates.

APPENDIX

March 2021 Council Retreat Presentation Materials



Capital Improvements Plan Water & Sewer Rate Study

March 23, 2021



Prepared by:

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RJ Mozeley, PE
Project Manager

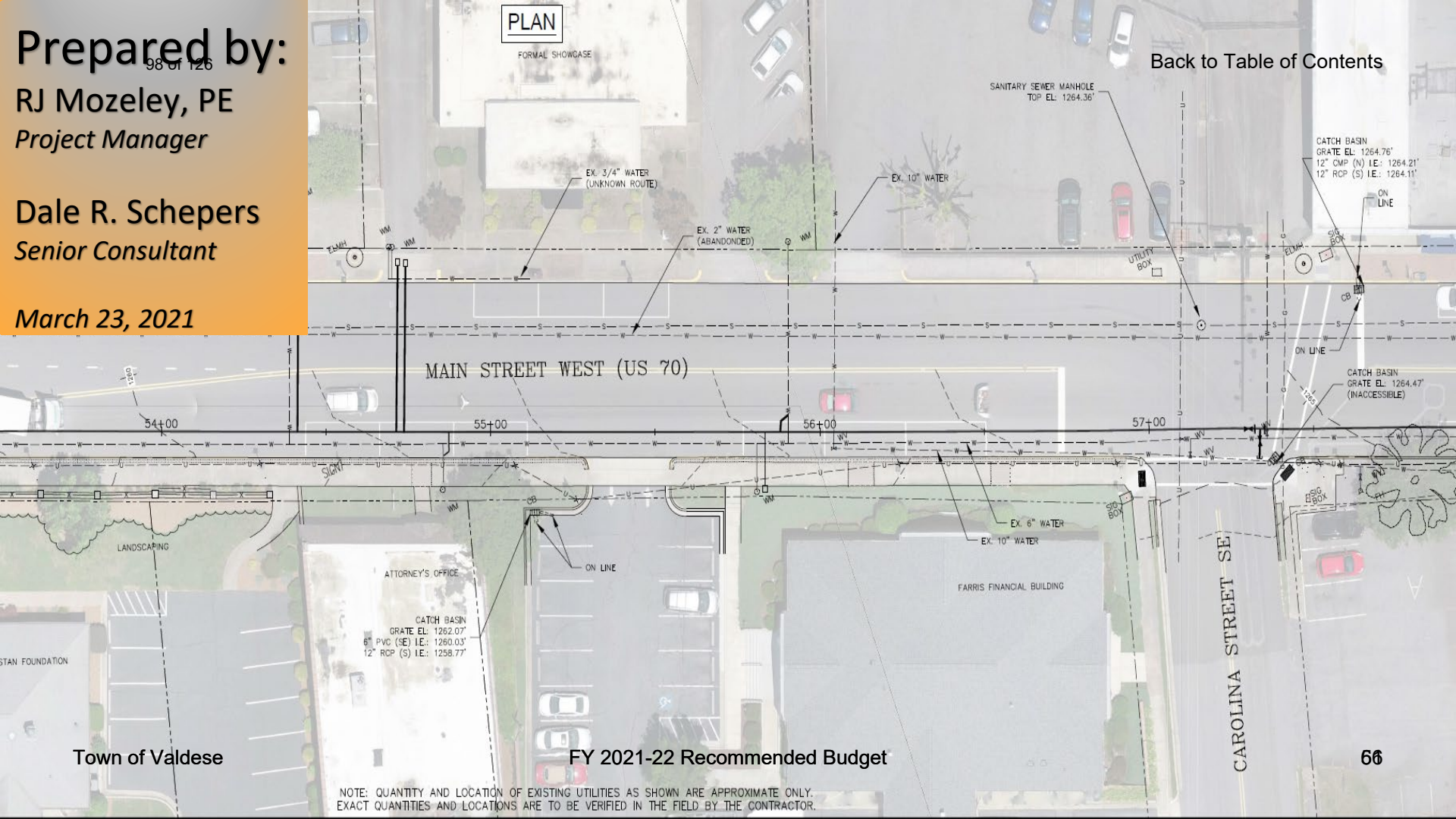
Dale R. Schepers
Senior Consultant

March 23, 2021

PLAN

FORMAL SHOWCASE

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Town of Valdese

FY 2021-22 Recommended Budget

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NOTE: QUANTITY AND LOCATION OF EXISTING UTILITIES AS SHOWN ARE APPROXIMATE ONLY.
EXACT QUANTITIES AND LOCATIONS ARE TO BE VERIFIED IN THE FIELD BY THE CONTRACTOR.

Recent Accomplishments

Triple Community District Water Line Replacements

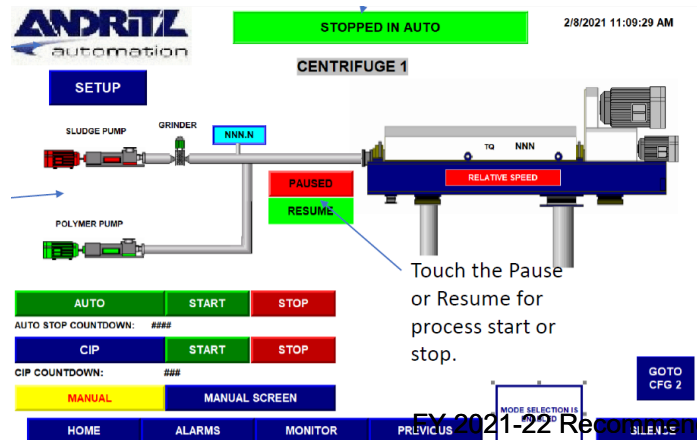
Hydraulic Model

AMI Meter Replacement Project

WWTP Centrifuge Controls Replacement



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Projects in Progress

WTP Electrical Upgrades

Raw Water PS

High Service PS

WTP Disinfection Conversion

Main Street Water Line Replacement

Water Asset Inventory & Assessment Grant

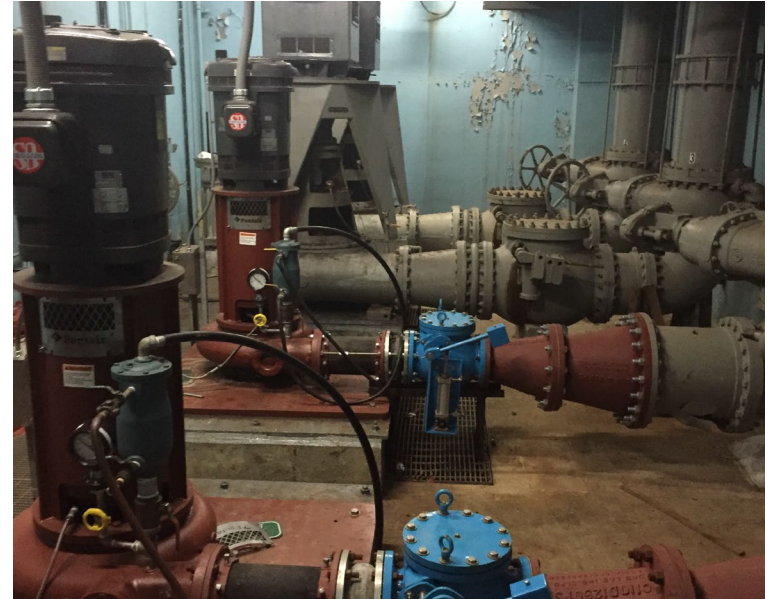


Water Treatment Plant
Motor Control Centers – High
Service Pump Replacement

Upcoming Projects



Cline Avenue Basin & Pump Station
Upgrades



Influent Pump Station Valve Replacement -
Wastewater Treatment Plant

Funding Award Summary

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

Capital Improvements Plan

2021 – 2022 Proposed CIP Table

Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

Water Distribution/Sewer Collection Division

Project Number	Project Description	Cost	Year 1 FY22	Year 2 FY23	Year 3 FY24	Year 4 FY25	Year 5 FY26	Year 6 FY27	Year 7 FY28	Year 8 FY29	Year 9 FY30	Year 10 FY31	Years 11+
Vehicles and Equipment													
1	2006 F350 Service Truck	55,000	55,000										
2	2014 Cat Mini Trackhoe	83,600		83,600									
3	2009 Pipe Hunter Jet M 35418	42,000					42,000						
4	2014 Ford F150 Meter Truck	27,000	27,000										
5	Trailer	15,000						15,000					
6	2002 4x4 Classic	28,000				28,000							
7	2011 Ford 4x4 F350	32,000			32,000								
8	1985 John Deere Backhoe	90,000		90,000									
9	2006 Chevy Dump Truck 1.5 Ton	50,000			50,000								
10	2013 F350 Service Truck	42,000						42,000					
11	2016 Ford F150 4x4	28,000					28,000						
Subtotal Vehicles and Equipment		492,600	82,000	173,600	82,000	28,000	70,000	57,000	0	0	0	0	0
Infrastructure Improvements													
12	NC 18 South Tank Project	0											2,026,800
13	Triple District Tank Inspections & Interior Cleaning (Logan St., Drexel Rd., Flat Gap.)	0	0	0				0	0	0	0		
14	Meter Replacements	105,000			15,000	15,000	15,000	15,000	15,000	15,000	15,000		
15	Renew Arc-Flash Study	5,500		2,500					3,000				
16	Harris Avenue PS Gravity Sewer Extension	1,300,000									1,300,000		
17	Holly Hills Sewer System Extension	0											3,300,000
18	Ridgewood-18S Loop	675,000			675,000								
19	Mt. Home - Hawkins Loop	1,150,000						1,150,000					
20	Eldred St. Water Line Replacement	400,000					400,000						
21	Water Main Replacement	1,750,000	0	0	300,000	0	1,100,000	100,000		250,000		0	
22	Sewer Main Rehabilitation	2,750,000	0	600,000		300,000	0	100,000	1,500,000		250,000		
Subtotal Infrastructure Improvements		8,135,500	0	602,500	990,000	315,000	1,515,000	1,365,000	1,518,000	265,000	1,565,000	0	5,326,800
	Subtotal - Water Distribution/Sewer Collection	8,628,100	82,000	776,100	1,072,000	343,000	1,585,000	1,422,000	1,518,000	265,000	1,565,000	0	5,326,800

Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

Water Treatment Division

Project Number	Project Description	Cost	Year 1 FY22	Year 2 FY23	Year 3 FY24	Year 4 FY25	Year 5 FY26	Year 6 FY27	Year 7 FY28	Year 8 FY29	Year 9 FY30	Year 10 FY31	Years 11+
1	2018 Explorer	30,000					30,000						
2	2017 Ford F-250	28,000				28,000							
3	2004 Ford F-150	27,000			27,000								
4	New 4-Wheel Drive Lawnmower	16,000					16,000						
Subtotal Vehicles and Equipment		101,000	0	0	27,000	28,000	46,000	0	0	0	0	0	0
Plant Upgrades and Improvements													
5	Roof Replacement - Main Building	55,000	55,000	0									
6	Roof Replacement - Raw Water PS	25,000		25,000									
7	Roof Replacement - Finished Water PS	20,000			20,000								
8	Replace Chemical Feed Pumps	17,550				5,800	5,850	5,900					
9	Raw Water Intake	0											8,000,000
10	Raw Water Pump Replacement	1,000,000			1,000,000								731,100
11	Replace Raw Water Control Valves	91,500			91,500								
12	Pave Raw Water PS Access Road	67,600										67,600	
13	Basin Structural Assessments	610,000	10,000		600,000								
14	Renew Arc-Flash Study	27,125		12,125					15,000				
15	SCADA Upgrades (add #2 and #3 FWP)	50,000	20,000				15,000					15,000	
16	Move #2 and #3 FWP MCC to roof (upstairs)	0		0									150,000
17	Flow Meter for #2 and #3 FWP	15,000	15,000										
18	#3 Finished Water Motor Replacement	25,000	25,000	0									
19	Filter Turbidity Meters	0		0	0								
20	Tank Maintenance	165,000	40,000	0		0			125,000				
21	Water Treatment Plant Equipment Rehab & Replacement	275,000						50,000	75,000	75,000	75,000		
Subtotal Plant Upgrades and Improvements		2,443,775	165,000	37,125	1,711,500	5,800	20,850	55,900	215,000	75,000	75,000	82,600	8,881,100
Subtotal - Water Treatment Division		2,544,775	165,000	37,125	1,738,500	33,800	66,850	55,900	215,000	75,000	75,000	82,600	8,881,100

Town of Valdese Water and Sewer Utility Fund
Capital Improvements Plan

Wastewater Treatment Division

Project Number	Project Description	Cost	Year 1 FY22	Year 2 FY23	Year 3 FY24	Year 4 FY25	Year 5 FY26	Year 6 FY27	Year 7 FY28	Year 8 FY29	Year 9 FY30	Year 10 FY31	Years 11+
1	1998 Biosolids Truck	59,700		59,700									
2	Sludge Trailer	36,900			36,900								
3	2008 Compost Loader	155,200		155,200									
4	Plant Truck	30,000					30,000						
5	Maint Vehicle 2013	35,000	35,000										
6	Lab Truck	25,000							25,000				
7	Riding Mower (2004)	20,200								10,100	10,100		10,100
Subtotal Vehicles and Equipment		362,000	35,000	214,900	36,900	0	30,000	0	25,000	10,100	10,100	0	10,100
Plant Upgrades and Improvements													
8	Seal Replacement for Influent Pumps 1&2	13,000	6,000						7,000				18,300
9	Seal Replacement for Influent Pumps 3&4	15,000					15,000						6,000
10	Seal Replacement for Secondary Waste Pumps	9,300	9,300										
11	Seal Replacement for Sludge Recycle Pumps	10,100				10,100							
12	Centrifuge #2 Overhaul	50,000			50,000								
13	Centrifuge #1 Overhaul	50,000				50,000							
14	Roof SO2 Building	12,100		12,100									
15	Admin Building Roof	40,000					40,000						30,000
16	Dewatering Building Roof	60,000								60,000			35,000
17	Sludge Recycle PS Building Roof	30,000							30,000				
18	Influent PS Building Roof	0											20,000
19	Sludge Grinder #1	0											19,100
20	Sludge Grinder #2	0											18,000
21	Aeration Basin	1,174,500						1,174,500					
22	Spare Pump Cline Street	5,000			5,000								
23	Cline Street PS Modifications	1,200,000			1,200,000								
24	Spare Pump Morgan Trace	10,000	5,000			5,000							
25	Spare Pump High Meadows	10,000	5,000			5,000							
26	Spare Pump John Berry	0											82,500
27	Spare Pump Seitz	0											42,000
28	Primary Clarifier #2 Drive & Bridge Replacement	85,000	85,000										
29	Secondary Clarifier #2 Painting	6,000							6,000				
30	Recycle Valve to Aeration Basin	40,000	40,000										
31	Thickener Blower #1	6,100			6,100								
32	Thickener Blower #2	6,500					6,500						
33	SCADA	30,000					12,000					18,000	
34	Renew Arc-Flash Study	22,875		10,875					12,000				
35	Dewatering Building Drainage System	20,000		20,000									
36	6" Compound Flow Meter	0											60,000
37	Biosolids Drying Equipment	5,873,000										5,873,000	
38	Conversion to Ultraviolet Disinfection	0											937,000
39	Concrete Work at Compost Pad	53,400	15,000		25,000				13,400				
40	#3 & #4 Influent Valves & Check Valves	143,500	70,000	73,500									
41	Wastewater Treatment Plant Equipment Rehab & Replacement	275,000						50,000	75,000	75,000	75,000		
42	Chlorine Meter	4,000	4,000										
43	Recycle Pump / Motor / VFD Replace	200,000		200,000									
Subtotal Plant Upgrades and Improvements		9,454,375	239,300	316,475	1,286,100	70,100	73,500	1,224,500	143,400	135,000	75,000	5,891,000	1,267,900
Subtotal - Wastewater Treatment Division		9,816,375	274,300	531,375	1,323,000	70,100	103,500	1,224,500	168,400	145,100	85,100	5,891,000	1,267,900

Capital Improvements Plan Total 20,989,250 521,300 1,344,600 4,133,500 446,900 1,755,350 2,702,400 1,901,400 485,100 1,725,100 5,973,600 15,475,800

Financial Analysis

2021 – 2022 Proposed Revenue Requirements Table

10-Year Planning Period

Combined Water and Sewer Revenue Requirements Output: Data Table

Description	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31
Cash Financed CIP	131,000	404,000	83,000	346,000	447,000	255,000	378,000	401,000	485,000	425,000	101,000
Projected Debt Service	-	-	71,070	234,144	234,144	358,887	507,997	604,217	604,217	691,598	1,086,356
Existing Debt Service	387,000	385,000	385,000	384,000	451,000	456,000	425,000	423,000	386,000	385,000	384,000
Operating Expenses	4,567,000	4,465,000	4,548,000	4,656,000	4,704,000	4,809,000	4,900,000	4,976,000	5,047,000	5,154,000	5,301,000
Operating Revenue Existing Rates	5,039,000	5,309,000	5,049,000	5,049,000	5,049,000	5,049,000	5,049,000	5,049,000	5,049,000	5,049,000	5,049,000
New Revenue (Cumulative amount)		183,000	389,000	594,000	800,000	993,000	1,180,000	1,365,000	1,550,000	1,732,000	1,915,000
Projected Revenue	5,039,000	5,492,000	5,438,000	5,643,000	5,849,000	6,042,000	6,229,000	6,414,000	6,599,000	6,781,000	6,964,000

Percent Increase Applied

Revenue Adjustment Percentage	3.4%	4.1%	4.1%	4.1%	3.8%	3.7%	3.7%	3.7%	3.6%	3.6%
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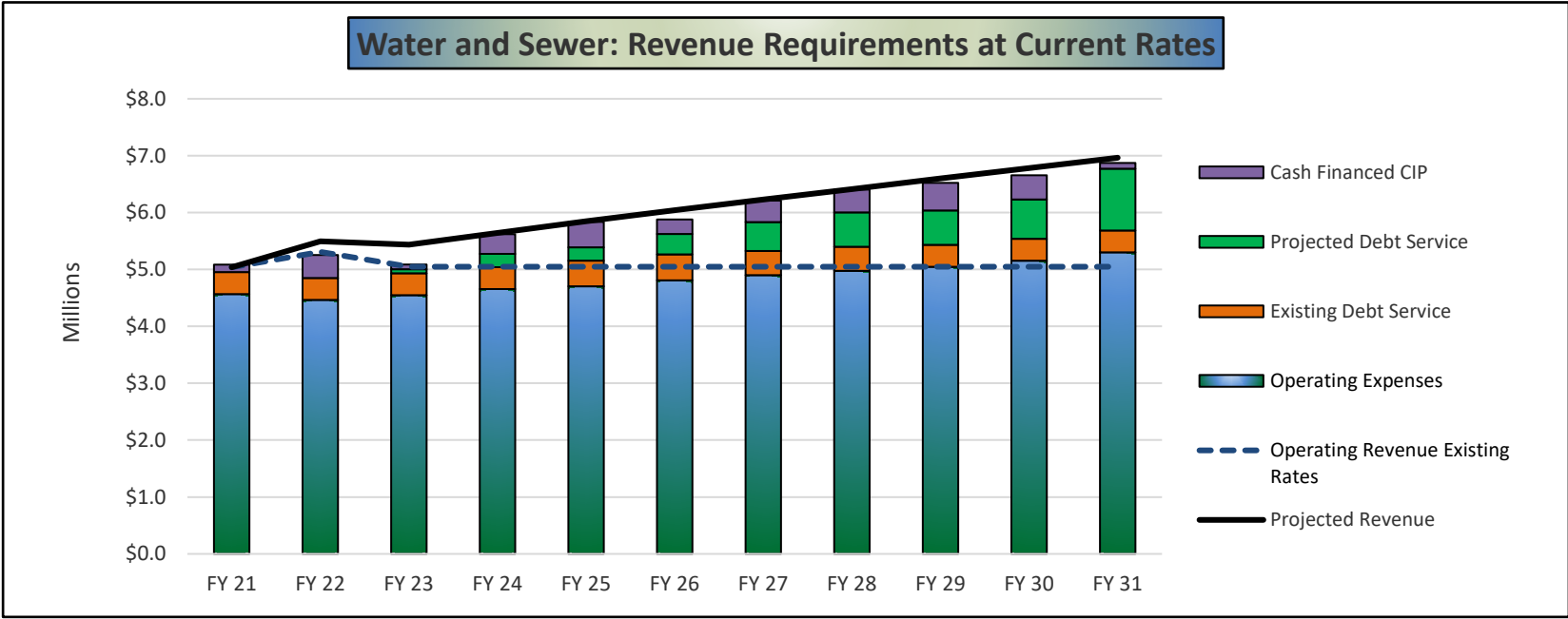
Outcomes and Effect on Customer Bill

Description	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31
Expenses to Cover	5,085,000	5,254,000	5,087,070	5,620,144	5,836,144	5,878,887	6,210,997	6,404,217	6,522,217	6,655,598	6,872,356
Difference / (Shortage)		238,000	350,930	22,856	12,856	163,113	18,003	9,783	76,783	125,402	91,644
Combined Residential Bill 3,000 gal	\$ 41.40	\$ 42.75	\$ 44.20	\$ 45.65	\$ 47.15	\$ 48.70	\$ 50.30	\$ 51.95	\$ 53.65	\$ 55.45	\$ 57.25
Monthly Combined Residential Bill Change		\$ 1.35	\$ 1.45	\$ 1.45	\$ 1.50	\$ 1.55	\$ 1.60	\$ 1.65	\$ 1.70	\$ 1.80	\$ 1.80

Financial Indicator

Fund Balance Tracker	1,100,000	1,338,000	1,688,930	1,711,787	1,724,643	1,887,756	1,905,759	1,915,542	1,992,325	2,117,727	2,209,371
Fund Balance / Expenses to Cover	22%	25%	33%	30%	30%	32%	31%	30%	31%	32%	32%
Cumulative Increase (decrease)		238,000	588,930	611,787	624,643	787,756	805,759	815,542	892,325	1,017,727	1,109,371

Revenue Requirements Output: Summary Chart



Water Utility Capital Investment

Description	Total CIP	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31
Water Plant	2,545,000	165,000	37,125	1,738,500	33,800	66,850	55,900	215,000	75,000	75,000	82,600
Wastewater Plant	9,816,000	274,300	531,375	1,323,000	70,100	103,500	1,224,500	168,400	145,100	85,100	5,891,000
Water&Sewer Mains/System	8,628,000	82,000	776,100	1,072,000	343,000	1,585,000	1,422,000	1,518,000	265,000	1,565,000	-
Total Water&Sewer System CIP	20,989,000	521,300	1,344,600	4,133,500	446,900	1,755,350	2,702,400	1,901,400	485,100	1,725,100	5,973,600

2022FY Rate Recommendations

Water

- 3% Residential
- 8% Commercial & Industrial (5% discussed by Council after feedback from industrial customers)
- 4% Wholesale

Sewer

- 4% All Classes

Percentage Increase	Monthly Residential Increase (3,000 gal)	Resulting 2021 Enterprise Fund Revenue
3%	\$1.35 FY 2021-22 Recommended Budget	\$206,000

Other Financial Benchmarks

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

Recap / Conclusions

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

Town of Valdese

Water and Sewer Utility Fund

Current and Proposed Water Rates

Customer Class	Current Rate	Projected				
	FY21	FY22	FY23	FY24	FY25	FY26
Inside Water Residential						
Minimum 3,000 gallons	34.15	35.20	36.30	37.40	38.55	39.75
Volume Charge (per 1,000 gal); 3,001+ gallons	3.40	3.55	3.70	3.85	4.00	4.15
Outside Water Residential						
Minimum 3,000 gallons	53.20	54.80	56.45	58.15	59.90	61.70
Volume Charge (per 1,000 gal); 3,001+ gallons	6.30	6.50	6.20	6.35	6.50	6.65
Inside Water Commercial						
Minimum 3,000 gallons	34.45	36.20	39.10	42.25	45.65	48.85
Volume Charge (per 1,000 gal); 3,001+ gallons	3.45	3.65	3.95	4.30	4.65	5.00
Outside Water Commercial						
Minimum 3,000 gallons	68.95	72.40	78.20	84.50	91.30	97.70
Volume Charge (per 1,000 gal); 3,001+ gallons	6.75	7.10	7.70	8.35	9.05	9.70
Inside Water Industrial						
Minimum 3,000 gallons	13.40	14.10	15.25	16.50	17.85	18.95
Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	2.55	2.70	2.95	3.20	3.50	3.75
Volume Charge (per 1,000 gal); 3,000,000+ gal	1.25	1.35	1.50	1.65	1.80	1.95
Outside Water Industrial						
Minimum 3,000 gallons	26.70	28.05	30.30	32.75	35.40	37.55
Volume Charge (per 1,000 gal); 3,001 - 300,000 gallons	5.10	5.40	5.85	6.35	6.90	7.35
Volume Charge (per 1,000 gal); 300,000+ gal	2.35	2.50	2.70	2.95	3.20	3.40
Burke County & Rutherford College						
Volume Charge (per 1,000 gal); 3,001+ gallons	3.85	4.05	4.25	4.45	4.65	4.85
Icard						
Minimum 10,000,000 gal	10,600.00	10,700.00	10,800.00	10,900.00	11,000.00	11,100.00
Volume Charge (per 1,000 gal) 10,000,000+ gal	1.36	volume charge not to exceed current Hickory Rate				

Town of Valdese

Water and Sewer Utility Fund

Current and Proposed Sewer Rates

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

Town of Valdese
Water and Sewer Utility Fund

Current and Proposed Combined Water and Sewer Rates

Customer Class	Current Rate	Projected				
	FY21	FY22	FY23	FY24	FY25	FY26
Inside Combined Residential						
Minimum 3,000 gallons	41.40	42.75	44.20	45.65	47.15	48.70
Volume Charge (per 1,000 gal); 3,001+ gallons	5.85	6.10	6.40	6.70	7.00	7.30
Outside Combined Residential						
Minimum 3,000 gallons	66.75	68.90	71.15	73.45	75.85	78.30
Volume Charge (per 1,000 gal); 3,001+ gallons	10.90	11.30	11.20	11.55	11.95	12.35
Inside Combined Commercial						
Minimum 3,000 gallons	42.10	44.20	47.45	50.95	54.70	58.30
Volume Charge (per 1,000 gal); 3,001+ gallons	6.05	6.40	6.85	7.35	7.85	8.35
Outside Combined Commercial						
Minimum 3,000 gallons	84.15	88.25	94.70	101.70	109.20	116.35
Volume Charge (per 1,000 gal); 3,001+ gallons	11.90	12.50	13.35	14.25	15.20	16.10
Inside Combined Industrial						
Water Minimum 3,000 Gallons, Sewer Minimum 0 gallons	20.75	21.75	23.25	24.85	26.55	28.00
Water Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	2.55	2.70	2.95	3.20	3.50	3.75
Water Volume Charge (per 1,000 gal); 3,000,000+ gallons	1.25	1.35	1.50	1.65	1.80	1.95
Sewer Volume Charge (per 1,000 gal)	2.45	2.55	2.70	2.85	3.00	3.15
Outside Combined Industrial						
Water Minimum 3,000 Gallons, Sewer Minimum 0 gallons	41.30	43.25	46.15	49.25	52.60	55.45
Water Volume Charge (per 1,000 gal); 3,001 - 3,000,000 gallons	5.10	5.40	5.85	6.35	6.90	7.35
Water Volume Charge (per 1,000 gal); 3,000,000+ gallons	2.35	2.50	2.70	2.95	3.20	3.40
Sewer Volume Charge (per 1,000 gal)	4.90	5.10	5.35	5.60	5.85	6.10
Burke County						
Water Volume Charge (per 1,000 gal); 3,001+ gallons	3.85	4.05	4.25	4.45	4.65	4.85
Sewer Volume Charge (per 1,000 gal)	2.70	2.85	3.00	3.15	3.30	3.45
Rutherford College						
Water Volume Charge (per 1,000 gal); 3,001+ gallons	3.85	4.05	4.25	4.45	4.65	4.85
Sewer Volume Charge (per 1,000 gal)	2.70	2.85	3.00	3.15	3.30	3.45
Icard						
Minimum 10,000,000 gal	10,600.00	10,700.00	10,800.00	10,900.00	11,000.00	11,100.00
Volume Charge (per 1,000 gal) 10,000,000+ gal	1.36	volume charge not to exceed current Hickory Rate				
Drexel						
Sewer Volume Charge (per 1,000 gal)	2.70	2.85	3.00	3.15	3.30	3.45

COUNCIL AGENDA MEMO

To: Town Clerk
From: Greg Padgett, Public Services Director
Date: June 7, 2021
Re: Industrial Arts Building

REQUEST

Accept bid to tear down Industrial Arts Building

BACKGROUND

The Town has long weighed options to restore, tear down or leave the IA Building as is. Per discussions over time and specifically at the budget retreat. Staff has been tasked with seeking bids to tear down the IA Building. Staff has requested quotes from five different companies to perform the required task, which will include backfilling the property with dirt creating a slope from the football field side down to the parking lot. This area will be sewn in the grass as well, leaving an aesthetically pleasing site.

RECOMMENDATION

Staff recommends awarding bid to _____ at a cost of \$_____.

BUDGET ANALYSIS:***Budgetary Action***

Is a Budget Amendment required?

Yes

☒

No

☐

Memorandum

TO: Valdese Town Council

FROM: Larry Johnson, Planning Director
Teresa E. Kinney, CZO- WPCOG Community and Regional Planner

DATE: June 2, 2021

SUBJECT: Conditional Use Permit #1-4-2021
In M-1 Manufacturing District

APPLICANT:

Carolina Residential Services, Inc.

PROPERTY OWNER:

Marjorie V. Rist and Jules C. Rist

REQUEST:

On April 7, 2021, the applicant requested a Conditional Use Permit to allow a Psychosocial Rehabilitation (PSR) Service to operate in the M-1 Manufacturing Zoning District. The applicant currently has an option to purchase if CUP is approved.

Background: Psychosocial Rehabilitation (PSR) service is designed to help adults with psychiatric disabilities to increase to their functioning so that they can be successful and satisfied in the environments of their choice with the least amount of ongoing professional intervention. According to the applicant, PSR focuses on skill and resource development related to life in the community and increasing the participant's ability to live as independently as possible, manage their illness and their lives with as little professional intervention as possible, and participate in community opportunities related to functional, social, educational and vocational goals.

The facility normally operates Monday-Friday between the hours of 8 am - 4 pm. Clients are supervised at all times at a 1:8 staff to client ratio. There are 30-35 clients on the roster at the current location; however, normally there will be 30 in attendance at any given time. Currently, Carolina Residential Services employs a staff of four (4).

Plans were to possibly utilize the house as a transitional residence for clients in need of a place to reside on a short-term basis. **Since the submittal of this application, Residential Care Services has withdrawn the proposed use of the house as transitional housing.**

LOCATION:

The parcel address is 813, 815 and 817 Kathy Drive NE, Valdese. The parcel is currently owned by Marjorie V. and Jules C. Rist.

LAND USE AND ZONING:

Consisting of 1.42 acres, the property contains three buildings, two of which are vacant and were used in a hosiery mill operation and one of which is a house. There is one tenant who occupies the residential structure on the property.

The parcel is zoned M-1 Manufacturing. The M-1 manufacturing District is intended to establish and preserve the area for industrial and related uses of such a nature that they do not create serious problems of compatibility with other kinds of commercial uses that are most appropriately located as neighbors of industrial uses or that are necessary to service the immediate needs of people in these areas.

SURROUNDING ZONING:

North: M-1 Manufacturing

South: R-2 Residential (Burke County/Rutherford College)

East: R-15 Residential (Rutherford College)

West: R-8 Residential

SURROUNDING LAND USES:

Adjacent properties are developed and are a mixture of site-built and manufactured homes located in WS-IV Critical Area.

TRANSPORTATION:

Egress and Ingress to the property is by way of Kathy Drive NE connecting to Lovelady Road Roundabout and Kathy Drive Extension NE. Kathy Drive is identified as a local residential street. Due to the nature of existing development and the number of structures, a traffic count was not conducted.

UTILITIES:

The Town of Valdese has the capacity and will provide water and sewer services. This area is being served with a 6-inch water line and an 8-inch sewer line. Additionally, Valdese Public Works Department will not be responsible for any garbage pick-up because of the nonresidential use of the property.

LAND USE PLAN:

The Valdese Vision – A Land Use Action Plan for the Future identifies the future use of this property as Industrial.

CONDITIONAL USE REQUEST HISTORY:

There is no conditional use history on the parcels.

APPLICABLE CODE SECTIONS:

Section 9-3058 Manufacturing Zoning District (M-1)

- 1) Intent: This district is intended to establish and preserve areas for industrial and related uses of such a nature that they do not create serious problems of compatibility with other kinds of commercial uses which are most appropriately located as neighbors of industrial uses or which are necessary to service the immediate needs of people in these areas...

Uses Permitted by Right:

- (1) Automotive Body Repair
- (2) Automotive Repair
- (3) Automotive Service Station
- (4) Essential Services - Class 1
- (5) Essential Services - Class 2
- (6) Essential Services - Class 3
- (7) Industrial/commercial trade school
- (8) Precision instrument manufacturing
- (9) Recycling Center
- (10) Recycling Collection Points
- (11) Recycling Plant
- (12) Secondary Schools
- (13) The manufacturing, processing, fabricating, and/or wholesaling of the following products: bedding, carpets, and pillows; clothing, including hosiery; electric and electronic products; foods and food products, not including slaughterhouses; glass; household appliances; ice; leather goods, not including the processing or storage of rawhides; machine tools; metals and metal products; paints; paper products, not including the manufacturing or processing of paper; plastics; rubber products, not including the manufacturing or processing of rubber; textiles; wood and wood products, furniture, milk distribution (non-bottling) facilities.
- (14) Truck Terminal
- (15) Upholstery shops
- (16) Veterinary Hospital or Clinic
- (17) Wholesale and warehousing establishments, but excluding the storage of hazardous or offensive materials such as uncured hides, explosives, and nuclear waste products
- (18) Large Breweries
- (19) Winery

Psychosocial Rehabilitation Service (PSR) is not listed as a use permitted by right. However, uses permitted with a Conditional Use Permit include:

- (1) Agriculture Uses
- (2) Any lawful retail, **service**, repair, or wholesale use *not specifically referred to in this section, provided no use shall be dangerous or detrimental to the health, safety, welfare, or general character of this zone or the Town of Valdese*
- (3) Automotive wrecking yards and scrap metal dealers, provided the premises are enclosed by a buffer
- (4) **Business Office type**
- (5) Essential Services 3
- (6) Flea markets
- (7) Landfill
- (8) Lumberyards
- (9) Mobile/manufactured home sales lots
- (10) Marinas
- (11) Mixing plants for concrete or paving materials
- (12) Stone crushing, cutting, and polishing
- (13) Planned Unit Development – Business
- (14) The manufacturing, processing, fabricating, and/or wholesaling of the following products: animal feeds; building materials; gasoline, oil, or fuel storage; pottery, porcelain, and vitreous china; soap, detergent, and washing compounds.
- (15) Tobacco processing and storage

Section 9-3074 Schedule of Parking Spaces

Off-street parking spaces shall be provided and permanently maintained by the owners and occupants of the following types of property uses as follows:

<u>Use Classification</u>	<u>Parking Space Requirement</u>
Residential	2 spaces for each dwelling unit
Commercial	1 space for every 500 square feet of gross floor area
Industrial	1 space for every 500 square feet of gross floor area
Office	1 space for every 500 square feet of gross floor area
Warehouse	1 space for every 4,000 square feet of gross floor area

The building to be used for the (PSR) contains approximately 5,000 square feet of gross floor area. A minimum of 10 parking spaces shall be provided. **The applicant shall comply.**

Section 9-3076 Parking Lot Design Requirements

Off-street parking areas should be designed to create a safe and comfortable passage for pedestrians. All off-street parking lots, including exits, entrances, drives, and parking areas shall:

- (1) Be designed to allow for traffic movement in accordance with generally accepted geometric design principles
- (2) Have physical access to a public street
- (3) Be so designed that storm water runoff from the parking area does not create erosion, flooding, or other nuisance condition or hazard, on the parking area property or on adjoining properties or roadways. Wherever practicable, a runoff shall be directed into existing storm water conveyances, such as ditches, curbs, and storm sewers. In no case shall runoff be directed onto adjoining properties in locations that previously did not receive runoff.
- (4) **Off-street parking areas, loading, egress and ingress, and maneuvering space shall be paved with asphalt or concrete.** Any parking area not paved at the time of adoption of this ordinance shall be allowed to continue as such until an expansion of the building or parking area occurs. At such time, the parking area must be paved and meet current landscaping requirements
- (5) **Be maintained as long as the use, which it serves exists. Each parking space shall be marked and maintained.**
- (6) Unless otherwise required by these regulations, all off-street parking with more than 10 automotive vehicles that adjoins any plot zoned or used for single-family residential purposes, shall be screened with landscaped devices in accordance with 9-3077.5 to protect residences from light, glare, noise, and fumes.
Applicant Shall Comply.

Section 9-3147 Conditional Uses

The Valdese Town Council shall grant in particular cases and subject to appropriate conditions and safeguards, permits for conditional uses as authorized by this Valdese Zoning Ordinance and set forth as Conditional Uses under various use districts.

If the Town Council finds that in the particular case in question, the use for which the Conditional Use Permit is sought will not adversely affect the health, or safety of persons residing or working in the neighborhood of the proposed use, and will not be detrimental to the public welfare or injurious to property or public improvements in the neighborhood, Town Council may grant such a permit and may designate such conditions in connection therewith as will, in its opinion, assure that the proposed use will conform to the requirements and spirit of this Ordinance.

If at any time after a conditional use permit has been issued the Town Council finds that the conditions imposed and agreements made have not been or are not being fulfilled by the holder of a conditional use permit, the permit shall be terminated, and the operation of such use discontinued. If a conditional use permit is terminated for any reason, it may be reinstated only after a public hearing is held.

**POSSIBLE FINDINGS AS RELATED TO THE GENERAL STANDARDS FOUND
IN SECTION 9-3147**

- 1) The use will not adversely affect the health, or safety of persons residing or working in the neighborhood of the proposed use.
 - The applicant will be operating as an adult rehabilitation service as allowed as a conditional use under the M-1 Manufacturing District. The service includes teaching clients with mental illness elements of independent living. Typical hours of operation will be Monday-Friday 8 am-4 pm. Staffing will always be on-site when there are clients present. The proposed facility will be operating as a service to a specific population and will operate as not to disturb properties in the surrounding area.
 - PSR's require certification to operate from the Division of Health Services Regulation (facility license).
 - All services will be conducted indoors, except for scheduled field trips.
- 2) The use will not be detrimental to the public welfare or injurious to property or public improvements in the neighborhood.
 - The proposed development will renovate and improve a current under-utilized and mostly vacant property.
- 3) The use, which is listed as a conditional use in the district in which it is proposed to be located, will need to comply with all required zoning standards.
 - The applicant is operating a **Service** as defined in the zoning ordinance with relevant conditions applied to ensure the overall use does not have negative impacts on the surrounding properties and community.

REVIEW/DISCUSSION:

The Valdese Town Council is required to make findings based upon substantial evidence presented at the hearing. The Town Council may refer to staff's report to aid in its deliberations. It is the responsibility of the applicant to present such evidence in the form of testimony, exhibits, documents, models, plans, and the like that applicant desires to present in support of the application for a conditional use permit.

1. On April 7, 2021, Carolina Residential Services, Inc. submitted an application for a Condition Use Permit for Psychosocial Rehabilitation Services in the M-1 manufacturing District.
2. The subject property is a 1.42-acre tract of land located along Kathy Drive NE, further identified as parcel identification number 2744517324.
3. The Valdese Town Council has heard sworn testimony by the applicant, staff and other interested persons.
4. The proposed use is not listed in the Uses Permitted by Right; however, a Conditional Use Permit may be granted for any lawful "service" not specifically referred to in the M-1 use section, provided the use is not dangerous or detrimental to the health, safety, welfare, or general character of the M-1 Zoning District or the Town of Valdese.
5. Parking spaces must be provided and paved. The number of spaces is based upon the gross floor area of the building(s) used. The current projection is that a minimum of 10 spaces shall be provided.
6. A traffic count was not conducted.
7. The applicant must meet or agree to meet the specific standards.
8. The Valdese Planning Board is recommending approval with the following condition:
 - a. Planning Board approved transitional housing contingent upon staff being present at all times during all operations. Since the Planning Board meeting, Carolina Residential Services has removed the transitional housing component of the PSR service from it's application. Therefore, the Planning Board's condition of approval for transitional housing no longer applies.
9. Adjacent property owners were notified by mail and the property was posted along Kathy Drive NE and Kathy Drive Extension NE. (Note: a first-class letter was sent to all adjoining property owners identifying the

date of the public hearing. This mailing was certified by the Valdese Town Clerk.

10. Notice of public hearing by Town Council duly advertised.

11. If Town Council determines that the request meets the general standards for a Conditional Use Permit under Section 9-3147.4, the request should be approved.

Possible Conditions to Consider

1. Standard hours of operation shall not extend beyond Monday through Friday 8 am - 4 pm.
2. Staff shall be present at all times during hours of operation.
3. The applicant shall provide appropriate security protocols and notify the Valdese Police Department of security issues and suspicions of any threats to clients, staff, or the community.
4. Valdese Public Works Department shall not be responsible for any garbage pick-up.
5. The applicant shall comply with all parking requirements including the requirements outlined in Section 9-3074 and the requirements outlined in Section 9-3076.
6. All services will be conducted indoors, except for scheduled field trips

PLANNING BOARD RECOMMENDATION:

The Planning Board reviewed the Conditional Use Permit Application on Monday, May 17, 2021, and recommended approval of the application with a condition for transitional residential housing. Planning Board approved transitional housing contingent upon staff being present at all times during all operations. Since the Planning Board meeting, Carolina Residential Services has removed the transitional housing component of the PSR service from its application. Therefore, the Planning Board's condition of approval for transitional housing no longer applies.

Morganton News Herald

Advertising Affidavit

Account Number

3154179

PO Box 968
Hickory, NC 28603

Date

May 27, 2021

TOWN OF VALDESE
ATTN: CHERYL DAYE
PO BOX 339
VALDESE, NC 28690

Date	Category	Description	Ad Number	Ad Size
05/27/2021	Legal Notices	NOTICE OF PUBLIC HEARINGS ON CONDITIONAL USE PE	0000719264	2 x 27 L

**Publisher of
Morganton News Herald
Burke County**

Before the undersigned, a Notary Public duly commissioned, qualified, and authorized by law to administer oaths, personally appeared the Publisher's Representative who by being duly sworn deposes and says: that he/she is authorized to make this affidavit and sworn statement; that the notice or other legal advertisement, a copy of which is attached hereto, was published in the News Herald on the following dates:

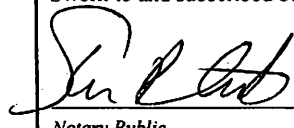
05/19, 05/27/2021

and that the said newspaper in which such notice, paper document, or legal advertisement was published, was at the time of each and every such publication, a newspaper meeting all the requirements and qualifications of Section 1-597 of the General Statutes of North Carolina.


Billing Representative

Newspaper reference: 0000719264

Sworn to and subscribed before me, this 27th day of May, 2021.


Notary Public

Sharon R Carsten
NOTARY PUBLIC

State of Virginia

County of Hanover

My commission expires: _____

Commonwealth of Virginia

Notary Registration Number 329549
Commission Expires July 31 2021

NOTICE OF PUBLIC HEARINGS ON
CONDITIONAL USE PERMIT APPLICATION
#1-4-21

Notice is hereby given that a public hearing will be held at a meeting of the Valdese Town Council in the Council Chambers of the Valdese Town Hall, at 102 Massel Avenue SW, June 7, 2021, at 6:00 o'clock p.m., upon the question of Conditional Use Permit application #1-4-21. The application is for an Adult Rehabilitation Facility located at 813 and 815 KATHY DRIVE NE, in the M-1 Manufacturing District.

At the hearing, all interested persons may be heard and voice any objections to the Conditional Use Permit. A copy of the application will be on file in the Planning Department at Valdese Town Hall for the inspection of all interested citizens, until the time of the public hearing. For information regarding the above listed items, contact the Planning Department at (828) 879-2124.

Interested parties are invited to 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 prior to the scheduled meeting time.

PUBLISH: Wednesday May 19th and Thursday May 27th, 2021.