



Fiscal Year 2021-2022 Recommended BUDGET

Prepared for Valdese Town Council

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TOWN OF VALDESE

NORTH CAROLINA'S FRIENDLY TOWN

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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)

	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
<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	-
Expense	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)
Revenue	635,200	405,000	554,000	1,105,000	166,000	230,000	549,000	891,000	989,000	182,000
Fund Balance Net Effect	(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

	<u>AQUATICS or FITNESS CENTER</u>		<u>AQUATICS and FITNESS CENTER</u>	
	<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

	<u>AQUATICS or FITNESS CENTER</u>		<u>AQUATICS and FITNESS CENTER</u>	
	<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

<p>Town of Valdese: Fiscal Year 2021-2022 Schedule of Fees</p> <p>PUBLIC WORKS</p>
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CEMETERY PLOTSEach

Inside Valdese Town Limit	\$400
Outside Valdese Town Limit	\$1,000
Deed Transfer	\$25

SOLID WASTEMonthly

Residential Trash	\$10.00
Residential Recycling	\$2.30
Small User Fee (small businesses)	\$13.30

<p>Town of Valdese: Fiscal Year 2021-2022 Schedule of Fees</p> <p>PLANNING</p>
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	<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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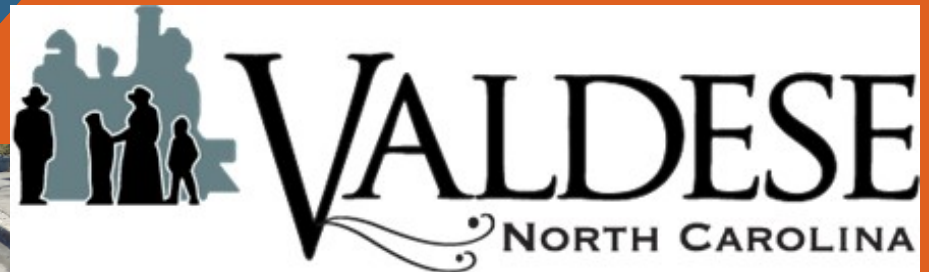
Sewer line located on same side of road

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

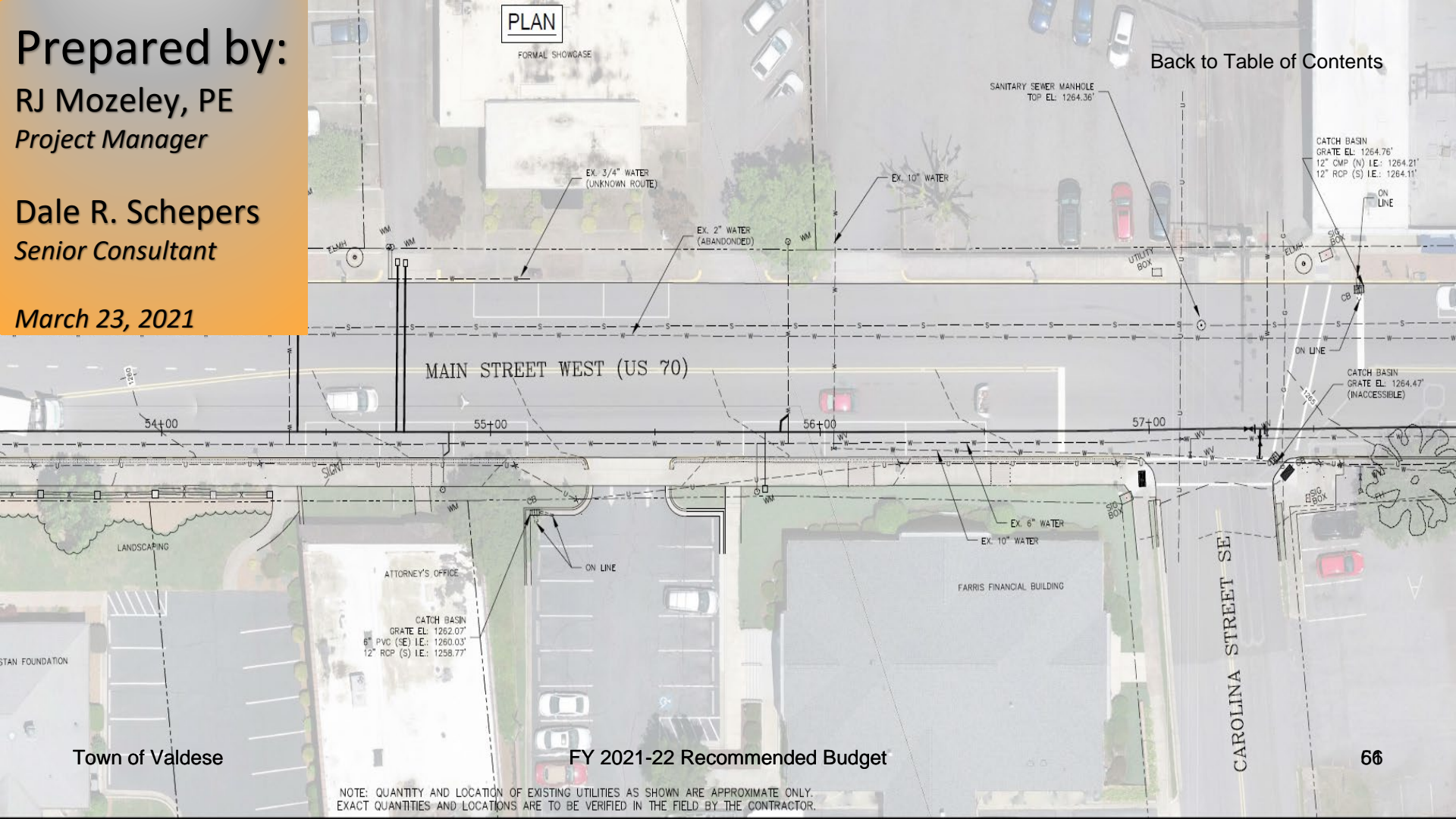


Prepared by:

RJ Mozeley, PE
Project Manager

Dale R. Schepers
Senior Consultant

March 23, 2021



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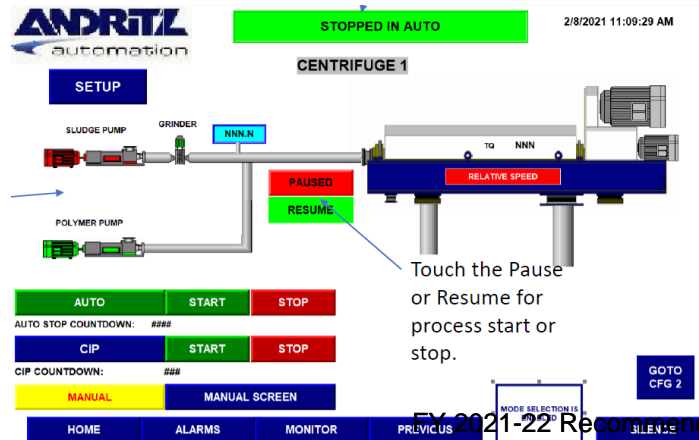
Recent Accomplishments

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



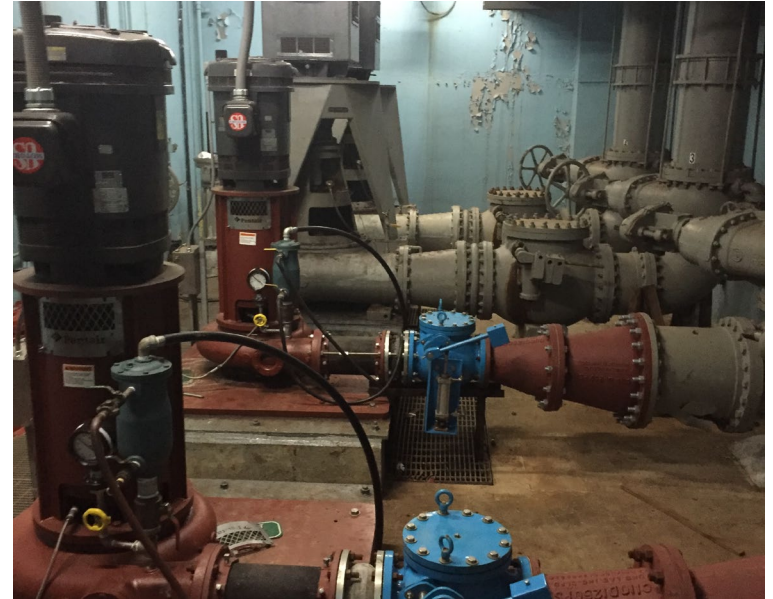
Water Treatment Plant
Motor Control Centers – High
Service Pump Replacement

Upcoming Projects

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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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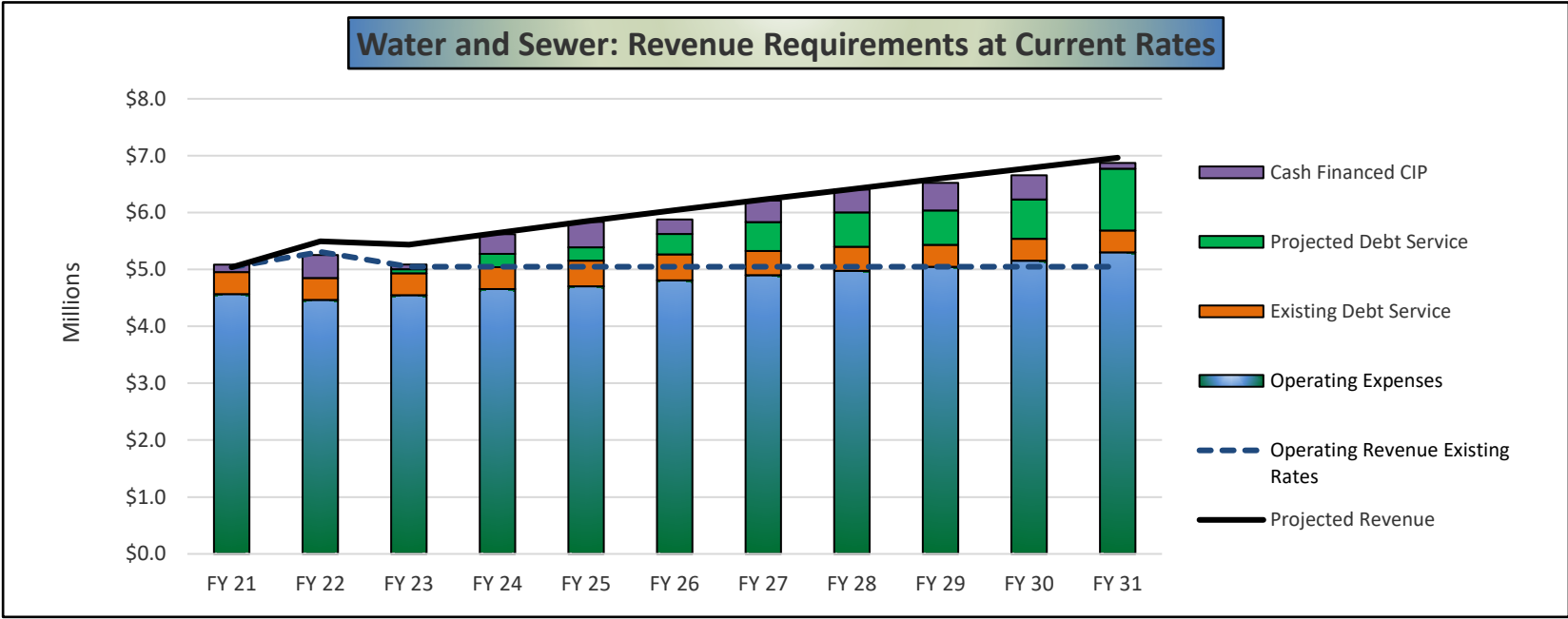
Outcomes and Effect on Customer Bill

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
<b style="color: #008000;">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
<b style="color: #008000;">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
<b style="color: #008000;">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
<b style="color: #008000;">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
<b style="color: #008000;">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
<b style="color: #008000;">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
<b style="color: #008000;">Burke County						
Volume Charge (per 1,000 gal)	2.70	2.85	3.00	3.15	3.30	3.45
<b style="color: #008000;">Drexel						
Volume Charge (per 1,000 gal)	2.70	2.85	3.00	3.15	3.30	3.45
<b style="color: #008000;">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