

**TOWN OF VALDESE  
ANNUAL COUNCIL/DEPARTMENT HEAD BUDGET RETREAT  
MARCH 19, 2012**

The Valdese Town Council met on Monday, March 19, 2012, for its Annual Budget Retreat, 3:00 p.m., Valdese Town Hall, Community Room. The following members were present: Mayor James Hatley, Councilman Keith Ogle, Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, Councilman Gary Delp, and Councilman Chip Black. Also present: Town Manager Jeff Morse, Finance Director Jerry LaMaster, Deputy Town Clerk Thelda B. Rhoney, and all Department Heads.

Absent: None

A quorum was present. No action was taken.

Mayor Hatley welcomed everyone. He thanked the Department Heads for the outstanding job they do for the Town of Valdese and its citizens. He said if you look around your home at the high cost of utilities, food, gasoline, etc., it was a reminder that we all must be prudent with the Town's funds. He said it would be a tough year.

Town Manager Jeff Morse presented the following:

Mr. Morse said Council had a dual duty as the CEO of an organization and as a business operation. Members of Council also have constituents they answer to about taxes, utility costs and services. Staff would look at the big priority items at this meeting and would highlight major issues.

**REVENUE PROJECTIONS** Mr. Morse said property taxes this year were \$1,489,000 and \$1,343,000 (90 percent) had been collected. Most of the portion not collected was due to The Settings of Lake Rhodhiss. The Settings have reached an agreement with the bonding company and letters are to be signed this week so the bonding company would own the property outright. The bonding company would meet with Town staff the end of the month. Staff expects a positive outcome with homes being built. Mr. Morse briefly reviewed state shared revenues, refuse collections (no proposed increase) and other revenues.

**ABC BOARD AND FUNDING** Mr. Morse said after the voters supported the ABC Store in Valdese that projections were proposed from the ABC Board and the challenge was their projections were too high based on a limited market. ABC stores are not allowed to advertise. The Valdese ABC store sales have grown. There are challenges cutting costs and they have a line-of-credit with Wells Fargo in the amount of \$300,000 with no collateral and at the end of November 2012, they would begin paying the principle and interest. In order to sustain the ABC Store, he proposed that the Town of Valdese provide a loan to the ABC Board in the amount of \$300,000 from fund balance, which was currently getting 0.1 percent in interest, and the Town would charge the ABC Store 4 percent interest. Mr. Morse said he had contacted the Town Attorney, the Local Government Commission, etc., about this proposal.

Mr. Morse introduced Ms. Karen Clark Caruso, Valdese ABC Store Manager. Ms. Caruso thanked Council for appointing the three ABC Board Members, who have worked tirelessly with no compensation. She said she had a tremendous staff of six and she was the only full-time employee. They are currently paying 4 percent on the Wells Fargo loan and they also have a VEDIC loan. She briefly reviewed financial information and projections.

Mr. Morse said if the Town does not provide a loan; the ABC Store could merge with another store or get a management contract with Morganton to operate the store and eliminate Ms. Caruso's position. Council and Staff discussed possible options. This issue would come before Council at a regularly scheduled meeting and a public hearing would be held.

**INSURANCE – DEPENDENT COVERAGE AMOUNTS & RETIREE INSURANCE** HR Officer/Utility Customer Services Manager Debbie Jones said staff proposed a 7 percent increase for health insurance. Dental insurance would increase by \$1 per month. She briefly reviewed the dependent coverage benefit. Mr. Morse said staff was proposing a 10 percent reduction annually in the dependent health insurance coverage. The Town pays \$460.56 per month for health insurance benefits only for eligible retirees and the retirees pay the full dental and vision premiums if they want to continue the coverage. Ms. Jones said new hires since November 2009 pay the full amount for dependent insurance coverage. The town has 86 insured which includes 4 retirees. There are 31 employees who have employee coverage only. Two employees have life insurance only; and one employee has life and vision insurance only. There are 41 employees that have some type of depend coverage.

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Councilwoman Hildebran said she may have a conflict of interest as a retiree and former employee. She did not believe there should be a reduction in the retiree insurance the Town pays.

Councilman Black said it was a fairness issue that 35 town employees were subsidizing 41 employees with half the cost of dependent insurance coverage.

**WATER RATES** Mr. Morse reviewed water rates from 2006 until present. Water rates in Valdese were subsidized by the textile industry and Valdese residents had one of the lowest rates in the state. With the textile industry gone the town treats and sells only half of what it used to treat. He reviewed a document from the NC School of Government of statewide water rates based on 5,000 gallons per month. Valdese water and sewer rates are - \$35.62 per month and the average across the state is \$59 - \$83 per month. Even though Valdese has lost half of its water customers the cost is still in the lowest percentile throughout North Carolina for water/sewer cost and he commended staff and council. He distributed information on water/sewer rates of cities/towns in the Unifour and surrounding area.

Mr. Morse said the Town of Rutherford College could purchase water from the City of Hickory. Valdese has a 5,000 customer base and we do not have to rely on others, we can stand on our own but would have to raise rates. He said two studies had been done on merger with Hickory and merger with Morganton and it would cost millions due to pressure issues. The critical part is \$600,000 is transferred from the utility fund to our general fund and if a merger took place those funds would be lost.

The Town is losing 200,000 gallons of sewer per day that we used to receive from Burke County that now goes to Hickory. A portion of the loss may be recovered by the Kleen Tech facility.

Mr. Morse review rates as paid by wet industries and rates from other municipalities and said the Town's rates are in the lower 50 percent percentile. The Town has the lowest rates within the Unifour as compared to the Cities of Marion, Newton, Lincolnton, Kings Mountain, and Belmont.

Ms. Jones distributed rates for Valdese, Icard, and Rutherford College. Mr. Morse said he would provide Council with rates the City of Hickory charges Rutherford College and Icard. Valdese could not buy water from Hickory due to hydraulics. He briefly reviewed the agreement with Triple District.

Mr. Morse asked what type strategy could the Town put in place over the next five or six years to make us economically viable to maintain our systems within the 5,000 customer base.

**WATER & SEWER RATE STUDY** Mr. Morse introduced Mr. Marty Wilson with the NC Rural Water Association. Mr. Wilson said they are not a state agency but a non-profit association and provide training and technical assistance to water and wastewater systems in North Carolina. He review rates throughout the state and he distributed information and gave a brief overview of water and sewer rates. He said he had reviewed the extensive water and sewer study prepared by The Wooten Company in November 2011. The question was how to come up with revenues to meet the expenditures projected by The Wooten Company. There were three objectives: 1) Primary rate increases for water fixed base meter charge for residential, commercial and industrial. There is a 5 percent increase proposed for the industrial variable rates; 2) Equalizing water charges for the Town and Triple District; and 3) Modify overall, long-range rate structure. Several years ago the state enacted drought legislation and municipalities were strongly encouraged not to have a residential declining block rate (charge a lower usage rate as opposed to using more water or wasting water). Now, due to legislation, it is difficult to get grant or loan money from the state if you have a declining block rate. The Town needs to look at getting rid of its declining block rate that it has for residential customers.

Mr. Wilson said having the same rates for commercial and residential would simplify the town's rate structure. Industrial rates are in tiers, which could be simplified. It was estimated that \$261,000 additional revenues were needed for FY 2012-2013. There could be a \$2 per meter per month additional fixed meter charge for residential and commercial, as well as wholesale customers.

Mr. Morse said there was a new state statute that municipalities could not lower rates for senior citizens. The average for North Carolina water customers was \$69.70 and the Town of Valdese average was \$37.41 for 5,000 gallons of water. Adding a fixed meter charge instead of a declining base would be a primary source of revenue and this could be a long-term plan, not necessarily recommended for the next year's rates but where the rates needs to be for the Town of Valdese. He said Duke Energy had a 7 percent increase effective February 2012 causing a \$40,000 increase in this budget year for our utility departments.

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Councilwoman Hildebran said during her campaign that water rate increases were concerns of the elderly citizens in her ward and it was not their fault the wet industries subsidized their water rates, and it would have been easier to increase by small amounts in past years.

Mr. Morse said the same companies that subsidized the low rates for the citizens also provided jobs for these citizens. He said Debbie Jones attended a water/wastewater infrastructure funding meeting recently in Raleigh and she offered a brief presentation.

Ms. Jones said there were 35 people in attendance from various municipalities and water corporations and it was recommended to establish a fixed meter charge for water/sewer rates of which the Town of Valdese did in 2008.

Mr. Morse said we need to let the public know the cost of chemicals to treat water and sewer.

**STORMWATER ISSUES**

Mr. Morse offered a brief update about new rules for wastewater treatment plans such as stormwater. He said rainwater has to be treated and we may be required to remove nitrogen and phosphorus, which would be very expensive.

Mr. Benjie Thomas, West Consultants, reviewed what the town has to do for the NPDES permit. The Clean Water Act has regulations for wastewater treatment plants and now includes stormwater. The Town has a street system with ditches, curb and gutter that collects rainwater which goes into Lake Rhodhiss. Staff does police and watch to make sure citizens are not dumping antifreeze, grease, etc., into our system.

West Consultants would work with Town staff to develop the following six measures:

1. Public education and outreach and have already contracted with the WPCOG
2. Public involvement and participation – Litter Sweep
3. Illicit discharge and detection – Police and staff can assist with this issue
4. Construct sites and run off control – already handled through erosion control process
5. New industrial or commercial facilities – collect and treat run-off
6. Pollution prevention of streams

Mr. Morse said there would be a \$7,000 increase in next year's budget. Larger cities have started charging a special use tax called a rain water tax based on the square footage of homes.

Stormwater Management Technician Joe McNeely said a Phase II Ordinance - NPDES would need to be adopted.

**WATER METER REPLACEMENT PROGRAM**

Mr. Morse said staff applied for a matching grant from the state for radio read meters and did not receive; however, the Town could get a 100 percent loan - \$950,000 with no interest for only 15 years and there is a possibility the meters could be financed through USDA - Rural Development. The meters could be installed in-house with a savings. Currently, it takes our Water Meter Reader Charlie Berry five days to read meters and with radio read meters it would only take one-half day to read with more accurate readings. We are at the end of a 20-year cycle for the life of our meters.

**WEB PAGE UPDATE**

Community Affairs Director Barbara Hefner offered a brief update on the Town's website and she was working with VanNoppen Marketing at a cost estimate up to \$6,900. Department Heads provided her with information they want to see on the website including information on Family Friday Nights, festivals, etc. Citizens would only have to click three times to find what they want. She will serve as Webmaster for all Town Departments except the Recreation Department.

Councilman Black recommended that the water rates be posted on the Town's website.

**STREET PRIORITY PAVING LIST** Public Works Director Bryan Duckworth said Public Works Staff from his department drove all streets and prioritized every street in the Town of Valdese. He said staff was waiting on Powell Bill allocations for next budget year with the bulk of funds used for the paving of Pineburr Avenue. There are 10 gravel roads in the corporate limits and he said the current policy was the town pays one-third and citizens pay two-thirds and he recommended a one-time deal where Town pays 50 percent and the residents pay 50 percent. There were also utility issues with paving. He briefly reviewed the priority paving list.

Council commended Mr. Duckworth on the beneficial information he provided them.

**OLD BAND BUILDING PROPOSAL**

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Mr. Morse offered a brief update on the old high school and said the old band building would need to be demolished and a quote was received for \$7,500. He said there was still a challenge on the back wall that needed to support the dirt bank.

**DEPARTMENT HEAD PRESENTATIONS:**

**Fire Chief Charlie Watts**

Viper Radios – FCC required split-radio frequencies - \$125,000 and they have applied for a fire grant. Mr. Morse said 40 percent of grant applicants have not heard if they will get a grant and he reviewed possible financing  
Extrication tool because Rescue Squad is no longer based in Valdese  
Building renovations for shift schedule change after the Communications Consolidation in March 2014  
Renovations of the upstairs of old town hall to maintain for fire (area attached to the Fire Department)  
Need another thermal imaging camera

**Police Chief Jack Moss**

Chief Moss was pleased with their new radio system  
Offered update on vehicle issues and recommended replacing two patrol vehicles  
Increase in larceny and they recovered 65 percent of the stolen property – all cases solved and suspects are in jail  
Major issue with reserve status and was requesting an increase to \$12 per hour  
Would like a higher salary reclassification for his Administrative Specialist, Susan Bueker, because of all the programs she is in charge of. Mr. Morse said the consultant that evaluated positions several years ago could be brought in but at this point Mr. Morse had no intentions of changing any classifications  
Equipment received from Sheriff's Department, cameras, etc., are breaking down and he recommended camera replacement  
Mobile Data Terminals in patrol cars would not be supported by Motorola by December 31, 2012, and they would need to go to aircards  
Chief Moss said it was a hardship with one less employee and he voiced his concerns

Councilwoman Stevenson said she received compliments about quick responses from the Police Department

**Parks & Recreation Director Doug Knight**

Down 1 percent in revenues since February 28 and had a loss of concessions  
They have cut utilities by turning heat off in bubble at night  
Community Center lighting project – utilities down 16 percent for a \$11,000 savings  
Newsletter was available at the center and would be available on the website  
Surveys were still coming in  
Would like to increase membership  
Minor renovations needed in fitness center and party room  
Long-Term Joint Comprehensive Master Plan for Parks and Recreation - \$10,000 for WPCOG  
Mr. Morse recommended looking at equipment replacement at McGalliard Falls Park

At 6:00 p.m., Mayor Hatley called for a brief dinner break catered by Downtown Delights. At 6:30 p.m., he called the meeting back to order.

**Planning and Development Director Larry Johnson**

Mr. Johnson said since his retirement, the Planning Department is covered four out of five days by him working part time and by staff from WPCOG  
He said the proposed Land Development Plan would be presented to Council in December  
He offered a brief update on the town's computers of which many need replacing

**Accounting Services Manager Greg Cannon**

New equipment needed for electronic payments - \$400 for each machine = \$1,000  
Front office needs to update computers, monitors, tower at \$1,000 each  
Floor monitor printer (12 years old) replacement estimate of \$10,000  
The current administrative vehicle would need upgrading soon  
Staff stated it would not be feasible for the Town to collect Duke Energy payments  
He briefly reviewed tax collection and projections with a 98 percent collection rate

Mayor Hatley said he would like to see a computer update/replacement plan for all departments for the next several years and he recommended a new computer tower for the front office.

**Community Affairs Director Barbara Hefner**

She briefly reviewed her accomplishments

Blue Grass concerts are handled by a promoter and seven were already booked. The promoter pays rent and promotions

Photocopier needed for color copies to save on outsourcing

She offered a brief update about Facebook, newsletter, and visitors

Replacement of Old Rock School roof which leaks and they have new carpet and new equipment in the classrooms – she worked with Public Works Director Bryan Duckworth and they recommended a bid with Doug Queen – shingle roof this year - \$43,725 and next budget year repair the flat roof

Mayor Hatley asked about advertising on WSVM Radio and he recommended that each department head offer 10 minutes on the air about their department and Ms. Hefner said she was already doing this.

Mayor Hatley asked about a hotel in Valdese and Mr. Morse said it was not feasible at this time.

**Public Works Director Bryan Duckworth**

He reviewed accomplishments and said he had a diversified/interchangeable staff for all five of his departmental divisions

Doesn't recommend cutting services to citizens

The Public Works Department is in the middle of an assessment management plan for utility systems offered through The Rural Center and Valdese was one out of 12 small North Carolina towns chosen for the plan

Staff was in the process of developing a 20-year plan for assets for utility systems. They'll be looking at what needs replacing in 5, 10, 15, and 20 years

In 2008 with grant funds and a local match a valve location, water audit, and leak detection program was done by Cavanaugh and Associates and this study had been most beneficial to staff during waterline breaks

The Town has a 10-20 percent water loss – plans are to publish information on the website

Would need to purchase a pickup for Animal Control

Need to update GIS for cemetery, last update 2008 - \$3,000 WPCOG

Would like to earmark \$8,000 - \$10,000 per year for future capital outlay for 10 years out

Covered sand and gravel shed too close to the creek for stormwater requirements

Snow removal equipment – if we had a major ice storm staff had no way to distribute salt/slag

His department would accept used trucks from other departments

**Street Division:**

Picked up over 4,000 brush piles last year and last week alone they picked up 128 brush piles

Need a \$9,000 engine repair to brush truck

Repaint curb on Main Street

Street sweeper in need of \$12,000 in repairs and staff could use smaller sweeper and recommended that some funds be earmarked for purchase of a new one within two years

**Sanitation Division:**

Recycling up 15 percent

Girl Scouts – recycling program – containers are being properly used

Would like to replace trash receptacles for downtown business district - \$9,500

Replacement of carts and recycling containers

Need new trash truck in FY 14-15

**Water/Sewer Construction Division:**

Need to update GIS mapping

Replace water meter truck next year and pass that truck down to another division

Need to earmark funds for a backhoe

**Wastewater Treatment Plant Superintendent Greg Padgett**

Getting job done with same employees

Waiting on state mandates

Needs a new roof replacement – 30 years old and leaking badly

Service truck needed and could give old pickup to Public Works Department

Centrifuge – keeps moving up in the budget process

**Triple District - Utility Maintenance Crew Leader Jim Williams**

Mr. Williams briefly reviewed accomplishments

Goal to repair all water leaks and breaks as soon as possible

Replace lines as funds become available

Review hydraulic model findings when the study complete

Water tank (250,000 gallon) needs sandblasting and repainting and staff obtaining quotes

2000 GMC pickup in bad condition – needs replacing

He said staff was obtaining quotes for removal of the old water tank

Mr. Morse said he and the Mayor still meet with the former Triple District Board Members to keep them updated

**Chief Water Plan Operator/Lab Technician Jerry Conley and Utilities Director David Cook**

Mr. Morse said Mr. Dave Cook is mentoring Mr. Conley and Mr. Morse plans to promote Mr. Conley before Mr. Cook retires. Mr. Morse said he planned to add training to the budget to keep all employees certified at the water plant, Triple District, and wastewater treatment plant

Continue to work on SCADA system and incorporate with Triple District

Flash mixer would need to be replaced - \$25,000

Filter replacement - \$10,000

Plumbing needs - \$8,000 - \$10,000

Basin repair - total \$100,000 for all four basins

**Council Presentations:**

**Ward 1 – Councilman Delp**

He receives calls about cats, dogs, and potholes and has never gotten a call about a town employee and he commended staff

Staff makes Council look good

Staff is efficient at what they do

He said he came into the meeting thinking he would not vote for increase in water but after the meeting tonight he would be speaking to the people in his ward and sharing the information presented at this meeting about \$2 proposed increase as well as police and fire needs. He believes the majority of people would pay \$2 per month

**Ward 2 – Councilwoman Stevenson**

Every department manages so well and does an excellent job

She doesn't want to raise rates but does not want to lose services either – the money must come from somewhere

She was recently at the Recreation Center and staff was excited about our facilities – she was complimented by someone from Asheville last year about the Valdese swimming pool

Valdese has a lot of neat things and she commended staff

**Ward 3 – Councilman Black**

Councilman Black said he felt this was the most important meeting each year and he always comes away with good information

**Ward 4 – Councilwoman Hildebran**

Councilwoman Hildebran said having been on the staff side of the Town of Valdese, it was wonderful for staff to present its needs

She said she appreciated the Town Management and Staff

She commended Public Works Director Bryan Duckworth for participating in planting trees with the fourth graders for the Arbor Day Celebration on Friday, March 16, 2012

She was open-minded about what was presented at the meeting and thanked each one for a job well done

**Ward 5 – Councilman Ogle**

Councilman Ogle said he did not have any comments

**Mayor Hatley**

Asked about tours from Democratic Convention in Charlotte. Ms. Hefner said staff had discussed this issue and the convention has strict guidelines

We have to look at entire big picture and what is best for our citizens and to preserve integrity of town and our employees

Department Heads are doing everything to hold down costs and he was grateful to the men and women for what they do for the goodwill of the Town of Valdese

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Employees are doing a great job

He appreciated the invaluable and printed information

Town Manager Jeffrey Morse said we have challenges and he thanked the Members of the Valdese Town Council for their leadership

**ADJOURNMENT** – The meeting adjourned at 8:25 p.m.

The next meeting is a regularly scheduled meeting for Monday, April 2, 2012, 7:00 p.m.

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Town Clerk

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Mayor

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**TOWN OF VALDESE  
TOWN COUNCIL MEETING  
APRIL 2, 2012**

The Town of Valdese Town Council met on Monday, April 2, 2012, at 7:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor Pro Tem Susan Stevenson, Councilman Keith Ogle, Councilwoman Frances Hildebran, Councilman Gary L. Delp, and Councilman Chip Black. Also present were Town Manager Jeffrey V. Morse, Town Attorney Marc Mitchell, Deputy Town Clerk Thelda B. Rhoney, and various department heads.

Absent: Mayor James L. Hatley

A quorum was present.

Mayor Pro Tem Stevenson called the meeting to order at 7:00 p.m. She called for a moment of silence; after which, she led in the Pledge of Allegiance to the Flag.

**OPEN FORUM/PUBLIC COMMENT:**

**PROCLAMATION FOR BOY SCOUT TROOP 192** Mayor Pro Tem Stevenson presented two copies of the following proclamation to Rev. Frederick for the Waldensian Presbyterian Church and Boy Scout Troop 192.

**PROCLAMATION  
BOY SCOUT TROOP 192**

WHEREAS, Boy Scout Troop 192 sponsored by the Waldensian Presbyterian Church was established in 1931 and is celebrating 81 years of service; and

WHEREAS, throughout its history, Boy Scout Troop 192 has provided training to youth in leadership development, service to others, and civic responsibility; and

WHEREAS, Boy Scout Troop 192 received notification that it was selected Troop of the Year for the Table Rock District of Boy Scout's Piedmont Council; and

WHEREAS, Boy Scout Troop 192 received the Gold Level Journey Towards Excellence Distinction; and

WHEREAS, Troop Scoutmaster Aaron Cook received the highest award presented by the District -- the District Merit Award as Scoutmaster of Troop 192; and

WHEREAS, Boy Scout Troop 192 sponsored by the Waldensian Presbyterian Church has developed 60 Eagle Scouts.

NOW, THEREFORE, I, James L. Hatley, Mayor of the Town of Valdese, North Carolina, on behalf of the Valdese Town Council do hereby proclaim the month of April 2012, as

*"Boy Scout Troop 192 Month"*

in the Town of Valdese, North Carolina, and express our appreciation to the Boy Scouts of Waldensian Presbyterian Church for 81 years of excellent leadership and training for this Town's young men.

IN WITNESS WHEREOF, I have hereunto set my hand this 2<sup>nd</sup> day of April, 2012.

/s/ James L. Hatley, Mayor

Rev. Frederick thanked Council for the proclamation.

No one else wished to speak.

**CONSENT AGENDA:** (enacted by one motion)

**APPROVED MINUTES** Regular Council Meeting of March 5, and Special Meeting of March 12 (no quorum)



**AWARDED BID FOR ANTHONY AVENUE, NE; CLUB CIRCLE, NE; and CARTER AVENUE, NE WATERLINE UPGRADE PROJECT** Staff requested bid be awarded to lowest bidder, Ronnie Franklin - F and S Contractors - \$34,088.60. Other bids - Max Prestwood Water and Sewer Construction - \$42,935; Hickory Sand Company, Inc. - \$71,751; and Douglas (Chris) Beam - \$44,470.

**RESOLUTION OF SUPPORT FOR RURAL CENTER GRANT APPLICATION, I & I STUDY GRANT FOR CLINE STREET PUMP STATION**

**AUTHORIZING RESOLUTION BY GOVERNING BODY OF THE APPLICANT**

**Planning Grants Program**

WHEREAS, the North Carolina Rural Economic Development Center, Inc. (Rural Center) has authorized the awarding of grants from appropriated funds to aid eligible units of government in financing the cost of planning activities needed to address current critical public health and environmental concerns related to water and wastewater infrastructure; and

WHEREAS, the Town of Valdese needs assistance in financing a planning project that may qualify for Rural Center funding; and

WHEREAS, the Town of Valdese intends to request grant assistance for the Inflow and Infiltration Investigation project from the Planning Grants Program;

NOW THEREFORE BE IT RESOLVED, BY THE TOWN COUNCIL OF THE TOWN OF VALDESE:

That the Town of Valdese will arrange financing for all remaining costs of the project if approved for a grant.

That Jeffrey V. Morse, Town Manager, and successors so titled, is hereby authorized to execute and file an application on behalf of the Town of Valdese with the Rural Center for a grant to assist in the above-named planning project.

That Jeffrey V. Morse, Town Manager, and successors so titled, is hereby authorized and directed to furnish such information as the Rural Center may request in connection with an application or with the project proposed; to make assurances as contained in the application; and to execute such other documents as may be required in connection with the application.

That the Town of Valdese has substantially complied or will substantially comply with all federal, state, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto.

Adopted this date 2<sup>nd</sup> day of April, 2012, at Valdese, North Carolina.

/s/ James L. Hatley, Mayor

ATTEST: /s/ Town Clerk

**BUDGET AMENDMENTS**

**Budget Amendment No. 8 - Valdese Radio Station Purchase**

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2012:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.4200.740 Capital Outlay	<u>20,000</u>	
Total	<u>\$20,000</u>	<u>\$ 0</u>

This will result in a net increase of \$20,000 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.300 Contribution From Util Fund		<u>20,000</u>
Total	<u>\$ 0</u>	<u>\$20,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

### Budget Amendment No. 9 - Public Works Pick-Up Truck

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2012:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.4250.740 Capital Outlay	<u>15,000</u>	
Total	<u>\$15,000</u>	<u>\$ 0</u>

This will result in a net increase of \$15,000 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.300 Contribution From Util Fund		<u>15,000</u>
Total	<u>\$ 0</u>	<u>\$15,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

### Budget Amendment No. 10 - Fire Department Ladder Truck Repairs

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2012:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.5300.170 Maint & Repair Vehicle	<u>6,000</u>	
Total	<u>\$ 6,000</u>	<u>\$ 0</u>

This will result in a net increase of \$6,000 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.300 Contribution From Util Fund		<u>6,000</u>
Total	<u>\$ 0</u>	<u>\$ 6,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

### Budget Amendment No. 11 - Waldensian Mills Sidewalk

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2012:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.5600.150 Maint & Repair Grounds	<u>6,000</u>	
Total	<u>\$ 6,000</u>	<u>\$ 0</u>

This will result in a net increase of \$6,000 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.300 Contribution From Util Fund		<u>6,000</u>
Total	<u>\$ 0</u>	<u>\$ 6,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

#### **Budget Amendment No. 12 - Police Radio System**

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2012:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.5100.740 Capital Equipment	<u>65,755</u>	
Total	<u>\$65,755</u>	<u>\$ 0</u>

This will result in a net increase of \$65,755 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.762 BB&T Police Dept Loan		<u>65,755</u>
Total	<u>\$ 0</u>	<u>\$65,755</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

#### **Budget Amendment No. 13 - Golden Leaf Grant - VEDIC**

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2012:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.4200.942 Golden Leaf Grant Disb	<u>62,500</u>	

Total	<u>\$62,500</u>	<u>\$ 0</u>
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This will result in a net increase of \$62,500 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.400 Golden Leaf Grant Proceeds		<u>62,500</u>
Total	\$	<u>\$62,500</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

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

**End Consent Agenda**

**ITEMS REMOVED FROM CONSENT AGENDA:** None.

**REUSE GRANT – LAURELHOUSE DESIGNS** Mr. Morse said he met Mr. Chris Tripp with LaurelHouse Designs and recruited the business to the Town of Valdese.

Mr. Tripp said he was a 16 year resident of Valdese. He said he was Chief Financial Officer/Chief Operating Officer for the new LaurelHouse Designs and John Labarowski was the President/Chief Executive Officer, organized in December 2011, and located in the old Houston Hosiery Mill. Mr. Tripp said he and Mr. Labarowski were former officers at Hammary Furniture. He offered a brief overview of their operation and said they plan to show their products at the 2012 April High Point Market. Their product line would include occasional tables, accent furniture and some casual dining in the mid-to- upper-middle price points. There would be no production at this facility and in the future there could be some product assembly. They proposed four positions within the next 18 months with a full-time equivalency of three positions. They requested a reuse grant in the amount of \$13,500.

Mr. Morse said this was a retroactive request and he reviewed expenses that were eligible and would be administered by VEDIC – building signage/awning - \$5,800; office remodeling - \$2,600 and heating and air condition - \$5,100 for a total of \$13,500. Funds would be available July 1, 2012.

After a brief discussion, Councilman Black made a motion to approve a reuse grant in the amount of \$13,500, seconded by Councilman Delp. The vote was unanimous.

**PUBLIC HEARING – SECOND PUBLIC HEARING FOR CDBG ENTREPRENEURIAL ASSISTANCE GRANT APPLICATION** Mayor Pro Tem Stevenson opened the public hearing and asked if anyone wished to speak either for or against.

Mr. Morse recognized Tom Littlejohn with Valdese Cleaners and John Henderson and Jonelle Davis with Downtown Delights.

Ms. Sherry Long, WPCOG Community Development Director, said the Project Name was Valdese Small Business Entrepreneurial Grant Application. The application would be submitted to the North Carolina Department of Commerce, Community Investment Division. The application requested \$250,000 to assist Valdese Cleaners, located at 108 Rodoret Street SW, and Downtown Delights, to be located at 102 Main Street East, with equipment purchases and expansions. At least ten (10) new jobs would be created as a result of this project. The \$250,000 grant request includes: \$112,500 for each business; \$20,000 for grant administration and \$5,000 VEDIC to be used to “create and nurture an entrepreneurial environment” (a requirement of the application). The process requires the passage of the Authorizing Resolution by the Town and execution of a Legally Binding Commitment between the Town and each business. Application would be submitted to NC Department of Commerce by April 30, 2012.

Mr. Littlejohn said he needed to replace 30 year old equipment and would realize a huge energy savings with updated equipment and create 5-7 jobs. They are going out and picking up laundry for 300 customers. They will remove the Laundromat and increase the alterations department. In the future he proposes to upgrade the exterior to match the Waldensian Church Museum.

Mr. Morse said there were other town programs that could assist with the exterior upgrades.

Ms. Davis said they had started upgrading the former Belk Building located at 102 Main Street East and had several walk-throughs with the building inspector. Their engineer found things such as a \$100,000 sprinkler system and they found a way around the sprinkler system with fire walls and fire doors, etc. She said it would cost \$112,000 to complete the project. They had already invested \$35,000 of their funds plus \$35,000 of Valdese Economic Development Investment Corporation (VEDIC) funds into the project. She said they wanted to offer live entertainment in addition to food, coffee and desserts. Their catering business had increased and they were booked through October. They proposed an upstairs dining room that seats 50 for meetings, wedding rehearsals, etc.

There being no one else wishing to speak, Mayor Pro Tem Stevenson closed the public hearing.

**RESOLUTION FOR THE TOWN OF VALDESE  
APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING FOR THE SMALL BUSINESS  
ENTREPRENEURIAL PROJECT**

WHEREAS, the Town of Valdese's Council has previously indicated its desire to assist in economic development efforts for small businesses/entrepreneurs within the Town; and,

WHEREAS, the Town Council has held two public hearings concerning the proposed application for Community Development Block Grant funding to benefit Valdese Cleaners and Downtown Delights ;

WHEREAS, the Council wishes the Town to pursue a formal application for Community Development Block Grant funding to benefit Valdese Cleaners and Downtown Delights; and the businesses will invest monies in the amount of 10% of the \$250,000 grant request into the project as committed to in the application.

WHEREAS, the Town Council certifies it will meet all federal regulatory and statutory requirements of the State of North Carolina Community Development Block Grant Program,

NOW, THEREFORE BE IT RESOLVED, by the Town of Valdese's Council that the Town of Valdese is authorized to submit a formal application to the North Carolina Department of Commerce for approval of a Community Development Block Grant for Small Business & Entrepreneurial Assistance to benefit Valdese Cleaners and Downtown Delights.

Adopted this the 2<sup>nd</sup> day of April, 2012, in Valdese, North Carolina.

/s/ James L. Hatley, Mayor

ATTEST: /s/ Town Clerk

After a brief discussion, Councilman Ogle made a motion to adopt the aforementioned Resolution, seconded by Councilwoman Hildebran. The vote was unanimous

Town Attorney Marc Mitchell said Valdese Cleaners and Downtown Delights were proprietorships and not corporations so the legally binding agreements with would need tweaking.

Councilman Ogle made a motion to approve the Legally Binding Agreements Creating Jobs with Valdese Cleaners and Downtown Delights, seconded by Councilman Delp. The vote was unanimous.

**RESOLUTION TO AMEND VEDIC BYLAWS TO ALLOW REGIONAL LOANS** Mr. Chuck Moseley said when VEDIC was set up it was to be funded by The Rural Center with loans to small business within the Valdese corporate limits, when funds became available through The Golden LEAF Foundation the bylaws were amended to include Burke County as well as Valdese. Staff has applied for USDA-Rural Development grant funds in the amount of \$161,000 and the bylaws would need to include the the neighboring counties served by the WPCOG's four county area of Alexandra, Burke, Caldwell, Catawba (excluding Hickory since their population is over 25,000) plus McDowell County. Mr. Moseley presented the following resolution approved by the VEDIC Board of Directors:

**Resolution Amending the Valdese Economic Development Investment Corporation (VEDIC) Bylaws**

ARTICLE IX  
GENERAL PROVISIONS

SECTION 9.1 PURPOSES. This Corporation is organized by the Town of Valdese, North Carolina (the Town), to assist the Town in the promotion, stimulation, development and advancement of the business prosperity and economic welfare of the Town and its citizens; to encourage and assist in any lawful manner the location of new business and industry in the Town; to assist existing business and industry in the Town; and to cooperate and act in conjunction with other organizations, public and private, in the promotion and advancement of industrial, commercial, and recreational developments in the Town. Because a strong ~~county-wide~~ regional economy is essential to the economic well-being of the citizens of Valdese, the Corporation is also authorized to seek funding and establish loan and grant programs to increase business activity in the entirety of Burke County and the surrounding region.

Adopted this 2<sup>nd</sup> day of April, 2012.

/s/ James L. Hatley, Mayor

Councilman Ogle asked if all loans were current; if the Town Attorney was okay with the wording; and why regional such as Alexander County.

Mr. Morse said all loans were current and approximately \$50,000 was received each year in principle and interest for new loans.

Mr. Mitchell said he was researching the issue. He was concerned that the Town would provide staff for regional administration with taxpayer funds that may need to be paid proportionately by a regional pool. Mr. Morse did not think there was a problem since Valdese funds were used for Valdese and Golden LEAF Foundation funds used for Valdese and Burke County and if grant received from USDA they would be used for Valdese, Burke County, and the aforementioned counties. Interest from loans could be used for administration.

Councilwoman Hildebran asked if the USDA grant was awarded, would there be enough staff for the VEDIC Office. Mr. Morse said the Town appropriated \$20,000 for VEDIC this fiscal year and would be recommending the same amount in next year's budget.

Mr. Morse said in order to build-up loan funds for Valdese we must expand to the region and Valdese was receiving national recognition for its efforts.

Mr. Moseley said Johnston County has a program that served a 21 county coalition and The Town of Burnsville had a program that served three counties.

Mr. Mitchell will bring back to Council if there are issues after he completes his research.

After a brief discussion, Councilman Black made a motion to approve the aforementioned amendments to the VEDIC bylaws and bring the VEDIC issue back to Council at the May meeting to revisit and address Council's questions, seconded by Councilman Ogle. The vote was unanimous.

**AWARD OF BID FOR OLD ROCK SCHOOL ROOF** Bid was not awarded. Town Manager Jeff Morse requested that Council allow staff to hire an engineer to prepare plans and specifications and oversee the project for the Old Rock School roof in an amount up to \$5,000.

Councilman Ogle made a motion to approve staff to hire an engineer for the aforementioned in an amount up to \$5,000, seconded by Councilwoman Hildebran. The vote was unanimous.

**AUTHORIZE PURCHASE OF TWO POLICE VEHICLES** Police Chief Jack Moss requested authorization to purchase two new 2012 Dodge Charger patrol cars on state contract at a cost of \$22,885 per vehicle plus \$3,191.05 for Light-U-Up equipment and \$5,200 for new in-car cameras for a total of \$31,276.05 per vehicle. Total for both vehicles plus equipment and installation - \$62,552.10. The Town would finance or a loan would be secured by Finance Director Jerry LaMaster.

Chief Moss said they would be rotating out of service a 2001 Jeep Cherokee, which has high mileage and would cost \$900 in repairs. The Detective's 2001 SUV has 108,000 miles and would be used as a utility vehicle and for traveling to schools. The 2007 Dodge would have 100,000 by the end of the fiscal year and could be rotated to another department. The 2008 Dodge would be used by the Detective for three additional years. He would continue driving the Chevy Tahoe for many years which is still in great condition.

After a brief discussion, Councilman Delp made a motion to authorize the purchase of the aforementioned two patrol cars plus equipment in a total amount of \$62,552.10, seconded by Councilman Ogle. The vote was unanimous

**MAYOR AND COUNCIL COMMENTS:**

**TOWN HALL USE POLICY**

Councilwoman Hildebran requested that staff develop a policy for use of town hall facilities. Community Affairs Director Barbara Hefner recommended that fees be charged because if not it would affect their revenues for meetings and weddings.

Town Manager Jeff Morse said Mr. Gene Dube, a Morgan Trace resident, approached him about a group using the Community Room at Town Hall for a card game on a one-time basis. Mr. Morse informed Mr. Dube and Ms. Perry Whisenant that they could use the room once but it would not be available on a monthly basis.

Mr. Morse said there were issues with staffing, cleaning, and securing the building for meetings. Mr. Morse requested that Council allow staff an opportunity to come up with recommendations.

**FOUNTAIN – CAROLINA STREET**

Councilwoman Stevenson said the fountain on Carolina Street did not work. Mr. Duckworth said he would check on the fountain.

**CAROLINA STREET – LINES FOR PEDESTRIANS AND BIKES**

Councilman Delp said the lines would need to be painted six feet on both sides of the street. He said we may need to consider a sidewalk instead.

**OLD HIGH SCHOOL BUILDING**

Councilwoman Hildebran asked Town Attorney Marc Mitchell if he had heard from the recent letter he wrote to Mr. Jacumin. Mr. Mitchell said this was the second letter and he had not received a response. Legal action could be taken to enforce by a date that Council would want to allow.

Councilman Ogle said Mr. Jacumin said the building would be torn down by tourism season but no specific date was given.

**MANAGER'S REPORT:**

**PRESENTATION OF GOVERNOR'S INNOVATIVE SMALL BUSINESS COMMUNITY BY A REPRESENTATIVE OF GOVERNOR BEVERLY PERDUE'S OFFICE ON THURSDAY, APRIL 5, 2012, 10:00 A.M., VALDESE TOWN HALL**

Mr. Morse said this award was due to VEDIC's initiatives.

**VALDESE TRIATHLON, SATURDAY, APRIL 21, 2012, 9:00 A.M., VALDESE RECREATION CENTER**

**REMINDER OF SPECIAL CALLED MEETING FOR MONDAY, APRIL 23, 2012, 6:00 P.M. – 8:00 P.M., EMERGENCY PROCEDURES TRAINING**

**FAMILY FRIDAY NIGHTS BEGIN FRIDAY, MAY 4, 2012** Mr. Morse said Myra's car show/cruise-in would begin two weeks prior on April 20, 2012.

**VALDESE LEO'S (LION'S CLUB) WALK-A-THON ON SATURDAY, MAY 5, 2012, 10:00 A.M., FOOTBALL FIELD, BEHIND OLD ROCK SCHOOL (NOTE: REGISTER 9:00 A.M.)**

At 8:25 p.m., there being no further business to come before the Council, Councilman Ogle made a motion to adjourn, seconded by Councilman Delp. The vote was unanimous.

The next meeting is a Special Called Meeting on Monday, April 23, 2011, 6:00 p.m., for the purpose of Emergency Training.

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Town Clerk

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Mayor

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**TOWN OF VALDESE  
TOWN COUNCIL SPECIAL CALLED MEETING  
APRIL 23, 2012**

The Town of Valdese Town Council met in a special meeting on Monday, April 23, 2012, at 6:00 p.m., at the Valdese Town Hall in the Community Room, 102 Massel Avenue, SW, Valdese, North Carolina. The purpose of the special called meeting was for Emergency Procedures Training and Adoption of Resolution for Project Cathode - The Rural Center Building Reuse and Restoration Grants Program. The following were present: Mayor Pro Tem Susan Stevenson, Councilman Keith Ogle, Councilwoman Frances Hildebran (arrived at 6:40 p.m.), Councilman Gary L. Delp, and Councilman Chip Black. Also present were Town Manager Jeffrey V. Morse, Deputy Town Clerk Thelda B. Rhoney, and Fire Chief Charlie Watts.

Absent: Mayor James L. Hatley

A quorum was present.

Mayor Pro Tem Stevenson called the meeting to order at 6:08 p.m.

**EMERGENCY PROCEDURES TRAINING** Fire Chief Charlie Watts and Randy McKinney, Retired Emergency Manager for Burke County and CEO of RLMC Group, LLC (consulting firm), offered a training session on Federal Emergency Management Agency (FEMA) Instant Command System (ICS) overview and emergency operations. This training covered the National Incident Management System (NIMS) certification and would allow Town Staff to apply for federal grants.

**CLOSED SESSION**

Mayor Pro Tem Stevenson called for a Closed Session pursuant to NC General Statute 143-318.11 (a) (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations. The action approving the signing of an economic development contract or commitment, or the action authorizing the payment of economic development expenditures, shall be taken in an open session.

At 7:37 p.m., Councilman Delp made a motion to recess into Closed Session pursuant to NC General Statute 143-318.11 (a) (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations. The action approving the signing of an economic development contract or commitment, or the action authorizing the payment of economic development expenditures, shall be taken in an open session. The motion was seconded by Councilman Black and unanimously carried.

At 8:00 p.m., Councilman Ogle made a motion to return to open session, seconded by Councilman Delp. The vote was unanimous.

**ADOPTION OF RESOLUTION FOR PROJECT CATHODE - THE RURAL CENTER BUILDING REUSE AND RESTORATION GRANTS PROGRAM** Mr. Morse said this project would add 54 jobs in the Town of Valdese. The company would be using \$355,000 of their funds for building renovation. The Town of Valdese would apply for a \$270,000 grant from The Rural Center's Building Reuse and Restoration Grants Program. This grant requires a 5 percent local match in the amount of \$13,500 which would cover an agreement with the Western Piedmont Council of Governments for grant administration.

**TOWN OF VALDESE AUTHORIZING RESOLUTION  
THE RURAL CENTER  
BUILDING REUSE AND RESTORATION GRANTS PROGRAM  
PROJECT "CATHODE" BUILDING REUSE APPLICATION**

WHEREAS, the North Carolina General Assembly authorized in 2005 funds to the North Carolina Rural Economic Development Center (The Rural Center) to stimulate economic development and job creation. A portion of the funding authorized the making of grants to aid eligible units of government to stimulate the creation of jobs through the expansion and renovation of buildings currently in use that will spur economic activity; and

WHEREAS, the Town of Valdese desires to assist through grant funding the economic renovation of the "Cathode" building located in Valdese; and



**April 23, 2012, Special Called Meeting MB#30**

WHEREAS, the Town of Valdese intends to request from NC Rural Center grant assistance for the project from the Development Grant category of the Building Reuse and Restoration Grant Program for the "up-fitting" and renovation of the facility:

NOW THEREFORE BE IT RESOLVED, BY THE VALDESE TOWN COUNCIL:

That the Town of Valdese will provide a minimum 5% match for an estimated \$270,000 grant request, if approved for a grant.

That Jeffrey V. Morse, Town Manager, and successors so titled, is hereby authorized to execute and file an application on behalf of the Town of Valdese with The Rural Center for a grant to assist in the pre-development of the project described above.

That Jeffrey V. Morse, Town Manager, and successors so titled, is hereby authorized and directed to furnish such information as The Rural Center may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the Town of Valdese has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto.

Adopted this the 23<sup>rd</sup> day of April, 2012 at Valdese, North Carolina.

/s/ James L. Hatley, Mayor

Councilman Ogle made a motion to adopt the aforementioned resolution, seconded by Councilman Delp. The vote was unanimous.

At 8:02 p.m., there being no further business to come before the Council, Councilman Ogle made a motion to adjourn, seconded by Councilwoman Hildebran. The vote was unanimous.

The next meeting is a regularly scheduled meeting for Monday, May 7, 2012, 7:00 p.m.

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Town Clerk

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Mayor

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**TOWN OF VALDESE  
TOWN COUNCIL MEETING  
MAY 7, 2012**

The Town of Valdese Town Council met on Monday, May 7, 2012, at 7:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor James L. Hatley, Councilman Keith Ogle, Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, and Councilman Gary L. Delp. Also present were Town Manager Jeffrey V. Morse, Town Attorney Marc Mitchell, Deputy Town Clerk Thelda B. Rhoney, and various department heads.

Absent: Councilman Chip Black

A quorum was present.

Mayor Hatley called the meeting to order at 7:00 p.m. He called for a moment of silence; after which, he led in the Pledge of Allegiance to the Flag.

Mayor Hatley thanked Town Manager Jeff Morse for keeping the Mayor informed on a day-to-day business of the town, and he thanked Mayor Pro Tem Susan Stevenson for filling in for him during his recent open heart surgery and recovery.

**OPEN FORUM/PUBLIC COMMENT:**

**SENATOR WARREN T. DANIEL** Senator Daniel – 44<sup>th</sup> District. He thanked the Members of the Valdese Town Council for the fine job they do. He said on May 16 they would go into short session and invited Council/Staff to contact him on issues the town may have. One of the issues he would like to move to short session was a bill to address the growing problem with our real estate and property owners as costs were escalating in our area.

Mayor Hatley thanked Senator Daniel for his offer.

Town Manager Jeff Morse said he had a limited conversation with Representative Hugh Blackwell that the town would like to propose a bill in the short session allowing the Town of Valdese to adopt a Tree Ordinance. Senator Daniel said there would be a bill filing deadline probably by the end of May and requested that the Town contact him as soon as possible.

Mayor Hatley said he was concerned about unfunded mandates by the state as small towns do not have funds available. He asked that Senator Daniel be cognizant of those issues. Senator Daniel said it was the goal of the legislature to not pass unfunded mandates down to counties/towns and he could be contacted for complaints. He received a request from a local mayor that legislation be passed when the state condemns property to build roads that the Department of Transportation bear the costs associated with relocating water and sewer lines.

Mr. Morse said there was a provision in state law that allowed municipalities to have a hold harmless appropriation as a result of cutbacks in state shared funds such as inventory tax, etc., and based on the premise that the sales tax would grow and catch up to where we were; but, with the downturn in the economy the hold harmless would expire next fiscal year. Senator Daniel said on this issue he had been contacted by the Cities of Lenoir and Morganton. He requested to what extent it would affect Valdese. Mr. Morse said he would get information to Senator Daniel.

**MS. DEBORAH FERRIS – PRESIDENT, VALDESE MERCHANTS ASSOCIATION** Ms. Ferris resides at 100 Massel Street, SE, Valdese. She thanked the Town and Loy Ray Burris for the concession stand used by the merchants during Family Friday Nights. She invited Members of Council to volunteer to work in the concession stand during Family Friday Nights. She thanked Bryan Duckworth and staff for doing extra work on the concession stand.

Mayor Hatley said volunteerism was the life's blood of a small town and he thanked Ms. Ferris.

Councilman Ogle said the back door on the concession stand needed improvements so it could be opened to get fresh air inside the stand.

**CONSENT AGENDA:** (enacted by one motion)

**APPROVED MINUTES** Annual Budget Retreat of March 19, Regular Meeting of April 2, and Special Called Meeting and Closed Session of April 23, 2012.

**APPROVAL OF AGREEMENT WITH WESTERN PIEDMONT COUNCIL OF GOVERNMENTS FOR ADMINISTRATION OF KLEEN TECH, INC., RURAL CENTER GRANT** This agreement was for administration of a Kleen Tech Grant with the Rural Center in the amount of \$150,000, and covers grant submittal, approval, quarterly reports, job monitoring, and pay requests through March 2014 in the amount of \$7,500.

**APPROVAL OF RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN FOR CDBG**  
**RESIDENTIAL ANTI-DISPLACEMENT AND**  
**RELOCATION ASSISTANCE PLAN**

In order to comply with the requirements of Section 104(d) of the Housing and Community Development Act of 1974, the Town of Valdese adopts the following plan:

The Town of Valdese will replace all occupied and vacant occupiable low and moderate-income dwelling units demolished or converted to a use other than as low/moderate-income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended, as described in 24 CFR 570.606 (b) (1).

All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion. Before obligating or expending funds that will directly result in such demolition or conversion, the Town will make public and submit to the Division of Community Assistance the following information in writing:

1. A description of the proposed assisted activity;
2. A general location map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low/moderate-income dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of replacement dwelling units; and;
6. The basis for concluding that each replacement unit will remain a low/moderate -income dwelling unit for at least 10 years from the date of initial occupancy.

The Town will provide relocation assistance, as described in 570.606 (b) (2), to each low/moderate-income household displaced by the demolition of housing or by the conversion of a low/moderate-income dwelling to another use as a direct result of assisted activities

Further the Town will provide relocation assistance to any low/moderate-income household displaced by the demolition of any housing unit or by the conversion of a low/moderate-income dwelling to another use, occurring as a direct result of assisted activities. Persons will be provided:

1. A choice between (i) actual "reasonable moving expenses" as described in Section 42.301 or (ii) a fixed expense and dislocation allowance as described in Section 42.302.
2. Advisory services as described in 24 CFR Part 42, Subpart C.
3. Reimbursement for reasonable and necessary security deposit and credit checks.
4. Replacement housing assistance.
- A person choosing to rent must be offered either (i) a Section 8 housing voucher/certificate (through the housing authority) and referrals to comparable replacement dwelling units where the owner agrees to participate in the Section 8 Program or (ii) cash rental assistance to reduce the rent and utility costs to 30% of his/her income (adjusted, as determined by the Town) for a 5-year period and appropriate referrals to comparable replacement dwelling units.

**May 7, 2012, MB#30**

- A person buying an interest in and occupying a unit in a housing cooperative or mutual housing association may elect to receive a lump sum payment equal to the present value of the rental assistance installments. To compute the present value, the rental assistance installments shall be discounted at the passbook savings rate.
- A person may elect Uniform Relocation Act Assistance in lieu of the relocation assistance described above.

Minimize the Displacement of Persons. Consistent with the goals and objectives of the Valdese Community Development Program and the Housing and Community Development Act of 1974, as amended, the Town will minimize displacement of persons in every possible case by rehabilitation of the structure.

Adopted this 7<sup>th</sup> day of May, 2012.

/s/ James L. Hatley, Mayor

**APPOINTMENTS TO VALDESE YOUTH COUNCIL**

- |                                            |                                                       |                                           |
|--------------------------------------------|-------------------------------------------------------|-------------------------------------------|
| 1. Holly Schultz<br>P.O. Box 834           | 2. Emily Rhyder<br>3156 Holly Hill Circle             | 3. Alex Monroe<br>509 Bouchard Ave.       |
| 4. Matteson Teffeteller<br>308 Hill Street | 5. Sierra Shatley<br>P.O. Box 152, Rutherford College | 6. Josephine Johnson<br>704 Harris Ave NW |
| 7. Ashley Parker<br>319 Springwood Drive   |                                                       |                                           |

**BUDGET AMENDMENTS**

**Budget Amendment No. 14 - Settings Legal Fees**

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2012:

Section 1. To amend the Utility Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>		<u>Debit</u>	<u>Credit</u>
30.8110.990	CRF – Debt Service		50,000
30.8120.043	Legal - Settings	50,000	
	Total	<u>\$50,000</u>	<u>\$50,000</u>

This will result in a net increase of \$ 0 in the expenditures of the Utility Fund. To provide funding for the above, no additional revenues are required.

Total	<u>\$</u>
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Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

**Budget Amendment No. 15 - Water Line Anthony - Carter**

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2012:

Section 1. To amend the Utility Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>		<u>Debit</u>	<u>Credit</u>
30.8100.740	Contingency		55,000

**May 7, 2012, MB#30**

30.8120.730	Water Line	<u>55,000</u>	
Total		<u>\$ 55,000</u>	<u>\$55,000</u>

This will result in a net increase of \$ 0 in the expenditures of the Utility Fund. To provide funding for the above, no additional revenues are required.

Total	<u>\$</u>
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Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

**Budget Amendment No. 16 - Web Page Design**

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2012:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>		<u>Debit</u>	<u>Credit</u>
10.4200.990	Contingency		8,400
10.6250.450	Contract Services	<u>8,400</u>	
Total		<u>\$8,400</u>	<u>\$8,400</u>

This will result in a net increase of \$ 0 in the expenditures of the General Fund. To provide funding for the above, no additional revenues are required.

Total	<u>\$</u>
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Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

**Budget Amendment No. 17 - Rock School Roof Engineer**

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2012:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>		<u>Debit</u>	<u>Credit</u>
10.4200.990	Contingency		<u>5,000</u>
10.6250.040	Professional Services	<u>5,000</u>	
Total		<u>\$5,000</u>	<u>\$5,000</u>

This will result in a net increase of \$ 0 in the expenditures of the General Fund. To provide funding for the above, no additional revenues are required.

Total	<u>\$</u>
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Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

**Budget Amendment No. 18 - Re-seal of Parking Lot on Colombo St**

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2012:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.5600.150 Maint & Repair Grounds	<u>3,500</u>	
Total	<u>\$3,500</u>	<u>\$ 0</u>

This will result in a net increase of \$3,500 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.300 Contribution From Util Fund		<u>3,500</u>
Total	\$	<u>\$3,500</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

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

**End Consent Agenda**

**ITEMS REMOVED FROM CONSENT AGENDA:** NONE.

**VALDESE ABC BOARD LOAN - CALL FOR PUBLIC HEARING ON JUNE 4, 2012** Town Manager Jeff Morse introduced the Valdese ABC Board Members Jenny Hudson and Mark Rostan as well as Valdese ABC Store Manager Karen Clark Caruso and Jerry LaMaster as their Financial Officer. He requested that the Town refinance the loan the ABC Board has with Wells Fargo and he offered a brief history. Wells Fargo was the only bank that would offer the ABC Store a loan without capital and beginning November the bank would require both principal and interest. He requested that the town allow three-years of interest only and then a ten-year payout with principal and interest. Currently, the Valdese ABC Store is the highest grossing retail operations in the Town as it brings a lot of people to town. He said the Town was only receiving 1 percent on investments and the ABC Store loan would pay 4 percent. There is one full-time employee at the ABC Store plus four or five part-time employees.

Valdese ABC Store Manager Karen Clark Caruso distributed and reviewed a Monthly Sales Comparison Report. She said the employees had a lot of pride in their work and customers return to the Valdese store because of the appearance of the store and the way they are treated.

Mr. Morse requested that Town Attorney Marc Mitchell offer his opinion. Mr. Mitchell said this was actually an economic development project and the town would be making a loan to another government entity. Mr. Mitchell consulted with staff at the School of Government. He said he understood from Mr. Morse that a county in North Carolina offered a loan to an ABC store.

Mr. Morse said VEDIC offered loans to small businesses that banks would not offer loans and local governments invest in economic development. He said Councilman Black said he would want to look at this as a business decision and if it were a profit or loss and could not recommend anything with a high risk. Mr. Morse said this request was not out of character for the Town of Valdese.

Mr. Morse said after three years if the ABC Store could not meet its budget, the State ABC Board would find another entity to take over the store such as Morganton. He reviewed a worse-case scenario that inventory could be sold at approximately \$80,000 and store assets such as shelving, monitors, computers, etc., would bring approximately \$30,000 for a \$110,000 total (for a \$248,000 loan less \$110,000 leaving approximately \$138,000 balance).

Councilwoman Stevenson said the citizens did vote in the ABC Store in Valdese.

Councilwoman Hildebran said she attended a recent ABC Board meeting and she commended the Board on its volunteerism and she said the store was neat and attractive.

Mr. Morse said he would provide a letter to Council from Cumberland County about their ABC Board loan.

After a brief discussion, Councilman Delp made a motion to call for a Public Hearing on Monday, June 4, 2012, 7:00 p.m., seconded by Councilman Ogle. The vote was unanimous.

**AUTHORIZATION TO REMOVE BIRCH TREE ON MAIN STREET/WELLS FARGO PARKING LOT** Public Works Director Bryan Duckworth said the river birch tree located in the Wells Fargo parking lot adjacent to the building at 133 Main Street West needed to be removed as the tree roots damaged the sidewalk and had gotten into the drainage system. He received a quote from Brittain's Tree Service in the amount of \$325 for tree removal and grinding of the stump. Staff needed direction from Council about sidewalk repair: Option 1) Remove stamped sidewalk and replace with standard concrete - \$700; or Option 2) Remove stamped sidewalk and replace with similar stamp - \$2,600.

Councilman Ogle made a motion to approve the tree removal in the amount of \$325 and approved aforementioned Option 1 in the amount of \$700, seconded by Councilman Delp. The vote was unanimous.

**AUTHORIZATION TO SEAL TOWN'S PARKING LOT NEAR COLUMBO STREET** Mr Duckworth requested authorization for improvements to the public parking lot on Columbo Street to seal and fill cracks in an estimated amount of \$3,400 plus \$300 for stripping.

After a brief discussion, Councilwoman Stevenson made a motion to approve the sealing, filling cracks and stripping in parking lot on Columbo Street in a total amount of \$3,700, seconded by Councilwoman Hildebran. The vote was unanimous.

**AWARD OF BID FOR ROOF REPLACEMENT – WASTEWATER PLANT INFLUENT BUILDING** Wastewater Treatment Plant Superintendent Greg Padgett presented three bids for the roof replacement at the Wastewater Plant Influent Building. He recommended the lowest bidder, Johnson Roofing Concepts, Inc., in the amount of \$8,803, with a 15-year warranty. Other bids: Bowman Roofing and Sheet Metal Company - \$9,922 with a 15-year warranty and Doug Queen Construction Company - \$11,100 with a 10-year warranty.

After a brief discussion, Councilman Ogle made a motion to award the bid to Johnson Roofing Concepts, Inc., in the amount of \$8,803, seconded by Councilwoman Hildebran. The vote was unanimous.

**PURCHASE OF SERVICE TRUCK – WASTEWATER DEPARTMENT** Mr. Padgett requested authorization to purchase a new maintenance/service truck for the Wastewater Department, replacing a 1999 Ford F-150, which would be transferred to the Public Works Department. The cost from the state contract for the chassis was \$24,500 plus the cost of the utility body in the amount of \$3,047 for a total cost of \$27,547. Staff would have to pick up the vehicle at Capital Ford in Raleigh. Other bids: Everette Chevrolet – Hickory - \$28,352.41 and CrossRoads Ford – Morganton - \$28,993.

Councilman Ogle made a motion to award the bid to Capital Ford in Raleigh in the amount of \$27,547 and follow the process as described by Finance Director if funds not used this fiscal year to place in savings for next fiscal year expenditure, seconded by Councilman Delp. The vote was unanimous.

#### **MAYOR AND COUNCIL COMMENTS:**

Councilman Ogle thanked staff for an excellent job with Family Friday Nights.

Councilman Ogle requested that staff check on a house rented by a plumber near Dixie Avenue where cars are all around the house and there are tall weeds.

Councilwoman Stevenson asked about the lot on Walnut Avenue/Laurel Street. Mr. Morse said the property owners were keeping the lot mowed.

Councilwoman Stevenson said she had received complaints about the vacant house under renovation for quite some time above Food Lion on US 70 (909/913 Main Street West). The rock wall has not been completed, there are rocks still in a pile, and holes dug in the yard. Mr. Morse said staff would check on the status of the house. Mayor Hatley said he, too, had received complaints.

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Councilwoman Hildebran said the road going into Lake Rhodhiss Waste Treatment Plant where citizens walk/run and kids ride bikes that folks were exceeding the speed limit and she requested that staff check on the location of speed limit signs. Also, there were no speed limit signs from Draughn High School onto the Lake Rhodhiss Road.

Mr. Morse said he would contact Crescent Resources regarding permission to post speed limit signs.

Mayor Hatley was concerned about water conservation and drought issues and that those who used the most water should pay more which currently is reversed. He requested that water rates address this issue and he realized this would be a lengthy process. Mr. Morse said staff was working on this issue.

Councilman Delp said he saw on the news that the Burke County Animal Shelter received 100 puppies and dogs today and if anyone was looking for a dog they could do a favor for the shelter.

**MANAGER'S REPORT:**

**FOUNDERS DAY CELEBRATION HELD AT THE TRAIL OF FAITH, MAY 10, 11, AND 12, 2012**

**FARMERS MARKET BEGINS MAY 18, 2012**

**FLYNN HOME MERGER PRESENTATION – CHUCK MOSELEY** Mr. Moseley said the Burke Council on Alcoholism and Chemical Dependency and the Flynn Home were merging to offer better recovery in Burke County. They also plan to add another home to offer expanded treatment as well as a home for women. Mr. Moseley has served as President of the Flynn Home for the past two years.

**BURKE COUNTY COMMUNICATIONS CONSOLIDATION UPDATE – FIRE CHIEF CHARLIE WATTS** Chief Watts said the Public Safety Answering Point (PSAP) performed the study on the communications consolidation in Burke County and the management contract was recently awarded to this company. A completion date is proposed up to 24 months for the communications center to begin answering phones. The estimated cost of the project is \$8.5 million.

**FY 2012-2013 BUDGET REVIEW COMMITTEE MEETING** Mr. Morse said the Budget Review Committee would meet on Friday, May 11, 2012 at noon or 2:00 p.m., in his office. Staff would notify the committee when the time was confirmed.

At 8:20 p.m., there being no further business to come before the Council, Councilman Ogle made a motion to adjourn, seconded by Councilman Delp. The vote was unanimous.

The next meeting is a regularly scheduled meeting for Monday, June 4, 2012, 7:00 p.m.

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Town Clerk

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Mayor

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**TOWN OF VALDESE  
TOWN COUNCIL MEETING  
JUNE 25, 2012**

The Town of Valdese Town Council met on Monday, June 25, 2012, at 7:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor James L. Hatley, Councilman Keith Ogle, Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, and Councilman Chip Black. Also present were Town Manager Jeffrey V. Morse, Town Attorney Marc Mitchell, Deputy Town Clerk Thelda B. Rhoney, and all department heads.

Absent: Councilman Gary L. Delp

A quorum was present.

Mayor Hatley called the meeting to order at 7:00 p.m. He called for a moment of silence; after which, he led in the Pledge of Allegiance to the Flag.

**OPEN FORUM/PUBLIC COMMENT:**

**MS. SANDI WALKER, 124 MAIN STREET WEST** Ms. Walker asked if she could ask questions during the budget public hearing and Mayor Hatley said yes. She asked about the purchase of the radio station and did not see a line-item in the budget. Mr. Morse said that the radio station was purchased last year and there was one remaining payment from this year's capital reserve account and he would refer the location in the budget document to her. She asked if the radio station would be leased and continued in operation. Mr. Morse said Mr. Bert Lindsay, Magical Music, would be leasing the facility and was currently working for GHC. Ms. Walker asked who would be responsible for equipment and Mr. Morse said town would own the station but Mr. Lindsay would be responsible for equipment. Ms. Walker asked who would be responsible for the Polycarbonate Bisphenol (PCB) in the old Collins transmitter. Mr. Morse said if the station were to close, the PCB would be disposed of in an environmental safe manner.

**SAFETY AWARDS** Fire Chief Charlie Watts presented the following Gold Awards from the NC Department of Labor who has promoted workplace safety:

First Year Gold Award: Old Rock School/Community Affairs; Police Department; and Recreation Department

Third Year Gold Award: Fire Department; Triple District Water including Wastewater Department

24<sup>th</sup> Year Gold Award: Administration

Chief Watts said as Safety Director the Department Heads make his job easy.

Mayor Hatley requested that Mr. Morse send a letter to the Department Heads that received an award to share with their employees.

Councilwoman Hildebran commended Chief Watts for his leadership as Safety Director.

**CONSENT AGENDA:** (enacted by one motion)

**ADOPTION OF RESOLUTION AMENDING PERSONNEL POLICY – SHARING OF SICK LEAVE (CODE AMENDMENT)** Prior to the adoption of the new Personnel Policy shared sick leave was part of the policy and staff recommended that it be reinstated in the policy.

**RESOLUTION  
(Sharing of Sick Leave)**

WHEREAS, the Town of Valdese has adopted a Personnel Policy, which is set forth in Governmental Administration, Appendix A, of the Valdese Code of Ordinances (the personnel policy); and

WHEREAS, although the personnel policy is set forth in the code of ordinances, the Town's personnel policy is not an ordinance and does not create a property interest in continued employment or otherwise abrogate at-will employee doctrine as more particularly set forth in Appendix A of the personnel policy; and

WHEREAS, prior to the adoption of amendments to the personnel policy in November of 2007, the personnel policy allowed sick leave to be shared in certain circumstances; and

WHEREAS, the town council has decided that the personnel policy should be amended to once again allow the sharing of sick leave under the circumstances hereafter set forth;

NOW, THEREFORE, THE PERSONNEL POLICY FOR THE TOWN OF VALDESE IS AMENDED BY ADDING THE FOLLOWING SECTION:

Article VII. HOLIDAYS AND LEAVES OF ABSENCE

Section 13. Sick leave: accrual rate, accumulation, and manner of taking.

(f) Sharing Sick Leave

With the approval of the town manager, an employee may transfer a portion of the employee's accumulated sick leave to another town employee (the recipient employee) who needs that sick leave because the recipient employee has had a catastrophic injury or has a critical illness and the recipient employee has exhausted all of his or her accumulated sick leave, vacation leave, and compensation time.

The donating employee may not donate more than ten percent (10%) of the employee's accumulated sick leave and must have a remaining balance of at least eighty (80) hours of sick leave after the donation has been made."

THIS RESOLUTION IS ADOPTED THIS 25<sup>TH</sup> DAY OF JUNE, 2012.

/s/ James L. Hatley, Mayor

ATTEST: /s/ Town Clerk

Councilman Ogle made a motion to approve the Consent Agenda, seconded by Councilwoman Stevenson. The vote was unanimous.

**End Consent Agenda**

**ITEMS REMOVED FROM CONSENT AGENDA:**

**APPROVED MINUTES – JUNE 4, 2012** Councilman Black made a minor change in the capitalization of Town in the verbatim comments by the Town Attorney.

Councilman Black made a motion to approve the June 4, 2012 minutes with the aforementioned minor change, seconded by Councilman Ogle. The vote was unanimous.

**LEASE AGREEMENTS – OLD ROCK SCHOOL** Lease agreement renewals at the Old Rock School with Carolina Financial Group - \$252 per month and Piedmont and Western Railroad Club - \$210 per month from July 1, 2012 – June 30, 2013.

Councilman Black said the dates on the leases were incorrect and needed to be corrected before the agreements were executed. Mr. Morse said staff would correct the dates before the documents were signed.

Councilman Black made a motion to approve the two aforementioned Old Rock School leases, seconded by Councilman Ogle. The vote was unanimous.

**FY 2012 – 2013 BUDGET PUBLIC HEARING** Mayor Hatley opened the public hearing.

Town Manager Jeff Morse said there had been no changes since the presentation at the June 4, 2012 Council meeting. There are no proposed tax increases or water and sewer rate increases. Included in the budget is a capital outlay request. He thanked the Department Heads for their support and hard work. The industries and businesses are doing well and the town is still affected by the economy. There is a small, 1.5 percent adjustment to the pay plan. He believed the town is close to a settlement with The Settings of Lake Rhodhiss and 2010 taxes should be paid by June 30, 2012, and remaining taxes in December 2012, and the 2011 taxes will follow same schedule. Mr. Morse was optimistic that The Settings Development would have water and sewer in place so the families that purchased lots can build on those lots. There would be 100 additional lots the developer could market and sell. There are 10 families from all over the country that have been in touch with him and are ready to begin construction. He is expecting a final determination by September or October. He said there was a 7 percent increase in healthcare, and last year Council set aside remaining funds from insurance savings realized from a change in insurance companies which offsets the

7 percent increase. Part-time positions are implemented instead of full-time. He thanked the employees and department heads for the extra work they do.

Ms. Sandi Walker, 124 Main Street West, asked Council how they felt about the budget.

Mayor Hatley said from his standpoint there was a Budget Review Committee that worked with the Town Manager. All Department Heads were involved in the budget and Council was involved in the budget up to the day the Manager wrote the Budget Message and he felt very good about the budget.

Councilwoman Hildebran said she served on the Budget Review Committee and they worked very hard to not increase taxes and water and sewer rates.

Ms. Walker had several questions about the budget and Mr. Morse and Finance Director Jerry LaMaster answered her questions. Mayor Hatley recommended that Ms. Walker meet with the Manager and Finance Director for any additional questions she may have. Ms. Walker said she would be happy to do that.

There being no one else wishing to speak, Mayor Hatley closed the public hearing.

**FY 2012 – 2013 ADOPTION OF BUDGET ORDINANCE**

**TOWN OF VALDESE BUDGET  
FISCAL YEAR 2012 - 2013**

**BUDGET ORDINANCE**

**BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF VALDESE, NORTH CAROLINA, THAT:**

**Section I:** The following amounts are hereby appropriated to the fund set forth for the operation of the town government and its activities for the fiscal year beginning July 1, 2012 and ending June 30, 2013 in accordance with the chart of accounts heretofore established for this town:

**GENERAL FUND** \$ 4,635,544

Governing Body	\$ 66,998
Administration	968,170
Public Works	230,595
Maintenance & Grounds	177,267
Planning	72,591
Police	824,488
Fire	614,959
Street	189,013
Powell Bill	147,968
Sanitation	234,130
Recreation	709,814
Tourism/Community Affairs	399,551

**UTILITY FUND** \$ 4,924,895

Water	1,556,741
Wastewater	1,764,814
Water/Sewer Const.	495,973
Triple District	1,107,367

**TOTAL EXPENDITURES** \$ 9,560,439

**Section II:** It is estimated, and therefore appropriated, that the following revenues will be made available to the respective funds for the fiscal year beginning July 1, 2012 as follows:

**GENERAL FUND** \$ 4,635,544

**UTILITY FUND** \$ 4,924,895

**TOTAL REVENUES**\$ 9,560,439

**Section III:** There is hereby levied an ad valorem tax at the rate of forty cents (\$0.40) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2012 for the purpose of raising a portion of the revenue listed in the General Fund appropriation in Section II of this ordinance. This rate, based upon an estimated total valuation of \$383,713,057 will generate a levy of \$1,489,679 with an estimated collection rate of 98% less \$12,000 reserved for discounts.

**Section IV:** As set forth in the Utility Fund Non-Departmental Section of the FY 2012-2013 budget document, the amount of \$435,933 is appropriated for the purpose of debt service and that this amount is sufficient for the complete and proper payment of all bond principal, bond interest and commissions on the outstanding debt of the town relating thereto for the fiscal year beginning July 1, 2012, and ending June 30, 2013.

**Section V:** Long Term Monitoring surcharge for industrial pretreatment program.

Program Cost: \$15,500

**Section VI: The fee schedule for utility service for INDUSTRIAL CUSTOMERS is as follows:**

<u><b>Inside Water</b></u> (Consumption /1000 gal.)		<u><b>Inside Wastewater</b></u> (Discharge/1000 gal.)	
0 - 3	\$10.56	Admin. Billing Charge	\$5.73
4 - 5	2.06		
6	4.42	User Charge	1.91
7 - 300	2.06		
301 - 3000	1.97		
3001 - Plus	.98		
<u><b>Outside Water - Town System</b></u> (Consumption /1000 gal.)		<u><b>Outside Wastewater - Town System</b></u> (Discharge /1000 gal.)	
0 - 3	\$22.59 Double Inside Rate		
4 - 300	4.13		
301 - 3000	3.90		
3001 - Plus	1.97		

**The fee schedule for utility service for COMMERCIAL CUSTOMERS is as follows:**

<u><b>Inside Water</b></u> (consumption / 1000 gal.)		<u><b>Inside Wastewater</b></u> (discharge / 1000 gal.)	
Fixed Meter Charge--\$11.55			
0 - 3	10.71		
4 - 5	2.08	Minimum charge	
6	4.49	up to 3000 gals.	\$5.80
7 - 300	2.08		
301 - 3000	2.01	Cost per 1000 gal.	\$1.93
3000 - Plus	1.00		
<u><b>Outside Water - Town System</b></u> (consumption / 1000 gal.)		<u><b>Outside Wastewater- Town System</b></u> (discharge / 1000 gal.)	
Fixed Meter Charge--\$11.55			
0 - 3	22.93	Double Inside Rate	
4 - 300	4.20		
301 - 3000	3.95		
3001- Plus	2.01		

The fee schedule for utility service for **RESIDENTIAL CUSTOMERS** is as follows:

**Inside Water**  
(consumption / 1000 gal.)

Fixed Meter Charge--	\$11.55
0 – 3	11.69
4 – 5	2.49
6	4.76
7 – 300	2.49
301 – 3000	2.39
3001 – Plus	1.44

**Inside Wastewater**  
(discharge / 1000 gal.)

Minimum charge up to 3000 gals.	\$5.51
Cost per 1000	1.84

**Outside Water – Town System**  
(consumption / 1000 gal.)

Fixed Meter Charge--	\$11.55
0 – 3	24.80
4 – 300	4.98
301 – 3000	4.75
3001- Plus	2.88

**Outside Wastewater-  
Town System**

(discharge / 1000 gal.)
Double Inside Rate

The fee schedule for utility service for **TRIPLE COMMUNITY** is as follows:

**Inside Water**  
(consumption / 1000 gal.)

0 – 3	\$23.31
4 – 10	4.18
Over 10	3.26

**Utility Deposits**

Non-owner Resident	\$100.00
Non-owner Commercial	100.00
Non-owner Industrial	100.00

**Reconnect** \$ 25.00

**Late Penalty** 10% after 15th of month bill is due. Amended policy now included for large users. If the penalty exceeds \$200.00 the amended policy becomes effective.

**Section VII:** The Budget Officer is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- (A) He may transfer amounts between objects of expenditures within a department without limitation and without a report being required.
- (B) He may transfer amounts of \$1,000 between departments of the same fund with an official report on such transfer at the next regular meeting of the Town Council.
- (C) He may not transfer any amounts between funds or from any contingency appropriation within any fund without approval of the Town Council.

**Section VIII:** Copies of this budget ordinance and accompanying documents shall be furnished to the finance office, budget officer, and other department heads of the Town of Valdese to be kept on file by them for their direction in the disbursement of funds.

Upon introduction by Town Manager Jeffrey V. Morse, motion to adopt by Councilman Ogle, and seconded by Councilwoman Hildebran, this ordinance is adopted on this the 25<sup>th</sup> day June, 2012, with the following vote: Ayes: 4,

Noes; 0.

/s/ James L. Hatley, Mayor

Attest: /s/ Town Clerk

**FY 2011-2012 YEAR END BUDGET AMENDMENT** Finance Director Jerry LaMaster presented the following amendment:

**SUPPLEMENTAL YEAR END BUDGET AMENDMENT**

<b><u>GENERAL FUND</u></b>		<b>Increase (Decrease)</b>
Total Revenue:		<u>87,300</u>
Occupancy Tax	10.3200.000	5,000
Alcohol / Beverage Tax	10.3410.000	-10,000
Hold Harmless	10.3450.020	2,000
Cemetery Revenues	10.3610.000	5,000
Sales Tax Refund	10.3670.000	10,000
Old Colony Players	10.3970.023	-4,000
Community Affairs	10.3970.025	4,200
Loan Proceeds – Police	10.3970.762	62,000
Festival	10.3970.920	3,600
Fund Balance - Unemployment	10.3990.000	8,100
Fund Balance - Art Fund	10.3990.000	1,400
Expenditures:		
Governing Body		(2,800)
Group Insurance	10.4100.060	(2,800)
Administration		(23,200)
Professional Services	10.4200.040	3,000
Postage	10.4200.111	2,000
Travel	10.4200.140	4,000
Dept Supplies	10.4200.330	3,000
NC Sales Tax	10.4200.370	7,000
Contract Services	10.4200.450	1,300
Burke County Library	10.4200.930	5,000
Econ Development - Olive Hill	10.4200.960	4,500
Contingency	10.4200.990	(53,000)
Public Works Admin		(5,000)
Salaries	10.4250.020	(5,000)
Utility - Gas	10.4250.131	
Maintenance & Grounds		8,500
Salaries	10.4350.020	
Unemployment	10.4350.080	500
M&R Buildings	10.4350.150	5,000
Christmas Decorations	10.4350.331	3,000
Insurance & Bonds	10.4350.540	
Police		73,600
Salaries	10.5100.020	5,000

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Unemployment	10.5100.080	6,600	
Capital Outlay - Cars	10.5100.740	62,000	
Fire			8,000
Extra Duty Hours	10.5300.024	5,000	
M&R Vehicle	10.5300.170	3,000	
Sanitation			11,000
Dept Supplies	10.5800.330	8,000	
Contract Services	10.5800.450	3,000	
Recreation			8,000
Salaries	10.6200.020	8,000	
Professional Services	10.6200.040	1,500	
Unemployment	10.6200.080	1,000	
Utility Exp - Gas	10.6200.131	(5,000)	
M&R Equipment	10.6200.160	1,000	
Chemicals	10.6200.332	500	
Contract Services	10.6200.450	1,000	
Community Affairs			9,200
Dept Supplies - Trailer	10.6250.330	4,000	
Festival	10.6250.922	3,600	
Txfr to Art Fund	10.6250.928	1,600	
Total Expenditures			<u>87,300</u>

**UTILITY FUND**

**Increase  
(Decrease)**

Total Revenue:	<u>-11,000</u>
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Tap & Connection Fees	30.3730.000	1,000
Burke County - East	30.3810.030	6,000
VGH	30.3810.050	17,000
Rural Center Grant	30.3970.763	37,000
Fluoride Grant	30.3970.764	10,000
Town of Drexel	30.3810.020	(16,000)
Burke County Water	30.3810.032	(16,000)
Icard Water	30.3810.070	(50,000)

Expenditures:

Water Dept.		(27,850)
Part Time Pay	30.8100.022	8,000
Postage	30.8100.111	2,000
Dues & Subscriptions	30.8100.530	2,500
Insurance & Bonds	30.8100.540	(2,500)
VEDEC	30.8100.930	4,200
Capital Outlay	30.8100.740	(33,050)
Contingency	30.8100.990	(9,000)

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Waste Water Dept.			19,450
Professional Services	30.8110.040	10,000	
Unemployment	30.8110.080	4,800	
Utilities - Elec	30.8110.130	15,000	
M&R Buildings	30.8110.150	15,000	
M&R Equipment	30.8110.160	5,000	
Wood Chips	30.8110.336	10,000	
Insurance & Bonds	30.8110.540	2,500	
VEDEC	30.8110.930	4,200	
Capital Outlay	30.8110.740	(33,050)	
Contingency	30.8110.990	(14,000)	
Water & Sewer Const. Dept.			(2,600)
Professional Services	30.8120.040	6,000	
M&R Buildings & Grounds	30.8120.150	4,000	
Insurance & Bonds	30.8120.540	2,400	
Water Line	30.8120.730	(15,000)	
Total Expenditures			<u>(11,000)</u>

<u><b>TCW FUND</b></u>	<b>Increase (Decrease)</b>	
Total Revenue:		<u>88,000</u>
Water Charges	31.3710.010	(3,000)
Reconnection Fees	31.3750.000	(3,000)
Other	31.3350.000	(4,000)
From CRF - Cube Dr	31.3990.001	40,000
From CRF - Hydraulic	31.3990.001	25,000
From CRF - GPS	31.3990.001	29,000
From CRF - Computer Conversion	31.3990.001	4,000

Expenditures:

Water Dept.			88,000
Professional Services - Hydraulic	31.8130.040	25,000	
Professional Services - GPS	31.8130.040	29,000	
Professional Services - Computer	31.8130.040	11,000	
W&S Rate Study	31-8130-043	1,000	
Group Insurance	31.8130.060	1,000	
M&R Vehicle	31.8130.170	1,500	
Contract Services	31-8130-450	3,500	
Capital Outlay - Cube Dr	31.8130.740	40,000	
Contingency	31.8130.922	0	
Contribution To CRF	31.8130.961	(24,000)	
Total Expenditures			<u>88,000</u>

Councilman Black made a motion to approve the aforementioned FY 2011-2012 Year End Budget Amendment, seconded by Councilman Ogle. The vote was unanimous.



**AUTHORIZE FUNDS FOR RENOVATIONS AND MOVING COSTS FOR VALDESE ABC STORE** Town Manager Jeff Morse said after the June 4, 2012 public hearing several options were presented for the ABC Store for the purposes of economic development/economic opportunities for this community. There are still several options and the highest option at this point in time was the old bank building and there was a roadblock. Staff was under the impression that the town had a long-term lease on the old BB&T bank building formerly rented by the county. In 1998 BB&T gave the town two 10-year charitable leases of \$100 per year. At the time he was working with BB&T, it was also talked about that there would be subsequent leases. When he called BB&T to extend another 20-year term, he was informed by the Director of their Physical Asset Division that the lease the town enter into back in 1998 was not allowed under banking laws to lease bank-owned property other than to themselves, which no one knew at the time including BB&T.

The current lease is not valid and any extensions would not be valid. In talking with BB&T, there were two solutions: 1) An appraisal could be conducted and offer the building to the town at the appraised price (and he informed them the town had no funds to purchase the building); and 2) charitable donation from BB&T. He reminded BB&T staff that initially the building was a charitable donation, and for some reason BB&T wanted to offer a long-term lease. Mr. Morse informed BB&T staff the town wanted to request a charitable donation of the building.

Mayor Hatley said currently the ABC Board is paying \$2,700 rent per month.

Mr. Morse said the Town could build an ABC Store and finance through Rural Development and lease to the Valdese ABC Board at a mortgage of less than \$850 per month.

He said the Valdese ABC Board requested that Wells Fargo extend the interest only loan for several more years and they are not inclined to do that. If the ABC Store has to start paying principal plus interest it would create a financial challenge and it could not survive. He believes the Town should come to the aid of the ABC Store to keep the economic development benefit to the town and its citizens. The ABC Board has to give a signal to Wells Fargo as to what it plans to do. He requested up to \$65,000 for moving and renovation expenses only if the building is charitably turned over to the Town and it has 100 percent ownership, then the town would lease the building to the ABC Store for \$1 per year.

Town Attorney Marc Mitchell said there was a distinction legally between renovating one of our own buildings and giving money to the ABC Board to assist them with moving. Any money the Town appropriates to the ABC Board you would have to go through the same economic development hearing. If the town approves money to renovate one of its town-owned buildings, that would not be an issue.

Councilwoman Hildebran asked where the money would come from and Mr. Morse said capital reserves.

Councilman Black said this may be premature to the extent that we do not know about the current lease. Mr. Morse said we would have 12 months to continue to pay the current lease. Mr. Morse has to demonstrate to Wells Fargo that it would have a successful move to a new store and allow rent-free for one year and if things work out to request Wells Fargo allow another year of interest only on the loan. He said Council did not have anything concrete at this point. Mr. Morse said the request would come back to Council and he was just seeking direction from Council at tonight's meeting.

Councilman Black made a motion that he would be in favor if we have a building that is given to us of upfitting that building in an amount up to \$65,000 so that it would be appropriate to lease to the ABC Store or anyone else Council chose to lease it to. The motion was seconded by Councilwoman Stevenson and unanimously carried.

**FAÇADE IMPROVEMENT GRANT – OLD PINEBURR PLANT (CHANGING SEASONS)** Mr. Morse said Ms. Josie McCoy and Mr. Allen Jones, owners of Changing Seasons, LLC, requested a grant for improvements to the Old Pineburr Plant in an estimated cost at \$7,580. Receipts in the amount of \$5,090 were received and staff recommended a matching grant of up to \$2,500, retroactive.

After a brief discussion, Councilman Ogle said this was part of the former Downtown Development program and this request was for a main building in Valdese although not on Main Street, and he made a motion to approve the aforementioned matching grant in the amount of \$2,500, seconded by Councilwoman Stevenson. The vote was unanimous.

**VEDIC REVISION TO BYLAWS TO REDUCE TOWN'S DIRECT INVOLVEMENT AND APPROVAL OF VALDESE REAPPOINTMENTS** Town Attorney Mark Mitchell reviewed the changes to the following revised bylaws and said the

majority of the voting members are appointed by BDI. Mr. Mitchell said this would be the last VEDIC Bylaw change Council would have to approve except for future amendments to the Valdese portion only.

**BYLAWS OF VALDESE ECONOMIC DEVELOPMENT  
INVESTMENT CORPORATION**

**ARTICLE I  
OFFICE**

SECTION 1.1 PRINCIPAL OFFICE. The principal office of the Corporation shall be located at such place as the Board of Directors may fix from time to time.

SECTION 1.2 REGISTERED OFFICE. The registered office required by law to be maintained in the State of North Carolina may be, but need not be, identical with the principal office.

SECTION 1.3 OTHER OFFICES. The Corporation may have offices at such other places as the Board of Directors may designate or as the affairs of the Corporation may require from time to time.

**ARTICLE II  
MEMBERSHIP**

SECTION 2.1 MEMBERS. The Corporation shall have no members.

**ARTICLE III  
BOARD OF DIRECTORS**

SECTION 3.1 MANAGEMENT OF THE CORPORATION. The property, affairs and business of the Corporation shall be managed by the Board of Directors.

SECTION 3.2 NUMBER AND TENURE. The Corporation shall be governed by a Board of Directors consisting of eighteen (18) members. Burke Partnership for Economic Development, Inc. (BDI) shall appoint ten (10) of the directors, who shall represent the following nonprofit corporations and governmental entities:

1. Town of Connelly Springs. The Connelly Springs Town Council shall recommend to BDI a representative to represent the Town of Connelly Springs.
2. Town of Hildebran. The Hildebran Town Council shall recommend to BDI a representative to represent the Town of Hildebran.
3. Burke County. The Burke County Commissioners shall recommend to BDI a representative to represent Burke County.
4. Burke County. The Burke County Commissioners shall recommend to BDI a second representative to represent Burke County.
5. City of Morganton. The Morganton City Council shall recommend to BDI a representative to represent the City of Morganton.
6. Burke County Travel and Tourism Authority. The Burke County Travel and Tourism Authority shall recommend to BDI a representative to represent the Burke County Travel and Tourism Authority.
7. Town of Rutherford College. The Rutherford College Town Council shall recommend to BDI a representative to represent the Town of Rutherford College.
8. Town of Drexel. The Drexel Town Council shall recommend to BDI a representative to represent the Town of Drexel.
9. Burke County Chamber of Commerce. The Burke County Chamber of Commerce shall recommend to BDI a representative to represent the Burke County Chamber of Commerce.

10. An at large representative appointed by BDI.

Each of these ten (10) directors shall serve until such time as a replacement for that director is recommended by the governmental entity or nonprofit corporation that director represents, appointed by BDI and qualified.

The Town Manager of the Town of Valdese shall be an ex-officio voting member of the Board of Directors. The other seven (7) directors shall be appointed by the Valdese Town Council, and they shall serve three-year staggered terms. The term of three (3) of these directors shall begin July 1, 2012; the term of three (3) of these directors shall begin July 1, 2013; and the term of two (2) of these directors shall begin July 1, 2014. Thereafter, prior to each July 1, the same number of directors whose terms are expiring shall be appointed by the Valdese Town Council. The seven (7) directors appointed by the Valdese Town Council may serve three (3) consecutive three-year terms, after which the director must be off of the board for at least one (1) year before being eligible to serve again.

The Valdese Town Council may also appoint two (2) nonvoting members to the Board of Directors who shall act in an advisory capacity to the board. The Valdese Town Council may be replace or remove these advisory directors at any time.

**SECTION 3.3 RESIGNATION.** Any director, other than the Town Manager, may resign at any time by giving notice thereof in writing to the Chairman or Secretary of the corporation. Such resignation shall take effect at the time specified therein, or if no time is specified, at the time such resignation is received by the Chairman or Secretary.

**SECTION 3.4 VACANCIES.** In the event of a vacancy in the members of the Board of Directors appointed by the Town Council, the remaining directors shall continue to act and such vacancy shall be filled by appointment of a successor by the Town Council of the Town of Valdese. In the event of a vacancy in the members of the Board of Directors appointed by BDI, the remaining directors shall continue to act and such vacancy shall be filled by a successor appointed by BDI as provided in Section 3.2. Any director appointed by the Town Council of the Town of Valdese for the unexpired three-year term of one of the directors the Town Council appoints shall hold office for the unexpired portion of the term of the person who the newly appointed director succeeds, or until he shall resign or shall become disqualified

**SECTION 3.5 COMPENSATION.** Directors and officers of the Corporation shall not receive any salary or fee for services rendered to the Corporation as a director or officer, but shall be entitled to reimbursement for reasonable expenses incurred by them on behalf of the Corporation subject to approval of the Chairman or of the Treasurer in the case of expenses incurred by the Chairman; but nothing herein shall be construed to preclude a director from serving the Corporation in any other capacity and receiving reasonable compensation therefore, subject to the approval of the Board of Directors.

**SECTION 3.6 DUTIES.** Each director shall discharge his duties as a director, including his duties as a member of a committee, in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the director reasonably believes to be in the best interest of the Corporation.

#### ARTICLE IV MEETINGS OF THE BOARD OF DIRECTORS

**SECTION 4.1 PLACE.** The Board of Directors may hold meetings, both regular and special, at such place as the Board of Directors shall determine.

**SECTION 4.2 REGULAR MEETINGS.** Regular meetings shall be conducted at prearranged times and places for the conducting of the business of the Corporation as established by the Board of Directors. The Board of Directors shall hold a regular meeting at least once each quarter.

**SECTION 4.3 ANNUAL MEETING.** The Board of Directors meeting for the election of officers and the transaction of any other business shall be held during the month of July.

**SECTION 4.4 SPECIAL MEETINGS.** Special meetings may be called by the Chairman on at least one days' notice to each director; and special meeting shall be called by the Chairman in like manner and on like notice if requested in writing by two or more directors.

**SECTION 4.5 QUORUM AND VOTING.** At all meetings of the Board of Directors, a majority of the entire board shall constitute a quorum for the transaction of the business, and a vote of the majority of the directors present and voting in person shall be the act of the Board of Directors, except where the Articles of Incorporation, these Bylaws or North

Carolina law requires a greater vote. For all votes of the Valdese Loan and Grant Advisory Committee established under Section 6.4, a majority of that advisory committee shall constitute a quorum and a majority of the members of that committee present and voting in person shall be the act of that advisory committee.

**SECTION 4.6 MEETING BY TELEPHONE.** Any member of the Board of Directors or a committee may participate in a meeting of the Board of Directors or a committee meeting by means of a conference telephone or similar communications device which allows all persons participating in the meeting to hear each other, and such participation in a meeting shall be deemed to constitute presence in person at such meeting.

**SECTION 4.7 CONSENT.** Whenever a vote of directors is required or permitted to be taken in connection with any action, the meeting of directors may be dispensed with, but only if all of the directors consent in writing to such action being taken.

**SECTION 4.8 REMOVAL.** The Board of Directors may remove any director, other than the Town Manager of the Town of Valdese, who is absent from three (3) consecutive scheduled meetings or who is absent from more than 60% of the board meetings during any fiscal year.

## ARTICLE V OFFICERS

**SECTION 5.1 OFFICERS.** The officers of the Corporation shall be a Chairman, a Vice Chairman, a Secretary and a Treasurer. All of the officers shall be elected from the membership of the Board of Directors.

**SECTION 5.2 ELECTION.** Each officer shall be elected by the Board of Directors at its organizational meeting and thereafter at its annual meeting and shall hold office until the annual meeting of the Board of Directors held next after his election or until his death or until he shall resign or shall have been disqualified or shall have been removed from office.

**SECTION 5.3 REMOVAL.** Any officer may be removed by a majority vote of all directors at a special meeting called for that purpose whenever in their judgment the officer's removal will be in the best interest of the Corporation.

**SECTION 5.4 ADDITIONAL OFFICERS.** The Board of Directors may create and elect from time to time such additional officers as in its opinion are desirable for the conduct of the business of the Corporation.

**SECTION 5.5 VACANCIES.** If an office becomes vacant for any reason, the Board of Directors shall fill such vacancy. Any officer so elected by the Board of Directors shall fill the unexpired term of his predecessor.

**SECTION 5.6 CHAIRMAN.** The Chairman shall be the Chief Executive Officer of the Corporation and, subject to the instructions of the Board of Directors, shall have general charge of the business, affairs, and property of the Corporation. The Chairman shall preside at all meetings of the Board of Directors and the Executive Committee at which he may be present. The Chairman shall do and perform such other duties as from time to time may be assigned to him by the Board of Directors.

**SECTION 5.7 VICE CHAIRMAN.** At the request of the Chairman, or in his absence or disability, the Vice Chairman shall perform all of the duties of the Chairman and when so acting, shall have all powers of and be subject to all restrictions upon the Chairman. The Vice Chairman shall perform such other duties and have such authority as from time to time may be assigned to him by the Board of Directors.

**SECTION 5.8 SECRETARY.** The Secretary shall keep the minutes of the meetings of the Board of Directors and shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law. The Secretary shall be the custodian of the records, books, reports, statements, and other documents of the Corporation and seal of the Corporation, and see that the seal is affixed to all documents requiring such seal. In general, the Secretary shall perform all duties and possess all authority incident to the office of secretary, and he shall perform such other duties and have such other authority as from time to time may be assigned to him by the Board of Directors.

**SECTION 5.9 TREASURER.** The Treasurer shall have supervision over the funds, securities, receipts, and disbursements of the Corporation. The Treasurer shall in general perform all duties and have all authority incident to the office of treasurer and shall perform such other duties and have such other authority as from time to time may be assigned or granted to him by the Board of Directors.

SECTION 5.10 DUTIES OF OFFICERS MAY BE DELEGATED. In the case of the absence of any officer of the Corporation or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the power or duties of such officer to any other officer or to any director for such period of time as the Board of Directors may determine.

## ARTICLE VI COMMITTEES

SECTION 6.1 STANDING COMMITTEES. The Board of Directors shall have the following standing committees: Executive Committee, Nominating Committee and Valdese Loan and Grant Advisory Committee.

SECTION 6.2 COMPOSITION, DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE. The Chairman shall serve as the Chairman of the Executive Committee. The Executive Committee shall consist of the officers of the Corporation and such others as may be designated by the Chairman and approved by the Board of Directors. The duties of the Executive Committee are to advise the Chairman and the Board of Directors on Corporation business, review and recommend loan and grant applications and perform such other duties as may be assigned by the Board of Directors.

SECTION 6.3 COMPOSITION, DUTIES AND RESPONSIBILITIES OF THE NOMINATING COMMITTEE. The Nominating Committee shall consist of at least three (3) directors and such other persons, who need not be directors, appointed by the Chairman. The duties of the Nominating Committee are to seek out and recommend qualified individuals to serve as directors of the Corporation. The names of potential directors shall be submitted by the Nominating Committee to the Board of Directors, and the Board of Directors shall recommend individuals, who need not be persons nominated by the Nominating Committee, to the Town Council for its consideration and approval as directors of the Corporation.

SECTION 6.4 COMPOSITION, DUTIES AND RESPONSIBILITIES OF THE VALDESE LOAN AND GRANT ADVISORY COMMITTEE. The Town Manager of the Town of Valdese, an ex-officio board member, and the seven (7) directors appointed by the Valdese Town Council shall serve as an advisory committee to the Board of Directors. This advisory committee shall make recommendations as to whether to deny or approve all applications for loans or grants for which only businesses or other entities or people located in the Town of Valdese are eligible. The Board of Directors shall honor and approve such recommendations made by this advisory board unless the Board of Directors determines that such action would be improper or otherwise constitute a breach of the directors' fiduciary duties.

SECTION 6.5 SPECIAL COMMITTEES. The Board of Directors may from time to time organize such other committees or advisory committees as it deems necessary to carry out the objectives of the Corporation.

SECTION 6.6 CHAIRMAN OF COMMITTEES. The Chairman shall act as Chairman of the Executive Committee. The Valdese Loan and Grant Advisory Committee shall elect the chairman of that committee. The Chairman shall appoint all other committee chairmen.

## ARTICLE VII NOTICES

SECTION 7.1 FORM/DELIVERY. Notices to directors shall be in writing and may be delivered personally or by mail or electronic media to the director's address appearing on the records of the corporation.

SECTION 7.2 WAIVER. Whenever a notice is required to be given by these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to such notice.

## ARTICLE VIII CONTRACTS, LOANS, CHECK, DRAFTS, ETC.

SECTION 8.1 CONTRACTS. The Board of Directors may authorize any officer or officers or agent or agents to enter into any contract or to execute or deliver any instruments on behalf of the Corporation, and such authority may be general or confined to specific instances. Any contract or other action that will or may result in the expenditure of more than \$10,000 of Corporation funds must be approved by at least eight (8) members of the Board of Directors.

SECTION 8.2 LOANS. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name, unless and except as authorized by the Board of Directors. Any officer or agent of the Corporation so authorized may effect loans or advances for the Corporation and for such loans and advances may make, execute, and deliver promissory notes, bonds, or other evidences of indebtedness of the Corporation. Any such officer or agent, when thereunto so authorized, may mortgage, pledge, hypothecate, or transfer as security for the

payment of any and all loans, advances, indebtedness, and liabilities of the Corporation any real property and all stocks, bonds, other securities, and other personal property at any time held by the Corporation, and to that end, may endorse, assign, and deliver the same, and do every act and thing necessary or proper in connection therewith. Such authority may be general or confined to specific instances. Any borrowing of an amount in excess of \$10,000 must be approved by at least eight (8) members of the Board of Directors.

SECTION 8.3 DEPOSITS. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks or trust companies or with such bankers or other depositories as the Board of Directors may select, or as may be selected by any officer or officers or agent or agents of the Corporation to whom such power may from time to time be given by the Board of Directors.

SECTION 8.4 CHECKS, DRAFTS, ETC. All notes, drafts, acceptances, checks and endorsements or other evidences of indebtedness shall be signed by the Chairman or a Vice Chairman and by the Secretary or the Treasurer, or in such other manner as the Board of Directors may from time to time determine. Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositories will be made by the Chairman or Treasurer or by any officer or agent who may be designated by resolution of the Board of Directors in such manner as such resolution may provide.

SECTION 8.5 GIFTS. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for the any special purpose of the Corporation.

#### ARTICLE IX GENERAL PROVISIONS.

SECTION 9.1 PURPOSES. This Corporation is organized to assist the Town of Valdese in the promotion, stimulation, development and advancement of the business prosperity and economic welfare of the Town and its citizens; to encourage and assist in any lawful manner the location of new business and industry in the Town; to assist existing business and industry in the Town; and to cooperate and act in conjunction with other organizations, public and private, in the promotion and advancement of industrial, commercial, and recreational developments in the Town. Because a strong county-wide and regional economy is essential to the economic well-being of the citizens of Valdese and the surrounding counties, the Corporation is authorized to seek funding for and establish loan and grant programs to increase the business activity in the entirety of Burke County and the surrounding counties.

SECTION 9.2 DISSOLUTION. The Corporation may be dissolved only by a two-thirds (2/3) vote of all of the members Board of Directors of the Corporation. Upon dissolution of the Corporation, the remainder of the Corporation's assets, after all liabilities and obligations of the Corporation have been paid and discharged, or adequate provisions made therefore, shall be distributed to the Town of Valdese.

SECTION 9.3 LIMITATION ON LIABILITY. No officers, director, or employee shall be liable for his actions acting in such capacity, which actions are taken in good faith, provided that such officers, directors, or employees, may be liable for gross negligence or willful misconduct. The Corporation agrees to indemnify its officers, directors, and employees for any expenses, claims, or liabilities, suffered by or against any of such persons acting in their respective capacities as officers, directors, or employees of the Corporation, to the extent permissible by law. Such indemnification shall not apply to the extent that such actions of the officers, directors, or employees constitute gross negligence or willful misconduct.

SECTION 9.4 CORPORATE SEAL. The corporate seal shall be in such form as shall be approved from time to time by the Board of Directors.

SECTION 9.5 FISCAL YEAR. The fiscal year of the Corporation shall be from July 1 to June 30.

SECTION 9.6 AMENDMENT TO BYLAWS. These Bylaws may be amended or repealed and new bylaws may be adopted by affirmative vote of a majority of the directors then holding office at any meeting of the Board of Directors; however, notice of the proposed action and text of the proposed bylaw amendment must be provided to the directors at least five (5) before the meeting at which action on the proposed amendment is to be taken or such notice must have been waived by all of the directors; and provided further that the bylaws relating to the appointment and tenure of the directors appointed by the Valdese Town Council and the bylaws relating to the composition, duties and responsibilities of the Valdese Loan and Grant Advisory Committee as provided in Section 6.4 shall not be amended without the prior written consent of the Valdese Town Council.

SECTION 9.7 GENDER. As used in these Bylaws, the masculine gender shall be deemed to include the feminine and feminine the masculine.

THIS THE 25<sup>th</sup> DAY OF JUNE, 2012.

/s/ James L. Hatley, Mayor

**VEDIC APPOINTMENTS (VALDESE ONLY):** The 3-year terms would expire June 30, 2015: John Fredrickson, Jeff Morse, Ex Officio Voting Member, Eddie McGimsey, Lia Yang, Hmong Representative, Mayor James Hatley – Non-Voting Member, and Wayne Harris, Non-Voting Member.

After a brief discussion, Councilwoman Stevenson made a motion to approve the aforementioned amendments to the VEDIC Bylaws and approve the Valdese reappointments, seconded by Councilman Ogle. The vote was unanimous.

**REQUEST TO PURCHASE RADIOS – FIRE DEPARTMENT** Fire Chief Charlie Watts said as discussed at the Budget Retreat and in order to comply and meet the demands from the new FCC Regulations he recommended the purchase of VIPER radios. He said the Police Department purchased radios last year. The Fire Departments in Burke County applied for a \$1.2 million Federal grant to assist with radio purchases but the grant was denied. Chief Watts said it would cost \$125,000 to purchase the radios. He said they were looking at 800 MHz, VIPER radios. He said we would currently have no infrastructure costs because currently the state installs and maintains all towers, transmitters, generators, antennas, etc. Each member of the Fire Department would be provided with a portable radio. There would be five mobile radios installed in Fire Apparatus and Fire Chief's vehicle. Some software and all hardware would be included. The Town Manager is planning to borrow the funds to purchase the radios. Chief Watts said some of the newer radios could be reprogrammed and used at Public Works.

Councilman Ogle made a motion to approve the purchase of the radios and authorize Town staff to obtain financing, seconded by Councilwoman Hildebran. The vote was unanimous.

**AGREEMENT WITH WESTERN PIEDMONT COUNCIL OF GOVERNMENTS FOR 2012-2013 TECHNICAL PLANNING ASSISTANCE** Mr. Morse requested that Council approve an agreement in the amount of \$21,000 for assistance to the Town Manager, Planning Department, and Planning Commission. The contract was from July 1, 2012 through June 30, 2013.

Councilman Ogle made a motion to approve the aforementioned Technical Assistant Agreement with the Western Piedmont Council of Governments, seconded by Councilwoman Stevenson. The vote was unanimous.

#### **MAYOR AND COUNCIL COMMENTS:**

##### **HOME LOCATED AT 909/913 MAIN STREET WEST OWNED BY RICHARD DEAL**

Councilwoman Stevenson asked if there was any response from the letter that was sent to Mr. Deal. Mr. Morse said he would follow up on the letter.

Councilwoman Hildebran briefly reviewed the letter to Mr. Deal sent by Town staff on June 8 which stated the Town may levy a \$50 fine charged daily unless corrective action was taken. Mr. Morse said staff would follow through on this issue.

#### **EXITS OFF I-40**

Councilwoman Stevenson said she had received concerns from citizens about keeping the Exits off I-40 into Valdese looking as good as possible.

Mayor Hatley said the bushes and trees need to be trimmed at Exit 112 off I-40.

Mr. Duckworth gave a brief overview of the state's responsibility and the town's responsibility for maintaining the exits.

#### **OLD HIGH SCHOOL BUILDING**

Councilman Ogle said it was tourism season and nothing was being done to remove the Old High School building. Mayor Hatley said he was receiving complaints as well.

Town Attorney Marc Mitchell said he recently spoke with Mr. Jacumin who said he was working as hard as he could on the project. Mr. Mitchell asked that Mr. Jacumin communicate to the town his proposal and due date to complete and Mr. Mitchell has not heard from Mr. Jacumin. Mr. Mitchell said the town could institute legal proceedings. The Town ordinance allows Council to appropriate the funds and place a lien on the property.

Mayor Hatley said he would not want to spend town funds to tear down the building and place a lien on the property.

Ms. Sandi Walker said her son worked for Mr. Jacumin and they were working on the building and they had complications getting concrete off the brick.

Mr. Morse said he spoke recently with Mr. Jacumin and they are working daily and were trying to preserve a section of the building and was working with someone to remove the brick. Mr. Morse said the Trail of Faith was an asset to the Town and he recently met with Anthony Collins, Director with the Trail of Faith and everyone would work together for the betterment of all involved.

#### **REPUBLIC SERVICES OF NC, LLC – GDS**

Councilwoman Hildebran asked about the information in Council's reading material about rate increase effective September 1, 2012, from GDS and would the citizens pay the increase. Mr. Morse said it would be split 50/50 and allocated on the bill.

#### **MANAGER'S REPORT:**

Mr. Morse made the following announcements:

#### **INDEPENDENCE DAY CELEBRATION WITH FIREWORKS ON FRIDAY, JUNE 29, 2012, IN CONJUNCTION WITH FAMILY FRIDAY NIGHT AND TOWN OFFICES WOULD BE CLOSED ON WEDNESDAY, JULY 4, 2012, IN OBSERVANCE OF INDEPENDENCE DAY.**

**REQUESTS TO SELL BEER, WINE AND READY TO DRINK COCKTAILS AT THE WALDENSIAN FESTIVAL** Mr. Morse said requests were received to Sell Beer, Wine, and Ready to Drink Cocktails during the Waldensian Festival on Friday, August 10 from 6:00 p.m. until 10:30 p.m., and Saturday, August 11, 2012, from 12 Noon until 9:00 p.m. Requested by the American Legion Post 234 to sell beer and "Ready to Drink" Cocktails; Waldensian Heritage Wines to sell wine; and Waldensian Style Wines to sell wine.

Town Attorney Mark Mitchell said he needed to do research about the Ready to Drink Cocktails and he was not sure it would be legal to sell those type drinks.

Ms. Karen Caruso said she was speaking on behalf of Jeff Jacumin, Commander of American Legion Post 234 and the Ready to Drink Cocktails would need to go before the NC ABC Commission but would first need Council approval. She had not researched the issue if the drinks were legal with the state. She reviewed the four drinks to be offered (6 – 8 ounces) and said you only add ice and it would be strictly controlled and the alcohol content of the drinks was 10-12 percent, with wine having 12 percent alcohol content.

After a brief discussion, Councilman Ogle made a motion to approve the aforementioned requests for beer and wine only (and not ready to drink cocktails) for the Waldensian Festival, August 10 and 11, 2012, seconded by Councilman Black. The vote was unanimous.

**WSVM LEASE UPDATE WITH BERT LINDSAY, MAGICAL MUSIC** Mr. Morse said July 2, 2012, was the final payment on the acquisition of WSVM Radio Property at which time the Town would own the property, building and equipment. Currently Bert Lindsay, Magical Music, was leasing the property and wishes to continue the lease with the Town. Staff met with Mr. Lindsay about leasing the property from the Town of Valdese in the amount of \$6,000 per year, and Mr. Lindsay would be responsible for all of the building equipment and he would insure the equipment he would be using, he would also be responsible for any maintenance of the building. The Town is currently spending \$6,000 in advertising and the Town would trade the advertising for the lease. Mr. Morse said a formal contract would be presented to Council at the August meeting.

**REQUEST FROM POLICE CHIEF TO CHANGE DESIGN ON NEW POLICE CARS** Police Chief Jack Moss requested approval to change the design/stripping on the two new police vehicles and future vehicles as they rotate out, at a cost of \$350 each. Chief Moss said he did not think the design would look good on the Ford Crown Vics.



Council approved the request by consensus.

**CLOSED SESSION** Mayor Hatley called for a Closed Session pursuant to NC General Statute 143-318.11 (a) (6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee.

At 8:40 p.m., Councilman Ogle made a motion to recess into Closed Session pursuant to NC General Statute 143-318.11 (a) (6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee. The motion was seconded by Councilwoman Hildebran and the vote was unanimous.

At 8:55 p.m., Councilwoman Stevenson made a motion to return to Open Session, seconded by Councilman Black. The vote was unanimous.

**TOWN MANAGER'S SALARY ADJUSTMENT**

Councilman Black made a motion to change the compensation agreement with the Town Manager by increasing the Town Manager's base salary by 1.5 percent and to award a one-time bonus of \$2,500 for his effort and time spent with The Settings of Lake Rhodhiss, effective July 1, 2012, seconded by Councilman Ogle. The vote carried unanimously.

Town Manager Jeff Morse thanked the Members of Council.

**ADJOURNMENT**

At 8:58 p.m., there being no further business to come before Council, a motion was made by Councilman Ogle to adjourn, seconded by Councilwoman Stevenson. The vote was unanimous.

The next meeting is a regularly scheduled meeting for Monday, August 6, 2012, 7:00 p.m.

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Town Clerk

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Mayor

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**TOWN OF VALDESE  
TOWN COUNCIL MEETING  
AUGUST 6, 2012**

The Town of Valdese Town Council met on Monday, August 6, 2012, at 7:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor James L. Hatley, Councilman Keith Ogle, Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, Councilman Gary L. Delp, and Councilman Chip Black. Also present were Town Manager Jeffrey V. Morse, Town Attorney Marc Mitchell, Deputy Town Clerk Thelda B. Rhoney, and various department heads.

Absent: None

A quorum was present.

Mayor Hatley called the meeting to order at 7:00 p.m. He called for a moment of silence; after which, he led in the Pledge of Allegiance to the Flag.

**OPEN FORUM/PUBLIC COMMENT** No one spoke.

**CONSENT AGENDA:** (enacted by one motion)

**APPROVED MINUTES** of Regular Meeting and Closed Session Minutes – June 25, 2012

**APPROVED RESOLUTION TO SURPLUS PROPERTY - FIRE DEPARTMENT**

**RESOLUTION DECLARING VEHICLE SURPLUS**

WHEREAS, Council declares the following described vehicle surplus as requested by Fire Chief Charlie Watts:

**1995 Ford Crown Victoria, VIN# 2FALP71W0SX160622, Mileage: 117,396**

WHEREAS, this vehicle is currently used by the Fire Marshal and plans are to replace this vehicle with a Dodge police vehicle which is being removed from service by the Police Department.

BE IT RESOLVED THAT, the 1995 Ford Crown Victoria will be auctioned on Gov Deals with beginning bid of \$400 and if no bid is received, the vehicle will be sold as scrap metal.

This 6<sup>th</sup> day of August, 2012.

/s/ James L. Hatley, Mayor

**APPROVED REQUEST TO SELL WINE** Request from Raintree Cellars to sell wine at the Waldensian Festival on Friday, August 10 from 6:00 p.m. until 10:30 p.m., and Saturday, August 11, 2012, from 12 Noon until 9:00 p.m., and request from Waldensian Heritage Wines to sell wine at the Old Rock School at the October Art Exhibit Reception on October 4, 2012, from 5:00 p.m., until 8:00 p.m.

**APPROVED APPOINTMENTS OF VALDESE YOUTH COUNCIL MEMBERS** Jocelyn Isbell, 104 Old Colony Drive, Valdese, and Jordyn Street, 615 Harris Avenue, Valdese.

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

**End Consent Agenda**

**ITEMS REMOVED FROM CONSENT AGENDA:** NONE.

**ECONOMIC DEVELOPMENT LOAN – VALDESE ABC BOARD** Town Manager Jeff Morse requested Council adopt a Resolution authorizing a loan for the Valdese ABC Board in the amount of \$250,000. A public hearing on this issue was held at the June 4, 2012 Council meeting. He said BB&T decided to donate the old bank building to the Town. Mr. Morse said he would further discuss the old bank building under Manager's Communications. A stipulation requirement was they would need 10 parking spaces deeded to BB&T for future parking. Mr. Morse and Ms. Caruso met with a consultant at the old bank building and learned it would be cost prohibitive to remodel and move the ABC Store, and the ingress and egress would be a problem for deliveries.

Town Attorney Marc Mitchell presented the following resolution:

**RESOLUTION AUTHORIZING ECONOMIC DEVELOPMENT LOAN**

WHEREAS, the North Carolina General Statute 158-7.1 authorizes a town to provide economic incentives in order to increase the business prospects of the town; and

WHEREAS, the Valdese ABC Board (the ABC Board) borrowed funds from Wachovia Bank (now Wells Fargo) in connection with the establishment of an ABC store in Valdese (the ABC store), and the terms of that loan make it unlikely that the funds now being generated by the ABC store will be sufficient to enable the ABC Board to continue to make the required loan payments; and

WHEREAS, if the ABC Board were to default under the terms of the Wells Fargo loan, the ABC store would not be able to continue in business; and

WHEREAS, Wells Fargo has refused to renegotiate the terms of its loan to the ABC Board; and

WHEREAS, the sales of the ABC store continue to increase, and if the ABC Board is allowed to pay interest only for a period of three years it is likely that the ABC store will become sufficiently profitable to enable the ABC Board to repay the loan and to generate a stream of income that under the ABC law would be paid to the town; and

WHEREAS, the ABC Board hires various employees whose jobs would be lost if the ABC store were to go out of business; and

WHEREAS, the ABC Board has asked the town to loan it up to \$250,000 to enable the board to pay off the Wells Fargo loan, which would enable the ABC store to remain in business; and

WHEREAS, under the terms of the proposed economic incentive loan, the ABC Board would repay the loan, together with interest at the rate of 4% per annum, by making monthly interest only payments for the first three years and then paying principal and interest in equal monthly payments over a period of ten years; and

WHEREAS, the town council finds that the business prospects of the town would be increased if the ABC store remained in business and that having an ABC store in the town is a factor that some businesses or industries may consider when deciding whether to locate in the town; and

WHEREAS, having an ABC store may also increase the likelihood that some people would want to move to the town; and

WHEREAS, the town council of the Town of Valdese has held a public hearing to consider whether to make the proposed economic development loan to the ABC Board; and

WHEREAS, the town council is of the opinion that this economic development loan will result in jobs in the town being retained and result in the business prospects of the town being improved; and

WHEREAS, the town council is also of the opinion that this loan will provide the time the ABC Board needs in order for the ABC store's sales to improve to the point to where the loan can be fully repaid and a steady stream of income from the ABC store can be paid to the town;

NOW, THEREFORE, THE TOWN OF COUNCIL THEREFORE RESOLVES THAT:

1. The town is authorized to loan the ABC Board up to \$250,000. The ABC Board shall be required to execute a promissory note promising to repay this loan, together with interest at the rate of four percent (4%) per annum. The note shall provide for interest only payments for the first three years. Beginning with the fourth year, principal and interest shall be paid in equal monthly payments over a period of ten years.
2. The ABC Board shall be required to use the money loaned by the town to pay the existing Wells Fargo loan, and the loan from the town shall be secured by a first lien on all assets of the ABC Board, including inventory, shelving, equipment, fixtures, and receivables.

THIS 6<sup>th</sup> day of August, 2012.

/s/ James L. Hatley, Mayor

ATTEST: /s/ Town Clerk

Mr. Morse requested Ms. Caruso offer a brief report on the ABC Store financials. Ms. Caruso offered a brief presentation on proposed future sales and believed they could eventually make a profit.

After a brief discussion, Councilman Ogle made a motion to adopt the aforementioned resolution to loan the Valdese ABC Board up to \$250,000. Councilman Black seconded the motion for further discussion.

Councilman Black said this does not make good business sense and he offered an example that it would take a 25 percent revenue increase at the ABC Store to repay the loan. He said the ABC staff had done a marvelous job.

Mr. Morse said he believed there would be residential development in The Settings Development. He said the stock could be sold and the shelving, etc., could be sold. The other options would be to merge with Morganton ABC Store or close the Valdese ABC Store.

After further discussion, Mayor Hatley called for the vote.

Voting aye: Ogle, Hildebran, Stevenson, and Delp

Voting noe: Black

Mayor Hatley said the motion carried.

**RESOLUTION APPROVING LEASE AGREEMENT WITH VALDESE BROADCASTING, INC. – WSVM RADIO PROPERTY** Mr. Mitchell presented the following resolution. (As required by the NC General Statutes, an ad was published in the “Morganton News Herald” on July 26, 2012, giving notice of the lease of town-owned property.)

**RESOLUTION  
(LEASE OF WSVM RADIO STATION PROPERTY)**

WHEREAS, the Town of Valdese owns the property located at 1117 Praley Street SW in Valdese, North Carolina, the property at which radio station WSVM has been operated, together with certain radio station equipment located at that property (the property and equipment); and

WHEREAS, the town does not need the property or equipment at the present time; and

WHEREAS, Valdese Broadcasting, Inc. desires to acquire the WSVM radio license and operate radio station WSVM at the property; and

WHEREAS, the town and Valdese Broadcasting, Inc. have agreed upon a lease under which Valdese Broadcasting, Inc. will lease the property and equipment from the town for five (5) years beginning August 6, 2012, with the town retaining the right to terminate the lease at any time during the lease term upon one (1) year's prior written notice; and

WHEREAS, the parties have agreed that the annual rent shall be \$6,000 and that in lieu of paying the annual rental Valdese Broadcasting, Inc. shall be allowed to provide the town with advertising over radio station WSVM having a value of \$6,000; and

WHEREAS, G.S. 160A-272 authorizes a town to enter into a lease upon resolution of the town adopted at a regular meeting after ten (10) day's public notice; and

WHEREAS, the required notice has been published, the town council is convened at regular meeting, and the town council is of the opinion that the proposed lease should be approved;

IT IS THEREFORE RESOLVED AS FOLLOWS:

1. The town council hereby approves the lease of the property and equipment upon the terms set forth in the lease agreement as presented to the town council.
2. The town manager of the Town of Valdese is authorized to execute the lease agreement on behalf of the town.

THIS, the 6<sup>th</sup> day of August, 2012.

/s/ James L. Hatley, Mayor

ATTEST: /s/ Town Clerk

Mr. Morse introduced Bert Lindsay. Mr. Lindsay thanked Council, Mr. Morse, and Chuck Moseley for working everything out to keep the radio station open. A license transfer motion had been placed in front of the FCC and would take two to three months. Mr. Lindsay offered a brief update on improvements.

After a brief discussion, Councilman Black made a motion to adopt the aforementioned resolution, seconded by Councilwoman Stevenson. The vote was unanimous.

**CDBG CAPITAL PROJECT ORDINANCE – VALDESE DRY CLEANERS/DOWNTOWN DELIGHTS RESTAURANT**

Mr. Morse recommended Council adopt the following ordinance:

**TOWN OF VALDESE  
SMALL BUSINESS & ENTREPRENEURIAL ASSISTANCE  
CDBG GRANT FUND  
CAPITAL PROJECT BUDGET ORDINANCE**

Be it ordained by the Town Council of the Town of Valdese that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following project ordinance is hereby adopted.

Section 1. The project authorized is established to finance the capital improvements to two downtown businesses' known as Valdese Cleaners and Downtown Delights and is to be financed by a CDBG grant.

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the program ordinance and the budget contained herein.

Section 3. The following revenues are anticipated to be available to contribute to this project:

CDBG Grant	<u>\$ 250,000</u>	43,3970.000
	<u>\$ 250,000</u>	

Section 4. The following amounts are appropriated for the project:

Administration	\$ 5,000	43,7040.420
Planning	20,000	43,7040.490
Valdese Cleaners Mach & Equip	90,750	43,8040.740
Valdese Cleaners Construction	21,750	43,8040.741
Downtown Delights Mach & Equip	10,500	43,9040.740
Downtown Delights Construction	<u>102,000</u>	43,9040.741
	<u>\$ 250,000</u>	

Section 5. The finance officer is hereby directed to maintain within the Project Fund sufficient specific detailed accounting records to provide the accounting to town council required by the program procedures, loan agreement(s), grant agreement(s) and state regulations.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due.

Section 7. The finance officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total revenues received or claimed.

Section 8. The budget officer is directed to include a detailed analysis of the past and future cost and revenues on this project in every budget submission made to this board.

Section 9. Copies of this project ordinance shall be made available to the budget officer and the finance officer for direction in carrying out this project.

Adopted this 6<sup>th</sup> day of August, 2012

/s/ James L. Hatley, Mayor

ATTEST: /s/ Town Clerk

After a brief discussion, Councilman Ogle made a motion to adopt the aforementioned CDBG Capital Project Ordinance, seconded by Councilwoman Stevenson. The vote was unanimous.

**AGREEMENT WITH WPCOG FOR GRANT ADMINISTRATION – VALDESE DRY CLEANERS/DOWNTOWN DELIGHTS RESTAURANT** Mr. Morse recommended Council approve an Agreement with the Western Piedmont Council of Governments for administration of a \$250,000 CDBG grant from the NC Department of Commerce for the Valdese Dry Cleaners and Downtown Delights Projects. The agreement with the WPCOG was in the amount of \$19,500.

Councilwoman Hildebran made a motion to approve the aforementioned agreement with the WPCOG in the amount of \$19,500, seconded by Councilman Ogle. The vote was unanimous.

**ADOPTION OF RESOLUTION APPROVING FINANCING TERMS FOR PURCHASE OF VIPER RADIOS FOR FIRE DEPARTMENT** Fire Chief Charlie Watts said this item was discussed at the Budget Retreat and he gave a brief update.

**RESOLUTION APPROVING FINANCING TERMS**

WHEREAS: The Town of Valdese ("Town") has previously determined to undertake a project for the purchase of VIPER Radios (the "Project"), and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Town hereby determines to finance the Project through Branch Banking and Trust Company ("BB&T"), in accordance with the proposal dated July 13, 2012. The amount financed shall not exceed \$125,000.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.89%, and the financing term shall not exceed three (3) years from closing.
2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Town are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The Financing Documents shall include a Financing Agreement and Deed of Trust and a Project Fund Agreement as BB&T may request.
3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.
4. The Town shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Town hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).
5. The Town intends that the adoption of this resolution will be a declaration of the Town's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the BB&T financing described above. The Town intends that funds that have been advanced, or that may be advanced, from the Town's general fund, or any other Town fund related to the project, for project costs may be reimbursed from the financing proceeds.
6. All prior actions of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this 6th day of August, 2012.

/s/ James L. Hatley, Mayor

ATTEST: /s/ Town Clerk

After a brief discussion, Councilman Ogle made a motion to adopt the aforementioned Resolution, seconded by Councilman Delp. The vote was unanimous.

**AGREEMENT WITH WPCOG FOR RECREATION MASTER PLAN** Recreation Director Doug Knight requested Council approve an Agreement with the Western Piedmont Council of Governments for the preparation of a Recreation Master Plan in the amount of \$10,000. By having a master plan in place, staff could apply for matching N.C. Parks and Recreation Trust Fund (PARTF) Grants.

After a brief discussion, Councilman Ogle made a motion to approve the aforementioned agreement, seconded by Councilwoman Hildebran. The vote was unanimous.

**AGREEMENT WITH CAVANAUGH & ASSOCIATES FOR INFLOW AND INFILTRATION (I&I) STUDY** Public Works Director Bryan Duckworth said staff received a \$30,000 matching grant from The Rural Center for the I & I Study. He requested Council approve an agreement with Cavanaugh & Associates in the amount of \$60,000 to perform the study of the Cline Pump Station basin and the old downtown area.

After a brief discussion, Councilwoman Stevenson made a motion to approve the aforementioned agreement, seconded by Councilman Ogle. The vote was unanimous.

**REPAIR OF RIGHT-OF-WAY MOWING TRACTOR – SICKLE ARM– PUBLIC WORKS DEPARTMENT** Public Works Director Bryan Duckworth requested authorization to repair the sickle arm on the right-of-way mowing tractor. The cost to repair the current arm would be approximately \$2,500 with parts being difficult to find and the parts are expensive when located. The other option would be to rebuild and upgrade the arm at a cost of \$6,000, where parts would be readily available.

After a brief discussion, Councilman Black made a motion to approve funds up to \$6,000 to rebuild the sickle arm on the right-of-way mowing tractor, seconded by Councilman Delp. The vote was unanimous.

**APPOINTMENT OF STREET PAVING COMMITTEE** Mayor Hatley recommended the following members: Councilwoman Hildebran, Councilman Delp, Planning Director Larry Johnson, and Public Works Director Bryan Duckworth.

Councilman Ogle made a motion to approve Mayor Hatley's aforementioned recommendations to the Street Paving Committee, seconded by Councilwoman Stevenson. The vote was unanimous.

**MAYOR AND COUNCIL COMMENTS:**

Councilwoman Hildebran asked about sidewalk construction. Mayor Hatley recommended that sidewalks be included as part of the Street Paving Committee.

Mr. Morse said the reason there have not been sidewalk extensions was due to limited funding.

**MANAGER'S REPORT:**

**37<sup>TH</sup> ANNUAL WALDENSIAN FESTIVAL, AUGUST 10-11, 2012** Community Affairs Director Barbara Hefner welcomed everyone to attend the festivities on Friday and Saturday. She said there would be over 170 vendors this year. The Catawba British Club would be showing their cars at the Old Rock School on Saturday.

Mayor Hatley commended Ms. Hefner and Ms. Walker. Ms. Hefner commended Public Works Director Bryan Duckworth and the Public Works Staff.

**NEXT COUNCIL MEETING DATE – MONDAY, SEPTEMBER 10, 2012, 7:00 P.M., DUE TO TOWN OFFICES BEING CLOSED ON SEPTEMBER 3, 2012, IN OBSERVANCE OF LABOR DAY HOLIDAY**

**EMERGENCY REPAIRS TO ROOF COVERING MOTORS – WATER PLANT** Mr. Morse said this item would be on the September agenda.

August 6, 2012, MB#30

**REJECT GIFT OF OLD BB&T BANK BUILDING** Mr. Morse said BB&T had worked with Town Staff and due to the building not being suitable for relocation of the ABC Store, he recommended that Council reject the gift offer. The cost of bank legal fees would be \$2,500 and the Town would need to have the property surveyed if Council accepted the gift offer. Town Staff recommended thanking BB&T for the gift offer but felt the building would be a liability for the Town, which needed to get out of the real estate business.

After a brief discussion, it was the consensus of Council to not accept the gift of the old bank building from BB&T located on Main Street in Valdese. Mr. Morse would convey this message to BB&T Staff.

At 8:08 p.m., there being no further business to come before the Council, a motion to adjourn was made by Councilman Ogle, seconded by Councilwoman Hildebran. The vote was unanimous.

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Town Clerk

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Mayor

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**TOWN OF VALDESE  
TOWN COUNCIL MEETING  
SEPTEMBER 10, 2012**

The Town of Valdese Town Council met on Monday, September 10, 2012, at 7:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor James L. Hatley, Councilman Keith Ogle, Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, and Councilman Chip Black. Also present were Town Manager Jeffrey V. Morse, Town Attorney Marc Mitchell, Deputy Town Clerk Thelda B. Rhoney, and various department heads.

Absent: Councilman Gary L. Delp

A quorum was present.

Mayor Hatley called the meeting to order at 7:00 p.m. He called for a moment of silence; after which, he led in the Pledge of Allegiance to the Flag.

**OPEN FORUM/PUBLIC COMMENT:**

**MS. CAROLINE AVERY – BURKE COUNTY READING PROGRAM** Ms. Avery said the Burke County Public Library invited everyone to attend the community-wide book read of "The Great Gatsby," September 30 through November 3, 2012, at the Morganton Public Library. Free books would be available at all three library sites.

**MR. JIM MILLS - ANALOG DIGITAL SOLUTIONS** Mayor Hatley welcomed Mr. Mills to Valdese. Mr. Mills was recording the Town Council Meeting for possible software purchase.

**CONSENT AGENDA:** (enacted by one motion)

**APPROVED MINUTES – AUGUST 6, 2012**

**APPROVED PRELIMINARY PLAT FOR LAKE VISTAS SUBDIVISION, PHASE II, SECTION B**

**APPROVED REAPPOINTMENT TO VALDESE HOUSING AUTHORITY** Ms. Faith Kaplan was reappointed for another five-year term. The term would expire October 31, 2017.

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

**End Consent Agenda**

**ITEMS REMOVED FROM CONSENT AGENDA:** NONE.

**PRESENTATION OF REPORT – TRIPLE DISTRICT HYDRAULIC MODEL** Mr. Morse said the Town received a grant from The Rural Center and contracted with The Wooten Company to study water flow and pressure issues at Triple District. He said Council would need to approve the study and there would be additional information prepared by The Wooten Company, at no cost to the town, possibly presented at the October meeting.

Triple Water District Distribution Superintendent Archie Lowman offered an overview of the report. He said staff presented several scenarios to The Wooten Company regarding adequate water flow via two booster pump stations and raising a water tank by 40 feet (\$258,000 estimate to raise tank) which would be the same elevation as the Barus water tank. He briefly discussed the six-inch water valve on Zion Road that was currently closed and no data was obtained on this valve. If the current water tanks remain they need to be painted at an estimated cost of \$106,000, one tank is 47 years old with a 50 year life expectancy. If the tanks are painted Mr. Lowman recommended contracting for paint maintenance. He asked what could be eliminated or improved to increase water capacity by 750,000 gallons. The cost to build a 500,000 gallon water tank would be approximately \$1.2 million. He said staff needed more detailed information from The Wooten Company before a decision could be made on the best scenario.

After a brief discussion, Councilman Black made a motion to approve the Triple District Hydraulic Model Report anticipating additional information, seconded by Councilman Ogle. The vote was unanimous.

**ACCEPTANCE OF ASSET MANAGEMENT PLAN** Public Works Director Bryan Duckworth presented the plan prepared by GHD Consultants of Charlotte. The plan was 100 percent funded by The Rural Center and 12

communities were chosen for the plan. He offered a brief overview and said he would e-mail the 41 page report to Council. Staff wants to make this a useful plan and would be holding follow-up meetings with GHD Consultants to reevaluate and include pipe data in the plan that staff did provide to them.

Town Manager Jeff Morse said the Capital Asset Management Plan assists with setting priorities and eventually will be expanded to all departments.

After a brief discussion, Councilwoman Stevenson made a motion to accept the Asset Management Plan, seconded by Councilman Black. The vote was unanimous.

**TAX STATEMENT ANNUAL SETTLEMENT FOR 2011 - PROPERTY AND MOTOR VEHICLE** Greg Cannon presented the following report:

Tax Statement Annual Settlement for 2011:

Property Valuations

Real Estate	\$310,260,538
Personal Property	60,048,655
Age Exemption	-3,963,377

Total Property Valuation Subject to Tax	
Tax Rate per \$100 Valuation(.40/100)	\$366,345,816

Gross Levy

Levy	\$1,465,383.00
Discoveries	33,000.00
Late List Penalties	572.00
Total Levy	\$1,499,955.00

Less Collected as of 6/30/2012	\$1,418,348.00
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Uncollected 2011 Taxes	80,607.00
Settings 67,607(4.51%) All Other 13,000(0.87%)	
Ratio of Taxes Collected to Total Levy	94.62%

Annual Settlement of the Classified Motor Vehicle Prop. Taxes for 2011:

Levy	\$114,557.00
2011 Collection by Burke Co. Tax Office	\$108,450.00

Less Collection Cost (1.5% Levy)	1,718.00
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After a brief discussion, Councilman Ogle made a motion to accept the aforementioned Tax Statement Annual Settlement for 2011, seconded by Councilwoman Stevenson. The vote was unanimous.

**CHARGE TO COLLECT TAXES FOR 2012** Mayor Hatley read the charge for Tax Collector Gregory Cannon to collect taxes for 2012 and administered the oath.

**AWARD OF BID – FINISHED WATER PUMP STATION ROOF – WATER DEPARTMENT** Water Treatment Superintendent Dave Cook and Chief Water Treatment Plant Operator/Lab Technician Jerry Conley presented the following bids to replace a 36 year old roof: Johnson Roofing Concepts - \$10,391; Baker Roofing Company - \$13,516; and Conover Construction & Roofing - \$12,705. Staff recommends the lowest bidder – Johnson Roofing Concepts in the amount of \$10,391.

After a brief discussion, Councilman Ogle made a motion to accept the lowest bidder Johnson Roofing Concepts in the amount of \$10,391, seconded by Councilwoman Hildebran. The vote was unanimous.

**AWARD OF BID – ROOF – OLD ROCK SCHOOL** Community Affairs Director Barbara Hefner presented the following bids and staff recommended re-roofing the entire area: Barger-Ashe Roofing - \$79,495; Conover

Construction & Roofing - \$73,450; and Johnson Roofing Company - \$112,303. Staff recommends the lowest bidder - Conover Construction & Roofing to re-roof the low shingle area \$73,450. She said the roof was 30 years old and there may be some underlying issues that may need additional repairs.

After a brief discussion, Councilman Black made a motion to accept the lowest bidder Conover Construction & Roofing - \$73,450, seconded by Councilman Ogle. The vote was unanimous

**REQUEST TO SERVE BEER AND WINE AT THE OLD ROCK SCHOOL ON SATURDAY, SEPTEMBER 29, 2012 FOR A WEDDING RECEPTION (NO SALES WILL BE INVOLVED)** Staff received a request from Jessica L. Price and Dustin Gordon to serve beer and wine at their wedding reception on September 29, 2012, from 6:00 p.m., until 8:30 p.m.

Councilman Ogle made a motion to authorize beer and wine to be served at the aforementioned event, seconded by Councilman Black. The vote was unanimous.

**AUTHORIZATION FOR STAFF TO PREPARE POLICY FOR COMMUNITY AFFAIRS DIRECTOR TO APPROVE BEER/WINE REQUESTS FOR PRIVATE USE AT OLD ROCK SCHOOL** Mr. Morse said any sales of beer and wine would need Council approval.

Councilman Ogle made a motion charging Ms. Hefner and Town Attorney Marc Mitchell to prepare a policy authorizing the Community Affairs Director to approve events at the Old Rock School that do not include sales. The motion was seconded by Councilwoman Hildebran. The vote was unanimous.

**APPOINTMENT OF DELEGATE AND ALTERNATE – NC LEAGUE OF MUNICIPALITIES CONFERENCE – OCTOBER 21-23, 2012, CHARLOTTE** Mayor Hatley recommended the appointment of Town Manager Jeff Morse to serve as delegate at the NC League of Municipalities Annual Conference, October 21-23, 2012, Charlotte, and the Mayor to serve as alternate.

Councilman Black made a motion to appoint Town Manager Jeff Morse as delegate at the aforementioned NCLM Annual Conference and Mayor Hatley as alternate, seconded by Councilman Ogle. The vote was unanimous.

**BUDGET AMENDMENTS** Finance Director Jerry LaMaster presented the following six budget amendments:

**BUDGET AMENDMENT NO. 01**

Subject: WSVM Radio Station

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2013:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.4200.920 Capital Outlay – Bldg	<u>50,000</u>	
Total	<u>\$50,000</u>	<u>\$ 0</u>

This will result in a net increase of \$50,000 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.300 Contribution From Util Fund		<u>50,000</u>
Total	<u>\$ 0</u>	<u>\$50,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

**BUDGET AMENDMENT NO. 02**

Subject: Police Radio Debt Service

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2013:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.5100.960 Debt Service	<u>22,930</u>	
Total	<u>\$22,930</u>	<u>\$ 0</u>

This will result in a net increase of \$22,930 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.300 Contribution From Util Fund		<u>22,930</u>
Total	<u>\$ 0</u>	<u>\$22,930</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

#### **BUDGET AMENDMENT NO. 03**

Subject: Rock School Copier Machine

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2013:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.6250.740 Capital Outlay	7,400	
10.6250.450 Contract Services	<u>600</u>	
Total	<u>\$ 8,000</u>	<u>\$ 0</u>

This will result in a net increase of \$ 8,000 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.300 Contribution From Util Fund		<u>8,000</u>
Total	\$	<u>\$ 8,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

#### **BUDGET AMENDMENT NO. 04**

Subject: WWTP Maint Truck

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2013:

Section 1. To amend the Utility Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
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September 10, 2012, MB#30

30.8110.740 Capital Outlay	<u>28,000</u>	
Total	<u>\$28,000</u>	<u>\$ 0</u>

This will result in a net increase of \$28,000 in the expenditures of the Utility Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

30.3990.000 Fund Balance Appropriation		<u>28,000</u>
Total	<u>\$ 0</u>	<u>\$28,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

**BUDGET AMENDMENT NO. 05**

Subject: Wellness EAP Grant from NCLM

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2013:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.4200.570 Wellness	<u>1,750</u>	
Total	<u>\$1,750</u>	<u>\$ 0</u>

This will result in a net increase of \$ 1,750 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.300 Wellness		<u>1,750</u>
Total	<u>\$ 0</u>	<u>\$ 1,750</u>

Section 2 Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

**BUDGET AMENDMENT NO. 06**

Subject: Rock School Roof

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2013:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.6250.150 Maint & Repair Bldg	<u>51,000</u>	
Total	<u>\$51,000</u>	<u>\$ 0</u>

This will result in a net increase of \$51,000 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.300 Contribution From Util Fund		<u>51,000</u>
Total	<u>\$ 0</u>	<u>\$51,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget

Officer and the Finance Officer for their direction.

Mr. LaMaster said he would prepare another budget amendment for the remainder of roof repairs at the Old Rock School for the October Council meeting.

Councilman Black made a motion to approve the aforementioned six Budget Amendments, seconded by Councilwoman Stevenson. The vote was unanimous.

**MAYOR AND COUNCIL COMMENTS:**

**WALDENSIAN FESTIVAL** Councilwoman Stevenson thanked Town Staff for another successful Waldensian Festival. She thanked everyone for their hard work.

**KIOSK MAP** Councilman Black said the map showing businesses and restaurants be replaced at the Kiosk because the current map was faded.

**WORK ORDER SYSTEM** Councilwoman Hildebran said she reported an issue with cats in her neighborhood and she thanked Public Works staff for their assistance. She tried to make the report online using our work order system which was not working. Mr. Duckworth said he was unaware of any problems and would check on this issue.

**OLD HIGH SCHOOL** Mayor Hatley recommended Town Attorney Marc Mitchell begin condemnation procedures on the old high school.

Mr. Mitchell asked for specific direction and briefly reviewed the NC Statutes regarding condemnations.

Mr. Morse recommended that someone in addition to the Burke County Building Inspections – oversee the condemnation such as City of Hickory building inspectors.

After a brief discussion, Councilman Ogle made a motion directing Town Attorney Marc Mitchell to begin condemnation procedures on the Old High School, seconded by Councilman Black. The vote was unanimous.

**HOME LOCATED AT 909/913 MAIN STREET WEST** Councilwoman Hildebran said she continues to receive complaints about the property on Main Street West that continues to be an eyesore. Mr. Morse said Staff had begun the process, and after the deadline staff would begin the legal procedures.

Town Attorney Marc Mitchell also said Planning Staff was working on this issue.

**MANAGER'S REPORT:**

**DRAUGHN HIGH SCHOOL PARADE – MONDAY, SEPTEMBER 24, 2012, 6:30 P.M.**

**CIVIL PENALTY ASSESSMENT FROM NCDENR – DIVISION OF WATER QUALITY – RHODHISS WWTP (Information Only)** Mr. Morse informed Council of a fine at the Wastewater Treatment Plant in an amount which was reduced to \$1,000. Mr. Morse said there would be another fine due to Kleen Tech coming online.

Mr. Padgett said the fine was due to excessive rain and he followed up with the state.

**ADJOURNMENT** At 8:10 p.m., there being no further business to come before the Board, Councilman Ogle made a motion to adjourn, seconded by Councilwoman Hildebran. The vote was unanimous.

The next meeting is a regularly scheduled meeting for Monday, October 1, 2012, 7:00 p.m.

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Town Clerk

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Mayor

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**TOWN OF VALDESE  
TOWN COUNCIL MEETING  
OCTOBER 1, 2012**

The Town of Valdese Town Council met on Monday, October 1, 2012, at 7:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor James L. Hatley, Councilman Keith Ogle, Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, and Councilman Gary L. Delp. Also present were Town Manager Jeffrey V. Morse, Town Attorney Marc Mitchell, Deputy Town Clerk Thelda B. Rhoney, and various department heads.

Absent: Councilman Chip Black

A quorum was present.

Mayor Hatley called the meeting to order at 7:00 p.m. He called for a moment of silence; after which, he led in the Pledge of Allegiance to the Flag.

**OPEN FORUM/PUBLIC COMMENT:** No one spoke.

**CONSENT AGENDA:**

**APPROVED MINUTES – SEPTEMBER 10, 2012**

**ADOPTED RESOLUTION FOR APPROVING LOCAL WATER SUPPLY PLAN**

**Resolution for Approving Local Water Supply Plan**

WHEREAS, North Carolina General Statute 143-355 (I) requires that each unit of local government that provides water services or plans to provide such services shall, either individually or together with other such units of local government, prepare and submit a Local Water Supply Plan; and

WHEREAS, as required by the statute and in the interests of sound local planning, a Local Water Supply Plan for the Town of Valdese, has been developed and submitted to the Valdese Town Council for approval; and

WHEREAS, the Valdese Town Council finds that the Local Water Supply Plan is in accordance with the provisions of North Carolina General Statute 143-355 (I) and that it will provide appropriate guidance for the future management of water supplies for the Town of Valdese, as well as useful information to the Department of Environment and Natural Resources for the development of a state water supply plan as required by statute.

NOW, THEREFORE, BE IT RESOLVED by the Valdese Town Council of the Town of Valdese that the Local Water Supply Plan entitled, Town of Valdese Local Water Supply Plan for the year 2007, is hereby approved and shall be submitted to the Department of Environment and Natural Resources, Division of Water Resources; and

BE IT FURTHER RESOLVED that the Valdese Town Council intends that this plan shall be revised to reflect changes in relevant data and projections at least once a year or as otherwise requested by the Department of Natural Resources, in accordance with the statute and sound planning practice.

This the 1<sup>st</sup> day of October, 2012.

/s/ James L Hatley, Mayor

ATTEST: /s/ Town Clerk

**APPROVED LEASE AGREEMENT – OLD ROCK SCHOOL** The agreement was with Sherry Barrier d/b/a Sherry's Dance Studio for rental space at the Old Rock School in the amount of \$264 per month.

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

**End Consent Agenda**

**ITEMS REMOVED FROM CONSENT AGENDA:** NONE.

**PUBLIC HEARING FOR REZONING PROPERTY (CASE 1-8-12) LOCATED AT 1611 MAIN STREET EAST** Mayor Hatley opened the public hearing and asked if anyone wished to speak either for or against.

Planning Director Larry Johnson said Leo Witkowski and Teresa Sanders requested rezoning their property located at 1611 Main Street East from B-2 General Business to R-8 Neighborhood Residential. The land use was single family residential. The applicant recently acquired the property through a foreclosure process. Prior to the foreclosure, the property was used as a residence even though zoned B-2 General Business (zoning regulations do allow single family structures as a conditional use within the B-2 district). The property owners met with staff and were given two options to use the property for residential purposes, either apply for a conditional use permit or apply for a rezoning. The property owners chose to seek a rezoning of their property. The Valdese Planning Board met September 20, 2012, and recommended Council approve the rezoning.

There being no one else wishing to speak, Mayor Hatley closed the public hearing.

After a brief discussion, Councilman Ogle made a motion to approve the aforementioned rezoning, seconded by Councilwoman Hildebran. The vote was unanimous.

**FINAL PLAT APPROVAL FOR LAKE VISTAS SUBDIVISION, PHASE II, SECTION B** Planning Director Larry Johnson said Mr. Oscar Vasquez with NC Lake Front Properties LLC was requesting final plat approval for Phase II, Section B of the Lake Vistas Subdivision. The Valdese Planning Board met on September 20, 2012, and recommended that Council approve the final plat. Mr. Johnson said the plat requirements of the Valdese Subdivision Ordinance had been met. Mr. Johnson reported that 38 lots had been sold or sales pending in the subdivision.

After a brief discussion, Councilman Ogle made a motion to approve the aforementioned final plat, seconded by Councilman Delp. The vote was unanimous.

**REQUESTS TO SERVE WINE AT OLD ROCK SCHOOL** Community Affairs Director Barbara Hefner received requests from Melissa Aucoin to serve a champagne toast at her wedding reception on Friday, October 12, 2012, in the Waldensian Room, between the hours of 6:00 p.m., and midnight and a request from Steve Martinat to serve wine during a family Thanksgiving Dinner on Thursday, November 22, 2012, in the Waldensian Room.

Councilwoman Stevenson made a motion to approve the two aforementioned requests, seconded by Councilman Ogle. The vote was unanimous.

Councilman Ogle asked if staff would be bringing a policy before Council authorizing the Community Affairs Director to approve these type requests at the Old Rock School. Mr. Morse said a policy was forthcoming.

Town Attorney Marc Mitchell said there would be no sales and only beer and wine would be served.

Councilwoman Hildebran requested that Ms. Hefner provide Members of Council a report by the end of the year of the events approved. Ms. Hefner said there would be an application process and she would have a way to track the requests and would provide a report after a policy is approved for the Community Affairs Director to approve all beer and wine requests served at special events at the Old Rock School where no sales are involved.

**AUTHORIZATION TO CLOSE TOWN HALL ON TUESDAY, NOVEMBER 6, 2012 DUE TO ELECTIONS – TOWN HALL WILL BE A VOTER PRECINCT** Town Manager Jeff Morse requested authorization to close Town Hall for business on election day. He said Town Hall employees affected by the closing would be taking a vacation day or they did have the option to work.

Councilman Delp made a motion to approve the closing of Town Hall on Tuesday, November 6, 2012 for the election, seconded by Councilwoman Stevenson.

Voting aye: Hildebran, Stevenson, and Delp

Voting noe: Ogle

Mayor Hatley said the motion carried.

**BUDGET AMENDMENTS** Finance Director Jerry LaMaster presented the following two budget amendments:

**BUDGET AMENDMENT NO. 07**



Subject: Rock School Roof

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2013:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.6250.150 Maint & Repair Bldg	<u>35,500</u>	
Total	<u>\$35,500</u>	<u>\$ 0</u>

This will result in a net increase of \$35,500 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.300 Contribution From Util Fund		<u>22,500</u>
10.3510.000 Contributions		<u>13,000</u>
Total	\$	<u>\$35,500</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

#### **Budget Amendment No. 08**

Subject: Fire Department VIPER Radios

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2013:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

<u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.5300.331 VIPER Radios	<u>125,000</u>	
Total	<u>\$125,000</u>	<u>\$ 0</u>

This will result in a net increase of \$125,000 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.765 Loan – Fire VIPER Radios		<u>125,000</u>
Total	\$	<u>\$125,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

Councilman Ogle made a motion to approve the two aforementioned budget amendments as presented, seconded by Councilwoman Hildebran. The vote was unanimous.

#### **MAYOR AND COUNCIL COMMENTS:**

**ROOF – OLD ROCK SCHOOL** Councilwoman Stevenson said since the Rostan Foundation had funded an upgrade in shingles for the roof repair, she asked about the type shingles to be used. Ms. Hefner said it would be a much better, nicer looking shingle and a lighter gray color. Ms. Hefner said the Rostan Foundation was funding \$13,000 for the upgrades.

Councilman Delp thanked Council and Town Staff for the lovely dish garden that was sent to his family due to the death of his mother-in-law.

**ANIMAL CONTROL REPORTS** Councilman Delp thanked the Public Works Director for the report on Animal Control (more than three dogs/cats permits).

Councilwoman Stevenson thanked Police/Fire Personnel for installing baby seats in automobiles for the citizens.

**ORIGINAL BUILDINGS IN VALDESE** Councilman Delp said he had someone ask about original buildings in the Town of Valdese and he did not know the answer. He recommended a placard be placed on the original buildings. Mayor Hatley said there had been discussion about other locations such as "The Rat Hole" that are no longer standing. Mayor Hatley said it was a funding issue. Mr. Morse said he would speak with Mr. Bill Brinkley as this would be a great Eagle Scout project. Mayor Hatley requested that staff contact Gretchen Costner with The Waldensian Museum for assistance with the project. Mayor Hatley recommended Mr. Jim Rostan be invited to work on this project.

**HOME LOCATED AT 909/913 MAIN STREET WEST** Councilwoman Hildebran said she received a call from Ms. Rock who reported the neighbors continue receiving complaints about the property on Main Street West which had been an ongoing eyesore. Mr. Morse said staff had begun the process, and after the deadline staff would begin the legal procedures. Councilwoman Hildebran said the neighbors reported that when it rains the mud runs down their street. She reported to the neighbors that the property owner had until the end of October after which there would be legal action. The neighbors are asking what type of legal action and how long before something could be done. Neighbors are having problems selling homes in the neighborhood and this issue has been going on for six years.

Town Attorney Marc Mitchell said there were several issues at this site and he briefly discussed the Town's Nuisance Ordinance.

Mr. Johnson said at least 60 to 90 days before beginning the legal process. He said the property owner did come before Council and was issued a conditional use permit for the garage. Staff will continue with the process. He also mentioned the Nuisance Ordinance and aesthetics of the house would take longer to complete.

Councilman Ogle said the dirt could be moved and the rock wall could be completed.

**DR. SHAH-KHAN PROPERTY LOCATED AT 330 STERLING STREET NW, VALDESE** Mayor Hatley asked about the Dr. Sardar Mahmood Shah-Khan Property located at 330 Sterling Street NW, Valdese (old Brinkley family home).

Mr. Johnson said the manager had called for an inspection of the property and a hearing was recently held. The property is structurally sound except for some safety issues. After the sale, the property may become residential and Council will be apprised of any development.

**WATER RESOURCES DIRECTOR DAVE COOK RECEIVED THE PRESTIGIOUS NC WATERWORKS OPERATOR AWARD FROM THE NC WATERWORKS OPERATORS ASSOCIATION ON SEPTEMBER 25, 2012 IN RALEIGH** Mayor Hatley presented Mr. Cook with a plaque that read: "North Carolina Waterworks Operators Association is honored to present David P. Cook the Operator of the Year for 2012, in recognition for his outstanding abilities and devotion to the art and science of water supply and purification."

Mr. Cook received a standing ovation.

Mr. Cook requested to address Members of Council. Mr. Cook said he grew up in the Lakeview area where the Valdese Water Plant was built. As a young boy, he watched the plant being built and was at the dedication by Governor Umstead in 1955. He had the good fortune to work for former Water Plant Superintendent David Rust who trained him and took him to other locations. Mr. Cook was always most impressed with the Valdese Water Plant. He said he was honored to be nominated for the award and was most grateful. He said he had the honor of working with Town Manager Jeff Morse, who was most influential and respected across the state. He has always had a good rapport with the employees and inspectors. He said Jerry Conley is fully trained and ready to assume the Water Resources Director position.

Mr. Morse said Mr. Conley would be promoted after he goes through the process.

Mayor Hatley said Mr. Cook brought great honor to our town by receiving the award.

**MANAGER'S REPORT:**

**GRAND OPENING OF BUFFALO'S BREATH RESTAURANT, TUESDAY, OCTOBER 23, 2012, 4:00 P.M.**

**DISCUSSION ON DATE OF JULY 2013 INDEPENDENCE DAY EVENTS IN VALDESE** Mr. Morse said staff was recommending the July 4<sup>th</sup> events be in conjunction with the Family Friday Nights on June 28, 2013. He said the July 4<sup>th</sup> events had been in conjunction with Family Friday Nights for the past several years. The event also coincides with the car show. He asked for Council advice whether to hold the fireworks on Friday, June 28, 2013 or Thursday, July 4, 2013. Staff recommended combining the July 4<sup>th</sup> event on Friday, June 28, 2013.

Councilman Delp said it would be held in June instead of July.

Councilwoman Hildebran recommended holding the fireworks on July 4. Everyone would have a long holiday weekend.

Councilman Ogle said it would be good to hold in conjunction with Family Friday Night due to the car show, band, etc.

Ms. Debbie Ferris, President of the Valdese Merchants Association, said the change from Friday night to a Thursday night that she may not get volunteers to work the Snack Shack or business owners to keep their businesses open. She recommended the Friday night.

Councilwoman Stevenson said we may have a better turn out for Friday night instead of Thursday night.

It was the consensus of Council to hold the 2013 Independence Day events in the Town of Valdese on Friday, June 28, 2013.

**TREATS IN THE STREETS** Community Affairs Director Barbara Hefner reported the Halloween "Treats in the Streets" would be held on Wednesday, October 31, 2012, 3:00 p.m. until 5:00 p.m., with a costume judging contest at 5:00 p.m.

**CLOSED SESSION** Town Manager Jeff Morse requested a Closed Session regarding a personnel issue and a lawsuit with the Bonding Company regarding The Settings.

Mayor Hatley called for a Closed Session pursuant to NC General Statute Closed Session 143-318.11 (a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body; and (6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee.

At 8:00 p.m., Councilman Ogle made a motion to recess into Closed Session pursuant to NC General Statute Closed Session 143-318.11 (a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body; and (6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee. The motion was seconded by Councilwoman Stevenson and unanimously carried.

At 8:30 p.m., Councilwoman Hildebran made a motion to return to Open Session, seconded by Councilwoman Stevenson. The vote was unanimous.

**ADJOURNMENT** At 8:30 p.m., there being no further business to come before the Board, Councilman Ogle made a motion to adjourn, seconded by Councilwoman Hildebran. The vote was unanimous.

The next meeting is a regularly scheduled meeting for Monday, November 5, 2012, 7:00 p.m.

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Town Clerk

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Mayor

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**TOWN OF VALDESE  
TOWN COUNCIL MEETING  
NOVEMBER 5, 2012**

The Town of Valdese Town Council met on Monday, November 5, 2012, at 7:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor James L. Hatley, Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, Councilman Gary L. Delp, and Councilman Chip Black. Also present were Town Manager Jeffrey V. Morse, Town Attorney Marc Mitchell, Deputy Town Clerk Thelda B. Rhoney, and various department heads.

Absent: Councilman Keith Ogle

A quorum was present.

Mayor Hatley called the meeting to order at 7:00 p.m. He called for a moment of silence; after which, he led in the Pledge of Allegiance to the Flag.

**OPEN FORUM/PUBLIC COMMENT:**

**PRESENTATION OF PROCLAMATION FOR HUNGER AND HOMELESS AWARENESS WEEK – ACCEPTED BY TEENA WILLIS FOR BURKE COUNTY CONTINUUM OF CARE** Mayor Hatley presented the following Proclamation to Ms. Willis and Ms. Arwen March with The Outreach Center.

**NATIONAL HUNGER AND HOMELESSNESS AWARENESS WEEK IN  
VALDESE, NORTH CAROLINA  
NOVEMBER 11-17, 2012**

WHEREAS, for the past several years the National Coalition for the Homeless and National Student Campaign Against Hunger and Homelessness have sponsored National Hunger and Homelessness Awareness Week in Valdese and Burke County; and

WHEREAS, the purpose of the proclamation is to educate the public about the many reasons people are hungry and homeless including the shortage of affordable housing in Valdese for very low income residents; and to encourage support for homeless assistance service providers as well as community service opportunities for students and school service organizations; and

WHEREAS, there are many organizations committed to sheltering, providing supportive services as well as meals and food supplies to the homeless including, ALFA, Burke County Public Schools, Burke United Christian Ministries, Catawba Valley Behavioral Healthcare, Christ Centered Recovery Program, Department of Social Services, Easter Seals UCP, House of Refuge, Olive Hill Community Economic Development Corporation, Partners Behavioral Health Management, The Meeting Place Mission, The Outreach Center, Veteran's, and many more community partners, and

WHEREAS, the theme of National Hunger and Homelessness Awareness Week 2012 is "Bringing America Home," and

WHEREAS, the Valdese Town Council recognizes that hunger and homelessness continues to be a serious problem for many individuals and families in Valdese.

NOW, THEREFORE, BE IT RESOLVED that the Town of Valdese hereby proclaims November 11-17, 2012, as National Hunger and Homelessness Awareness Week.

BE IT FURTHER RESOLVED that the Mayor and Town Council encourages all citizens to recognize that many people do not have housing and need support from citizens, and private/public nonprofit service entities.

This 5<sup>th</sup> day of November, 2012.

/s/ James L. Hatley, Mayor

Ms. Willis thanked Council for the Proclamation. She provided Council with two tickets to an event on Tuesday, November 13, which would highlight some of the resources available in Burke County. She said last year there were 108 homeless in Burke County.

Mayor Hatley asked Ms. Willis if they took cash and she said yes. Mayor Hatley said he wanted to set an example and he opened his wallet and donated all his cash to Ms. Willis for the homeless.

**UPDATE ON BURKE DEVELOPMENT, INC. – SCOTT DARNELL, BDI EXECUTIVE DIRECTOR** Mr. Darnell said they added a staff member due to the resignation of Misty Humphries. Ms. Sara Chester was hired to provide social media, global economy, marketing, and the generation of ideas and stories. He said the past two quarters had been slow and explained reasons such as the election, etc. He was optimistic that some sectors in Burke County would see growth such as furniture, which had a great market. Estee Lauder was looking at launching a line with E.J. Victor and Kellex was doing well. A lot of things produced in Burke County are durables and he gave examples if more cars are sold that Continental makes more brakes, and if the housing market recovers, more furniture is produced. He briefly mentioned the RENEW Program at Western Piedmont Community College. RENEW stands for Re-Educating a New Employable Workforce and is an opportunity for only Burke County residents. The RENEW Program is a 96 hour course and the third class will begin in January 2013 and is funded by a grant obtained by BDI. He said the RENEW Program was being used as a model in certain areas in North Carolina. Forty-two candidates graduated from the first class and thirty-eight are full-time employees and the second class graduated twenty-five. He said there were approximately 1.3 million jobs currently open in the south. He said when a company calls they are interested in the labor situation. He offered a brief update on the business park and said it was being shown, the park is complete with landscaping. The park is well maintained and they can drive prospects to the site. He said BDI staff continues to look for new opportunities and create jobs.

**ANNOUNCEMENT OF VALDESE CHRISTMAS PARADE GRAND MARSHAL - BARBARA HEFNER, COMMUNITY AFFAIRS DIRECTOR** Ms. Hefner said Ms. Debbie Thompson would be the Grand Marshal. Ms. Thompson was a lifelong resident of Valdese and for the past 31 years had dedicated her life to educating our children and recently retired as a Burke County School Teacher. Ms. Hefner reviewed Ms. Thompson's achievements as 1986 Valdese Jr High Teacher of the Year, 1988 Outstanding Young Women of America Award, 1990-1991 Burke County Teacher of the Year and Valdese Elementary Teacher of the Year; 1997 Winner of the WBTV Thanks to Teachers Award; 2002 National Certified Teacher and Music Education. Ms. Hefner shared a letter written by one of Ms. Thompson's students.

Ms. Thompson received a standing ovation and she thanked Council for the honor.

Mayor Hatley told Ms. Thompson that her name was forever beside "educator" and he thanked her.

**CONSENT AGENDA:** (enacted by one motion)

**APPROVED MINUTES AND CLOSED SESSION MINUTES FROM OCTOBER 1, 2012**

**APPROVED AUTHORIZATION TO SURPLUS EQUIPMENT – PUBLIC WORKS DEPARTMENT** Staff recommended the following items be declared as surplus and auctioned on Gov Deals with notification of auction dates on the Towns Facebook page.

- 1 – 1970 Ford 3000 Tractor – Serial #C287352 -Bad Piston and Hydro
- 1 - 1991 Chevy 3500 Dump – VIN #1GBJC34KOME207705 -Mileage 189157 – Bad Clutch and PTO
- 1 – Lot of portable/mobile radios – Radios does not meet reprogramming requirements for FCC narrow banding

Description	SN
1. Midland Mobile 1395B	070498
2. Midland Mobile 1395B	070470
3. Motorola Base 90	448CKW01070
4. Maxon Charger CA-1110-A	
5. Motorola Charger NLN7493A	
6. Maxon Charger CA-1110-A	
7. Relm Charger BC-45	
8. Kenwood Walkie TK-260	90708877
9. Kenwood Walkie TK-260	90703628
10. Maxon Walkie CP 0510 H10	13000
11. Relm Model RSP-500B	000744811538
12. Motorola Model ht90	476AJS1875
13. Motorola Model ht90	NHN7433A
14. Relm Model RSP500B	0007051

15. Motorola Model ht90  
16. Maxon Model CP 0510-HD

SN – unreadable  
12948

**CALLED FOR PUBLIC HEARING ON DECEMBER 3, 2012, FOR INTERNET SWEEPSTAKES ORDINANCE**

Councilman Black made a motion to approve all items on the Consent Agenda, seconded by Councilwoman Stevenson. The vote was unanimous.

**End Consent Agenda**

**ITEMS REMOVED FROM CONSENT AGENDA:** NONE.

**CLOSED SESSION** Mayor Hatley called for a Closed Session pursuant to NC General Statute 143-318.11 (a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege and to discuss legal matter in *Town of Valdese v. The Settings of Lake Rhodhiss, LCC, et. al.*, Burke County Superior Court, file number 11-CVS-786.

At 7:26 p.m., Councilwoman Hildebran made a motion to recess into Closed Session pursuant to NC General Statute 143-318.11 (a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege and to discuss legal matter in *Town of Valdese v. The Settings of Lake Rhodhiss, LLC, et. al.*, Burke County Superior Court, file number 11-CVS-786. The motion was seconded by Councilwoman Stevenson and unanimously carried.

At 8:10 p.m., Councilwoman Stevenson made a motion to return to open session, seconded by Councilwoman Hildebran. The vote was unanimous.

**APPROVAL OF SETTLEMENT AGREEMENT – BOND COMPANY FOR THE SETTINGS OF LAKE RHODHISS**  
**(Copy of agreement on file in the Office of Town Manager.)**

Town Manager Jeff Morse summarized the agreement and said after over two years the town had reached a settlement with the bonding company and the bonding company would act as the new developer and had taken over the assets of the former Settings Corporation. By the end of 2016 the bonding company would install all infrastructure (roads, water and sewer) and any failure to complete the project by 2016 would result in the bonding company losing all incentives. The bond is still in place to insure completion of the project. He commended Town Attorney Marc Mitchell and Walter Currie and Chad Donnahoo with Campbell Shatley, PLLC, for a successful agreement on behalf of the citizens of Valdese and the new property owners.

Mayor Hatley offered anyone in the audience that owned property in The Settings an opportunity to ask questions. He said they could come to Town Hall and Mr. Morse would share the agreement with them.

Attorney Walter Currie, said there was a term for these type subdivision all across the country called, “Zombie Subdivisions.” He said this settlement agreement was unique in North Carolina. He said Council and the Town was responsible for bringing life back into the subdivision.

Attorney Chad Donnahoo thanked all who worked diligently with them and he commended Town Manager Jeff Morse and the entire staff. The hard work prepared by Town staff saved the town a lot of money. He also thanked Deputy Town Clerk Thelda Rhoney, Planning Director Larry Johnson and WPCOG representative Laurie LoCicero. He said Town Attorney Marc Mitchell was most helpful during the entire process. He presented a gift to the town from his firm – a framed print of a conceptual master plan for The Settings of Lake Rhodhiss inscribed, “To the plan that was...and maybe may still be! Best, Chad Ray Donnahoo and Walter L. Currie, November 2012.” He believed the Valdese Town Council would be taking a step in the right direction by approving the Settlement Agreement.

Mayor Hatley said the Town Manager worked very hard on this project because those property owners were future citizens of Valdese.

Councilman Delp made a motion to approve the Settlement Agreement with the Bond Company for The Settings of Lake Rhodhiss, seconded by Councilman Black. The vote was unanimous.

Several property owners asked questions which were answered by staff and legal counsel.

**REVISION OF BUILDING REUSE DEFERRED LOAN POLICY** Mr. Morse presented the following policy:

## Building Reuse Deferred Loan Policy

The Valdese Economic Development Investment Corporation (referred to hereafter as VEDIC) has authorized funds to stimulate economic development and job creation in the Town of Valdese, NC for the renovation of vacant buildings – for the restoration and uplifting of buildings that have been vacant at least three months and occupied buildings – for the expansion and renovation of buildings occupied by manufacturing and small business. The Building Reuse and Restoration Grants Program is designed to spur economic activity and job creation by assisting in the productive reuse of vacant buildings, with priority given to projects that will create a higher number of jobs. Development grants are provided for mature projects ready to begin renovation.

After a brief discussion, Councilwoman Stevenson made a motion to approve the aforementioned policy, seconded by Councilwoman Hildebran. The vote was unanimous.

**AMENDED REUSE GRANT – DOWNTOWN DELIGHTS** Mr. Morse said the CDBG grant of \$250,000, of which \$112,000 is going to the Downtown Delights project, requires contractors who are working on this project to pay their employees the federal wage, which includes a fringe benefits package. When the budget was submitted to the NC Department of Commerce the wage determination was based on the wage scale at that time. Since the grant was awarded, the wage determination had increased significantly. As a result, there was a budget deficit of approximately \$10,000. He recommended increasing the amount of the original building reuse deferred loan (\$35,000) that was awarded to Downtown Delights in the amount of \$10,000. This would cover the additional labor costs associated with the grant.

Town Attorney Marc Mitchell briefly described the statute.

After a brief discussion, Councilman Delp made a motion to approve an additional \$10,000 reuse grant to Downtown Delights, seconded by Councilwoman Hildebran. The vote was unanimous.

**BUILDING REUSE GRANT/DEFERRED LOAN – VALDESE SERVICE CENTER** Mr. Morse introduced Ms. April Whisnant, Valdese Service Center. Ms. Whisnant reviewed some of their contracts with Carolina Medical Center and Home Health (48 cars) and a company with several 12,000 pound vans, and they have subcontracted some of the work and they plan to add a 24 x 28 bay for NC State inspections and do the work in-house. Ms. Whisnant presented a blueprint for their renovation.

Mr. Morse said during the last 12 months that he and the VEDIC staff (VEDIC - Chuck Moseley and Eddie McGimsey) had worked with the owners of the Valdese Service Center (Rex and April Whisnant) on a project that would expand their business. During this period of time the small business owners were finalizing their business and construction plans for expansion. (They have all the necessary permits in place including their approval with the County building inspector.) The VEDIC Board of Directors has approved the request and recommended Council approval.

The project includes the addition of an engine bay with a heavy duty lift to add larger truck maintenance to their existing service line. They plan to also improve the outside appearance of the building including the installation of old time gas pumps. The total improvement cost for this project is \$55,000. VEDIC is requesting a building reuse deferred loan to be included in the total funding for this project. The project budget is as follows:

Expenses:       \$55,000

Revenues:

1. Owners - \$30,000 (\$15,000 in-kind labor; April's dad is a general contractor and will be assisting in the construction of the project and \$15,000 cash from the owners for materials.)
2. \$20,000 - Building Reuse deferred loan from VEDIC (funding provided by the Town of Valdese)
3. \$5,000 - VEDIC small business loan from our Rural Center Account

The expansion will result in two new full time jobs being created.

This project falls within the guidelines of our Building Reuse program. Funding for this expenditure will come from the following accounts:

General Fund-Economic Development-10-4200-960	\$ 8,000
General Fund-Contingency-10-4200-990	\$12,000

This will be the final Building Reuse request for this fiscal year.

Mr. Morse said staff believed this project would help the local small business that was providing a valuable service to our citizens as well as having a great impact on the appearance of our Main Street.

Also as a point of transparency, Mr. Morse said he needed to make a disclosure to the Town Council that he has been involved in the development of this project (working with the owners and VEDIC in his capacity as Town Manager. He had personally used the company for repairs to his two vehicles. He had no other contact with the owners (social or otherwise).

Town Attorney Marc Mitchell said details would be worked out and the agreement would come back to Council for approval.

After a brief discussion, Councilwoman Stevenson made a motion to approve the aforementioned request, seconded by Councilwoman Hildebran. The vote was unanimous.

**ADOPTION OF TRANSITIONAL HOLD HARMLESS REIMBURSEMENT RESOLUTION** Mr. Morse presented the following resolution:

**RESOLUTION CONCERNING LOSS OF “TRANSITIONAL HOLD HARMLESS” REIMBURSEMENT FUNDS**

WHEREAS, in 2002 the General Assembly authorized an additional local option sales tax, and repealed existing reimbursements to local governments resulting from earlier repeal of the inventory tax base of local governments; and

WHEREAS, as part of the 2002 repeal of reimbursements, 122 municipalities and 17 counties (which had negative budget impacts from the combined repeal of reimbursements and new sales tax) have received “transitional hold harmless” payments for 10 years; and

WHEREAS, the growth in sales tax over the 10 year period of reimbursements is less than projected, resulting in continuing losses to local governments receiving “transitional hold harmless” payments unless the 10 year period is extended; and

WHEREAS, the 2011-2012 State Budget does not include extension of the “transitional hold harmless” period to protect those local governments from losses caused by the 2002 repeal of reimbursements; and

WHEREAS, the Town of Valdese will lose approximately \$116,000 in its 2013-2014 budget year due to the failure of the General Assembly to extend “transitional hold harmless” payments for a reasonable period of time to allow sales tax revenue to grow to replace the “transitional hold harmless” payments; and

WHEREAS, this town budget shortfall will shift the burden of the General Assembly’s inaction on extension of “transitional hold harmless” payments to the Town of Valdese citizens and taxpayers.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF VALDESE, THAT:

The North Carolina General Assembly is urged to restore “transitional hold harmless” payments to local governments for a reasonable period of time to allow growth in sales tax revenues to replace “transitional hold harmless” payments, as envisioned in 2002 when reimbursements to local governments were repealed; and

The local delegation for the Town of Valdese to the General Assembly is urged to support restoration of “transitional hold harmless” payments to local governments for a reasonable period of time; and

The North Carolina League of Municipalities is urged to make restoration of “transitional hold harmless” payments one of its highest legislative goals in the 2013 Session of the General Assembly.

Adopted this 5<sup>th</sup> day of November, 2012.

/s/ James L. Hatley, Mayor

Councilman Black made a motion to adopt the aforementioned resolution, seconded by Councilman Delp. The vote was unanimous.



**ADOPTION OF SEWER USE CODE AMENDMENTS** Wastewater Plant Superintendent Greg Padgett said the amendments were mandated by the state and there were no costs involved. He briefly reviewed the proposed amendments.

**(NOTE: Amendments may be found in Ordinance Book No. 9, pg 9.)**

Councilwoman Hildebran made a motion to approve the amendments to the Sewer Use Ordinance, seconded by Councilwoman Stevenson. The motion carried unanimously.

**REQUEST TO SERVE WINE AT OLD ROCK SCHOOL** Community Affairs Director Barbara Hefner said staff received a request from Eddie and Brenda Zimmerman, Waldensian Style Wines, to sell wine at the "Christmas in November Craft and Gift Show" on November 10, 2012, 9:00 a.m., until 4:00 p.m., at the Old Rock School.

Councilwoman Stevenson made a motion to approve the aforementioned request, seconded by Councilman Delp. The vote was unanimous.

**APPROVAL OF POLICY FOR OLD ROCK SCHOOL BEER/WINE REQUESTS** Mr. Morse presented the policy. Ms. Hefner briefly reviewed the Alcohol Guidelines and Application to serve alcoholic beverages at the Old Rock School, and said there was a \$25 application fee. She would prepare reports once a quarter or once a year of the requests she receives and forward to Members of Council.

**POLICY CONCERNING APPROVAL OF ALCOHOL USE AND SALES  
AT THE OLD ROCK SCHOOL AND AT THE TEACHERS' COTTAGE**

It is the policy of the Valdese Town Council that requests for the use and sales of alcoholic beverages at events held at the Old Rock School or the Teachers' Cottage may be approved as follows:

Requests to serve (not sell) beer or wine during an event held at the Old Rock School or at the Teachers' Cottage may be approved by the Valdese Community Affairs Director.

Requests to serve fortified wine or spirituous liquor during an event held at the Old Rock School or at the Teachers' Cottage must be approved by the Valdese Town Council.

Requests to sell beer, wine, fortified wine or spirituous liquor during an event held at the Old Rock School or at the Teachers' Cottage must be approved by the Valdese Town Council.

Applicants must complete an application to sell or serve alcoholic beverages and they must comply with all conditions and restrictions imposed by the town. Applicants must obtain all required ABC permits and all ABC laws must be observed. Alcohol may not be consumed or sold outside of the Old Rock School building or outside of the Teachers' Cottage building.

Approved this 5<sup>th</sup> day of November, 2012.

/s/ James L. Hatley, Mayor

ATTEST: /s/ Town Clerk

Councilman Black made a motion to approve the aforementioned policy and the \$25 application fee, seconded by Councilwoman Stevenson. The vote was unanimous.

**REPAIR OF WALKING TRACK BEHIND FOOTBALL FIELD – OLD ROCK SCHOOL** Public Works Director Bryan Duckworth said it was brought to staff's attention that repairs were needed to the walking track behind the Old Rock School in an estimated amount of \$2,500. Staff recommended that Council make the final recommendation about whether to keep the trees that caused the damage to the track or remove the trees and install a split rail fence at an additional expense of \$250.

Councilwoman Stevenson requested that staff assess the trees behind the old band building.

After a brief discussion, Councilman Delp made a motion to approve funds in the amount of \$2,500 to repair the walking track and preserve the trees (which may have to be addressed again in four or five years), seconded by Councilwoman Hildebran.

Mayor Hatley called for the vote.

Voting aye: Hildebran, Stevenson, and Delp  
Voting nay: Black

Mayor Hatley said the motion carried.

**BUDGET AMENDMENT** Mr. Morse presented the following budget amendment:

**BUDGET AMENDMENT NO. 09 - FIRE DEPT COMBO TOOL**

As per discussions held in previous council meetings pertaining to the subject, the following budget amendment is essential in order to appropriate the necessary funds.

BE IT ORDAINED by the Governing Board of the Town of Valdese, North Carolina that the following amendment is made to the annual budget ordinance for the fiscal year ending June 30, 2013:

Section 1. To amend the General Fund, the expenditures are to be changed as follows:

Acct. <u>Acct. No.</u>	<u>Debit</u>	<u>Credit</u>
10.5300.740 Capital Equipment	<u>12,000</u>	
Total	<u>\$12,000</u>	<u>\$ 0</u>

This will result in a net increase of \$12,000 in the expenditures of the General Fund. To provide funding for the above, the following revenue budgets will be increased. These additional revenues have already been received.

10.3970.300 Contribution From Util Fund		<u>12,000</u>
Total	<u>\$ 0</u>	<u>\$12,000</u>

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Governing Board, to the Budget Officer and the Finance Officer for their direction.

Councilman Black made a motion to approve the aforementioned budget amendment, seconded by Councilwoman Stevenson. The vote was unanimous.

**MAYOR AND COUNCIL COMMENTS:**

**HOME LOCATED AT 909/913 MAIN STREET WEST** Councilwoman Hildebran thanked Town Attorney Marc Mitchell and Town Manager Jeff Morse for follow-up on the issues. Councilwoman Hildebran asked about the next step. Attorney Mitchell said the owner said he could meet the deadline; otherwise, the town could do the work and charge the cost and fines to the property owner.

**OLD HIGH SCHOOL** Councilwoman Hildebran said with the demolition of the Old High School now there was another eyesore with the Industrial Arts Building and Tiger Gym. Mayor Hatley said previous discussion was to demolish the Industrial Arts Building because it was cost prohibitive to renovate. Mr. Morse said if the building were demolished, there is a steep bank that the building supports and a retaining wall would have to be built or leave the back wall and paint but an engineer would have to make a recommendation.

Mr. Morse said Councilwoman Stevenson had previously mentioned façade improvements facing the football field.

**RECREATION NEWSLETTER**

Councilwoman Stevenson complimented Recreation Director Doug Knight on the newsletter.

**MANAGER'S REPORT:**

**GOLF CART ORDINANCE UPDATE** Mr. Morse said staff received a request for a golf cart usage ordinance and staff was researching.

**TOWN HALL WILL BE CLOSED ON TUESDAY, NOVEMBER 6, 2012, DUE TO VOTER PRECINCT**

**TOWN OFFICES WILL BE CLOSED ON MONDAY, NOVEMBER 12, 2012, IN OBSERVANCE OF VETERANS DAY**

**ANNUAL DINNER MEETING WITH THE DOWNTOWN MERCHANTS ON THURSDAY, NOVEMBER 15, 2012, 6:30 P.M., OLD ROCK SCHOOL – WALDENSIAN ROOM**

**VALDESE CHRISTMAS PARADE, SATURDAY, DECEMBER 1, 2012, 10:00 A.M.**

**SURVEYS FOR RECREATION MASTER PLAN** Mr. Knight requested input from Council and as many citizens as possible about the master plan.

**UPDATE ON STAGE FOR FAMILY FRIDAY NIGHTS** Mr. Duckworth said staff was looking at a mobile stage and he would be going to Fort Wayne, Indiana, to see a model stage.

At 9:12 p.m., there being no further business to come before the meeting, Councilman Delp made a motion to adjourn, seconded by Councilwoman Hildebran. The vote was unanimous.

The date of the next meeting is Thursday, November 15, 2012, 6:30 p.m., Annual Joint Dinner Meeting with the Downtown Merchants, Old Rock School Waldensian Room.

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Town Clerk

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Mayor

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**TOWN OF VALDESE  
TOWN COUNCIL ANNUAL/JOINT DINNER MEETING WITH VALDESE MERCHANTS ASSOCIATION  
THURSDAY, NOVEMBER 15, 2012, 6:30 P.M.**

The Town of Valdese Town Council met jointly with the Valdese Merchants Association (VMA) for the annual dinner meeting on Thursday, November 15, 2012, at 6:30 p.m., at the Old Rock School, Waldensian Room.

The following were present: Mayor James L. Hatley, Councilwoman Frances Hildebran, Councilwoman Stevenson; Councilman Delp; and Councilman Black.

Absent: Councilman Keith Ogle

A quorum was present and no action was taken.

Also present: Town Manager Jeffrey V. Morse, Deputy Town Clerk Thelda B. Rhoney, Community Affairs Director Barbara Hefner, Community Affairs Administrative Specialist Morrissa Angi, and Police Chief Jack Moss.

At 6:30 p.m., Community Affairs Director Barbara Hefner welcomed everyone and invited everyone to enjoy dinner catered by Myra's. There were approximately 23 members (and 5 children) of the VMA in attendance.

Invocation was offered by Mr. Ronnie Pruitte, Grace Jewelers.

Mayor Hatley welcomed everyone and thanked the business owners for investing their time and money into the Town of Valdese. He thanked Ms. Debbie Ferris, Cornerstone Antiques and Uncle Fred's Shed, for serving as VMA President.

Town Manager Jeff Morse thanked everyone for attending and appreciated all the hard work that the merchants do in supporting the Town of Valdese. He offered a brief update on the Waldensian Mill, The Settings, and Valdese Economic Development Investment Corporation (VEDIC). He said staff was checking into a portable stage for the upcoming season. He would like to increase Family Friday Nights to Saturday as well.

Mayor Hatley recommended instead of events in Valdese on Saturday nights to extend Family Friday Nights through September instead of August.

Ms. Hefner said they were in need of three floats for the Christmas parade. She briefly reviewed upcoming holiday events in Valdese. She said the Christmas in November Festival was very successful. She said Community Affairs Staff was available to assist Valdese Merchants with a Facebook Page.

At 7:40 p.m., Mayor Hatley adjourned the meeting.

The next meeting is a regularly scheduled Council Meeting on Monday, December 3, 2012, 7:00 p.m.

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Town Clerk

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Mayor

**TOWN OF VALDESE  
TOWN COUNCIL MEETING  
DECEMBER 3, 2012**

The Town of Valdese Town Council met on Monday, December 3, 2012, at 7:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue, SW, Valdese, North Carolina. The following were present: Mayor James L. Hatley, Councilwoman Frances Hildebran, Councilwoman Susan Stevenson, Councilman Gary L. Delp, and Councilman Chip Black. Also present were Town Manager Jeffrey V. Morse, Town Attorney Marc Mitchell, Deputy Town Clerk Thelda B. Rhoney, and various department heads.

Absent: Councilman Keith Ogle

A quorum was present.

Mayor Hatley called the meeting to order at 7:00 p.m. He called for a moment of silence; after which, he led in the Pledge of Allegiance to the Flag.

**OPEN FORUM/PUBLIC COMMENT:**

**HOME LOCATED AT 909/913 MAIN STREET WEST** Mr. Richard Deal, property owner, thanked Council for being patient with his project and he said he was making progress. He apologized for not communicating better in the past and plans to keep Council better informed in the future and he requested 90 days to complete the yard, footing and rock work.

Councilwoman Hildebran said she talked with Jeff McGee who was working on Mr. Deal's rock work and Mr. McGee recommended 90 days to complete his work on the project. She said she met with Mr. Deal and his mother, Kay Deal, and a lot of work had been done. She personally believed there were communication issues and Council had not been kept up to date and deadlines were not imposed.

Ms. Deal said she lived in South Carolina and owned condos and her son, Richard, had been assisting her with condo renovations, which took longer than expected. She briefly reviewed some of the work that had been done at the Main Street West home in Valdese. She said supplies were not readily available since the recession.

Town Attorney Marc Mitchell said staff had a code enforcement order in place and Council could allow additional time. He briefly reviewed fines that could start at \$50 going forward or going back to December 1, 2012.

The Deals requested an extension until March 15, 2013, for groundwork and rock wall completion.

Council requested that staff provide a monthly report on this project.

Council, by consensus, agreed to a completion date for ground work and rock wall completion of March 15, 2013.

Mayor Hatley thanked the Deals for their update.

**RECREATION MASTER PLAN FOCUS GROUP MEETINGS** Recreation Director Doug Knight reported that the first meetings were held this date with great discussion. He invited Council to attend one of the Focus Group Meetings to be held tomorrow at 12:30 p.m., and 6:00 p.m., to discuss the future vision. Information about the meetings was on the website, Facebook page, brochures, etc.

**CONSENT AGENDA:** (enacted by one motion)

**APPROVED MINUTES AND CLOSED SESSION MINUTES – NOVEMBER 5, 2012 AND MINUTES FROM ANNUAL JOINT DINNER MEETING WITH DOWNTOWN MERCHANTS ON NOVEMBER 15, 2012**

**RESOLUTION APPROVING AGREEMENT WITH VEDIC FOR DOWNTOWN DELIGHTS ADDITIONAL APPROPRIATION**

**RESOLUTION**

WHEREAS, G.S. 160A-456 authorizes a town to appropriate funds for community development programs and activities, including providing grants or loans for the restoration or preservation of old properties; and

WHEREAS, G.S. 160A-20.1 authorizes a town to contract with and appropriate money to a nonprofit corporation in order to carry out a public purpose that the town is authorized by law to engage in; and

WHEREAS, the Town of Valdese (the Town) appropriated \$35,000 in connection with the Town's community development program to be used for the restoration or preservation of building located at 102 Main Street East in Valdese (the building); and

WHEREAS, the Town and Valdese Economic Development Investment Corporation (VEDIC) entered in to an agreement pursuant to which VEDIC agreed to administer that \$35,000 appropriation on behalf of the Town; and

WHEREAS, an additional \$10,000 is needed to complete the renovations to the building, and the Town has agreed to appropriate that additional sum in order to assist in the completion of the building renovations; and

WHEREAS, VEDIC has agreed to administer on behalf of the Town this \$10,000 appropriation in addition to the prior \$35,000 appropriation; and

WHEREAS, a proposed agreement between VEDIC and the Town setting forth the terms and conditions under which VEDIC is to distribute the additional \$10,000 appropriation and administer both that appropriation and the prior \$35,000 appropriation has been presented to and considered by the town council, and the town council is of the opinion that that agreement between the Town and VEDIC should be approved;

IT IS THEREFORE RESOLVED AS FOLLOWS:

1. The Town hereby appropriates an additional \$10,000 for the restoration or preservation, including direct repair, of the building located at 102 Main Street East.

2. The town manager is authorized to enter into the proposed contract between the Town and VEDIC as presented to the town council. This contract sets forth the terms and conditions under which this \$10,000 sum hereby appropriated is to be used and the terms and condition under which both this \$10,000 appropriation and the prior \$35,000 appropriation shall be administered and, if required under the terms of the contract, repaid.

THESE RESOLUTIONS WERE ADOPTED THIS 3<sup>RD</sup> DAY OF DECEMBER, 2012.

TOWN OF VALDESE  
By: /s/ James L. Hatley, Mayor

ATTEST: /s/ Town Clerk

**RESOLUTION APPROVING AGREEMENT WITH VEDIC FOR VALDESE SERVICE CENTER**

**RESOLUTION**

WHEREAS, G.S. 160A-456 authorizes a town to appropriate funds for community development programs and activities, including providing grants or loans for the restoration or preservation of old properties; and

WHEREAS, G.S. 160A-20.1 authorizes a town to contract with and appropriate money to a corporation in order to carry out a public purpose that the town is authorized by law to engage in; and

WHEREAS, the Town of Valdese (the Town) desires to appropriate up to \$20,000 in connection with the Town's community development program to be used for the restoration or preservation of the Valdese Service Center, Inc. building in the Town; and

WHEREAS, Valdese Economic Development Investment Corporation (VEDIC) has agreed to administer these community development funds on behalf of the Town of Valdese; and

WHEREAS, a proposed agreement between VEDIC and the Town setting forth the terms and conditions under which VEDIC is to administer and make these funds available has been presented to and considered by the town council, and the town council is of the opinion that this agreement with VEDIC should be approved;

IT IS THEREFORE RESOLVED AS FOLLOWS:

1. The Town hereby appropriates \$20,000 for the renovation of the building located at 460 Main Street West, building at which the Valdese Service Center, Inc. business is located.
2. The town manager is authorized to enter into the proposed contract between the Town and VEDIC as presented to the town council. This contract sets forth the terms and conditions under which this \$20,000 sum hereby appropriated is to be used and the terms and condition under which this \$20,000 appropriation shall be administered and, if required under the terms of the contract, repaid.

THESE RESOLUTIONS ARE ADOPTED THIS 3RD DAY OF DECEMBER, 2012.

TOWN OF VALDESE  
By: /s/ James L. Hatley, Mayor

ATTEST: /s/ Town Clerk

**ADOPTION OF 2013 COUNCIL MEETINGS CALENDAR**

**RESOLUTION  
ADOPTING 2013 TOWN COUNCIL MEETING SCHEDULE**

WHEREAS, pursuant to Section 2-1011 of the Town of Valdese Code of Ordinances, there shall be a regular meeting of the council at the town hall, on the first Monday in each month, at 7:00 p.m., unless another place, date or time shall be designated.

NOW, THEREFORE, BE IT RESOLVED that the Town of Valdese Town Council adopts the following Meeting Schedule for 2013:

January 7, 2013, Monday, 7:00 p.m., due to New Year's Day Holiday  
February 4, 2013  
March 4, 2013  
March 18, 2013 – 3:00 p.m. – 8:00 p.m., Monday, Annual Budget Retreat – Town Hall  
April 1, 2013  
May 6, 2013  
June 3, 2013  
June 24, 2013 – Budget Public Hearing; also serves as the July Council Meeting  
August 5, 2013  
September 3, 2013, Tuesday, 7:00 p.m., due to Labor Day Holiday  
October 7, 2013  
November 4, 2013  
November 21, 2013, 6:30 p.m., Thursday, Annual Meeting with Valdese Merchants  
Association, Old Rock School, Waldensian Room  
December 2, 2013

This 3<sup>rd</sup> day of December, 2012.

/s/ James L. Hatley, Mayor

Councilman Black made a motion to approve the Consent Agenda, seconded by Councilman Delp. The vote was unanimous.

**End Consent Agenda**

**ITEMS REMOVED FROM CONSENT:**

**LEASE AGREEMENT AT OLD ROCK SCHOOL WITH DREAM CONNECTIONS, INC.**

Councilwoman Stevenson requested this item be removed from consent. She asked what type business was Dream Connections. Ms. Hefner said Dream Connections was a case management program that worked with physically handicapped adults. They were leasing the former Valdese Printing space at the Old Rock School for \$700 per month.

Town Attorney Marc Mitchell recommended that staff provide what entities are liable with these type leases in the future.

After a brief discussion, Councilwoman Stevenson made a motion to approve the Lease Agreement with Dream Connections, Inc., seconded by Councilwoman Hildebran. The vote was unanimous.

### **PUBLIC HEARING FOR ZONING CODE AMENDMENT - INTERNET SWEEPSTAKES ORDINANCE**

**(NOTE: Amendments may be found in Ordinance Book No. 9, pg 42.)**

Mayor Hatley opened the public hearing and asked if anyone wished to speak for or against.

Planning Director Larry Johnson said Internet Sweepstake and Electronic Gaming Operations establishments have become extremely popular in the Unifour and throughout the State. The legality of internet sweepstake gaming is currently being considered by the North Carolina Supreme Court. Meanwhile, the Planning Board had proposed amendments to the Zoning Ordinance that would restrict the location of such establishments which are consistent with current restrictions for adult establishments. He offered a summary of the amendments.

Councilman Black asked why would you not want one of these operations in town for restaurants to sell more food and gasoline sales. The 1,000 square feet from a church or day care was prohibitive. Mr. Johnson said you would govern from this point forward by adopting the text amendment.

Town Attorney Marc Mitchell said there was debate at the NC School of Government if you completely zone these type operations out, and they are not sure and think maybe. He briefly reviewed fees, number of machines, and square feet requirements from other cities and towns in North Carolina.

Mr. Rick McClurd, 408 Garrou Avenue, said this subject came up during discussion with the Golden LEAF \$2 million grant with Burke County and a lawyer from the School of Government was asked the difference between the NC Lottery and internet sweepstakes and the lawyer could not answer. He said both were gambling. Someone could go inside a convenience store, near a church, to purchase a lottery ticket and there was no difference.

Ms. Debra Ferris, 100 Massel Street, said she had personally experienced alcoholism and drug addiction issues with some of her family members. She had seen the effects and does not want to see gambling addiction issues in her town.

Town Manager Jeff Morse said the proposed zoning amendment was setting a community standard.

There being no one else wishing to speak, Mayor Hatley closed the public hearing.

After discussion, Councilwoman Hildebran made a motion to adopt the Zoning Amendment for Internet Sweepstakes, seconded by Councilwoman Stevenson. The vote was unanimous.

**PRIVILEGE LICENSE TAX ORDINANCE** Mr. Johnson said the Planning Board also discussed the use of privilege licenses taxes or fees for sweepstake establishments and machines, and numerous cities and towns across the State had enacted taxes for these type establishments and machines. The Planning Board supported the creation of a license fee for Internet Sweepstakes. He provided a list of cities/town that had enacted privilege licenses taxes. He said staff recommended the adoption of the Privilege License Tax Ordinance and the establishment of privilege licenses taxes in the amount of \$1,500 per establishment and \$500 per machine to become effective February 1, 2013.

Mr. Mitchell reviewed the proposed privilege license tax ordinance modeled by the School of Government. He reviewed cases with Fayetteville and Lumberton before the Supreme Court. It may be a matter of months before the court hears these cases.

After discussion, Town Manager Jeff Morse requested this issue be tabled until after the court ruling.

Councilman Black made a motion to Table the privilege licenses tax ordinance until after the court ruling, seconded by Councilwoman Stevenson. The vote was unanimous.

**APPROVAL OF ENCROACHMENT AGREEMENT FOR OLD BELK BUILDING** Town Manager Jeff Morse said the Encroachment Agreement with members of the Guigou Family was prepared by Town Attorney Marc Mitchell for the Old Belk Building, future home of Downtown Delights. Two commercial kitchen exhaust vents were installed so the property could be used as a restaurant and these vents protrude through the west wall of the building and overhang above the sidewalk. The property owners requested an encroachment agreement for this purpose.



After a brief discussion, Councilman Black made a motion to approve the Encroachment Agreement, seconded by Councilman Delp. The vote was unanimous.

**DISCUSSION OF PROPOSED MOBILE STAGE UNIT FOR FAMILY FRIDAY NIGHTS** Public Works Director Bryan Duckworth and Community Affairs Director Barbara Hefner presented two proposed stages. One stage would be the lease of a turn-key open-air stage at a cost of \$172,000 over six years and the second option would be the purchase of a mobile stage and contracting the lighting and sound at a cost of \$132,000 over six years and the town would own the stage but it would not be as nice as an open-air stage. Staff requested Council direction on how to proceed.

Mr. Morse said it currently cost approximately \$16,000 per year for stage, lights and sound.

Councilman Black said if Family Friday Nights were extended through September would it cost more money. Staff answered yes.

Mr. Morse said Valdese was known for the excellent presentations for Family Friday Nights and he recommended an open-air stage which was preferred by bands. The open-air stage could also be purchased.

Mr. Morse requested that Council allow staff to further research and bring a final recommendation at the January Council Meeting. Due to the unknown about hold harmless and property taxes, staff may only recommend a one year lease agreement. Ms. Hefner said it would need to be clarified because a three year lease was proposed instead of a one year lease agreement.

Mayor Hatley recommended using the current stage one additional year until staff was sure about revenues. Mr. Duckworth recommended an open-air stage in the amount of \$19,000 if staff could negotiate a one-year lease.

Councilwoman Stevenson made a motion to Table the aforementioned issue until the January 2013 Council Meeting, seconded by Councilwoman Hildebran. The vote was unanimous.

## **APPROVAL OF BOARD AND COMMISSION APPOINTMENTS/REAPPOINTMENTS**

### **2012 Board and Commission Appointments/Reappointments**

#### **Planning Board & Board of Adjustment (4-year terms)**

Reappointment of Scott Watts and Roy Sweezy

#### **Recreation Commission (3-year terms)**

Reappointment of Carl Beck and Linda Brinkley

#### **Firemen's Relief Fund (2-year terms)**

Appointment of David Thompson to replace Sherrill Brittain (deceased)

Reappointment of Greg Cannon

Mark Rostan was recommended by the Fire Department Staff to serve at the pleasure of the NC State Insurance Commissioner (replacing Walter Church, Sr., deceased)

#### **Rock School Advisory (4-year terms)**

Reappointment of Chuck Moseley and Tim Barus

#### **Arbor-Beautification (3-year terms)**

Reappointment of Dr. Ben Garrou, Ms. Lu Griffin, and Richard Whisnant

#### **Public Art Commission (3-year terms)**

Reappointment of Hamilton Williams and Greg Mastin

Councilwoman Stevenson made a motion to approve the above appointments, seconded by Councilwoman Hildebran. The vote was unanimous.

**REQUEST TO SELL ALCOHOL AT THE ALZHEIMER'S BENEFIT CONCERT – OLD ROCK SCHOOL** Ms. Hefner said staff received a request from Robert Kearns to sell beer at the Old Rock School during the Alzheimer's Benefit Concert on Friday, December 21, 2012, 7:00 – 11:00 p.m., in Classroom 139.

Councilman Black made a motion to approve the above aforementioned request, seconded by Councilwoman Stevenson. The vote was unanimous.

**MAYOR AND COUNCIL COMMENTS:**

**PAVING COMMITTEE** Councilman Delp said the Paving Committee met recently and a recommendation would be presented to Council at the January Council Meeting and they would be requesting a one-time amendment to a policy.

**MANAGER'S REPORT:**

**WOMEN'S BATHROOM RENOVATION – POLICE/FIRE COMPLEX** Mr. Morse said funds were budgeted for this project.

**CHRISTMAS SCHEDULE:**

Council/Department Head Christmas Dinner on Thursday, December 13, 2012, 6:30 p.m., Le Phare des Alpes Meeting Hall.

Town Offices would be closed December 24, 25, and 26, 2012, for the Christmas Holiday.

Town Offices would be closed on Tuesday, January 1, 2013, for New Year's Holiday.

**DOWNTOWN SHOP HOP – DECEMBER 7, 2012** Ms. Hefner reminded Council of the Christmas in Valdese with 120 children singing and the Downtown Merchants Shop Hop from 6:00 p.m. until 8:00 p.m.

**CHRISTMAS PARADE** Mr. Morse thanked staff for all their hard work on another successful Christmas Parade.

**ADJOURNMENT** At 8:35 p.m., there being no further business to come before the Council, a motion to adjourn was made by Councilman Delp, seconded by Councilman Black. The vote was unanimous.

The next meeting is a regularly scheduled meeting on Monday, January 7, 2013, 7:00 p.m., Valdese Town Hall.

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Town Clerk

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Mayor

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