



# **TOWN COUNCIL WORK SESSION**

Town Council Chambers

Tuesday, November 18, 2025 at 2:00 p.m.

**Present:** Mayor George Holleman  
Councilwoman Tamara Odom  
Councilwoman Kim Brown  
Councilman Jack Simms

**Absent:** Mayor Pro Tem Eric Bumgarner

## **Call to Order**

**George B. Holleman, Mayor**

The Town Council Work Session was called to order on Tuesday, November 18, 2025, at 2:00 pm. No invocation was given. Please note Mayor George Holleman left the meeting early at 2:30 pm.

## **Adjustment of the Agenda**

**George B. Holleman, Mayor**

Mayor George Holleman announced an adjustment to the agenda. Discussion Item 4, regarding the Police Department Camera Contract, was moved up to become Discussion Item 1.

## **Discussion Items**

### **1. Police Department Camera Contract**

**Michael Millsaps, Chief of Police**

Police Chief Michael Millsaps presented a proposal to transition the department's camera system from the current vendor Flock to a new vendor Verkada to achieve increased capabilities and significant cost savings. The current Flock system costs the town \$6,420.00 annually for leased cameras which the department does not own. The proposed Verkada system, which has been successfully trialed, offers advanced features like 360-degree viewing and face recognition. The cost is \$5,968.67 annually for the first five years, covering both the purchase of the equipment and the five-year license fee. By owning the cameras after the initial period, the annual cost will decrease, resulting in an annual savings of \$451.33, or \$2,256.65 over five years. The Chief noted that this price reduction after five years would free up funds to potentially add more cameras and increase visibility.

Councilwoman Kim Brown inquired about the new system's ability to connect to the law enforcement database for immediate alerts, similar to the Flock system. Chief Millsaps confirmed that the Verkada system would retain all existing database capabilities while adding superior features, equipment ownership after five years, and costing less than the current arrangement.

Councilwoman Tamara Odom noted the enhanced clarity of the proposed cameras. Chief Millsaps further added that the new system offers better camera quality and capability for less money.

The discussion concluded with Mayor George Holleman seeking confirmation that a formal decision could not be rendered during the work session. Town Attorney Monroe Pannell confirmed with Town Manager Nathan Hester that the expense was already allocated in the budget, and the change only involves switching vendors, which may fall under the Town Manager's authority. Chief Millsaps confirmed that the immediate goal was to inform the Council about the proposed vendor change and the associated savings. Mr. Pannell suggested, and Mayor Holleman agreed, to defer the item to the next council meeting (two weeks from the date of this session) for formal action.

## **2. Catawba Valley Community College Discussion**

**Randy Burns**

Mayor George Holleman introduced Randy Burns, Senior Executive Director for Campus Centers at Catawba Valley Community College (CVCC) and a Burke County Commissioner, to discuss the college's efforts to expand the Alexander Campus. Mr. Burns explained that CVCC currently serves both Catawba and Alexander Counties but is classified only as a "center" because it has not met the state benchmark for a Multi-campus Designation, which is necessary for increased state funding, similar to other regional community colleges.

The key benchmark needed is reaching 300 Full-Time Equivalent (FTE) students annually (one FTE equals one student enrolled in 12 hours of classwork). Achieving this designation could result in an additional \$668,000.00 in funding for the Alexander Center.

Mr. Burns highlighted CVCC's commitment to the Alexander Center through recent and planned investments:

- The college secured an Appalachian Regional Commission (ARC) Grant and is providing a \$300,000.00 match to expand trades programs.
- They also secured a \$120,000.00 commitment for renovations to create additional lab space.
- The total investment of \$720,000.00 will be used to establish a new HVAC lab, expand the electrical training program, and update the welding program equipment, focusing heavily on skilled trades.

FTE enrollment has been steadily increasing, moving from 185 two years ago to a reported 212 in the past year, with a reconciled figure of 224 FTE. Mr. Burns noted that if instructional programs at the Alexander County Correctional Facility were permitted to be counted, the campus would already surpass the 300 FTE goal.

During the discussion, Councilwoman Kim Brown suggested re-establishing the discontinued automotive program at the high school, noting its prior popularity, as a way to boost FTE. Mr. Burns acknowledged the idea but pointed out the significant state and federal requirements for automotive facilities. He emphasized that the greatest challenge is reaching the local population no longer in high school who need upskilling or re-education. He cited data indicating that nearly 10% of local 16-to-24-year-olds are not enrolled in education or employed, and tapping into this demographic is crucial for reaching the FTE target. He confirmed that cohort and early college students from the high school already generate about 100 FTE

annually, and the college is seeking ways to increase that number, such as holding more classes on the CVCC campus.

Council members commended the existing programs at the Alexander Center, with Councilwoman Tamara Odom specifically highlighting the Fire Academy as an excellent addition. Mr. Burns confirmed the college is actively promoting public safety programs, which are projected to generate nearly 20 FTE in enrollment. Mr. Burns confirmed there is no specific deadline to meet the 300 FTE goal required for the multi-campus designation. He thanked the Council for the opportunity to share CVCC's commitment and investment in the campus.

### **3. Withers Ravenel Presentation**

#### **Water Asset Inventory and Assessment (AIA)**

**Deepthi Kalyanam, PE**

Deepthi Kalyanam, Senior Project Manager with WithersRavenel, delivered a presentation on the Water Asset Inventory Assessment (AIA) and Asset Management Plan (AMP) project. The AIA is a grant-funded study designed to proactively manage the Town's water infrastructure assets and support informed capital investment decisions. The resulting AMP serves as a comprehensive database for the water system, detailing the current condition of assets, identifying critical infrastructure necessary for sustained performance, recommending optimal Capital Improvement Program (CIP) and Operations & Maintenance (O&M) strategies, and proposing a long-term funding strategy.

The scope of the project encompassed GIS mapping, risk analysis, hydraulic modeling, development of a 10-year CIP, and creation of a life cycle model.

The asset inventory summary revealed the following major components:

- Water Mains: 165,902 linear feet
- Valves: 609
- Fire Hydrants: 183
- Storage Tanks: 2
- Booster Pump Stations: 1
- Interconnections: 7 (6 with Energy United and 2 with Hickory/Alexander County)

The presentation indicated that the current condition of the water assets was generally good, with the risk analysis for water mains and valves determined to be low to very low.

Key recommendations resulting from the project included:

- Hydraulic Model Recommendations (for system monitoring): Installation of SCADA (Supervisory Control and Data Acquisition) systems on pumps and tanks, targeted fire flow testing, pressure monitoring, and valve exercising.
- Life Cycle Model Recommendations (for capital investment):
  - An annual investment of \$150,000.00 for the replacement/rehabilitation of water mains and valves, targeting approximately 1,157 linear feet per year.
  - An annual investment of \$20,000.00 for the replacement/rehabilitation of fire hydrants, targeting approximately two hydrants per year.

## Merger & Regionalization Study (MRF)

Megan Powell

Megan Powell of the NC Funding Team with WithersRavenel presented the findings of the Merger and Regionalization Feasibility (MRF) Grant study, which was funded by the NC Division of Water Infrastructure. The purpose of the study was to explore non-binding, high-level options for the future regionalization or potential merger of the Town's water utility and assess the resulting financial implications.

The study involved combining engineering and financial analysis and focused on potential partners based on previous grant applications: Energy United Water Corporation (EUWC) and Alexander County. Key data analyzed included grant applications, audits, budgets, the Capital Improvement Plan (CIP), existing interconnections, infrastructure condition, interlocal agreements, and discussions with partners.

Three options were analyzed:

Option	Description	Financial Impact (Required Annual Revenue Increase)	Key Takeaways
A	<b>Status Quo</b> (Maintaining the current water system independently).	<b>20% annually for 5 years</b> (to fund the full CIP) OR <b>6-7% annually</b> (if excluding major CIP projects).	A 20% annual increase is likely infeasible. Town Manager is actively seeking grants to offset CIP costs.
B	<b>Merger with EUWC</b> (EUWC acquires the water system; Town retains sewer).	<b>13% annually</b> (for the remaining sewer system revenue only).	Town water customers become EUWC customers and pay EUWC rates. This analysis assumes no compensation to the Town for the acquisition.
C	<b>Switch Water Purchase</b> (Buying all water from Alexander County instead of EUWC).	<b>27% the first year, 20% annually thereafter.</b>	Alexander County's water rate is nearly double EUWC's rate (\$4.09 vs. \$2.09 per 1,000 gallons). The Town would still be obligated to pay its existing contract rate with EUWC, regardless of purchase volume, further complicating this option.

The presenters emphasized that these options are presented without a recommendation, as some are clearly more financially viable than others.

### Water Rate Study Recommendations

The study also included a review of current water rates under the Status Quo (Option A). The Town currently bills approximately 1,400 water and 1,370 sewer customers, with residential users comprising 80% and averaging 2,700 gallons of monthly usage.

The following rate adjustments were recommended as best practices for consideration during the upcoming budget season:

1. Adjust Fixed Charges by Max Flow Rate: Implement fixed charges that vary based on meter size. This shifts a greater portion of system maintenance and capital costs onto high-volume commercial users, where potential greater water demands exist.
2. Uniform Rate for Inside and Outside Users: Charge a consistent water rate regardless of whether the user is located inside or outside the Town limits.

Reduce Allocation of 1,000 Gallons in Fixed Charge: Reduce the included water allocation within the fixed base charge. This is a common practice to better cover the costs associated with maintaining existing infrastructure and servicing debt (loans/bonds). It was suggested that this change could be implemented gradually to mitigate sudden price shock for customers.

#### **4. Appointment of Interim Finance Officer**

**Nathan Hester, Town Manager**

Town Manager Nathan Hester formally informed the Council of his appointment of Angela Wagoner as the Interim Finance Director. Ms. Wagoner possesses accounting experience and will be assisting the department for the remainder of the year.

#### **Staff Reports**

##### *Public Works Report*

Public Utilities Manager Aaron Wike provided an update on ongoing departmental activities, confirming the successful completion of the Asset Inventory Assessment (AIA) and Regionalization Grant Projects.

The department is currently focused on the extensive Black Mountain Software conversion, which is highly time-consuming but proceeding smoothly. Mr. Wike expects the department to be ready to bill using the new system next week. The community has shown considerable interest in the transition, particularly regarding transaction and convenience fees. Mr. Wike anticipates that the new in-house bank draft option will be popular, which benefits the Town by reducing foot traffic and guaranteeing payments.

With the seasonal slowdown of mowing, the field crew has initiated work on the FEMA projects. They are currently at the park on 3rd Avenue replacing a culvert that was damaged during Hurricane Helene, after which they will address a second culvert within the main park area, followed by work on the wastewater outfall line.

The leaf collection truck is operating at full capacity, and Mr. Wike anticipates that a recent period of inclement weather has caused many remaining leaves to fall, suggesting the department is nearing the end of the collection season.

- Councilmember Jack Simms inquired about the maximum reach of the vacuum truck arm, which Mr. Wike stated is 10 feet from the curb, the recommended placement distance for residents.
- Councilmember Kim Brown suggested posting a leaf placement tutorial on the Town's Facebook page. Town Manager Nathan Hester confirmed that the leaf requirements were already included in the latest Town newsletter, which he would post to the Facebook page.

#### Council Discussion on Water Utilities Study

Following the formal presentation, the Council engaged in a detailed discussion regarding the findings of the AIA and Regionalization studies.

#### Regionalization and Merger Options

Councilmember Kim Brown strongly opposed the idea of merging water services, asserting that discontinuing the water utility would diminish the Town's purpose, leaving only the sewer utility. Mr. Wike noted that the Town's sewer system, unlike water, is difficult to disconnect and the Town would retain significant infrastructure responsibility even in a water-only merger. Councilmember Jack Simms also voiced a preference for the current water source, recalling that it has historically been superior to Alexander County's water.

#### Financial Implications and Rates

Mr. Wike addressed the high 20% annual rate increase mentioned in the Status Quo (Option A) of the regionalization study. He clarified that this figure was based on the assumption of self-funding the top five most expensive CIP projects (estimated at \$10 million) without grant aid. Mr. Wike countered that a more accurate figure to maintain the status quo without those major unfunded projects is a 6% annual increase. This 6% increase would still provide \$100,000 annually for capital equipment and necessary fund reserves. Mr. Wikes confirmed that, like most small towns, they rely heavily on grant funding to afford infrastructure maintenance, indicating the 20% figure was a "scare tactic" rather than a true representation of immediate needs. Town Manager Nathan Hester confirmed that the Town is actively pursuing grants to funds the expensive Capital Improvement Plan (CIP) projects identified in the water studies.

The discussion also touched upon the high utility rates for outside-the-city-limits customers, which range from 1.6% (residential) to 1.98% (high-volume commercial) above in-town rates. Mr. Wike noted that some areas outside the limits, such as Sterling Lane, have repeatedly requested annexation, which was previously denied due to right-of-way issues, but the request is anticipated to return once current county projects are complete.

#### Infrastructure Condition and Study Value

Councilmember Tamara Odom pointed out that the report suggested the Town's infrastructure was in "good shape." Mr. Wike partially challenged this finding, noting that the study did not fully account for infrastructure deficiencies, particularly with valves which are often not exercised for fear of breaking them. He also clarified that while the study identified seven fire hydrants that were bagged, only two were truly non-functional; the other five were functional but leak slightly if the cap is not fully tightened, leading the Fire Department to *overly* apply the "bagged" status. He emphasized that these unaddressed issues prevent an accurate depiction of the system's actual condition.

Councilmember Kim Brown asked if the Town paid for the MRF and AIA grants and what positives were derived. Mr. Wike confirmed that both were 100% grant-funded with no cost to the Town. While the study included GIS mapping of the water lines, Mr. Wike noted the Town had already digitized its water and sewer system through a 2018 grant with the Council of Governments (COG), which gathered GPS data on meters, cleanout plugs, and other components. The new study primarily imported this pre-existing COG data.

### Finalizing the Grant Projects

Councilmember Kim Brown sought confirmation on whether the Council was required to take formal action on the study's recommendations. Mr. Wike explained that the Council does not need to agree to any specific option or recommendation but must approve a resolution in December to formally accept the completed study plans. This resolution is a requirement from the State to finalize the 100% grant projects.

### **City Managers Report**

Town Manager Nathan Hester provided an update on major initiatives, focusing on leveraging grant funding, financial planning, property development, and internal staff matters.

### Capital Project Funding Strategy

Town Manager Hester and Public Utilities Manager Aaron Wike have been collaborating with WithersRavenel to apply for significant grant funding for major utility projects. The current programs offer up to \$5 million for sewer projects and up to \$10 million for water projects.

- For the \$10 million water grant, the first \$5 million is 100% principal forgiveness.
- The second \$5 million is offered at a 75% / 25% loan split.
- Accepting the full \$10 million would result in a \$1.25 million debt service obligation for the Town, equating to approximately \$62,500.00 annually for 20 years.

The plan is to apply for the full \$10 million available, acknowledging that the Town can decline or reduce the debt portion later after a deeper financial analysis, ensuring the debt remains financially feasible. Two grant application agreements will be presented for a Council vote at the December council meeting.

### Budget Planning and Retreat

Planning is underway for the upcoming budget cycle. The annual Budget Retreat is tentatively scheduled for February and will likely be reduced to a single day. Town Manager Hester will confirm the potential date and location (possibly at the bank) soon.

### Hospital Property Development

Progress is being made on the hospital property petition. The law firm has completed the first rough draft of the performance agreement between the property owner and the non-profit organization.

### Staff and Community Announcements

- The Christmas tree is scheduled to be installed on Friday, November 21st.
- Town Manager Hester expressed gratitude to the staff for their diligent and often tedious work on the software conversion over the past few months, noting they are nearing completion.
- A Thanksgiving brunch will be held in the council chambers for all staff and Council members on Wednesday, November 26th at 10:30 AM.

### **Council General Discussion**

### Drainage and Curbing Issues (Watts Property)

Councilmember Kim Brown inquired whether Town Manager Nathan Hester had followed up on inspecting the curbing and features near the Watts property, noting that Mr. Coxon continues to express concerns about drainage in that area. Manager Hester acknowledged that the staff had been fully occupied with the software conversion but confirmed he would visit the site.

- **Contributing Factors:** Public Utilities Manager Aaron Wike noted that the issue stems partly from the lot behind the dentist's office being cleared for a gravel parking area without a buffer, causing increased runoff. Additionally, runoff from the road lacks curb and guttering, leading to overflow and mud on the sidewalk. Mr. Wike also noted that after Adams Funeral Home asphalted its back lot, and its retaining wall drain pipes now discharge water directly onto the road surface.
- **Proposed Solutions:** Councilmember Brown suggested that installing storm drains in the intersection, is necessary and recommended prioritizing this intersection in the next road grant application. Mr. Wike explained that installing curb and gutter would be the least expensive option (around \$40 per linear foot plus sidewalk costs) but would require raising the height or cutting down the road, potentially impacting the intersection.
- **Parking Area:** Councilmember Brown questioned whether the area should have parking spaces, suggesting paving it could resolve the mud issue, provide additional parking, and help resolve the overall water problem. Mr. Wike clarified that while paving would resolve the mud, solving the water issue would require diverting flow to 2nd Street and installing storm grates.
- **Engineering Review:** Mr. Wike confirmed he discussed street repaving, sidewalk, and culvert projects with the engineering firm (WithersRavenel) handling the Paul Payne Pump Station Project and requested that Todd from the firm visit the area to provide an engineering perspective on feasible solutions.

#### Street Light and Power Line Issues

- **Duke Power Street Light:** Councilmember Jack Simms asked for follow-up regarding a street light on the west side of town. Manager Hester reported making several unreturned calls to Duke Power. Councilmember Simms mentioned that Food Lion might also be contacting Duke Power due to possibly damaging their marquee power.
- **Mobile Cafe Powerline:** Manager Hester reported having placed calls regarding the need to raise a powerline serving the Mobile Cafe. He suggested that it might be more effective for the church, as the property owner, to contact the utility company directly. Councilmember Jack Simms clarified, when a Mountain Air tractor-trailer makes deliveries (specifically, donating free chicken to the Mobile Cafe), they are concerned about catching the line, which needs to be raised by approximately 10 feet to ensure safe clearance.
- **Dangling Utility Pole:** Councilmember Kim Brown reported a split, dangling utility pole in front of Rita Bryant's house. Mr. Wike identified it as an AT&T pole and noted that the Town has been unsuccessfully trying to reach AT&T about it for a year.

#### Holiday Events and Planning



- Tour of Homes: Councilmember Kim Brown requested that Public Works ensure the leaves are picked up around the Presbyterian Church area for the Tour of Homes on December 2nd, as high foot traffic is expected.
- Hometown Christmas: Councilmember Brown stated she is slightly behind schedule on organizing the Hometown Christmas event and will provide the schedule to Town Manager Hester soon for posting on the Town's Facebook page.
- Event Scheduling: Town Manager Hester suggested that future Hometown Christmas events might be better condensed to a single night, as foot traffic is substantially lower on the second and third Thursday nights compared to the first night's tree lighting. Councilmember Brown disagreed, citing that attendance is increasing annually. She anticipates a higher volume of foot traffic on the third Thursday night, which features the Alexander Central High School (ACHS) Band and Jazz Band. Councilmember Odom agreed that some patrons wait specifically for the last night. The Council briefly discussed alternative entertainment ideas like caroling and snow machines, but noted challenges with securing groups and public complaints about the snow effects.

### Adjournment

With no further business to discuss the Councilmember Kim Brown requested a motion to adjourn at 3:29 pm.

*Motion to adjourn was made by Councilmember Tamara Odom, seconded by Councilmember Jack Simms, and approved unanimously.*

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Mayor

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Councilmember

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Councilmember

Attest: \_\_\_\_\_  
Nicole Mayes, Town Clerk