Nashville Town Council
Regular Meeting

Tuesday, May, 5, 2020
7:00 PM
Nashville Town Council Chambers
114 W. Church Street, Nashville, NC 27856

1. Call to Order by Mayor Brown

2. Prayer

3. Pledge of Allegiance.

4. Approval of Meeting Minutes

   a) February 24, 2020 – Called Meeting Minutes
   b) February 26, 2020– Agenda Meeting Minutes
   c) March 3, 2020– Regular Meeting Minutes
   d) March 23, 2020 – Called Meeting Minutes
   e) March 30, 2020 – Called Meeting Minutes
   f) April 7, 2020– Called Meeting Minutes

5. Public Comments Period

6. Presentation

   a) **Waste Industries Curbside Recycling Collection and Disposals Fees by Pat Luce of Waste Industries, a GLF Company**

7. Old Business

   a) **Consideration of Leasing Building at 108 S. Boddie Street, Parcel #003576**

   b) **Resolution 2020-07: Resolution of Support & Application to the North Carolina Rural Infrastructure Authority's Building Reuse Program for Asterra Labs**

   c) **Resolution 2020-08: Resolution Authorizing A $35,000 Contribution to Suddenlink/Alticeusa to Aid in Construction of a Fiber Optic Telecommunications Line to The West Nashville Commerce Park**

8. New Business

   a) **Resolution 2020-09: Resolution to Amend the Personnel Policy of the Town of Nashville Families First COVID-19 Coronavirus Response Act Section 29. Emergency Paid Sick Leave & Section 30. Family and Medical Leave Expansion Act (eFMLA)**

   b) **Resolution 2020-10: Resolution to Amend the Personal Policy of the Town of Nashville Section 31. Paid Administrative Leave and Telework Policy**

   c) **Consideration of the adoption of the Town of Nashville Electronic Devices and Services Acceptable Use Policy**

d) **Consideration of the adoption of the Town of Nashville Social Media Policy**

e) **Advisory Board Appointment**

i) **Downtown Nashville Strong**

(1) *New Appointment-Luke Whitehead*

f) **Consideration of the Request for Written Quotation for Audit Services**

g) **Resolution 2020-11: Resolution of the Town Council of the Town of Nashville to Appoint a Deputy Tax Collector**

h) **Resolution 2020-12: Resolution of the Town Council of the Town of Nashville to Engage in Electronic Payments**

i) **Adoption of Budget Amendments**

i) **Budget Amendment #26 Garbage Truck Repairs and Municode Recodification Project**

9. **Town Manager's Report**

10. **Council Comments**

11. **Mayor's Comments**

12. **Closed Session**

a) **Closed Session: Pursuant NCSG §143-318.11(a)(5) Real Estate**

13. **Adjourn**

DRAFT Called Meeting Minutes **Monday, February 24, 2020**

The Town Council of the Town of Nashville held a Called Meeting on Monday, February 24, 2020 at 7:00 PM in Town Council Chambers. Members Present: Mayor Brenda Brown, Mayor Pro Tem Kate Burns, Council Member Louise Hinton, Council Member Lynne Hobbs, and Council Member Larry Taylor. Absent: None. Staff Present: Randy Lansing – Town Manager, Lou Bunch – Town Clerk and Human Resources Officer, Marguerite Bishop – Parks, Recreation and Cultural Resources Director, Sam Sanchez – Finance Director, and Lee Brown – Public Works Director.

1. Mayor Brown called the meeting to order at 7:00 PM and welcomed those in attendance.

2. Mayor Brown led the Pledge of Allegiance and Prayer.

3. Mayor Brown called on Mr. Lansing to lead the presentation of recommendations for the revised Parks, Recreation and Cultural Resources Department.

Mr. Lansing announced that he and Mrs. Bishop will present their recommendations for the department and that the Council will have the opportunity to ask questions throughout the presentation. He noted that they will look at the proposed budget for the department along with the recommended program offerings, how much space those programs will take, and how many staff members will be required to lead those programs.

Mrs. Bishop began her presentation by reviewing the current program offerings. The department currently offers Karate (Beginner and Advanced), Adult Partner Dance (Wednesday nights), Adult Open Gym (Tuesday nights), Adult Recreation (Thursday nights), and a Tutoring Program in Partnership with Nashville Elementary School and Nashville United Methodist Church. Council Member Hinton asked who supervises the activities at the gym. Mrs. Bishop replied that there are two part-time employees who supervise Open Gym for basketball, one part-time employee supervises Adult Recreation, and that she is on-call for both of those activities. Council Member Hinton stated that she understands the Karate instructor is a volunteer. Mrs. Bishop replied that he is, but she also has a part-time employee on site for incidents and for the set-up/break-down of the site. Mayor Brown asked Mrs. Bishop to explain the tutoring program. Mrs. Bishop explained that the tutoring program is in partnership with Nashville United Methodist Church and Nashville Elementary School. It is done on a one-on-one ratio with volunteers primarily from the church. She stated that the program is run on Thursday afternoons; Mrs. Bishop and a part-time staff member go to the elementary school and escort 19 children from the school to the church for the program. The children receive a snack and then work for an hour on homework and math or reading intervention until 4:30 when they go to the playground until their parent picks them up at 5:00. Mayor Brown asked how we became involved with NUMC and NES for this program. Mrs. Bishop replied that the program originally started two years ago at the elementary school in the media center, but they were constantly having to move locations. She explained that Carrie Morningstar was working to get volunteers for the program and then Mrs. Bishop began working with her to facilitate the process. After a year, they realized they needed a larger space; Mrs. Bishop approached the church and they agreed to move the program to the church.

Council Member Taylor asked Mrs. Bishop if she did not think the partnership should have been run by the Council before that happened. Mrs. Bishop replied that she had never thought about that because there is no signed agreement. Mayor Pro Tem Burns asked Council Member Taylor if he was

concerned because it was a church. Council Member Hinton stated that the Council does not know anything about who is tutoring. Council Member Hobbs stated that she is one of the tutors. Mrs. Bishop explained that the tutors go through a background check with the elementary school and Safe Sanctuaries training at the church, which means that they go through two different background checks. Mayor Pro Tem Burns asked if these checks are essentially what the coaches would go through. Mrs. Bishop replied that the volunteers go through the school system's background check and the church's background check, but not the Town's background check because they have already been done twice and there is no need for a third. Mayor Pro Tem Burns noted that the department's coaches would also go through a background check. She then asked Mrs. Bishop if members of the Fire Department or Police Department were still volunteering with the tutoring program. Mrs. Bishop replied that they did help last year, but have not been back this year due to staffing. She commented that it was great having them there last year because it gave the students an opportunity to interact with those officers in a different capacity. Mayor Brown asked if the Town puts any money towards this program other than the cost of her time. Mrs. Bishop replied that the department purchases some snacks and also provides one part-time employee. Council Member Taylor asked where the liability would fall if someone were injured in one of the karate classes. Mrs. Bishop replied that the participants sign a release, just like they would for any of our programs. She explained that they also sign a photo release along with the liability release. Mayor Brown asked when the tutoring takes place. Mrs. Bishop replied that it is held on Thursday afternoons. Mayor Brown asked if there were both minority and white children participating in the program. Mrs. Bishop replied that there are. Council Member Hinton asked if the tutoring goes on through May. Mrs. Bishop replied that it does.

Mrs. Bishop explained that she has broken down the proposed new programs into categories. The first category is Fitness and Recreation. The proposed new programs are: Adult Archery (equipment from grant), Moms on the Move (interactive exercise with small children or for expectant mothers), Morning Meditation, Badminton Open Play, Fast 30 (lunchtime program), Intro to Archery, Into to Music, Dance Exploration (tap, ballet, and jazz), Kinder Ballet, Daytime Yoga, Walking with Health Lunch (physical activity/healthy eating), and Battle Rope Fitness. She explained that all of these programs require little materials or materials that can be reused in other programming. Council Member Hinton asked about the locations for the programs. Mrs. Bishop noted that Adult Archery can be done either inside or outdoors, depending on the amount of indoor space available. She stated that it would be nice to be able to offer it in both locations due to weather. Moms on the Move would be held indoors, along with Morning Meditation. Council Member Hinton asked if those programs could be held in the Council Chambers. Mrs. Bishop replied that they could be as long as they could be held on a consistent basis. Badminton would be held outdoors due to the inability to secure nets indoors. Fast 30, which is 30 minute workout, could be held in Chambers if scheduling allows. Mrs. Bishop explained that this list of programming options came from surveying other recreation departments throughout the state. Dance Exploration and Kinder Ballet can also be held in Council Chambers, however scheduling will be a problem. Mrs. Bishop provided the Council with a proposed calendar of activities so that they could see the amount of programming being offered. She noted that the summer months are lighter and summer camps only would be offered during that time. The costs are mostly for part-time staff and instructors, and can be offset with a modified fee schedule. Mrs. Bishop stated that there are many different models out there and this schedule would depend on how the Council would like to set it up. She noted that they could offer punch cards, senior discounts, multi-child discounts, or veteran discounts. She does recommend charging a small fee for most classes and/or programs, and that there be flexibility to charge more for programs that are more expensive to run. Mrs. Bishop also noted that there may be an opportunity to explore the ParkRX funding model and Silver Sneakers, where the co-pay for insurance

would come to the Town as another revenue stream. She commented that we would need to get our technology more up to speed to handle that though.

The next category is Family Events. The new proposed programs would be Puzzle People and Lego Club. The Lego Club would be a spin-off of the one offered by the Library. The Library's program meets only once a month right after school from 3:00-4:30 PM. Through PRCR, these family programs would be offered in the evening hours after parents have completed work and are geared towards family interaction. She commented that she would like to build these events up to a culminating event such as a competition. Council Member Hinton asked if the Library's Lego Club meets in Council Chambers. Mrs. Bishop replied that they used to, but now meet in the children's room and only have a handful of participants typically. She commented that she thinks their attendance would be better if they moved it to a later time since most parents do not have the ability to take their children to anything at that time. Council Member Taylor asked Mrs. Bishop if the Town were to pick this up as a program if it would be more successful. Mrs. Bishop replied yes.

The next category is Early Childhood programs. The proposed new programs are Kid Kitchen and Kinder Gym. Mrs. Bishop noted that some of these programs may have grant funding available, but more research would need to be done on that. She commented that there are also opportunities to partner with other early childhood organizations. She stated that they could expand in this area by surveying participants for desired programs. Mrs. Bishop stated that this first year will be "data-mining". Council Member Hinton asked what kind of setting would be needed for Kid Kitchen. Mrs. Bishop replied that it would require a sink, tables, and a refrigerator. Council Member Hinton asked if the Kinder Gym would meet at the elementary school gym. Mrs. Bishop replied that since it would be done during the day, they would not be able to use that space.

The next category is Environmental programs. The proposed new programs are Container Gardening, Muddy Boots, and Stormwater Education at NES. Council Member Taylor asked about Muddy Boots. Mrs. Bishop explained that this program involves getting children and their parents outside to reconnect with nature. Council Member Taylor complimented Mrs. Bishop on her presenting all of these programs, but expressed concern that children do not need these types of programs to be organized activities. Mrs. Bishop stated that she understands that, but children nowadays are not exposed to the same types of activities that they had when they grew up because of stranger danger. Council Member Taylor told Mrs. Bishop that she was "reaching" for a lot of these programs. Council Member Hinton asked where the parents are. Mayor Pro Tem Burns replied that the parents are there, but they are not letting their kids go off into the woods alone because now that is something that is not okay. Council Member Taylor commented that he thought it used to be a great thing for the mothers to get their daughters into the kitchen and show them how to bake, but they do not need to bring them to the athletic department to show them how to cook; he stated that the mothers need to show them how to cook at home. Council Member Hinton commented that it is called parenting. Mayor Pro Tem Burns commented that this is something that gets the community together. Council Member Hobbs commented that younger couples are looking for these types of programs. Mayor Pro Tem Burns commented that she cooks with her kids, but she would also bring her kids to a program like this to have them meet new people and so that she can meet new moms in the area; she stated that fellowship is part of Parks, Recreation and Cultural Resources. Mayor Brown said to Mayor Pro Tem Burns that she can take her children there, but asked what other parents could bring their children if it were during the day and they are working. She commented that she is listening to everything that they are saying, but that is her concern. Mrs. Bishop stated that she understands that and that maybe this gives her the opportunity to be

mobile and go to where the kids are. Mayor Pro Tem Burns asked what is offered right now for children that are home with their moms during the day. Mrs. Bishop replied that there is Kaleidoscope through the Down East Partnership for Children, but nothing through the Town. Mayor Pro Tem Burns stated that maybe this is where the Town could finally serve some of the children that are home during the day.

Mayor Brown asked about the Stormwater Education at Nashville Elementary School. Mrs. Bishop replied that this is something that we are currently doing and that we have done water quality presentations for the all of the kindergartners. Mayor Brown asked how long it takes to deliver the program; Mrs. Bishop replied that it takes only one day to actually deliver the program. Mrs. Bishop noted that most of these environmental programs do count for Stormwater education and outreach programming that must be completed as part of the Town's MS4 permit. She stated that we have an opportunity to expand some of these offerings to help with compliance in solid waste, wastewater, water, and drinking water with proper staff and material requirements.

The next category is Special Events. The proposed programs are Trash to Treasure (Earth Day Family Event), One Book, One School, One Community Event and Finale, Dad/Kid Lego Challenge, Family Movie Nights, Glow in the Dark Dodgeball, NERF Gun Battles, NC Star Party and Family Campout, Kids to Parks Day - Family Field Day, Schools Out Community Bash, Fourth Friday Fires, Grandparent's Day Celebration, Fall Fest & Trick or Treating (with the library), and Santa Storytime & Movie (with the library). Council Member Hinton asked about participation for the Star Party. Mrs. Bishop replied that the first year had 20 people, the second year only had 12-15 people due to the extreme heat. Mrs. Bishop noted that for Kids to Parks Day, the Town normally issues a proclamation but has never really held any events. This year she proposes having a Family Field Day event for Kids to Parks Day. Mrs. Bishop commented that Special Events are important because they are bigger community events and they give us the ability to promote our smaller programs and to partner with other departments to help them meet some of their mission. Council Member Hinton asked which of these events have been the most popular with the most turnout. Mrs. Bishop replied that Santa Storytime and Trick or Treating have been the most popular. Mayor Pro Tem Burns commented that movie nights have been popular. Mrs. Bishop replied that they do not offer movies from May-August for various reasons. She commented that she thinks the Glow in the Dark Dodgeball and NERF Gun Battles can be popular once we have the set-up for it; it would also give us the opportunity to rent out space for birthday parties. Council Member Hinton asked if those would be held at the environmental park. Mrs. Bishop replied that those would need to be held indoors due to renting the equipment.

The last category is Summer Camps. The proposed programs would be Survivor Camp, STEAM, Nature Explorers, Camp Adventure, and Introductory Music Camp. Mayor Pro Tem Burns asked what the ages would be for the Music Camp. Mrs. Bishop replied that it would depend on the instrument. Council Member Taylor asked where the instruments would come from. Mrs. Bishop replied that the instructor she has spoken with does have some instruments available to use, but we could either purchase some or have the participants provide their own instruments. Council Member Hinton asked who would instruct the Survivor Camp. Mrs. Bishop replied that she has some of the skillsets required and so she would be the instructor; some of those skillsets are fire building, fishing, edibles, shelter building, and "Leave No Trace" principles. Council Member Hinton commented that she noticed that the fees would be $100-$150 depending on whether you lived in town or out of town. Mrs. Bishop noted that those fees are on par with what other recreation departments and summer camps in the area are doing. The camps would be 5-day camps to capture more of an audience. Council Member Hinton asked how she would handle a reluctant camper that wanted to go home. Mrs. Bishop replied that the method would depend on

the individual camper. She noted that these camps do require more planning but they do bring in more revenue. The number of part-time staff can be adjusted based on enrollment. Mrs. Bishop added that the ability to run these programs in a building would limit the weather risks.

Mrs. Bishop commented that the possibilities are endless with new programming. The first year, the department would be looking at expanding program offerings with an evaluation component to plan future program offerings. She proposed planning programs that require materials that can be used in several programs or that have a low cost to begin with and to keep looking at possible new programs to expand offerings. She commented that what is great about the parks and recreation world is that other departments are willing to share what works well and what does not. Mrs. Bishop also noted that programs will require pre-registration to allow for programs to be cancelled if necessary to save on staff and material costs. Mayor Brown asked if there is a number that has to be reached or the program will be cancelled. Mrs. Bishop replied that it depends on the program. Council Member Hinton asked how many staff would be needed for a camp. Mrs. Bishop stated that there would be one staff person for every 4-5 kids, but depending on the camp it may require more or less staff.

Mrs. Bishop then provided a comparison of available buildings for the department. The first building is 117 W. Church Street. This property has a lot of available space, has a central location in town with close proximity to the library, has the ability to be utilized by other departments for storage, trainings, and other functions, and the building is in good shape. On the downside, this building is the most expensive of the options, will need consultation with a design professional to decrease the square footage of the large room due to fire code, will need to have restrooms and a drinking fountain added, and will need to have the emergency stairwell modified. Council Member Hinton asked if the owner would be willing to do that. Mr. Lansing replied that he is not. Council Member Taylor asked what it would cost to modify the building. Mr. Lansing replied that it would be $80,000-$100,000.

The next facility is 107 W. Nashville Drive. The building is in close proximity to Stoney Creek Environmental Park, is a good size that does not limit program offerings, and is large enough for rentals. The cons are that there is poor visibility from the road, it has limited storage, it has limited walkability, and there is a potential for flooding. This building could hold 297 people (chairs only). Rental cost is $3,000 per month plus $1,000 for utilities. Mayor Pro Tem Burns asked what would need to be stored offsite. Mrs. Bishop replied that it is not large enough to store the archery equipment. She added that it would be ideal to cut a trail from this building to Stoney Creek Environmental Park to provide functional bathrooms for the park. Council Member Hobbs stated that what concerns her is the cost and asked if there is any room for negotiation. Mr. Lansing replied that he does not think that there is, but he is willing to go back to the owner.

The next facility is 231 W. Washington Street. The building has the lowest rental cost and the location on Washington Street may allow it to also serve as a Welcome Center for Nashville. The cons are the parking availability, the size would limit program offerings, there is no storage onsite, outside rentals are not likely due to the size limitations, and the building must be reclassified which may bring about more issues.

The last facility is the Nashville Community Building. This building has a close proximity to the school, has good walkability, and a proven rental history. The cons are the lack of storage onsite and there is no current office space. She noted that she met with them today, along with Mr. Lansing, and that this facility is no longer an option. Mr. Lansing stated that the Inter-Club Council feels obligated to

honor the intent that the building was provided for to the community. Council Member Hinton asked who the point person is for the building. Mr. Lansing replied that Jim Boehm, Sonny Brantley, Cliff Joyner, Shirley House, and Rachel Ervin were present at the meeting. Mrs. Bishop noted that if the Town were to take it, then it would have to allow all of the activities it currently has and then be the booking agent for birthday parties, bridal and baby showers, and all other activities. Mr. Lansing noted that they would not entertain allowing the Town to take over the facility for the purpose of providing Parks, Recreation and Cultural Resources programming there; they want it to be maintained for the community's use in the manner in which it has been for the last 80 years.

Mrs. Bishop then reviewed the responsibilities of the Director, with and without a Recreation Supervisor position. With a Recreation Supervisor, the Director would be responsible for budget, purchasing, grants, partnership building, searching for new revenue streams, future planning, new program development, instructing and supervising volunteers and paid staff, scheduling, some program delivery, and recruitment of instructors and part-time staff. Without a Recreation Supervisor, the Director would be responsible for budget, purchasing, instructing and supervising volunteers and paid staff, scheduling, limited program delivery, limited marketing, registration and fee collection, recruitment of instructors and part-time staff, inspecting parks and facilities for safety and making records for liability purposes, and assisting with park maintenance such as participating in and ensuring the cleaning, maintenance, construction, and repair of exercise and playground equipment, tennis court, picnic areas, and recreational equipment.

The Recreation Supervisor would be responsible for registration for programs; maintaining program records; planning programs; delivering programs that cannot be delivered by a high school student; programming summer camps; new program development; assisting with park maintenance; plans, researches, organize, administers, coordinates, and promotes various recreational programs and events within the town; aids the Director as assigned; prepares and presents staff report;, participates in and ensures the cleaning, maintenance, construction, and repair of exercise and playground equipment, tennis court, picnic areas, and recreational equipment; assists with various grounds and field maintenance duties relative to the preparation for programs and events; manages parks and recreation functions; collects fees and completes proper forms; assists Director with implementing long and short-term strategic plans in support of department and Town; makes recommendations for budget regarding activities, events, and programs; markets programs and events through various methods, including but not limited to the website, social medial, email, and flyers; and inspects parks and facilities for safety and makes records for liability purposes.

Mrs. Bishop provided the following list of program offerings if there were only one full-time employee: Karate, Adult Partner Dancing, Tutoring with NUMC and NES, Adult Archery, Muddy Boots, Stormwater Education Program at Nashville Elementary, One Book, One School, One Community Event, NERF or Glow in the Dark Dodgeball (choose one), Fall Fest with the Library, and Santa Storytime with the Library. She commented that she feels comfortable that this list of programing would be all that could be done in a 40-hour work week. Council Member Hinton asked about the salary for the Recreation Supervisor. Mrs. Bunch stated that it starts around $36,000, but the midpoint would be around $40,000. The position would start at the minimum of the range. Council Member Hinton asked if a part-time person could fill that role. Mrs. Bishop replied that she does not think so, not to the level that it would need to be handled since it is a very specialized role. She commented that it could not be any of her current part-time staff because they are seasonal staff either in high school or college, or adults that have other full-time jobs. Mayor Pro Tem Burns asked how many full-time and part-time employees the

Library has. Mrs. Bunch replied that they have three full-time employees and there are four part-time employees, however they are not considered permanent since they do not work more than 20 hours. Council Member Hinton asked about the request from last year to increase full-time staff positions. Mrs. Bunch replied that they only moved one part-time position to full-time last year.

Mr. Lansing asked if the Council would like to go through the budget. Mayor Brown replied that she would like to get some questions answered. She stated that when they had talked with the citizens, they had told them that there would be a savings because they had lost half of the activities, but when she looks at the numbers, it is not that big of a savings. She stated that she would like to see at least a 20% drop in the budget. Council Member Taylor asked where the kids would come from for these programs since we have sent them to the County. Mayor Pro Tem Burns stated that kids are going to the County for athletics only, which is only one day a week for one season, and asked what would happen to those kids on the other six days where they would want to participate in something, or what about the kids that do not participate in sports. Mayor Brown commented that they also told the people that we would move slowly. She complimented Mrs. Bishop for the spirit she has had in planning this, but stated that there is no guarantee on how many people would show up. Council Member Hinton referenced the minutes from January 7th where she asked if we would ease into new programming and not go "full bore" and that Mr. Lansing had said that was correct. She stated that according to this proposal, we are going "full bore."

Mayor Pro Tem Burns asked what the savings is that they are looking at. Council Member Hobbs stated that she did some numbers based off of information that Mrs. Sanchez and Mrs. Bishop compiled for them. In looking at the budget comparison for FY19-20 and the proposed FY 20-21, the total budget for FY19-20 was $441,067. The total budget for FY20-21 is $291,825. She explained that she went back and subtracted from both years any capital, grants, and any newly allocated expenses. For FY19-20, that is a reduction of $145,299, which gives us an operational budget of $295,768. For the proposed budget for next year, if you eliminate the capital, grants, and newly allocated expense, that amount was $32,270 and then in taking out the lease amount, the operational budget is $201,223, which is a $94,545 savings. Council Member Hobbs stated that we do see a savings, but commented that $48,000 is a lot for a lease and she recommends looking for somewhere to be able to do the programs that they can. She also recommends putting the passenger van off to a future year and to try to find a space that will work. She commented that she has two grandchildren and she knows exactly why these programs are important because people her kid's age are looking for programs like these that are secure and structured. She stated that she is in favor of finding space and moving forward with new programs, although she is aware that the programs will be contingent on the space that is available.

Council Member Hobbs commented that she understands what Mrs. Bishop has said about the Washington Street property in that the parking is a nightmare and that it is limited in size. She asked Mrs. Bishop if the majority of her programs could be held in that space. Mayor Pro Tem Burns asked what could and what could not be run there. Mrs. Bishop replied that Karate would not be safe in there because that program is too big even for the Council Chambers space. Council Member Hobbs asked if it would work if she were to limit the number of participants. Mrs. Bishop replied that she already has a wait list for that program. Council Member Hobbs asked if she could offer more than one beginner class. Mrs. Bishop replied that the instructor is a volunteer. Council Member Taylor mentioned that he does not want to have people parking at the Courthouse and having to cross the street at night. Mayor Pro Tem Burns suggested looking at the W. Nashville Drive property to see if we could get the price down. Mr. Lansing asked Mrs. Bishop if it would work to put a divider wall up on that property and only use half to make it a 1500 sq. ft. space. Mrs. Bishop replied the programming would be quite limited because they would still

have to put in an office and storage space, which would reduce the usable space. Council Member Taylor commented that he thought that building would be the best and safest building from which they have to choose, but he does not like the price. He suggested seeing if something could be done about the price since the building is vacant and stated that since we are only wanting a one-year lease then we could leave if another tenant comes in that is willing to pay more. Council Member Hinton noted that there may be a hotel coming to that area, which will have an effect on the prices. Mayor Pro Tem Burns stated that the hotel is another two years away and asked if the building owner would be willing to hold out on renting it for that long to get more rent when we could give them rent for at least a year. Council Member Hobbs asked if there were any other possibilities. Mr. Lansing stated that he has not heard back from the O.D. Moore Building, but that we would have to share that space with them. He commented that it will not work if we have to share a space. He stated that he will go back to the owner of the W. Nashville Drive property to negotiate.

Council Member Taylor asked if the software that was requested would be needed at this point. Council Member Hinton commented that she thinks we need to move slowly with that. Mrs. Bishop informed the Council that it would depend on what the staffing looks like because a lot of staff hours are spent shuffling papers and collecting fees; it would be easier to collect fees and make sure that everyone has paid if there could be online registration and allow people to pay online. Mayor Pro Tem Burns asked if there was a way to incorporate these payments with what we currently have for online payment of utilities. Mayor Brown suggested including this with another department so it will show a savings. She commented that they have got to show that they are showing the taxpayers a savings, but she is in support of the department having what they need. Mrs. Sanchez stated that they could but it would be difficult to administer that with what he have now as far as software is concerned. She added that this new software would really allow them to have much better recordkeeping, which is something that we are not able to generate right now. Mrs. Bishop also noted that as they move towards having independent contractors this would allow us to share rosters and would allow onsite registration. Council Member Hobbs asked if that $5,000 would be a reoccurring annual cost. Mrs. Sanchez replied that she believes that it is. Mrs. Bishop added that this is an estimated figure and could be cheaper or more expensive depending on what options they choose to use. Mrs. Sanchez commented that from an auditing standpoint having a software like this makes her feel more secure because of the auditing trail. Mrs. Bishop commented that the software would also make reporting much easier. Mayor Pro Tem Burns commented that she is thinking that with going from not charging anything to the new fee structure that the process would be cumbersome. Mrs. Sanchez added that this software could be incorporated into our website so that people could register and pay online rather than having to come in to fill out a form. Mrs. Bishop noted that it will also send out push notifications and will allow her to keep digitized information on participants. Council Member Taylor asked Mrs. Bishop what she has been doing before this. Mrs. Bishop replied that she has been having to do everything on paper. Council Member Taylor asked if that got it done. Mrs. Bishop replied that she cannot guarantee that all fees have been collected. Mr. Lansing stated that he thinks it is important that we charge fees because it creates buy-in; since they are paying for something, they are more likely to show up to participate.

Mayor Pro Tem Burns asked if the $90,000 savings that Council Member Hobbs calculated included the software. Council Member Hinton told Council Member Hobbs that she did not understand how she came up with that amount for a savings. Council Member Hobbs explained that she began with the $441,067 for this year, and the $291,825 for next year. She backed out $145,000 for capital and grants because those are one-time costs; this gives an operational budget for this year of around $295,000. In the proposed budget for next year, she backed out capital, grants, newly allocated expenses because

they were not included in this year's budget, the building lease, and the van; this gives an operational budget of $201,223. She noted that this is a savings of approximately $94,000. Council Member Hinton commented that we do not have a building. Mayor Pro Tem Burns stated that they need to add that in. Council Member Hobbs stated that she is trying to tell them that are savings, and that she keeps hearing that there has not been any savings, but there have been savings and that is what she is trying to demonstrate. Council Member Hinton commented that there are savings if they do not have a building. Mayor Pro Tem Burns commented that there still are savings with a building. Council Member Hobbs stated that if we are fortunate enough to find a building for a $30,000 lease then the savings would go down to $64,000. Mr. Lansing gave the option of acquiring a building and using Fund Balance, which would be a one-time expense; but he also recognized that the Council wants to be sure of what programming will be successful before committing to a space. Council Member Hinton said that that was the intent of what was recorded in the minutes when Mr. Lansing agreed that we would slow down.

Mayor Pro Tem Burns asked what could be run in Council Chambers based off of the current reservation calendar. Mrs. Bishop acknowledged that they may be able to run daytime programs, but would not be able to run evening programs. She added that they would not be able to have success with running regular programming because she would have to share the space. Mayor Brown commented that she wishes there were a way to make the program work in this space for a year until they see the success with participation. Council Member Hobbs commented that she does not see how they could because there is no way to make the nighttime programs a regular thing. Mayor Pro Tem Burns asked Mayor Brown how many people are calling her about the savings. Mayor Brown replied that wherever she is there are people in conversation asking if they have decided. Mayor Pro Tem Burns stated that they have also heard from the Parks and Recreation Advisory Board, the forums, and the surveys, but she wonders why the voices of the few looking for the savings trumps the voices of those that are looking for this department to go in a different direction and provide more to our citizens. Mayor Brown replied that she did not say that it trumps it, but that we said to the public that we would move slow, that we would take it easy, and that we would have a savings. She stated that she wants to make sure that is what we do because she is a woman of her word. Mayor Pro Tem Burns replied that she thinks they can still move slow, but still obtain a space that allows us to run the programs that we are looking to run. Mr. Lansing commented that a space is going to cost money and that it will cut in to the $94,000 savings that Council Member Hobbs talked about. Mayor Pro Tem Burns stated that if you look at the percentage of the savings against just the savings in athletics that she thinks that is a decent savings.

Council Member Hinton pointed out that the PRCR FY15-16 budget was $167,000; the FY 16-17 budget was $204,000; the FY 17-18 budget was $231,000; and the FY 18-19 budget was $306,000. She also mentioned that last year the request was for $689,000 and asked what that was for. Mrs. Bishop replied that they had priced out the replacement of the lights at Glover Park, which was $275,000. She stated that it was included in her line-item narrative and that she was instructed to include it in her request, but it was cut during the budget discussions with the Town Manager and Finance Director.

Mayor Brown asked the Council where they need to go from here. Mayor Pro Tem Burns replied that she thinks they need to explore lowering the price on the W. Nashville Drive building. Mr. Lansing commented that he does not see them being able to put together a program without having a space to provide the program. He added that he would like to see them offer the programs that have been presented to the community to see what works. Council Member Taylor suggested not doing all of the programs listed. Mr. Lansing replied that the expensive factor is the space, not the programs. Mayor Pro Tem Burns stated that they can cut as many programs as they want, but that is not where the cost is.

Council Member Taylor agreed that they should go back and see if they can renegotiate to lower the price on the building. He then looked at the program offering listed with one full-time employee. Mayor Pro Tem Burns said that if we want to just stay with that we are doing, then we would not offer any additional programs and would not hit the other demographics that the community wants us to hit. She added that they could remain status quo and Mrs. Bishop could remain in her storage room/office, but it would not do anything for the needs. Mayor Brown asked if the summer camps could still be held. Mrs. Bishop replied that she cannot run those by herself. Mayor Brown asked if they could be held with help. Mrs. Bishop replied that they could if she had another staff person. Council Member Taylor stated that he is not against her having another staff person, but he has not bought-in to all of the programs she wants to offer or to the software. He commented that he wants her to show them the need before they spend the money on it. Council Member Hinton asked about the van that was requested and asked if it was a lease. Mr. Lansing confirmed that it was a multi-year lease. Mayor Pro Tem Burns commented that if they were to get the building over by Stoney Creek (W. Nashville Drive) then it would eliminate the need to transport children in a storm situation.

Council Member Hinton noted that the budget for salaries, part-time wages, and benefits is about $150,000 and the lease would be another $48,000. She then gave her opinion that the owner of the property, Scott McLaughlin, will not come down on the rent. Mr. Lansing pointed out that his marketing agent reached out to the Town before we reached out to him about leasing it. Council Member Taylor suggested making a counter offer for the building. Mr. Lansing asked them what they would like to offer. The current rate is $3,000 per month. Council Member Hinton suggested $2,000 per month. Mayor Brown commented that she thinks that would be fair. Council Member Taylor commented that he would give $2,500, but they can start at $2,000 for negotiations.

Mayor Brown commented that she thinks this has been a great meeting, voicing how they feel in their hearts, and letting people know we want a good program but that we also need to show a savings. Mr. Lansing commented that he thought it was great that they got to ask questions about things they did not know about. Council Member Hinton stated that she still does not want to give up on the Community Building. Mayor Pro Tem Burns commented that she would love that too, but if they are not willing to let go of renting it then we cannot run it. Council Member Hinton stated that we need to start lobbying. Mrs. Bishop noted that a complication with that is that it sits on Nash-Rocky Mount Schools' property and the agreement is that it can be there as long as the Inter-Club Council runs it; if the Inter-Club Council ceases to exist then we do not know what will happen. Mr. Lansing stated that the Inter-Club Council was concerned that if they were to let the Town have the building then they would be subject to retaliation and anger from the community for the only affordable place in town to rent. Council Member Taylor stated that the Inter-Club Council would not have to deal with it; the Town Council would have to. He noted that the Community Building and the O.D. Moore Building are the only two places in Nashville that any organization has to choose from. He also pointed out that the buildings are already being used every weekend. Council Member Hobbs commented that the Elks Lodge may ease some of that, but that is down the road. Council Member Hinton asked if there were any bathroom problems at the 107 W. Nashville Drive property or if anything needed to be remodeled. Mr. Lansing replied that they do not; it is move in ready but they would need to move one of the storage sheds from Glover Park to there.

Mr. Lansing asked the Council if he is successful in getting the price reduced then would they be willing to include the Director and another full-time staff person in the budget. Mayor Brown replied that she does not mind as long as they show some savings. Council Member Hinton suggested using a part-time assistant to begin with. Mayor Pro Tem Burns commented that she thinks they would spend the next

two years looking for a part-time assistant that can actually handle programming and have the schedule for it. Mayor Brown stated that she was thinking they need to show a 20% savings off of what the budget was when they had athletics. Council Member Hinton commented that when you look at last year's budget and take the playground equipment out then it was around $300,000, but that the proposed budget it not far from $300,000. Mayor Pro Tem Burns stated that if they look at what they just need to have an existing program she looks at how much they are saving versus how much athletics was since that is the only part where you can find savings. Mr. Lansing stated that if they can rent the building for $2,000 per month, then that would be $24,000 plus utilities for a total of $36,000. Council Member Hinton commented that she does not see this proposed budget as being much different than the current budget. Council Member Hobbs stated that she sees a $94,000 savings without the building, so they need to make the decision on how they will move forward. Mr. Lansing noted that they have to keep $20,000 in reserve for Glover Park improvements and that the salary study uses some of those savings too.

Mayor Pro Tem Burns summarized that they will try to negotiate and then circle back to this issue. Mr. Lansing noted that he will reach out and try to have an answer as soon as possible.

4. There being no further business, Mayor Brown called for a motion to adjourn.

Council Member Burns made the motion, seconded by Council Member Hinton. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

Mayor Brown declared the meeting adjourned at 8:41 PM.

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Brenda Brown, Mayor

ATTEST:

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Lou C. Bunch, Town Clerk

DRAFT

DRAFT Agenda Meeting Minutes **Wednesday, February 26, 2020**

The Town Council of the Town of Nashville held an Agenda Meeting on Wednesday, February 26, 2020 at 7:00 PM in Town Council Chambers. Members Present: Mayor Brenda Brown, Mayor Pro Tem Kate Burns, Council Member Louise Hinton, Council Member Larry Taylor, and Council Member Lynne Hobbs. Absent: None. Staff Present: Randy Lansing – Town Manager, Tesa Silver – Deputy Town Clerk and Personnel Technician, Samantha Sanchez – Finance Director, Yvette Hinton – Staff Account, Tina Price – Planning Technician, Chris Joyner – Fire Chief, Scott Whitford – Battalion Chief, Alex Wester – Fire Lieutenant, Ryan Landrum – Fire Engineer , Jimmie Sherrod – Fire Engineer, Zack Tant – Fire Fighter, Tikela Alston – Library Director, and Anthony Puckett – Police Chief.

1. Mayor Brown called the meeting to order at 7:00 PM and welcomed those in attendance.

2. Mayor Brown led the Pledge of Allegiance and Prayer.

3. Mayor Brown called for Public Comments.

Doretha Johnson of 110 East Washington Street, Nashville, approached the podium. Ms. Johnson stated, "I saw in the paper earlier last week I guess, about revitalization of downtown. So I thought I might just bring up the idea of looking into historic preservation again. I inherited this book with all the information a couple years ago about some attempts to do some historic preservation here in Nashville from some of my neighbors. I just thought it would be a good time to bring it up since we are doing some revitalization to downtown. And I just wanted, rather than going into all that's involved, I just wanted to have this put in the notes that - who I need to meet with to see if this can be revived again and to see who we need to talk to about it. That's it. Thank you." Mayor Brown thanked Ms. Johnson for her comments.

4. Mayor Brown called for Items for Consideration.

    a. Mayor Brown called for Presentation on the Economic Positioning and Vision Project given by Bruce Naegelen, Main Street Planning Center.

Mayor Brown stated that we would start with this presentation first and thanked Mr. Naegelen for coming. Mr. Naegelen stated that he is with the Department of Commerce, and that he is here to provide a presentation on the Economic Positioning Project. Nashville was selected to participate in the Downtown Strong Initiative in 2019, to energize and address issues in Downtown Nashville. Two priorities have been determined: that there is a need for the engagement of Hillary Greenberg to conduct an Economic Vitality Plan for Downtown and a need to address Downtown issues. Mr. Naegelen reviewed the key community assets that have been determined thus far in the study. He briefly reviewed the strengths, weaknesses, opportunities, and threats that were identified in the work sessions that have taken place.

Mr. Naegelen explained that the Downtown Strong Committee, formerly the MSD Committee, will be structured much like a Main Street Committee utilizing the Main Street Four Point Approach to downtown revitalization; the four points being organization, design, promotion, and economic vitality. He presented the mission for Downtown Strong "Downtown Nashville Strong is dedicated to advocate, promote, and enhance the development of downtown Nashville and to preserve the historic charm while encouraging future development. We accomplish our mission through the proven methods of downtown revitalization of economic vitality, design, promotion, and collaboration." The committee will meet in

March to approve an implementation plan and to develop a proposed budget which will be presented to Town Council no later than April. The committee has now been restructured from its original 6 members to 11 members.

Mr. Naegelen reported that an Economic Positioning and Vision Forum was held on October 15, 2019; the findings from this forum helped in the development of Nashville's Economic Development Assessment Implementation. The first strategy is to attract innovative industries and locally owned business, and the second strategy is to create an active nightlife and historic neighborhoods. The strategies and goals identified will be the objectives that the Downtown Strong Committee will be working on. Mayor Brown thanked Mr. Naegelen for his presentation.

b. Mayor Brown called for Presentation on the findings from the Downtown Local Capacity Grant Project given by Hilary Greenberg of Greenberg Development Services.

Mayor Brown welcomed Hilary Greenberg of Greenberg Development Services; Ms. Greenberg is here tonight to review the findings from the Downtown Local Capacity Grant Project and to review strategies for strengthening downtown place making, business assistance, business recruitment and property redevelopment. Ms. Greenberg explained that we are trying to help create a place where people will want to live and where businesses will want come to. She stated that she understands that Nashville wants to retain who they are, but that we will need to embrace change as we do it. The key to success is that it has to be a team effort, and that the Town has to adopt high standards.

Ms. Greenberg stated that the Town has some strengths; the Town has a growing population and new sales support, and that there are some new commercial uses. There is a good employment base, Nashville is walkable, and there are beautiful neighborhoods throughout Town. The Town is the home of a long time festival, there are key anchors like the senior center, and we have a new Downtown Strong Committee. The Town does however face some challenges; the Town has a significant percentage of residents who have a moderate income and/or are retired. Within the district specifically there are a limited number of businesses, retail space is one sided because of the layout of the street, there are limited store hours for the businesses within the district, and there are a limited amount of spaces available to lease.

Ms. Greenberg stated that to move forward we are going to look at four different types of projects: tenants and catalyst, place making, entrepreneurial support, and recruitment/redevelopment. Ms. Greenberg presented Council with strategies to try within the tenants and catalyst projects category. The first area she suggested was in food and beverage service or restaurants; food is something that appeals to a variety of ages. A second suggestion she provided was in neighborhood goods and services, these are things that appeal to areas of health and wellness. The last suggestion was in the area of lifestyle business, things that are hobbies and interest. She identified a need in Nashville for non-retail business, such as a hotel, a bed and breakfast, or infill housing.

The second project area that Ms. Greenberg addressed was place making projects. This area focuses on public spaces and community gathering places that allow people to come together; they improve an image of a place, and provide an emotional connection. She stated that the Town could refresh its brand by looking into its logo and tagline, hosting special events, building onto existing events, creating a marketing campaign, creating vibrancy projects, and creating a master plan.

The next project area covered was an entrepreneurial support project. Ms. Greenberg suggested creating focus groups, and conducting business and employee surveys to gather data to help develop plans for the Town. This will address how the Town can better support and assist businesses that are already established in Town. A way to encourage building improvements is by establishing a façade grant and working with business to make interior improvements. Another thing that the Town could do would be to target areas of promotions and events; things such as a Shop Local Campaign or having events that appeal to specific groups of people like families and retirees. The Town can assist with training and education by forming a mentoring group to offer a service for new or existing businesses in town, or create avenues to engage youth in the community to attract families to move to Nashville.

The last strategy she addressed was how the Town could work to fill the vacant buildings. The Town has advantages because the County provides an Economic Developer who works with the Town to attract businesses to the area, the Town has received two economic development grants for downtown revitalization, and the downtown area has a historic district. She suggested that the Town complete the process that they have started by completing the property inventory, preparing GIS maps, and identifying key project sites. The Town should also develop new financial incentives or tools. Ms. Greenberg suggested that a Vacant Building Registry be instituted; this should also mandate that property owners are insuring their buildings. Ms. Greenberg stated that there are numerous way to recruit business into Town including holding investor tours, canvasing for leads, and tapping into referrals. The catalyst projects that she would like to see the Town embark on are a farmers market, pop up stores, food or fashion trucks, maker markets, and retail incubators.

Ms. Greenberg provided a recap of her presentation by stating that there are ten things the Town could do in 2020; host a new event, create a vibrancy project, revise or create a new website, conduct a business survey, distribute an employee survey, conduct public opinion interviews, create a façade grant program, create a window activation program, embrace the Shop Local Campaign, and create a vacant building inventory. Ms. Greenberg concluded her presentation and Council had no questions at that time; Mr. Naegelen thanked Council for their time.

c. Mayor Brown called for Consideration of LSTA EZ Grant Application for FY 2020-2021.

Mayor Brown provided a summary of the issue; the H.D. Cooley Library is seeking approval from Council to fund the matching grant. The purpose of the LSTA grant proposal is to request technical devices, supplies, and furniture to be used for the Children and Young Adults' Science, Technology, Reading, Art, and Mathematics program. The Town will be required to fund the full amount in the budget. The grant is due March 1, 2020. If approved, the Town will be reimbursed $15,866.25 due to the 25% match; the match equals $5,288.75. Mayor Brown asked Ms. Alston, Library Director, to approach the podium.

Mayor Pro Tem Burns asked when would the grant be granted or denied, when we would be reimbursed, and what the process for reimbursement looks like. Ms. Alston stated that we would be notified in June of this year on whether we are awarded the grant or not, the money would be reimbursed in July but between June and July the Town would have to purchase all the items listed within the grant application. Council Member Taylor asked if we have the space in the library to house all the items we are requesting funding for. Ms. Alston stated that we do; she has created space where there wasn't and that there are some items that are smaller items.

Mayor Brown called for a motion to approve the LSTA EZ Grant Application for FY 2020-2021. Council Member Hobbs made the motion, seconded by Mayor Pro Tem Burns. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

d. Mayor Brown called for Consideration of Renewal of Membership in the Down East HOME Consortium.

Mayor Brown stated that the Town of Nashville is a member of the Down East HOME Consortium along with many of the municipalities in Nash and Edgecombe Counties. The organization receives Housing and Urban Development (HUD) funding to address the housing needs of low-income families in its member communities. It has been many years since the Consortium has done a housing project in Nashville, and none are proposed at this time. The Town's latest three-year enrollment in the Consortium will be expiring soon, and we have the option of leaving the Consortium. Since we have had very limited participation, the Town Manager is recommending to withdraw.

Council Member Taylor asked if there was a cost to be a member. Mr. Lansing explained there is not a cost to be a member, however if a project takes place then a match is required. Council Member Taylor asked how a resident would participate if they wanted to; Mr. Lansing stated that they would go through the City of Rocky Mount. Rocky Mount is the lead agency in the Consortium. If other towns in the Consortium do not have projects, then the towns that do are allowed to use the funding of the towns who do not. Again they have to match it with their own funding, Nashville is listed in the agreement at 3.2%.

Council Member Hinton asked Mr. Lansing if he knew when was the last time we participated and actually received money or a grant. Mr. Lansing was unsure. Council Member Hinton asked Ms. Price, Planning Technician, if she recalled the last time we participated and received. Ms. Price stated that a few years back the Town had two projects that the Consortium did not move forward with and the money the Consortium had allotted for the Town was used to fund projects for other towns; she stated it had been a number of years since anything had been received. Council Member Hobbs mentioned that when she was with Nash County, they had some of the same issues; the County went several years with no projects being funded. She agreed with the recommendation. Mayor Brown called for a motion to exercise the Town's right to withdraw from the Consortium. Council Member Hinton made the motion, seconded by Mayor Pro Tem Burns. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

e. Mayor Brown called for Consideration of Report of Unpaid Taxes for Years 2009-2019 and Order of Advertisement of Unpaid Property Taxes that are Liens on Real Property.

Mayor Brown stated that NCGS §105-369(a) requires that the Tax Collector report to the Town Council annually the total amount of unpaid taxes for the current fiscal year that are liens on real property. Upon receipt of the report, the Council must order the Tax Collector to advertise the tax liens. The Tax Collector requests approval from the Town Council to advertise during the week of March 2nd. The advertisement will combine the real property tax liens to include any assessment and special district taxes thereon.

Mayor Brown wanted clarification that the years Council was seeing were from 2009-2019. Ms. Sanchez, Finance Director, stated that was correct. The Finance Department wanted to provide Council

with all the years; although not legally required, they felt it would be a convenience for the Council. Ms. Sanchez introduced Yvette Hinton, Staff Accountant. Ms. Y. Hinton stated since Council received their last report, the tax amount that is now reflected as an unpaid balance for real property is $83,001.57 which represents a 96% collection rate. Council Member Hobbs asked if there was any consideration being given prior to advertising March 2, 2020 to do additional collecting; specifically in regards to some of the higher ticketed items, there were some accounts with balances of $1,000 or more. Ms. Sanchez stated that letters were issued in the beginning of February, and she believes that is why we have received the payments we have in such a short amount of time. Anyone who is able to be on debt setoff is on debt setoff, and at this time the department is researching other aggressive methods.

Ms. Sanchez stated that we are required by statute to advertise. We have had some people come in and setup payment plans; the department is requesting that those people not be advertised in the paper. Council Member Taylor asked if the department had done anything different for property owners who have been delinquent for the past three years; there were several repeat offenders on the list. Ms. Sanchez suggested that with the businesses that we write in our policy that the Town does not do business with businesses who owe the Town; that is only one idea that the department has but they are looking into additional aggressive methods for collecting taxes. Mr. Lansing asked Council Member Taylor if he had any ideas he'd like to suggest. Council Member Taylor asked if Ms. Sanchez thought a letter from the Town Attorney would help. Ms. Sanchez stated that it is possible; she suggested using a collection agent and asked Council Member Hobbs if the County used one. Council Member Hobbs stated she was unsure if the tax office did but she knew they did with other revenues within the County.

Council Member Hobbs clarified that the report that will be published will be revised to reflect what is current. Ms. Y. Hinton stated that was correct. Mayor Brown called for a motion to approve the order for advertisement of unpaid taxes. Council Member Taylor made the motion, seconded by Council Member Hinton. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

f. Mayor Brown called for Consideration of Response Letter to Local Government Commission regarding FY 18-19 audit deficiencies.

Mayor Brown stated that the last item of consideration was for the response letter to the Local Government Commission (LGC) regarding fiscal year 18-19 audit deficiencies. Mayor Brown asked Ms. Sanchez to explain this item to Council. Ms. Sanchez stated that the Town was reprimanded for issues found within our audit; this has occurred in the Town previously. She stated that this is something that the LGC takes very seriously, that the department is taking it very seriously, and that the department will correct moving forward. Ms. Sanchez intends not only to correct the issues but to also create a standard of excellence for the department. She believes that the plan she has outlined within the letter will do this.

Council Member Hinton asked if we had enough checks and balances. Ms. Sanchez stated that when she arrived we did not, however the department has been revising internal processes and getting those checks and balances in place. Council Member Hinton stated that reconciling bank statements seemed to be a problem and asked if that had been corrected. Ms. Sanchez stated that the department is not only reconciling the bank statements, but also reconciling other areas that were identified as issues on the balance sheet. Council Member Taylor asked if we are current on reconciliations; Ms. Sanchez stated we are.

Mayor Pro Tem Burns stated that the letter pointed out that staff vacancies are not an excuse, she appreciates that Ms. Sanchez is properly training everyone, making everyone accountable for their work, and empowering everyone with knowledge. She thanked Ms. Sanchez. Mayor Brown thanked Ms. Sanchez for her work as well and asked if there were any other questions. Council Member Hobbs stated that she read through the letter and she thinks that we have been more than sufficient with the processes that have been put in place to make sure things are in good order; she felt the Local Government Commission would be pleased with the response.

Council Member Hinton asked if the purchase order situation had been straightened out and Ms. Sanchez asked what the issue was. Mayor Pro Tem Burns stated that the purchase orders had to be pre-audited and we didn't have the use of credit cards or things like that; there was a two week turnaround time for someone trying to do something like get a tire fixed. Ms. Sanchez stated that there is a new exemption that states with the proper resolution in place that will allow credit card purchases, payroll transactions, and certain ACH transactions the ability to be exempt from the pre-audit process. She stated that Council will see a resolution for this in the future.

Mr. Lansing asked Ms. Sanchez to discuss the possibility of the LGC coming in. Ms. Sanchez stated the issues the LGC found were operational in nature, because of that they may physically come onsite to observe our current processes to determine that they are comfortable with releasing the Town. She also mentioned that if Council is considering any debt projects, all of this will have to be taken care of prior to the LGC approving the Town to take on any debt. Council Member Taylor stated that he hopes from this point forward if there are any deficiencies that she will let Council know; he stated that it is not enjoyable to receive a letter like they received. Ms. Sanchez stated that her goal is to not have any deficiencies, but if anything arises she would let them know.

Mayor Brown called for a motion to approve the letter response to the Local Government Commission. Council Member Taylor made the motion, seconded by Council Member Hobbs. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

5. Mayor Brown called for Council Comments.

Council Member Hobbs stated she really did appreciate Hilary and Bruce coming tonight and sharing information with us. She is very excited about the possibilities for Nashville and seeing where we might go with getting our downtown and the area in the Municipal Service District developed. She thinks that we are sitting on a real gold mind here, to do some new things, to help some existing businesses, as well to encourage some new business.

Council Member Hinton stated that although $83,000 in taxes had been paid just recently, we still have $189,000 that we could use that we can collect; that is three police cars outfitted and a little more. She stated that is real money that the Town needs to recoup if possible.

Mayor Brown stated that she is excited from the presentation. She grew up walking the streets of Nashville so she is really excited; we have such good business and people downtown. She thinks it is an exciting time for Nashville; we're such a great little friendly Town with wonderful people.

6. There being no further business, Mayor Brown called for a motion to adjourn. Council Member Hinton made the motion, seconded by Council Member Burns. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

   Mayor Brown declared the meeting adjourned at 8:28 PM.

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Brenda Brown, Mayor

ATTEST:

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Lou C. Bunch, Town Clerk

DRAFT

DRAFT Regular Meeting Minutes **Tuesday, March 3, 2020**

The Town Council of the Town of Nashville held a Regular Meeting on Tuesday, March 3, 2020 at 7:00 PM in Town Council Chambers. Members Present: Mayor Brenda Brown, Mayor Pro Tem Kate Burns, Council Member Louise Hinton, Council Member Lynne Hobbs, and Council Member Larry Taylor. Absent: None. Staff Present: Randy Lansing – Town Manager, Lou Bunch – Town Clerk and Human Resources Officer, Marguerite Bishop – Parks, Recreation and Cultural Resources Director, Sam Sanchez – Finance Director, Lee Brown – Public Works Director, Julie Spriggs – Planning and Development Director, Tina Price – Planning Technician, Chris Joyner – Fire Chief, Anthony Puckett – Police Chief, JT Winstead – Police Captain, David Boykin – Police Lieutenant, Tikela Alston – Library Director, Ronnie Denton – Assistant Public Works Director, and Walter Manning – Equipment Operator.

1. Mayor Brown called the meeting to order at 7:00 PM and welcomed those in attendance.

2. Mayor Brown led the Prayer and the Pledge of Allegiance.

3. Mayor Brown called for Approval of Meeting Minutes for January 27, 2020 – Called Meeting Minutes, January 29, 2020 – Agenda Meeting Minutes, February 4, 2020 – Regular Meeting Minutes, and February 5, 2020 – Called Meeting Minutes.

Mayor Brown asked if there were any corrections to the minutes. Council Member Hinton made a correction to page 2 of the January 27, 2020 minutes which have been corrected in the official record. There being no other corrections, Mayor Brown called for a motion to approve the minutes. Council Member Hinton made a motion to approve the minutes, seconded by Council Member Hobbs. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

4. Mayor Brown called for the Public Comment Period.

Scarlette Bennett and Jay Howell of Code3 Insurance approached the podium.

Mr. Howell said, "Thank you, Mayor and Council, Town Officials, and members of the audience. My name is Jay Howell and Scarlette Bennett joins me tonight in making a presentation to the Town of Nashville Fire Department. We provide through Code3 Insurance Services – our office located in Rocky Mount on Sunset Avenue – we provide the insurance to the Town's Fire Department and we also provide some additional firefighter benefits to the members. At this time, we are representing VFIS, the insurance carrier that provides the insurance on the Town's equipment and fire trucks and department members. We take pleasure in telling you, the Town Officials, that our risk control staff made a risk management survey in February and Chief Chris Joyner - come on up Chief - his Chief of Staff Officers, and Firefighters measured up to a high standard by the VFIS survey. VFIS is a national insurer operating in 48 states in the United States. We have a measuring stick that is used to determine how safe our insureds are doing the work and how they perform and measured against the others. Nashville's fire service members are in the top 10% by our standards in safety, risk control, loss reduction, and has a high standard for continuing that work. So rarely do we get the chance to present an appreciation certificate and acknowledgement to the fire department because there are not many at that standard. We insure 90% of the fire departments in North Carolina including municipalities and of those 1,250 departments in the 90% that we insure, we measure Nashville's – according to what is in the state

and nation – and it is truly a high standard and a high honor that we get to make this presentation to the Chief. And thanks to him, the Town, for letting us serve you with your insurance needs on the emergency services out of our office in Rocky Mount. At this time, Scarlette is going to make the presentation to Chief."

Ms. Bennett said, "I just want to say thank you also. I've been doing this 15+ years. This is the first time we've ever given one of these away since I have been doing that so that just really speaks volumes. We just want to thank you, Chief, because of your leadership and also the members there. We are just so proud of you and proud to be a part of it. Thank you so much."

Ms. Bennett and Mr. Howell presented Chief Joyner with the Certificate of Achievement. Chief Joyner received a round of applause. Council Member Hinton thanked Chief Joyner for keeping us safe and then asked Ms. Bennett if this would keep our premiums low. Ms. Bennett replied that it does have a bearing on the rates. Council Member Hinton thanked Ms. Bennett. Mayor Brown also thanked them for coming.

5. Items for Consideration

a. Mayor Brown called for Recognition of Staff Certifications.

Mayor Brown asked Sam Sanchez, Ronnie Denton, and Walter Manning to approach the front of the room. She then recognized Sam Sanchez for earning the North Carolina Local Government Finance Officers Certification, and both Ronnie Denton and Walter Manning for earning their Wastewater Collections I Certifications. Ms. Sanchez, Mr. Denton and Mr. Manning all received a round of applause.

b. Mayor Brown called for Consideration of an Appointment to the Downtown Strong Advisory Board.

Mayor Brown announced that Amy Beasley of Southern Bank, which is located in the Municipal Service District, has submitted an application for the Downtown Strong Advisory Board. Her appointment will expire on June 30, 2022. Staff recommends approval of this appointment.

Mayor Brown called for a motion to approve this appointment. Council Member Hobbs made the motion, seconded by Council Member Hinton. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

c. Mayor Brown called for Consideration of Letter of Support for the North Carolina Department of Transportation's INFRA Grant for Future I-87.

Mayor Brown stated that the North Carolina Department of Transportation (NCDOT) is applying for an Infrastructure for Rebuilding America (INFRA) grant for its Future I-87 Project, which is a roadway improvement project that will increase resiliency, capacity, and mobility for trucks and cars, and will install a fiber network along Future I-87 and US 64 that will provide short-term and long-term benefits for the towns, cities, and communities along the route. NCDOT is requesting a letter of support from the Town of Nashville for the INFRA grant application.

Mayor Brown called for a motion to approve a letter of support for the INFRA grant application. Council Member Taylor made the motion, seconded by Council Member Hobbs. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

d. Mayor Brown called for Consideration to Grant the North Carolina Department of Transportation a Temporary Construction Easement along Old Carriage Road.

Mr. Lansing reported that Old Carriage Road is outside of Town limits, but we have a piece of property where our sewer metering station sits. The NCDOT will be installing roundabouts at Reges Store Road and at the two interchanges with Old Carriage Road along US-64. There will be some rebuilding of the approaches to the bridge along Stoney Creek, which is alongside of our property. The NCDOT is seeking a temporary construction easement from the Town to allow their contractor to be on our property to make some of those widening improvements for the bridge. There are two documents that need approval. He recommends that we do not seek compensation for this project, and that it should be done as a courtesy. Mr. Lansing stated that once this project is complete, this temporary easement will go away. He noted that NCDOT will be responsible for maintaining the slope until such time as the Town would do something different to alter the area; for example, if the Town were to raise the concrete box that meters the sewer by three feet then that would alter the area. Mayor Pro Tem Burns questioned the language because it does not specify that the temporary easement would terminate upon completion. Mr. Lansing explained that they would not be on the property beyond where they have permanent right of way or permanent easement if it were not for the temporary construction easement and once they do construction beyond where the right of way may be then it is inferring back to the temporary construction easement. Council Member Hinton asked if there is a map that shows where in particular this property is. Mr. Lansing replied that he does not have a better map than the engineering map to show where it lies in the field, but there are some stakes out on the site that are flagging the property. Mr. Lansing noted that this easement does not say that the property will be returned to its original state following construction, but he did receive a copy of the language that NCDOT has in the agreement with the contractor which states that the contractor must return the property to its original state following construction.

Mayor Brown called for a motion to grant the easement on the Town's property along Old Carriage Road. Council Member Hinton made the motion, seconded by Council Member Hobbs. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

The temporary easement was approved as follows:

STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

ROY COOPER
GOVERNOR

ERIC BOYETTE
SECRETARY

DATE:
WBS ELEMENT: 47133.2.1
FA PROJECT: N/A
TIP/PARCEL: U-5996 010
COUNTY: Nash
DESCRIPTION: Widening of SR 1603 (N. Old Carriage Road)

Property Owner Acknowledgement of the Terms for the Voluntary Donation Of Property to the North Carolina Department of Transportation.

The undersigned property owner and/or the undersigned property owner's legal representatives freely acknowledge their desire and willingness to voluntarily convey a temporary construction easement to the North Carolina Department of Transportation for the benefit of the above sited public transportation project without receipt of just compensation. It is further agreed and acknowledged by the undersigned property owner and/or the property owner's legal representative that the property owner and/or legal representative has been advised that he/she is entitled to have an appraisal made on his/her property to determine just compensation and the owner releases the Department from this obligation and waives any compensation in exchange for the donation of the temporary construction easement in full settlement of his/her claim. The purpose of this document is to ensure compliance under Title 23 of the United States Code of Federal Regulations (CFR), Subchapter H (Right-of-Way and Environment), Part 710 (Right-of-Way and Real Estate), Subpart E (Property Acquisition Alternatives), Subsection .505 (Real Property Donations).

The Town of Nashville, a municipal corporation

BY: Brenda Brown
Brenda Brown, Mayor of the Town of Nashville

ACCEPTED FOR THE DEPARTMENT OF TRANSPORTATION BY: _____

Jontesca D Silver
Notary Public, Nash County, NC
My Commission Expires July 27, 2022

(Stamp Seal)

STATE OF North Carolina COUNTY OF Nash

I, Jontesca D. Silver a Notary Public for said County and State, so hereby certify that Brenda Brown personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this the 4th day of March, 2020.

My commission expires July 27, 2022

Jontesca D Silver
Notary Public

FRM4-CC
REVISED 2-01-2017

Telephone: (919) 707-4360
Fax: (919) 733-1390
Customer Service: 1-877-368-4968

Website: www.ncdot.gov

Mailing Address:
NC DEPT. OF TRANSPORTATION
RIGHT OF WAY UNIT
1546 MAIL SERVICE CENTER
RALEIGH, NC 27601

Revenue Stamps $ -0-

TEMPORARY EASEMENT

THIS INSTRUMENT DRAWN BY D.T. AMATO CHECKED BY T.M. CLARK

RETURN TO: The Right of Way Group
210 E. 5th Street
Lumberton, NC 28358

NORTH CAROLINA
COUNTY OF Nash
TAX PARCEL 382110469311

TIP/PARCEL NUMBER: U-5996 010
WBS ELEMENT: 47133.2.1
ROUTE: SR 1603 (N. Old Carriage Rd)

THIS EASEMENT, made and entered into this the 4th day of March 20 20
by and between The Town of Nashville, a municipal corporation
499 S. Barnes Street
Nashville, NC 27856

hereinafter referred to as GRANTORS, and the Department of Transportation, an agency of the State of North Carolina, 1546 Mail Service Center, Raleigh, NC 27611, hereinafter referred to as the Department;

WITNESSETH

THAT the GRANTORS, for themselves, their heirs, successors, executors, and assigns, for and in consideration of the sum of $ 1.00---------- agreed to be paid by the DEPARTMENT to the GRANTORS, do hereby give, grant and convey unto the DEPARTMENT, its successors, and assigns, a temporary easement for highway purposes, subject to the terms and provisions hereinafter set forth, over a portion of real property described in deed(s) recorded in Book 1184 , Page 163 in the office of the Register of Deeds of Nash County, said easement being described as follows:

Point of beginning being S 55^51'16.6" W, 45.981 feet from -L1- Sta 85+00 thence along a curve 105.824 feet and having a radius of 755.000 feet. The chord of said curve being on a bearing of N 1^58'18.0" E, a distance of 105.737 feet thence to a point on a bearing of S 17^3'41.7" W 26.356 feet thence to a point on a bearing of S 15^6'4.3" E 18.964 feet thence to a point on a bearing of S 0^46'45.0" W 62.175 feet returning to the point and place of beginning.

It is understood and agreed that the Department shall have the right to construct and maintain the cut and/or fill slopes in the above described area(s) until such time that the property owners alter the adjacent lands in such a manner that the lateral support of the cut and/or fill slopes are no longer needed. Any additional construction areas lying beyond the right of way limits and beyond any permanent easement areas will terminate upon completion of the project. The underlying fee owner shall have the right to continue to use the Temporary Easement area(s) in any manner and for any purpose, including but not limited to the use of said area for access, ingress, egress, and parking, that does not, in the determination of the Department, obstruct or materially impair the actual use of the easement area(s) by the Department of Transportation, its agents, assigns, and contractors.

COUNTY: Nash **WBS ELEMENT:** 47133.2.1 **TIP/PARCEL NO.:** U-5996 010

Said easement widths, station numbers, survey lines and additional easement areas being delineated on that set of plans for State Highway Project 47133.2.1 on file in the office of the Department of Transportation in Raleigh, North Carolina, and also on a copy of said project plans which will be recorded, pursuant to N.C.G.S 136-19.4, in the Office of the Register of Deeds of Nash County, to which plans reference is hereby made for greater certainty of description of the easement areas herein conveyed and for no other purpose.

This EASEMENT is subject to the following terms and provisions only:

The undersigned property owners request that the Department enter upon our lands outside the right of way to the extent necessary for the reconnection of our driveway and we will have no further claim as a result of said reconnection.

There are no conditions to this EASEMENT not expressed herein.

TO HAVE AND TO HOLD said temporary easement for highway purposes, subject to the terms and provisions hereinabove set forth, unto the DEPARTMENT, its successors and assigns, and the GRANTORS, for themselves, their heirs, successors, executors and assigns, hereby warrant and covenant that they are the sole owners of the property; that they solely have the right to grant the said temporary easement; and that they will warrant and defend title to the same against the lawful claims of all persons whomsoever;

The Grantors acknowledge that the project plans for Project # 47133.2.1 have been made available to them. The Grantors further acknowledge that the consideration stated herein is full and just compensation pursuant to Article 9, Chapter 136 of the North Carolina General Statutes for the acquisition of the said interests and areas by the Department of Transportation and for any and all damages to the value of their remaining property; for any and all claims for interest and costs; for any and all damages caused by the acquisition for the construction of Department of Transportation Project # 47133.2.1 , Nash County, and for the past and future use of said areas by the Department of Transportation, its successors and assigns for all purposes for which the said Department is authorized by law to subject the same.

IN WITNESS WHEREOF, GRANTOR, pursuant to a letter dated March 4, 2020, has caused this instrument to be signed in its corporate name by its MAYOR, its corporate seal hereto affixed, and attested by its CITY CLERK, this the day and year first above written.

This instrument does not transfer the herein described interests unless and until this document is accepted by an authorized agent of the Department of Transportation.

The Town of Nashville, a municipal corporation

BY: Brenda Brown
Brenda Brown, Mayor

ATTEST: Lou Bunch
Lou Bunch, Town Clerk

OFFICIAL SEAL (CO) NASHVILLE, NORTH CAROLINA

ACCEPTED FOR THE DEPARTMENT OF TRANSPORTATION BY: _____

Jontesca D Silver
Notary Public, Nash County, NC
My Commission Expires July 27, 2022

(Official Seal)

North Carolina, Nash County

I, Jontesca D. Silver, a Notary Public for Nash County, North Carolina, certify that Lou Bunch personally came before me this day and acknowledged that she is the CLERK of the Town of Nashville, and that by authority duly given, the foregoing instrument was signed in its name by its MAYOR of the Town of Nashville, sealed with its corporate seal, and attested by Lou Bunch as its TOWN CLERK.

Witness my hand and official seal this the 4th day of March, 20 20.

Jontesca D Silver
Notary Public

My commission expires: July 27, 2022

e. Mayor Brown called for Consideration of Resolution 2020-02: Resolution Approving Conveyance of Property to Another Unit of Government in North Carolina Pursuant to NCGS §160A-274.

Mayor Brown stated that on January 7, 2020, the Town of Nashville approved an interlocal agreement with Nash County for the delivery of field athletic programs at Glover Park. As part of that agreement, the Town shall transfer ownership of certain athletic equipment and field preparation equipment to Nash County. Pursuant to NCGS §160A-274, this resolution formally conveys this equipment to Nash County as per the terms of our agreement.

Council Member Taylor asked if there was a monetary value for all of this equipment. Mrs. Bishop replied that we did assign an estimate for the Gator and the mowers, but not for the other equipment. Mayor Brown asked if there would be a way to get an estimate if someone wanted that information. Mrs. Bishop replied that it would be an estimate since it is all used equipment, and some is quite old. She noted that most of that equipment for soccer and baseball was donated to the Town through LBJ Chevrolet's Youth Chevy Sports programs, and also that many of the balls were no longer usable because of how long they had been stored. Council Member Hinton pointed out that this equipment is being given for no consideration. Mayor Pro Tem Burns commented that it is being given to benefit Glover Park where our Nashville residents will be playing sports. Mr. Lansing added that although it is given for no monetary consideration the programs will keep begin held here in the Town of Nashville. Mrs. Bishop stated that the County will also be moving their own equipment in to Glover Park to help deliver programs.

Mayor Brown called for a motion to approve the resolution. Mayor Pro Tem Burns made the motion, seconded by Council Member Hobbs. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

The resolution was approved as follows:

DRAFT

RESOLUTION 2020-02
RESOLUTION APPROVING CONVEYANCE OF PROPERTY TO ANOTHER UNIT OF GOVERNMENT IN NORTH CAROLINA PURSUANT TO G.S. 160A-274

WHEREAS, North Carolina General Statute § 160A-274 authorizes a governmental unit in this state to exchange with, lease to, lease from, sell to, or purchase from any other governmental unit any interest in real or personal property upon such terms and conditions as the governmental unit deems wise, with or without consideration; and

WHEREAS, the Town of Nashville has entered into an Inter-local Agreement with Nash County for the delivery of athletic programs at Glover Park and has determined that it is in the best interest of the Town to convey certain athletic and park maintenance equipment to Nash County, and deems it wise to do so for no consideration.

THEREFORE, THE TOWN OF NASHVILLE TOWN COUNCIL RESOLVES THAT:

1. Per the terms of the Inter-local Agreement, The Town of Nashville hereby conveys to Nash County the following property:

2012 Toro Mower (Model #74957-314000237)
2016 Toro Mower (Model #74296-310000319)
2014 Gator CX (Model #1M00CXRAAEM120867)
140 Football Helmets
111 Shoulder Pad Sets
264 Football Uniform Pants
100 Football Pants Pad Sets
279 Cheer Uniform Separates
54 Cheer Pom-Poms
18 Black Cheer Bags
13 Tackle Dummies
11 Hand Shields
11 Down Markers
1 Chain Set
2 End Zone Pylons
117 Football Jerseys
59 Soccer Balls
16 Soccer Corner Poles

15 Soccer Corner Flags
26 Soccer Pennies
92 Cones
16 Soccer Ball Bags
8 Baseball Bases
1 Pitching Mound
2 Pitching Machines
14 Baseball/Softball Equipment Bags
420 Baseballs
170 12" Softballs
126 11" Softballs
10 Catcher's Gloves
16 Softball Helmets
20 Baseball Helmets
12 Softball Catcher's Equipment
4 Baseball Catcher's Equipment
16 Sets of Shin Guards
16 Catcher's Helmets
9 Helmets

2. The property herein described shall be conveyed for no consideration.

3. The mayor is authorized to execute all documents necessary to convey the property in the manner authorized by this Resolution.

Adopted this the 3rd day of March, 2020.

Brenda Brown
Brenda Brown, Mayor

ATTEST:
Lou C Bunch
Lou C. Bunch, Town Clerk

f. Mayor Brown called for Consideration of Resolution 2020-03: Resolution Authorizing the Town Manager to Discard Surplus Property Pursuant to NCGS §160A-266.

Mr. Lansing explained that we had some surplus items that were put on GovDeals, but did not sell. Staff is requesting permission to discard this property. Mayor Brown asked if it had any value. Mr. Lansing replied that no one wanted these items. Council Member Hinton asked how we had accumulated so many cinderblocks. Mr. Lansing asked Mr. Denton to explain. Mr. Denton stated that they were here when he started working here, but that they were supposedly for a concession stand for one of the parks.

Mayor Brown called for a motion to approve the resolution. Council Member Hinton made the motion, seconded by Mayor Pro Tem Burns. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

The resolution was approved as follows:

RESOLUTION 2020-03

RESOLUTION AUTHORIZING THE TOWN MANAGER TO DISCARD SURPLUS PROPERTY PURSUANT TO NCGS §160A-266

WHEREAS, NCGS §160A-266 allows municipalities to discard any personal property that is determined to have no value; that remains unsold or unclaimed after the municipality has exhausted all efforts to sell if using one of the authorized methods; or poses a potential threat to public health or safety.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Nashville that the Town Manager is authorized to discard the following personal property surplus items that were previously approved for sale at electronic auction:

Approved for surplus on January 7, 2020:

Approx. 400 Concrete Cinder Blocks (8"x8"x16")
Sewer Lateral Camera
17 (Seventeen) Nortel Desk Phones
4 (Four) Computer Monitors
8 (Eight) Computer Keyboards

Adopted this 3rd day of March, 2020.

Brenda Brown, Mayor

ATTEST:

Lou C. Bunch, Town Clerk

g. Mayor Brown called for Consideration of Recommendation from the Parks, Recreation and Cultural Resources Advisory Board on future positioning of the department.

Mayor Brown announced that the Council has been presented with recommendations from the department on the future direction of the PRCR Department now that the Town is partnering with Nash County to offer team field athletics at Glover Park. The PRCR Advisory Board met on Monday, March 2nd to be presented with recommendations from staff for the revised Parks, Recreation and Cultural Resources Department and the budget requests for FY 20-21. The recommendations from the PRCR Advisory Board will be presented to the Council tonight. Mayor Brown called on Mrs. Bishop to present the recommendations.

Mrs. Bishop read the following recommendation from the PRCR Advisory Board. After being presented with information about proposed programs, available spaces for lease, staff responsibilities and a proposed departmental budget and much discussion, the PRCR Advisory Board comprised of George Jeffries from Winwood, Mary Richardson from Regency, Melissa Lumpp from Fort Street, and Jason Edwards from Woodfield, recommends that Nashville Town Council move forward with the slated program schedule presented by the department, hire a full-time Recreation Supervisor, rent 107 W. Nashville Drive for programming and office space, and move forward with the proposed FY 20-21 budget. Moving forward with the recommendations will allow the department to enhance the quality of

life for all residents and provide for future growth. She then read the following letter from Advisory Board Member Jason Edwards for the record:

Madam Mayor and Members of Council,

Thank you for allowing this letter to be read in my absence from this evening's meeting. I wanted to formally support the recommendations made by the PRCR Advisory Board. As a member of this board, a town resident, and a parent, I am excited of the possibilities and potential these changes could have. Finally, I ask that each of you support this recommendation and become more engaged with opportunities that will become available. Thank you!

Jason Edwards, 222 Woodfield Drive

Mayor Brown asked if there were any questions or discussion. Mr. Lansing informed the Council that the budget they were presented tonight is the same one that they had already received. Mrs. Bishop noted that the rent amount has been decreased, and the van lease has also been removed. Council Member Hobbs asked if this was just a presentation of the requested budget to be considered with the entire budget. Mrs. Bishop confirmed that it was. Mayor Pro Tem Burns noted that this presented budget, with taking out the capital and the items previously shown in Non-Departmental, shows a 21% savings. Mr. Lansing stated that it is a $66,847 difference. Mayor Pro Tem Burns pointed out that in looking at what was spent in athletics, it is a 42% savings.

Mayor Brown thanked Mrs. Bishop and stated that the Council will take this under consideration.

h. Mayor Brown called for Consideration of a Lease Agreement for 107 W. Nashville Drive for the Parks, Recreation and Cultural Resources Department.

Mr. Lansing reported that the last time the Council had met, they had discussed negotiating for a lesser lease amount. He stated that the owner is not willing to take any less than $3,000 per month for a one-year lease, but if we were willing to have a multiple-year lease then he would. If the Town were to lease the building for three years it would be $2,500/mo. for the first year, $2,600/mo. for the second year, and $2,700/mo. for the third year, with an option to be renewed for two additional years at $2,800/mo. for the fourth year, and $2,900/mo. for the fifth year. He noted that these time frames do not match up with the one-year agreement term for our partnership with Nash County. Mayor Brown thanked Mr. Lansing for looking in to this. Council Member Taylor asked Mr. Lansing if he is requesting the Council to go ahead with this lease. Mr. Lansing stated that assuming that things go well with Nash County, which he believes they will, they will still be in this same boat in a year. If they rent this building for $3,000 per month, they will know at the end of that year whether or not they will continue the agreement with Nash County, and they will be looking for space all over again. He commented that he does not see much, if anything, opening up between now and then. He noted that Mrs. Bishop did have a lead on another building in town, but it will not be available for over a year. He asked the Council if they are interested in voting on a multiple year lease and if not are they willing to pay $3,000/mo. for that building. Mayor Pro Tem Burns commented that there is a nice savings on a multi-year lease, but that she does not see the Council entering into a multiple year lease because they do want to see how everything goes. She stated that while she thinks the programs will be successful, she would rather have the benefit of having a short-term one year lease. She commented that they did not originally want to go as high as the $3,000/mo. lease, but if they can fit it in the budget and still have a 21% savings then she thinks that would be their

best bet with the least amount of risk. She noted that this is included in the budget that was just presented. Council Member Hobbs stated that she would like to see the Town start moving towards something on a permanent basis, rather than renting or leasing. She commented that she realizes that makes it a tough choice because of finding the space to do something.

Council Member Hobbs asked where the current programs are being held. Mrs. Bishop replied that Karate is held in Council Chambers every Thursday night except for the 2nd Thursday of each month; Adult Partner Dancing is held at the Nashville Community Building on Wednesday nights, which is the only night they have open with the exception of a few Tuesdays; and Open Gym is held at Nashville Elementary School Gym on Tuesday and Thursday nights, unless they are "bumped" for a school event. She noted that Nash County has the gym every other night of the week. Council Member Taylor asked what we need an additional building for. Mr. Lansing replied that it would be needed for the proposed lineup of programs. Mayor Pro Tem Burns stated that she agrees that we need to be looking at something permanent, but that something permanent is not going to happen for another year or two; she commented that we need something in the temporary. Council Member Hobbs asked if there was any way they could work around something on a smaller scale. Mrs. Bishop replied that you would then be limiting any type of programming that involves a lot of movement because it becomes a safety issue. Mayor Pro Tem Burns asked what could be run out of the smaller building on Washington Street that they had looked at. Mrs. Bishop replied that you could possibly run some game nights out of there, but that parking is going to be an issue for that location. She noted that they would not have the ability to move a movie night indoors and that there is not enough space to be able to do many things that require a lot of people.

Council Member Hinton stated that maybe they need to go slowly this first year. Mr. Lansing noted that without any space we could continue to do those programs just mentioned and those that are partnered with the Library. He commented that it makes him nervous running summer camps without any permanent shelter in the event of storms. Council Member Hobbs commented that she thinks $3,000 is a lot; Council Member Taylor and Mayor Brown agreed. Mayor Pro Tem Burns commented that it is, but that Mrs. Bishop has found the 20% that they asked her to cut including a $3,000/mo. lease, and that they are having a really hard time finding anything for one year. Council Member Hobbs noted that there is one other thing that they may be able to consider, but that they need to evaluate that. Mayor Pro Tem Burns stated that they could push this decision off. Council Member Hobbs agreed and asked to explore one other option that may be available before they make the decision.

Mayor Brown asked for a motion concerning the building lease at 107 W. Nashville Drive for the PRCR Department. Council Member Taylor asked Mr. Lansing when he needed to respond to the owner. Mr. Lansing replied that he told him he would get back with him soon. Mayor Pro Tem Burns told Mrs. Bishop that she know that she needs to start programming and asked if it would be the "end of the world" if was put off for a couple of weeks. Mrs. Bishop replied that the only thing they are risking at this point in time is summer camps. Council Member Taylor made a motion to table this item until they do some more investigating, seconded by Council Member Hinton. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

6. Mayor Brown called for the Manager's Report.

Mr. Lansing reported that the Library roof has been rehabbed. This week he will begin having departmental budget meetings with Mrs. Sanchez and the Department Heads to start putting together the budget. He noted that the preliminary numbers from Nash County only show a 0.19% increase in taxable

value over the previous year. The Police Department is now online with Zeurcher, and the Fire Department will also be able to get some benefit from the software once it is connected. The second carport has been installed to store the ladder truck. Cary Fire Department is running inspections on their trucks so they may have the ladder truck for a few more days. Council Member Taylor commented that he thought the carport would be covered on the backend; he did not realize that it was only enclosed on the sides. Mayor Pro Tem Burns commented that the carport does not solve the squirrel problem. Mr. Lansing informed the Council that they gotten a lead on some possible land for a second fire station; he met with the property owner along with Mayor Brown and Chief Joyner. He commented that it sounds promising. Council Member Hinton asked what the cost of the carport was. Mr. Lansing replied that it was $9,800, and it came from the funds that the County keeps for us.

7. Mayor Brown called for Council Comments.

Council Member Hobbs stated that she does not want the public or Mrs. Bishop to think that she has changed her position on the PRCR Department, that she is still very supportive of the department's programs, and that she is willing to entertain a one-year lease if something could be worked out where they could find something at a better price. She also stated that she is hopeful that there may be another opportunity for them that could be investigated very quickly. She commented that she feels they need to step back from that tonight and see how that might look. She added that she thought that maybe the fire station land could also be a place where they could add on to build a community center that could be a facility used for town purposes. She stated that they are in a mode where they need to be in a forward thinking position and she is trying to weigh everything out as best as she can to make good, sound decisions for the Town.

Mayor Pro Tem Burns congratulated Chief Joyner and the Fire Department for their achievement. She also congratulated Mrs. Sanchez, Mr. Denton and Mr. Manning on their achievements.

Council Member Taylor commented that he understands that they need to find a place for Mrs. Bishop to continue the department, but in talking with the general public he does not know if a 21% reduction from last year's budget would be enough or how it would be accepted by the public. He told Mrs. Bishop that they are going to find her something, but they need to be cautious and move slow. He stated that he is in support of having her find a place to go and asked Mrs. Bishop to not lose hope. Mr. Taylor also commented that he hopes everyone made it to the polls and exercised their right to vote.

Council Member Hinton commented that the greater picture is that there are lot of unknowns in this world, particularly the financial picture because we do not know how the coronavirus is going to affect us. She stated that while we do not want to live in fear, we have to be vigilant and cautious, particularly about finances. She encouraged everyone to stay prepared.

Mayor Brown thanked everyone for coming out and stated that it is always nice to see friendly faces. She told Mrs. Bishop that she appreciates what she does and commented that we are going to have a good program. Mayor Brown also congratulated and thanked the employees recognized tonight, as well as the Fire Department.

8. Mayor Brown called for a motion to go in to Closed Session pursuant to NCGS §143-318.11 (a) (5) Real Estate. Council Member Hinton made the motion, seconded by Mayor Pro Tem Burns.

There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0). Members of Council moved to private Council Chambers at 7:51 PM.

At 8:10 PM, members of Council returned to Open Chambers. Mayor Brown called for a motion to come out of Closed Session. Council Member Hobbs made the motion, seconded by Council Member Taylor. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

Mayor Brown announced that the Council discussed a real estate issue and no decisions were made.

9. There being no further business, Mayor Brown called for a motion to adjourn. Council Member Taylor made the motion, seconded by Mayor Pro Tem Burns. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

   Mayor Brown declared the meeting adjourned at 8:11 PM.

_____

Brenda Brown, Mayor

ATTEST:

_____

Lou C. Bunch, Town Clerk

DRAFT

DRAFT Called Meeting Minutes **Monday, March 23, 2020**

The Town of Nashville Town Council held a Called Meeting on Monday, March 23, 2020 at 3:30 PM in Town Council Chambers. Members Present: Mayor Brenda Brown, Mayor Pro Tem Kate Burns, Council Member Louise Hinton, Council Member Lynne Hobbs, and Council Member Larry Taylor. Absent: None. Staff Present: Randy Lansing – Town Manager, Lou Bunch – Town Clerk and Human Resources Director, Sam Sanchez – Finance Director, Lee Brown – Public Works Director, Marguerite Bishop – Parks, Recreation and Cultural Resources Director, Chris Joyner – Fire Chief, and Anthony Puckett – Police Chief.

1. Mayor Brown called the meeting to order at 3:30 PM and welcomed those in attendance. Mayor Brown stated that we are presently in a time like we have never experienced before; people are going to be losing their jobs and people are not able to get out and spend money. She added that for this budget, the Council will have to take it at a whole face value and will need to work diligently as a group to focus on how they can make the Town run without putting any more burden on the citizens. She commented that the Town is not going to get much money coming in for the fourth quarter of the budget; she has talked with some other mayors and they feel the same way. She stated that they have to be very diligent in going through the budget to make sure it is the best it can be for everyone concerned – the Town, the departments, and the citizens.

2. Mayor Brown called on Mrs. Sanchez to begin the budget work session.

Mrs. Sanchez thanked everyone for coming. She stated that they wanted to present this information to the Council to give them extra time to consider some potential rate increases that may be necessary to eliminate the burden on property taxes. Mrs. Sanchez stated that they will review the NS Gulley Fire Tax, Monthly Recycling Fee, Monthly Sanitation Fee, Monthly Water Base Fee, and the Utility Customer Deposit. She emphasized that there would be no proposed property tax increase for FY 20-21. The goal for the fee considerations are to reduce the burden on property tax and the amount of Fund Balance appropriated.

Mrs. Sanchez began with the NS Gulley Fire Tax increase which she stated is needed in order to begin the Fire Station II Capital Project. She noted that the current NS Gulley Fire District valuation as of 2/1/20 is $397,636,539 and with our current rate of $0.12 the total balance is $477,164. With an allowance for 98.7% collection rate, we can expect to collect $470,961. An increase to $0.15 would bring the total balance due to $596,455. With an allowance for 98.7% collection rate, we can expect to collect $588,701, which is an increase in revenue of $117,740. She noted that this would give us enough money to get started with the project. She also pointed out that she has provided the Council with a preliminary budget for the Fire Department, which includes the increased revenue and a new line item called Transfer to Capital Project Fund. Mrs. Sanchez is proposing a transfer of $100,000 into the Capital Project Fund to begin construction of the fire station. Council Member Hinton asked how to calculate the revenue for this tax. Mrs. Sanchez explained that you take the current valuation multiplied by $0.15 then divided by 100. You would then multiply that figure by the collection rate.

Mrs. Sanchez also noted that she included a sample of the Capital Project Ordinance for this project in the supplemental materials. She stated that for the coming fiscal year we are budgeting $100,000 and we would just be looking at getting started on the projected for consulting, engineering, and architecture. She noted that if we have a clean audit, then in either October or November we could go to

the Local Government Commission (LGC) to begin the debt approval process. Council Member Taylor asked what the cost of the entire project would be. Mrs. Sanchez replied that we are not entirely sure at this time. She stated that the Capital Project Ordinance has it listed at $1.4M, but that we think that we will come in way under that figure. Council Member Taylor asked if that included land acquisition as well as construction. Mrs. Sanchez replied that it does. She also noted that she has provided a potential loan amortization schedule for a $1.3M loan at 3.25%APR for a 20 year term. The annual payment would be around $89,000 for 20 years. She noted that the increase to the tax rate would cover that. Council Member Hinton asked if it would cover personnel. Mrs. Sanchez replied that it would not. Council Member Hinton asked Chief Joyner if there would be three employees on three shifts. Chief Joyner replied that there would only be one additional employee per shift, which gives five employees on each shift. Mr. Lansing explained that Chief Joyner will be taking one person from the existing fire station and putting that person at the new station with the new employee. That would leave three employees at station one and two employees at station two. Mayor Brown commented that we will not need that until we have the new station. Mr. Lansing replied that was correct. He noted that there will not be a station to man in this coming fiscal year and that we are assuming that it will take a full twelve months or more to build the station. Mrs. Sanchez commented that they are only proposing $100,000 for the proposed budget and that it will take a while to go through the LGC's debt approval process. She noted that she would like to get that process started as soon as possible since rates are as low as they are. Council Member Hobbs asked what the plans are for the accumulated Fund Balance for the fire district. She noted that there is $69,000 and asked if those funds would be drawn down so they could be applied in to the project. Mrs. Sanchez replied that she thinks that is a good idea and noted that they are going to use some of that this year. Chief Joyner added that they have already taken $10,000 of that for the carport this year.

Mrs. Sanchez began discussing the recycling fee increase. She noted that this increase is being proposed so that we can recover the contracted cost. She stated that we currently charge $4.50 and she is proposing moving this fee to $5.26. She stated that the Town has received notice that the contract fee will increase by $0.66 and that we were already operating at a deficit of $0.10. The fee increase to $5.26 would simply just cover the cost of the contract. Council Member Hinton noted that last year we increased it by $0.66. Mrs. Sanchez replied that we increased it to $4.50, but we are currently paying $4.60 which includes a surcharge for fuel. She noted that for the past three years we have been operating on a deficit on that contract. Mrs. Sanchez stated that if we do not increase the fee we will be operating at a deficit of $0.76, which over one year's time totals $25,007.04. She commented that this would be a burden on the property tax if the Council chooses not to increase the fee. Council Member Hobbs asked if there were any other companies other than Waste Industries that we could look at. Mrs. Sanchez replied that we could look at others. Mr. Lansing commented that he has reached out to Republic and has put in four requests, but he has not been contacted back. Council Member Hinton stated that we need some competition and he needs to reach out until he hears something back. Mayor Pro Tem Burns commented that it does not say much for their customer service. Mrs. Sanchez stated that she has done business with Republic in the past; their service is okay but they do raise rates over time. Mayor Pro Tem Burns asked if we knew what their rates are. Mrs. Sanchez replied that they are about the same and that they change based on the market. Council Member Hinton commented that a lot of cities are doing away with recycling simply because the rates continue to go up and China is no longer accepting recyclables. She stated that the cost of doing business has gone through the roof and that at one time it was a really good deal for us, but that now it is not. She stated that we do want to be good citizens and recycle as much as we can, but when it becomes a pinch on the citizens we will need to reconsider. Mayor Pro Tem Burns commented that people who want to recycle will then have to do it on their own and it will cost

way more. She thinks that we will have quite a few citizens that will be really annoyed if they have to go off on their own to recycle and that they will question why they are part of a town if the town will not be providing services like this. Mrs. Sanchez commented that her town uses Waste Industries for recycling privately and that it is around $35.00 per month, which is quite a bit more expensive. Mr. Lansing stated that he will continue to reach out to Republic.

Mrs. Sanchez stated that the reason they are requesting a sanitation fee increase is so we can recover operating and capital replacement costs. She commented that the Council is aware there are some issues at the yard waste site. Mayor Brown stated that she does not understand why we are having issues all of a sudden. Council Member Hinton asked if the State came in. Mrs. Sanchez replied that they did and she has included the Sanitation Notice of Violation in the materials. Council Member Hinton commented that they have been doing this for many years and asked why they have not cited us before. She stated that she called Jamey Baines about it and that he said that we had been in compliance. She asked if it was a different person that came in for the inspection or if it was a different mandate. Mrs. Sanchez stated that it is the same mandate but it is a violation of our permits and the materials that they are allowed to pile up. She noted that there were mixed materials that were not supposed to have been used. Mayor Pro Tem Burns asked what the options are for fixing this without having to pay a lot of money. Mr. Brown stated that fixing it is going to cost a lot of money. He noted that there are tight deadlines with high expectations listed in the violation notice. He stated that he expects that we will do our part to make it right; moving forward the justification is there to share that cost with the residents with a reasonable fee to dump it at a local landfill because we cannot use our site. He noted that Al Collie, who owns a local landfill, has been very generous with offering us affordable rates to dump what we have. He stated that moving forward it looks like it would be best for us to use his site rather than ours and to reconsider what we want to offer as a service to the town and how we want to maintain our site going forward. Mayor Pro Tem Burns asked what the rules were, how we broke them, and why is it happening now. Mr. Brown explained that the NC Department of Environmental Quality came in a few months ago for an inspection and that the rules that were broken are in the violation letter.

Council Member Taylor asked what needs to be done to correct the site. Mr. Brown replied that we are under strict order to haul away all of the debris that is currently on site. Mrs. Sanchez noted that all materials there are considered contaminated. Mayor Pro Tem Burns asked if we were supposed to separate the street sweepings from the yard waste. Mr. Brown replied yes. Council Member Taylor asked where we are supposed to haul the materials away to. Mr. Brown replied that we are hauling it away to an appropriate permitted landfill, which is currently Al Collie's site. Council Member Hinton stated that it is costing us $16,000-$18,000. Mayor Brown noted that it is $78 per load. Mr. Lansing noted that we have a contract now with Al Collie to haul out of there and dispose at his landfill what we can; we still have to figure out what to do with the rest. The street sweepings from now on will be placed under roof at the Town Shop and will be taken by the dump truck load to the transfer station to be disposed of. We will have to pay $68 per ton tipping fee, but that will ensure that those are disposed of at a proper location. Mayor Pro Tem Burns asked if the other materials are those that used to be picked up for the farm. Mr. Lansing replied that it did, but the farmer stopped coming and it has been piling up ever since. He noted that there was a landfill report that was required to be completed annually, but it has not been done since 2016. He commented that when Mr. Brown was looking at what we were deficient on for NCDEQ reporting and this report was one of those. When he started working on the back report, it raised flags and questions. Mr. Lansing stated that they reached out to NCDEQ to figure out what could be done for the site. He noted that our site is permitted to be a temporary holding facility until we ultimately dispose of the materials where they need to go. Mayor Pro Tem Burns asked if we could get

the site cleaned up and just have usable materials then maybe we could find someone who would want it. Mr. Brown stated that the material has to be managed in such a way with volume and it needs to be determined what kind of materials we want to keep on site and off site. He stated that those are some of the questions that need to be answered through citizen input or Council direction to determine the best use for the site once the notice of violation has been resolved. Mayor Brown asked what the report was that had been delinquent. Mr. Lansing replied that it is in the violation notice which reads "The Town of Nashville is in violation of 15A NCAC 13B .1402 (g)(1)(A) in that an annual notification has not been submitted to the Division since June 20, 2016."

Mrs. Sanchez stated that we are going to take care of as much of that in the current fiscal year as we can to try to avoid as many fees and fines as possible. She commented that we have not been properly disposing of these materials and so we need to start doing that. She noted that she included a preliminary budget for Sanitation, which includes a $40,000 increase in Transfer Station Fees to haul off waste materials. Additional tipping fees are also included in the Stormwater budget to haul off yard waste. Mrs. Sanchez stated that our current rate for Sanitation is $14.00 and the proposed fee is $18.78. A 4-year history of Garbage and Yard Waste Rates shows that we are currently operating at a deficit. With no rate increase, we are looking at a deficit of $491,655 for FY20-21. This does include the cost of a garbage truck. With the proposed rate increase, we are looking at a deficit of $352,845 for FY 20-21. She noted that she believes that with this rate increase, we will recover the cost of the garbage truck (capital replacement cost) over time. Council Member Hobbs asked if we will be looking to finance the garbage truck. Mrs. Sanchez replied that we will, but that we have $183,000 set aside in the Capital Reserve Fund for it. She also reminded the Council that they approved a budget amendment last month to move $120,000 to the fund. She informed Council that some of those funds will be used as well.

Mrs. Sanchez stated that she used the Utility-Basis Approach to fee setting method to determine the proposed rate. She explained that for this method the capital replacement cost is used rather than the actual capital costs for the year. This is used because it produces a steady rate. Using this approach, you should also account for risk factors negatively impacting the system, such as a bad debt expense. Mrs. Sanchez stated that this method does generate a steady, predictable fee year by year and you are able to recover the cost of capital over time, but it may not generate enough revenue to cover the actual cost of large capital projects or unforeseen expenses since. Mayor Brown asked how much debt we would end up with after this budget. Mrs. Sanchez stated that she has not proposed any debt for this garbage truck, but there will be some small loans for vehicles which will be less than $500,000. The debt payment for those would be $12,000 per year. Mayor Pro Tem Burns referred to the 4-year history of the rates and asked if we need to increase the rate that much if we will operating with a positive $30,000. Mrs. Sanchez stated that she will explain that in more detail later, but we want to cover our capital replacement costs year by year. She noted that while this year we will have a deficit, other subsequent years will have a surplus which will be used to cover the cost of the capital over time.

Mrs. Sanchez stated that the first step is to determine the capital replacement cost. You first assign a replacement cost for each capital item and an estimated asset life based off of the capital improvement plan. This determines the annual capital expense, which is $66,095 for the five capital items in the Sanitation Department. She explained that rather than use the $380,000 cost for the garbage truck, we will use $66,095 every year to produce the steady rate. Mayor Pro Tem Burns asked if this assumes that we will pay for these items outright and not finance them. Mrs. Sanchez replied that yes and that ideally this money would be put aside in the Capital Reserve Fund and then be used when it is time to purchase the replacement item. In step two, you determine the total cost. She stated that the total annual

operating cost is $479,215. You then add the capital replacement expense ($66,095). Bad debt expense (8% or $43,000) was not included in the rate calculation. Which leaves a total expenditure of $545,310 for the cost of garbage, yard waste, and recycling. The next step is to determine the monthly cost per customer. There are around 2,420 customers, which means the annual amount due per customer is $225.33 or $18.78 monthly, which is an increase of $4.78 per month. Mrs. Sanchez noted that this assumes that all customers pay on time.

Council Member Hobbs asked what we have in place to collect on the bad debt. Mrs. Sanchez replied that we use debt set-off and are considering using bank attachments. She stated that she would like to revamp the application fee for services to include some more information to allow that. Mrs. Sanchez noted that we currently have around 8% of accounts that are delinquent. Council Member Hinton pointed out that at one time we had more than 20% that were delinquent.

Mrs. Sanchez stated that we had looked at other options since sanitation is an increasing expense. She informed the Council that the Town reached out to two vendors to look at contracting the garbage service out, but only heard back from one vendor. The analysis determined that it is still more cost effective to provide garbage service rather than to outsource. Mayor Brown commented that we are at the vendor's mercy when we outsource and she likes that we are sticking with our own truck.

Mrs. Sanchez then gave the justification for the Water and Sewer Fee Restructure. She stated that the goal is to get a steady recovery of capital replacement costs and fixed costs, and to be able to qualify for grants. She noted that we recently applied for a couple of grants and were denied; several points were taken off because our rates are quite low. Mayor Brown stated that she read some about that and asked about universal grants, which she stated cannot ding us because we do not have debt. She stated that we have to start doing some grant writing to get us some relief. She asked who is responsible for writing grants for the Town. Mr. Lansing replied that for these asset inventory grants we used a company that has a very good track record; unfortunately we did not score enough points to receive those, in part because our rates in comparison to those that received the grants are considerably low. He added that the Department Heads have written several grants. Mrs. Sanchez stated that the proposal is to eliminate the Federal Mandate Fee ($6) and impose a base fee. The proposed water base fee for in-town would be $7.87 and $18.90 for out of town. Mrs. Sanchez provided the Council with a five year history of the rates and noted that water and sewer rates have not been increased in five years. Council Member Hobbs asked what the Federal Mandate fee was for. Mrs. Sanchez stated that it has been on our books since at least 1995 and that it is basically a base fee to cover the cost of testing which is federally mandated. She also provided the Council with a five year history of water and sewer revenues versus expenses. Mrs. Sanchez stated that for FY 20-21 if there were no change to the rates, we would have a deficit of $442,767. With the proposed rate changes, we would have a deficit of $119,517. Mayor Pro Tem Burns asked what was causing this massive deficit. Mrs. Sanchez replied that it is from increases to the budget, which she has provided in the supplemental materials.

Council Member Taylor questioned the statement that we have not had a rate increase in five years. Council Member Hinton agreed and stated that one had been passed on to us several years ago from Rocky Mount. Mayor Brown commented that they will probably pass another one to us this year. Mrs. Sanchez stated that we have reached out to Rocky Mount and that they do not know of an increase at this time but it is still too early to tell. Mrs. Bunch commented that in 2017, we had a 2.1% increase in sewer. Mrs. Sanchez stated that she went back through the financial software and did not see any rate increases. Mr. Lansing commented that it does not sound like it was ever implemented. Mayor Pro Tem

Burns asked to review the proposed budget for Enterprise to see where the big increase came from. Beginning with the Water Fund, Mrs. Sanchez noted that there are increases to salaries due to the market study and also noted a slight increase for the meters. She also pointed out that the budget has been restructured completely so that we can see better the cost per treatment site and per lift station to determine the efficiency of each site; those expenses have been broken out and are just estimates because we do not have that historical data. Mr. Lansing also noted that the revenues are projected as less than the current year.

Mayor Pro Tem Burns questioned Professional Services which is going from $2,675 to $50,000. Mrs. Sanchez explained that it includes a contract. Mayor Pro Tem Burns asked about the meters. Mrs. Sanchez noted that it was requested to increase, but the amount is recommended to stay flat at $140,000. She pointed out that there is the requested column and the recommended column; they should look at the recommended column for the budget. Mayor Pro Tem Burns asked if what was once in 1300 – Utilities is now what is being broken out. Mrs. Sanchez replied that it is. Council Member Hobbs asked about the $310,000 for Capital Replacement Cost in Non-Departmental. Mrs. Sanchez explained that the Capital Replacement Cost is something that we should be budgeting for year by year. She stated that the health of the Enterprise Fund is determined by the Net Position and that there is an expense which goes against the Net Position for depreciation expenses, and she is calling that expense the Capital Replacement Cost. She noted that over the past five years, the depreciation expense has been roughly $310,000 each year. Since that number affects the Net Position, it is recommended to include a depreciation expense in the budget. This amount will be included in the budget and transferred in to the Capital Reserve Fund every year. She noted that over the past several years, we have not done any major capital improvements or infrastructure projects. She commented that we have some aging infrastructure and meter issues, and that it is time to replace those. Mrs. Sanchez stated that by putting away these funds into the Capital Reserve Fund we will have some money to take care of major infrastructure projects down the line. She noted that one major project could easily cost a million dollars; our ending Net Position is around $10M, but one major project could impact that.

Council Member Taylor asked Mr. Brown if we have not replaced all of the meters in town one time and if we still have meters that need to be replaced. Mr. Brown replied that there are some that have not been replaced and there are some that are aging out. Council Member Taylor commented that we started this replacement project several years ago, with so many done each year, and hired outside workers to come in and do the work. He then asked if this was not done. Mr. Brown replied that we did. Council Member Taylor asked if we spent the budgeted $140,000 but we still did not get them all replaced. Mr. Brown replied that they have 2,500 meters, but can only buy 500-600 at a time. Council Member Hinton commented that we have been doing this incrementally. Mayor Pro Tem Burns stated that this is a never ending project because as soon as you get the next phase in then the ten year old meter has aged out and needs to be replaced. Council Member Taylor asked if we have made it throughout the town at least once and replaced them all. Mr. Brown replied that from what he has seen come out of the ground this year, he would say that they have not all been replaced. He added that a majority of them have been replaced at one point or another, but not all have been replaced.

Mrs. Sanchez continued and explained that she once again used the Utility-Basis Approach to Fee Setting. The goals of this approach are to recover the capital replacement costs (depreciation), to recover the fixed costs and variable costs separately, and to recover risk associated with serving customers outside town limits. The first step is to determine the capital replacement cost. This figure is taken from the audit report and is around $310,000 year after year. She then provided an analysis of various meter sizes to

determine if it would be appropriate to charge different rates for different size meters. She noted that most of the meters we have are 5/8 inch meters, which are the most common and least expensive at $205 per unit. She also pointed out that some customers have a 6 inch meters, which are very costly at $5070 per unit. Mrs. Sanchez stated that most municipalities charge a base fee surcharge based on the meter size that you have. She provided an analysis for the Council to show possible annual revenues this would generate. She noted that this was not included in the rate calculation. The next step is to determine the fixed versus the variable costs. Mrs. Sanchez stated that these are based on the proposed budget and the capital costs and meter fees are included in the fixed costs. She noted that the water fixed costs are higher because of the meter fees. The total fixed cost is $4,105,517. Our contracted rates from the City of Rocky Mount are around $3.30 per 1,000 gallons for water and $5.34 per 1,000 gallons for sewer, based off of 6,000 units. The next step is to determine the outside Town risk factor. This is based on the area in square feet of the Town (120,376,497) and the ETJ plus the Town (292,391,371). Since the ETJ plus the Town is 2.4 times larger than the Town, the outside Town rates and fees should be 2.4 times higher than the in-Town rates. Mrs. Sanchez noted that this is in line with other municipalities. The next step is to structure the rates based on customer types and average usage. Based on an estimated 3,045 customers in FY 19-20, the total usage for water is 266,605,500 and the average monthly use per customer is 7,296. Using all this data, Mrs. Sanchez calculated the following fees and rates: in-Town water base fee, $23.66; out of Town fee, $56.78; in-Town sewer base fee, $21.73; out of Town fee, $52.15; in-Town water rate, $3.78; out of Town rate, $9.08; in-Town sewer rate, $7.43; and out of Town rate, $17.83.

Mrs. Sanchez pointed out that with this structure, you would have higher base fees and lower rates. She stated that the pros of this strategy are that you would have steady revenue, it covers all non-variable costs including capital replacement, and there is lower loss due to leak adjustments or loss of large users. The cons are that the smaller users bear more of the cost burden and the average user experiences a larger percentage increase compared to large users. Mrs. Sanchez commented that at this time, she does not propose to use this structure but she wanted to provide the information so that they can understand. She referenced the Town of Enfield, which does use this method and charges a larger base fee with lower rates. Mrs. Sanchez stated that for a rate comparison, she looked at other municipalities with the same water source and then those with the same rate structure to show how Nashville's rates compare. She stated that in both situations, Nashville's fees are lower than the average.

Mrs. Sanchez informed the Council that although they are not recommending the above strategy at this time, they do wish to establish a water base fee that covers capital costs. She noted that 50% of the Capital Replacement Cost is $155,000 (the other half would be applied to the sewer fee) and the meter replacement cost is $140,000, for a total of $295,000 that needs to be allocated. Based on the data, the proposed in-Town water base fee is $7.87 and the out of Town base fee is $18.90. Mr. Lansing asked what the fee is now. Mrs. Sanchez replied that we do not have a base fee right now; we have the Federal Mandate of $6.00 for both in and out of Town customers. Mayor Pro Tem Burns asked if we are going to change the name of this then could they notate on the bill in parenthesis that this was formerly known as the Federal Mandate Fee so that people do not think it is a new fee. Mrs. Sanchez replied yes. She then showed the Council a comparison of the revenue for old versus new fees. Based on our current rates, a 1,000 gallon user would pay $35.18 for water and sewer. With the recommended rate, a 1,000 gallon user would pay $37.05. She noted that if they had chosen the full cost recovery method, the user would pay $56.60. Mrs. Sanchez also noted that our largest out of Town user will not see much of a change at all, however if they had chosen the cost recovery method this user would have seen a decrease. She commented that over time the full cost recovery method would have yielded slightly more revenue. She also pointed out that in order to qualify for grants, you want to have a rate of $33.00 per 5,000 gallons for

water and sewer. Mrs. Sanchez noted that the rate she is proposing will still not be enough, but it will get us headed towards being able to qualify for grants.

Mrs. Sanchez gave a summary of the proposed increases per customer, based on in-Town 1,000 gallon users. Sanitation would increase by $4.78, or $57.36 annually; recycling would increase by $0.76 per month, or $9.12 annually; and the water base fee (formerly Federal Mandate) would increase $1.87 monthly, or $22.44 annually. The total amount of increases would be $7.41 monthly, or $88.92 annually.

Mrs. Sanchez stated that the last item she wanted to discuss is an increase to the Utility Customer Deposit. The goal of this increase is to reduce risk of non-payment of the final bill. She is requesting to increase the deposit for customers that will not provide their Social Security Number from $100 to $150. She informed the Council that by having the Social Security Number it helps us collect bad debts. She recommends leaving the deposit at $100 for those that do provide their Social Security Number. Mayor Pro Tem Burns asked if it has always been an option for people to not provide their number. Mrs. Sanchez replied that some people do not have one and some just refuse to give it. She noted that we cannot refuse them service. Council Member Hobbs commented that it became important when the state put the Debt Setoff program in place. She explained that the way we get our money back through that is from tax refunds and garnishments. Mrs. Sanchez stated that some people are not comfortable with it and that is fine, but that does create an increased risk for the Town when it comes to debt collection. She explained that there is really no other way to collect a bad debt without that information. Council Member Hobbs asked how our deposits compare with other similar sized towns. Mrs. Sanchez stated that it is in line and is sufficient, but there needs to be something for those that do not provide the necessary information. Mr. Lansing commented that many towns require the deposit to be two months of the highest usage at that address in the last twelve months. Mayor Pro Tem Burns asked when the customers get their deposit back. Mrs. Sanchez replied that they receive it immediately after their final bill is generated. She noted that our average customer uses 3,400 gallons and their total bill is $68.08; normally a month and a half has gone by before the final meter reading is made, so on average the $100 deposit can cover that final bill. Council Member Taylor stated that this type of situation has been a problem in the past and asked if we have anything in place to change the name on a deceased account owner's account to another family member who has taken over the residence. Mrs. Sanchez stated that she was not aware of that issue, but that we do have a lot of old information that probably needs to be cleaned up. She stated that she would just need some type of sufficient documentation to transfer the account name. Mr. Lansing asked if it were possible that we were still holding on to the original deposit. Council Member Taylor stated that we would still have the original deposit and so that money would still be there. Mrs. Sanchez explained that our financial software is not capable of doing a transfer and so we would have refund the person and then take the money back.

Mr. Lansing informed the Council that they will need to submit a request to the County for the NS Gulley Fire Tax increase. The Council reached consensus to proceed with that request. Council Member Hinton asked who sets the $0.15 cap. Council Member Hobbs replied that it is set by the state legislature. Mr. Lansing informed the Council that they will formally vote on this item on April 1st.

Mr. Lansing provided the Council with a proposed budget for the Parks, Recreation and Cultural Resources Department. He stated that as of right now all of our programs have been put on hold due to the pandemic. He commented that with our Director vacancy, it will be extremely difficult, if not impossible, to interview people for that position without knowing where that person would be working or what they would be doing for programs. He stated that he was hoping to get consensus from the Council

on the budget for FY20-21, which would put in place the possibility of leasing a facility within the confines of the budget and give us the ability to then advertise for a PRCR Director. He commented that if we could begin now then we could likely have someone in place by the end of June/early July and by then hopefully normal activity would have resumed.

Mr. Lansing stated that the proposed budget is $167,000 and includes a full-time Director, part-time staff, and $30,000 to lease a facility. He informed the Council that 108 Boddie Street is available. This property is owned by Adam Williams, who is in the process of repairing the building. To suit our needs, we would need a storage area, an office, and a smaller second office. This would reduce the square footage down so that the occupancy is under 300 people and does not require an Assembly classification or a sprinkler system installed. Mr. Williams is willing to do this with the Town contributing $9,000 to the cost. For a multi-year lease, rent would be $1,200 per month. For a one year lease, the rent would be $1,500. Utilities are not included, but would be significantly less than $1,000 per month. Mr. Lansing stated that with renting this facility, there is a $165,000 savings from the current year's budget. Mayor Pro Tem Burns asked where the $9,000 is figured in to the budget. Mr. Lansing replied that it is not because that would be an expense incurred in the current year. Council Member Taylor asked if we have that money available in the current budget. Mrs. Bishop replied that we do. Mayor Pro Tem Burns asked who would be writing the grants and running the programming under this current proposal. Mr. Lansing replied that the PRCR Director would plan out the programming and the part-time staff would do a lot of the implementation of the programs, along with contracted staff. He stated that he does not know if the Director would be able to do much grant writing without having an assistant. Mrs. Bishop agreed that the Director would not be able to do it. Mayor Pro Tem Burns stated that if she recalls correctly then this means that without a full-time assistant they would only be running the current programs that the department offers and not anything more. Mrs. Bishop commented that would be her best guess. Mayor Brown commented that we do not know who the new Director will be, nor what his vision will be. Mayor Pro Tem Burns commented that she does not mind bringing in someone so they can share their vision, if the Council has the understanding that if a Director takes a look at the budget and says they cannot do anything with this budget that they can all sit back down and look at the budget. She added that if it were her looking at this budget she would wonder what she could possibly be doing with $22,000, which is nothing. Mayor Brown commented that you have to look at how many children are going to be involved in these programs, that you cannot have a million dollar program with only five or six children coming, and that they have to look at the big picture. Mayor Pro Tem Burns commented that she thinks this budget is just far too low to run anything. Mayor Brown commented that the Council does not need to block everything and that they need to have a vision.

Council Member Hinton expressed concern about leasing a building. Mayor Pro Tem Burns commented that we do not have a place for the person to go or for them to program; she asked what we are hiring this person to do. Council Member Hinton asked if we are going to redo Boddie Street to accommodate that building. Mr. Lansing stated that he understands there was a proposal at one time in the past to make Boddie Street a one-way street, which would give us 33 drive-in parking spaces between Church Street and Washington Street. There are currently only 11 spaces, which have not been repainted since the street was repaved. Council Member Hobbs stated that to her parking is not a recreation question; it is a question for the downtown to get more people down there, but that she is receptive to the idea of doing whatever we can do to help making parking more viable. Council Member Hinton stated that the plan did not go through because people did not want to "box in" the downtown with a one-way street. Council Member Hobbs stated that it is only one one-way street and since it is in blocks you do not have to go a long distance in order to get back to Washington Street. Council Member Taylor added

that there are only two residents that live on that street. Council Member Hinton asked if the Scooter Station had said that people could not park in their lot. Mayor Pro Tem Burns stated that they are using the lot right now. Mr. Lansing stated that we cannot use their lot for recreation, but the store will allow parking during Blooming Festival. Council Member Hinton commented that the Town should have never sold that lot.

Mr. Lansing stated that of the available buildings in town for recreation, this building is by-far our best option. Mayor Pro Tem Burns stated that she thinks it meets the size and price requirements. Council Member Hobbs commented that it is substantially less than the property on W. Nashville Drive. Council Member Taylor asked if the flooring will be tile. Mr. Lansing replied that it would be, but we could put anything we want in there. Council Member Hobbs asked if they could use cubicles to make the office space available. Mr. Lansing replied that if we did put walls up in the space then we would be over the 300 person occupancy. Mrs. Bishop added that if this is going to be a public space, you would need to be able to lock up anything that is not considered public in an office. Council Member Hobbs stated that the County uses something that is not a cubicle, but it does gives a wall effect; she commented that she does not know what that cost would be in comparison. Mayor Brown asked if the Town would have to pay to get the building ready. Mr. Lansing replied that the owner wants a $9,000 contribution to put in the storage and office spaces. Mayor Brown expressed concern over giving this money for the space. Council Member Hobbs commented that our option would be to then only pay $1,500 for rent. Mr. Lansing stated that if we do not pay the $9,000 then the owner would want more money for the rent. Mayor Pro Tem Burns asked to clarify that if we did a one-year lease the payment would be $1,500, but if we did a multi-year lease it would be $1,200, and that the $9,000 would be required no matter what. Mr. Lansing stated that if we did not want to contribute the $9,000 then that amount would be most likely be put towards the rent.

Council Member Hinton asked if we were going to do this before they hire a Director. Mr. Lansing stated that it would be up to the Council, but that he does not see how we can move forward with hiring a Director if there is no place for that person to go or without being able to tell that person what they are going to be doing. He informed the Council that the soonest this building would be ready is May 15th, but if they cannot have a Director in place until July then the schedule would be more relaxed. He stated that if the Council is open to making Boddie Street a one-way street, then that would take a little bit of time to do. Council Member Hobbs stated that she believes they need to move forward with recreation and if they do not then they will lose it. She commented that this is part of the impetus they need right now to help the town move forward into the vision that they have and that she thinks this is a factor that helps the downtown area. Council Member Hinton asked if they could table this until they see what is going to happen with the economy, and stated that they may have a better vision in the next month or two. Mayor Pro Tem Burns stated that things are going to recover and we are going to return to normal; she thinks they should move forward as though things will return to normal because she knows that they will. She commented that the longer that they sit on this the harder it is going to be to regain anything. Mayor Brown stated that she hates that the owner will be charging us $9,000 to fix a building that we are going to rent from him. Mayor Pro Tem Burns replied that we can choose to not pay, but then he would add it to the rent. Council Member Hinton asked Mr. Lansing to find out what the rent would be if we do not contribute the $9,000. Mayor Brown stated that she does not want to put that much money into something that we do not own. Mayor Pro Tem Burns asked the Council what their response would be if the rent were $2,200 - $2,300 per month. Council Member Hinton replied that they have not even looked at the building, nor been in it. Mrs. Bishop commented that there is really not much to see right now since the building is still under construction. Mayor Pro Tem Burns asked Mr. Lansing to figure out what

the cost would be without the $9,000 and then asked the Council if they could unofficially agree at that point or if they have to meet again. Mr. Lansing stated that they have a meeting on April 1st.

Council Member Taylor asked Mr. Lansing if the owner was willing to sell the building. Mr. Lansing replied that he did not ask him if he wanted to sell it and that he did not know that any of the Council would even consider the idea purchasing a building for Parks and Recreation. Council Member Hobbs stated that she personally thinks at this point leasing would be the better option because she envisions having a community center in the future where this could be housed with other things. Mayor Brown commented that she also envisions having a dog park; she stated that she had a person tell her that they wanted to move to Nashville but chose Rocky Mount because they had a dog park and we did not. Mayor Pro Tem Burns noted that there is also an employer in town who is having difficulty hiring for a high level position because that person is looking for family activities and things to do which are nowhere to be found; she commented that we do have an actual problem where people are not moving here because we are not offering the programming or facilities that other people are looking for. Council Member Hinton suggested having that employer build a facility. Council Member Hobbs stated that when it comes to a community center she thinks that public-private partnerships would be a great way to go.

Council Member Taylor asked what amount is included in the budget for the lease. Mr. Lansing replied that there is $1,500 per month, plus $1,000 for utilities. Council Member Taylor stated that they are not going to do any better than that amount. Mr. Lansing noted that the budget includes one full-time person, part-timers, and $22,000 for programming, and commented that it is a "bare bones" budget. Council Member Hobbs asked if there is anything behind the building in the alleyway. Mr. Lansing stated that there are 2-3 parking spaces behind it. Mrs. Bishop noted that it would just be enough for the staff to park off the street. Mayor Brown asked Council Member Hinton to explain what the problem had been the last time the Council discussed making Boddie Street a one-way street. Council Member Hinton stated that people did not want to box in the street and that the County was also thinking about asking the Town for their part of Boddie Street on the other side of Washington Street to also make that one-way. She stated that there were a lot of people that did not want it to be boxed in. Mayor Brown stated that she thinks a lot of people may be ready for it now with the lack of parking. Council Member Hobbs commented that with the future growth that they are hoping for in the downtown area they will have to address the parking. Mayor Brown commented that they also need to put up some signs for parking in the courthouse parking lot and some common decency signs to allow people to back out. Council Member Hinton stated that she harkens back to that the Town used to own the lot on the corner of Boddie Street and Church Street and that we literally gave it away. Mayor Pro Tem Burns stated that now it is gone and they need to think of something to work towards for the future. Council Member Hinton stated that the Council needs to have vision too, and that there was no vision when they sold that property. Mr. Lansing asked Council Member Hobbs if it is public parking over by the jail. She replied that it is a public lot, but she cannot say. Council Member Taylor stated that he thinks it is supposed to be public parking beyond business hours, but from 8:00-5:00 it is strictly County parking. Mr. Lansing stated that the lot is nearly 2/3 unoccupied except for on court dates and the attorneys seem to find parking right in front of the stores. Mr. Lansing also informed the Council that he has inquired with the County to see if their cameras can see well enough across the street to determine if there are people who have been parked somewhere for more than two hours, without us having to chalk tires. Council Member Hinton stated that we used to chalk tires on a regular basis. Chief Puckett explained that there is a case in Federal Court claiming that chalking tires is a violation of the Fourth Amendment. Council Member Hinton commented that maybe

the Scooter Station would sell the Town back that lot. Mr. Lansing stated that he will not; he has plans for a building.

Mr. Lansing stated that they have presented a lot of information today, but he hopes the Council can understand the need for the rate increases for recycling. He commented that he will look into the question of whether or not we can discontinue curbside recycling and recognized Mayor Pro Tem Burns' concerns about paying the Town but losing services. Mayor Pro Tem Burns commented that then we would have people throwing it all away, which would create an even bigger issue. Council Member Hinton commented that recycling used to be a good deal until the prices started going up. Mr. Lansing stated that it was pointed out that depreciation has never been budgeted in for the Water and Sewer Funds and although past Councils have put some money aside for large projects, there are no replacement plans for our fragile infrastructure. He commented that just today a water leak was sprung when the Fire Department hooked up to a hydrant. He also noted that construction being done to overlay the roads is enough to cause water leaks. He stated that with the depreciation being factored in, we can now set those funds aside for infrastructure replacement. Council Member Taylor asked if we could use the money that we saved when the Town switched to slurry paving for these projects. Mr. Lansing pointed out that Powell Bill funds are used for roads, and the Water and Sewer funds are proprietary funds. Mayor Brown asked if there was a grant for these projects. Mr. Lansing replied that there could be. Council Member Hinton commented that all over the state the water and sewer infrastructure is in terrible shape and that the State understands this and is probably going to have to help out the various municipalities. Mr. Lansing pointed out that this is why they do the asset inventory assessments, which is grant money to help you hire consultants to assess the condition of your infrastructure. He stated that we had applied for two $150,000 grants for both water and sewer, but we did not score well enough to be awarded the grants. Those grants that were awarded went to towns with higher water and sewer rates than ours. He stated that Mrs. Sanchez pointed out very clearly that if we restructure those rates and have the base fee capture more of our costs then we would slowly get those points back. By restructuring the rates, it would bring in the revenue that we need to account for our operating costs. He noted that if our projections are right we are not going to even be covering those with our current rate structure in the upcoming fiscal year. Mayor Brown commented that this is why we need to get some businesses here. Mr. Lansing acknowledged that it would help.

Mr. Lansing noted that the schedule for this budget is to have a proposed balanced budget presented to the Council by April 7th, and then in subsequent meetings the Council can go through that budget line by line if desired. He noted that based on the statement from Zee Lamb, Mrs. Sanchez has cut our projections on sales tax and a few other items. Council Member Hinton commented that Mr. Lamb stated that revenues are really going to be down, and that he told his departments not to request anything new for the upcoming budget. Mr. Lansing commented that the Council had instructed the staff to take a look at including several things, but that many of those will not be able to be done. He stated that they have included the salary study, but removed the cost of living increases, the two new positions in the Police Department, and two police vehicles. Mayor Brown asked if they would still be getting the other two vehicles in the Police Department. Mrs. Sanchez stated that even with the cuts, she has still included three police vehicles. Mayor Brown commented that she thinks they really need two additional officers for nighttime. Mr. Lansing stated that the budget does include getting started with the new fire station. Mrs. Sanchez stated that it does also include the three new firefighter positions. She also noted that it includes the Comprehensive Plan. Mayor Pro Tem Burns asked to see what the budget would look like with the additional officer positions. Mrs. Sanchez replied that it would require about a $250,000 appropriation from Fund Balance. Mr. Lansing commented that this is the time that our revenues are

likely to take a hit and that we need to be conscious of that. He stated that he thinks that they will see that they are being presented with a budget that is a responsible reaction to that. Council Member Taylor stated that in years' past there has been a sizeable amount that they have been able to put towards the Capital Reserve Fund; he asked how much is anticipated to go towards that this year. Mrs. Sanchez stated that we are using around $500,000 of the Capital Reserve Fund to fund some projects this year, but there will be some that will be allocated towards the fund this year. Mr. Lansing asked how much there is in Fund Balance. Mrs. Sanchez replied that there is around $8M. She stated that she does not mind putting everything back in the budget and then showing the Council what the amount of Fund Balance appropriated would be. Mr. Lansing suggested leaving it as it is and then telling the Council what it does not include and then let them decide what to add back at the budget meetings. He noted that any additions to the budget would then have to come from Fund Balance or the Capital Reserve Fund. Mrs. Sanchez stated that the budget will include the fee increases that she discussed today.

Mayor Pro Tem Burns mentioned that Mr. Lansing had brought up in a prior meeting what Tarboro is doing with developers to bring in subdivisions and asked if the Council would like to put a plan like that in place for a year to see if anyone takes us up on that offer and possibly increase our revenue. Mr. Lansing stated that Leigh Ballance is also interested in doing more with shell buildings like Tarboro does where the Town would pay the interest until the building is sold and at that time the Town would get the interest back. Council Member Taylor asked about the progress at the commerce park. Mr. Lansing replied that it looks good; there is a signed contract for the building and three-phase power has been installed. Wi-Fi is still not available. He informed the Council that the Town will have to be a pass-through for some money that Carolinas Gateway Partnership has received for the prospect, and this will be on the agenda for April 7th.

3. There being no further business, Mayor Brown called for a motion to adjourn. Council Member Hinton made the motion, seconded by Mayor Pro Tem Burns. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

Mayor Brown declared the meeting adjourned at 5:07 PM.

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Brenda Brown, Mayor

ATTEST:

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Lou C. Bunch, Town Clerk

DRAFT

DRAFT Called Meeting Minutes **Monday, March 30, 2020**

The Town of Nashville Town Council held a Called Meeting on Monday, March 30, 2020 at 3:00 PM in Town Council Chambers. Members Present: Mayor Brenda Brown, Mayor Pro Tem Kate Burns, Council Member Louise Hinton, Council Member Lynne Hobbs, and Council Member Larry Taylor. Absent: None. Staff Present: Randy Lansing – Town Manager, Lou Bunch – Town Clerk and Human Resources Director, Sam Sanchez – Finance Director, Lee Brown – Public Works Director, Chris Joyner – Fire Chief, Anthony Puckett – Police Chief and JT Winstead – Police Captain.

1. Mayor Brown called the meeting to order at 3:00 PM, welcomed those in attendance, and spoke a brief prayer over the meeting.

2. Mayor Brown called for Items for Consideration:

    a. Mayor Brown called for Consideration of Resolution 2020-04: Resolution to adopt a Title VI policy for the Town of Nashville to prohibit discrimination in programs and services and in activities receiving federal financial assistance.

Mr. Lansing stated that this resolution is stating that we have to comply with the Civil Rights Act of 1964 and that we will not discriminate against anyone based on any of the protected classes. He commented that we are doing all of this already, but the North Carolina Department of Transportation (NCDOT) is requiring us to have a formal policy. He informed the Council that the NCDOT is willing to partner with the Town of Nashville to run a sanitary sewer line out on Eastern Avenue from the Regency lift station to Kamlar Drive as part of the four-lane widening project. Mr. Lansing explained that in order for us to receive that, the Town must be compliant and have a policy in place. Mayor Brown asked if we were not compliant already. Mr. Lansing replied that he could not find a written policy. He stated that he would be surprised if we did not have one in the past, but it was easier to approve a new one than to try and find the old one. He noted that if we had received any CDBG money in the past that we had to of had one.

Mayor Brown called for a motion to adopt this resolution. Council Member Hinton made the motion, seconded by Mayor Pro Tem Burns. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

The resolution was approved as follows:

RESOLUTION 2020-04

RESOLUTION TO ADOPT A TITLE VI POLICY FOR THE TOWN OF NASHVILLE TO PROHIBIT DISCRIMINATION IN PROGRAMS AND SERVICES AND IN ACTIVITIES RECEIVING FEDERAL FINANCIAL ASSISTANCE

WHEREAS, in 1964, Congress enacted the Civil Rights Act of 1964, which included that section labeled Title VI which prohibits discrimination in any activity which is financed by federal funds or receives federal financial assistance; and

WHEREAS, since the adoption of Title VI, additional federal regulations and court decisions have further refined the definition of "federal financial assistance" and what entities are affected and controlled by Title VI; and

WHEREAS; the Town of Nashville has no formal policy in place for defining and preventing discrimination in the activities and for the entities Title VI affects; and

WHEREAS, the interpretation and application are not intuitive or readily understood, requiring an understanding of what "federal financial assistance" might be in any particular situation and what persons or entities must comply with Title VI; and

WHEREAS, a policy and procedure for reporting violations will provide guidelines for the Town, Town Departments and private persons and companies doing business with the Town and receiving federal financial assistance.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Nashville that the attached "Town of Nashville's Title VI Policy" is hereby adopted as the official policy of the Town of Nashville for applying, reporting and enforcing Title VI of the Civil Rights Act of 1964.

IT IS FURTHER RESOLVED that the Town Manager is authorized to approve this policy on a yearly basis if no changes are made to it.

Adopted this 30th day of March, 2020.

Brenda Brown

Brenda Brown, Mayor

ATTEST:

Lou Bunch

Lou Bunch, Town Clerk

Town of Nashville's
Title VI Policy

The Town of Nashville has adopted a Title VI Policy to ensure that the Town is in compliance with the provisions of Title VI of the Civil Rights Act of 1964. Title VI prohibits discrimination on the basis of race, color or national origin in programs or activities receiving federal financial assistance. Presidential Executive Order 12898 addresses environmental justice in minority and low-income populations. Presidential Executive Order 13166 addresses services to those individuals with limited English proficiency. Discrimination on the basis of gender, age, and disability is prohibited under related statutes. These Presidential Executive Orders and the related statutes fall under the umbrella of Title VI.

Federal-aid recipients, subrecipients and contractors are required to prevent discrimination and ensure nondiscrimination in all of their programs, activities and services whether these programs, activities and services are federally funded or not. The Town of Nashville Title VI Section 504 Coordinator is responsible for providing leadership, direction and policy to ensure compliance with Title VI and environmental justice principles. If you have experienced discrimination or harassment or have a human rights concern, you can file a discrimination complaint with the Town.

Non-Discrimination Policy:

It is the express policy of the Town of Nashville (the Town) that no person shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity receiving federal funds on the grounds of race, color, national origin, sex, age, disability, or income, as provided by Title VI of the Civil Rights Act of 1964, the Civil Rights Restoration Act of 1987, the Federal Aid Highway Act of 1973, Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, Executive Order 12898 and Executive Order 13166. It is also the express policy of the Town that no person shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any Town program or activity, whether those programs and activities are federally funded or not, on the grounds of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity and source of income.

Authorities:

Title VI of the Civil Rights Act of 1964 [Pub. L. 88-352 (1964), codified as 42 U.S.C. §§2000d through 2000d-4]: Title VI of the Civil Rights Act of 1964 prohibits the discrimination in, or the denial of benefits under, any program or activity receiving federal financial assistance on grounds of race, color or national origin.

The Civil Rights Restoration Act of 1987, [Pub. L. 100-259, Sec. 6 (1988), codified as 42 U.S.C. §2OOOd-4a]: The Civil Rights Restoration Act of 1987 broadened the scope of Title VI coverage by expanding the definition of the terms "programs or activities" to include all

programs or activities of federal aid recipients, subrecipients, and contractors, whether such programs and activities are federally assisted or not.

Federal Aid Highway Act of 1973, [Pub. L. 93-87 (1973), codified as 23 U.S.C. §324]: The Federal Aid Highway Act of 1973 provides that no person shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal assistance.

Age Discrimination Act of 1975, [Pub. L. 94-135 (1975), codified as 42 U.S.C. §6102): The Age Discrimination Act of 1975 provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal assistance.

Americans with Disabilities Act of 1990, Subchapter 2, Part A [Pub. L. 101-336 (1990); codified as 42 U.S.C. §§12131-12134]: The Americans with Disabilities Act of 1990 provides that no qualified individual with a disability shall, by reason of such disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination by a department, agency, special purpose district, or other instrumentality of a state or a local government.

Section 504 of the Rehabilitation Act of 1973 [Pub. L. 93-112 (1973), codified as 29 U.S.C. §794]: Section 504 of the Rehabilitation Act of 1973 provides that no qualified handicapped person, shall, solely by reason of his/her handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal assistance.

23 CFR Part 200: 23 CFR 200 are administration regulations promulgated by the Federal Highway Authority that specify the Title VI implementation requirements for state departments of transportation at state and local levels.

49 CFR Part 21: 49 CFR 21 are administration regulations promulgated by the US Department of Transportation that specify the Title VI implementation requirements for state departments of transportation at state and local levels.

Exec. Order No. 12898: Executive Order 12898 regards federal actions to address Environmental Justice in minority populations and low income populations. (Environmental justice seeks equal protection from environmental and public health hazards for all people regardless of race, income, culture and social class. Additionally, environmental justice means that no group of people including racial, ethnic or socioeconomic groups should bear a disproportionate share of the negative environmental consequences resulting from industrial, land-use planning and zoning, municipal and commercial operations or the execution of federal, state, local and municipal program and policies).

Exec. Order No. 13166: Executive Order 13166 regards the improvement of access to services for persons with Limited English Proficiency.

Definitions. As used in this Title VI Plan, the following mean:

Affected Parties - Persons protected against discrimination because of race, color, national origin, sex, age, disability, or income by the Title VI Requirements, and SRC Chapter 97.

Contractor - A person or entity who has entered into an agreement with the Town that is subject to the Title VI Requirements.

LEP Program - The Limited English Proficient program established by the Town to assist individuals who do not speak English as their primary language, and who therefore have limited ability to read, speak, or understand the English language and connect with Town government and assist with needed services. Locating and citing actions: a recommendation by Town staff or decision by the Town staff or the Town Council that will result in the construction of a public facility that could have adverse environmental impacts on the surrounding area.

Meaningful Access - The provision of communicative assistance by the Town necessary to allow affected persons to participate in governmental services/activities.

Proposed Project - A project that receives federal funds and is subject to the Title VI Requirements.

Subrecipient - A person or entity that receives federal funds from the Town to be used by the entity to further the objectives of the federal grant. The Town is the recipient of the grant, and the person or entity is a subrecipient of those grant funds. An example of a subrecipient relationship would be where the Town grants federal funds to a non-profit corporation that the corporation uses to provide assistance for low-income households to pay utility bills.

Title VI Assurances - Conditions imposed upon contractors or subrecipients as a result of federal funding being directly or indirectly provided to the contractor or subrecipient.

Title VI Requirements - The nondiscrimination provisions contained in Title VI of the Civil Rights Act of 1964, the Civil Rights Restoration Act of 1987, the Federal Aid Highway Act of 1973, Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, Executive Order 12898 and Executive Order 13166.

Title VI Plan Organization and Staffing:

Town Manager - The Town Manager's Office is responsible for ensuring the Town's compliance with Title VI Requirements, including, but not limited, to monitoring Town programs, preparing required reports and undertaking such other responsibilities as required by 23 Code of Federal Regulation (CFR) 200 and 49 CFR 21. (See Appendix A). To ensure compliance the Town Manager will appoint a Title VI/Section 504 Coordinator, and Department Directors will designate one or more Department Liaisons within their respective departments.

Title VI Section 504 Coordinator - The Human Resources Director is the Title VI/Section 504 Coordinator and responsible for the overall management of the Title VI Program, under the direct supervision of the Town Manager. The Title VI/Section 504 Coordinator's responsibilities are:

1. Process complaints regarding compliance with this Title VI Plan that are received by the Town Coordinator with Department Liaisons to compile statistical data related to race, color, national origin, sex, age, disability, and income of participants in, and beneficiaries of, federally funded programs to ensure compliance with the Title VI Requirements.
2. Review Town programs or projects receiving federal funds in coordination with Department Liaisons to ensure compliance with Title VI Requirements.
3. Conduct training programs related to Title VI Requirements for Town staff who are responsible for Title VI compliance, and for contractors or subrecipients who are subject to Title VI Requirements.
4. Make recommendations to the Town Manager on ways to achieve compliance with Title VI Requirements.
5. Develop information regarding this Title VI Plan for dissemination to the general public and, where appropriate, use the LEP Program to ensure dissemination of the information to affected populations.
6. Ensure that individuals who will be affected by locating and citing actions obtain meaningful access to the public awareness/involvement process.
7. Identify deficiencies in compliance with the Title VI Requirements, and make recommendations to the Town Manager for remedial actions to be taken to promptly resolve such deficiencies.
8. Annually prepare a Title VI Plan Report that documents progress, accomplishments, impediments and goals in fulfilling this Title VI Plan.

Department Liaisons - Department Liaisons are responsible for the day-to-day administration of the Title VI Program within their departments. The Title VI Section 504 Coordinator shall keep on file an accurate and updated list of all Department Liaisons. Department Liaisons' responsibilities are:

1. Ensure compliance, program monitoring, reporting, and education regarding the Title VI Requirements within their respective departments.
2. Meet regularly with the Title VI Section 504 Coordinator to discuss issues regarding Title VI implementation and monitoring within the Town.
3. Collect statistical data regarding participants in and beneficiaries of federally funded programs, e.g., relocates, Affected Parties, and impacted communities (race, color, national origin, sex, age, disability, and income)
4. Prepare annual reports regarding department compliance with Title VI and make recommendations on ways to achieve better compliance with the Title VI Requirements.
5. Conduct post-grant approval reviews of Town programs and applicants (e.g., highway location, design and relocation, and persons seeking contracts with the Town), for compliance with the Title VI Requirements.
6. Conduct department meetings to review impacts of Proposed Projects on Affected Parties.
7. Develop mechanisms to identify the population of Affected Parties for Proposed Projects.

8. Notify Affected Parties of public meetings or hearings regarding a Proposed Project, and ensure that meetings and hearings are accessible to all Affected Parties.

Title VI Program Components:

Elimination of Discrimination - The Town will continue its practice of identifying discrimination based on race, color, religion, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity and source of income, and where such discrimination is found to exist, implementing programs or practices to eliminate the discrimination. Programs include, but are not limited to, hiring Minority/Women/Disadvantaged Business Enterprises (DBE) contractors, providing translations through the LEP Program, and conducting public outreach and involvement in Town projects.

Public Dissemination of Information - The Title VI Section 504 Coordinator shall assist Town staff in the creation and dissemination of Title VI Program information to Town employees, subrecipients, contractors, Affected Parties, and the general public. Public dissemination efforts may include: posting public statements setting forth the Town's non-discrimination policy; inclusion of Title VI Assurances in Town contracts and grants; and publishing a Title VI Policy Statement in a newspaper of general circulation in the Town and in other community/minority publications at least once annually; posting a Title VI Policy Statement in vicinity of proposed Town projects; and including a Title VI Policy Statement in announcements of hearings and meetings; and providing notice of Town Proposed Projects to minority communities.

Departmental Responsibilities - Each Department Head is responsible for Title VI compliance for individual projects. Compliance activities include, but are not limited to:
Ensuring that all aspects of a Proposed Project's planning process and operations comply with the Title VI Requirements.

1. Ensuring that Affected Parties have meaningful access to a Proposed Project's planning processes.
2. Assisting the Title VI Section 504 Coordinator in gathering and organizing data for the Title VI Plan Report.
3. Reviewing the Department work programs, policies, and other directives to ensure compliance with the Title VI Requirements.
4. Verifying the level of participation of Affected Parties at public outreach meetings.

Title VI Assurances in Contracts and Grants - The Contracts and Procurement Division is responsible for the Town's general contracting, consultant selection, negotiation, and administration of contracts for the Town. The Contracts and Procurement Division will ensure that all federally funded contracts administered by the Town contain Title VI Assurances. In the event that the Town distributes federal funds to another entity through grants or other agreements, the Department Liaison administering the grant or agreement will ensure that such grants and agreements contain the Title VI Assurances. The Department's project administrator or grant administrator will monitor the performance of the contract or grant for compliance. The Title VI/Section 504 Coordinator and Department Liaisons will coordinate efforts to ensure that the requirements of Title VI are met throughout the entire contracting and grant performance process.

Data Collection - Statistical data on Affected Parties will be compiled by each Department Liaison. The data compilation process will be reviewed regularly by the Title VI/Section 504 Coordinator and the Department Liaisons to ensure the data is sufficient to meet the requirements of this Title VI Plan.

Training Program - Annual training will be made available to Department Liaisons and other Town staff responsible for the implementation of the Title VI Requirements. Training will provide comprehensive information on the Title VI Requirements and its application to specific programs or operations; assistance on the identification of Title VI issues; and an overview of the complaint process.

Title VI Program Reviews - Each Department will conduct an annual Title VI Plan review to assess the Department's effectiveness in ensuring compliance with the Title VI Requirements. The Title VI Program review will be overseen by the Title VI Section 504 Coordinator with the assistance of the Department Liaison, and will include an evaluation of administrative procedures and staffing; review of operational guidelines for Town staff, contractors and subrecipients; and assessment of resources available to ensure compliance with the Title VI Requirements.

Department Title VI Reports - Department Liaisons shall annually prepare a Department Report to be submitted to the Town Manager on or before July 15th of each year. The Department Report will be based on the data compiled by the Department Liaison and the Title VI Program Review. The Department Report shall include an executive summary; a list of programs subject to the Title VI Requirements; a summary of any complaints of violations of the Title VI requirements and how each complaint was resolved; a summary of the statistical data compiled by the Department Liaison; a summary of Title VI training provided; and a general assessment of the Title VI compliance by the Department.

Title VI Section 504 Coordinator Title VI Plan Report - The Title VI Section 504 Coordinator shall annually prepare a comprehensive Title VI Plan Report, and forward it to the Town Manager on or before August 19 of each year. The Title VI Plan Report will be based on the Department Title VI reports, and shall contain an assessment of the accomplishments during the preceding year; a list of recommended changes to the programs subject to the Title VI Requirements; and a list of recommended goals and objectives for the upcoming year.

Preventive and Remedial Efforts - The Town will actively seek to prevent Title VI deficiencies or irregularities, and to remedy Requirements. In taking such action, the Department Liaison will work with the Title VI Section 504 Coordinator to create an action plan within 90 days of the date the need for preventive or remedial action is identified by Town staff. A copy of the action plan will be provided to the Department Head and the Town Manager and retained by the Title VI Section 504 Coordinator. When the Department Liaison reasonably believes a contractor or subrecipient has violated a Title VI Requirement, the Department Liaison will follow the following process:

1. The project or grant administrator and the Department Liaison will meet with the contractor or subcontractor to conduct an initial review of the facts supporting a finding that a violation of the Title VI Requirements has occurred or is occurring.
2. If, after the initial review, the Department Liaison concludes that the contractor or subrecipient has violated the Title VI Requirements, the contractors or subrecipient will be given a reasonable time, not to exceed 90 days from the date notice is provided to the contractor or subrecipient, to voluntarily correct noncompliance.
3. The Town will seek to obtain the cooperation of the contractor or subrecipient in correcting non-compliance, and will offer to provide technical assistance needed by the contractor or subrecipient to obtain voluntary compliance with the Title VI Requirements.
4. A follow-up review will be conducted within 180 days of the date notice is provided to the contractor or subrecipient to ensure that the violation of the Title VI Requirements has been corrected. If after the review, the contractor or subrecipient has failed to correct the violation, the Town Manager may take appropriate action (e.g., withhold funds, cancel contract) required to comply with the Town's obligation under the federal grant.
5. When a contractor or subrecipient has failed or has refused to comply with Title VI Requirements within the 180 day period after the initial review, the Department Liaison will submit two copies of the file to the appropriate state or federal agency (e.g., ODOT's Office of Civil Rights or the FHWA), along with a recommendation that the file be reviewed for a determination of whether the contractor or subrecipient has violated the Title VI Requirements.

Complaint Process:

Any person who believes that he or she or any other program beneficiaries have been subjected to unequal treatment or discrimination in his or her receipt of benefits and/or services from the Town, or by a contractor or subrecipient on the grounds of race, color, national origin, sex, age, disability, or income, may file a Title VI Complaint with the Title VI Section 504 Coordinator. Any person who believes that he or she or any other program beneficiaries have been subjected to unequal treatment or discrimination in their receipt of benefits and/or services, or on the grounds of race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity and source of income, may file a complaint.

b. Mayor Brown called for Consideration of Resolution 2020-05: Resolution requesting the Nash County Commissioners to increase the N.S. Gulley Fire District Property Tax Rate to $0.15 per $100 of taxable value.

Mayor Brown read the resolution for the record and called for a motion to approve the resolution. Council Member Taylor made the motion, seconded by Council Member Hobbs. Mayor Brown called for discussion. Council Member Hinton stated that back in August, the proposed fire station was $1M for 7,200 square feet and now the proposed station is $1.4M. She commented that this is something they had not discussed and asked how it went from $1M to $1.4M. Mr. Lansing replied that it is the cost of the land and that before we were looking at receiving two acres of donated land, but now we are looking for land. He stated that $400,000 is the cost of approximately 3.5 acres of land. Council Member Hinton asked if the land has been located. Mr. Lansing stated that he has spoken with Clayton Homes about 3.4 acres of their land, but they have not indicated how much they want for that land. He noted that this is our best guess about what that land would cost. Council Member Hinton asked if this number is not set in stone then; Mayor Brown replied that it is not. Council Member Hinton stated that the original interest rate was 2.5% and now it is 3.25%. Mrs. Sanchez stated that this is a conservative estimate. Council Member Hinton asked if the design for the station had changed. Mr. Lansing replied that has not changed. He noted that the numbers may change once an architect is hired. Mrs. Sanchez added that they will bid the project out as far as interest rates are concerned.

There being no further discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

The resolution was approved as follows:

RESOLUTION 2020-05

RESOLUTION REQUESTING THE NASH COUNTY COMMISSIONERS TO INCREASE THE N.S. GULLEY FIRE DISTRICT PROPERTY TAX RATE TO $0.15/$100 OF TAXABLE VALUE

WHEREAS, the Town of Nashville has an intergovernmental agreement with Nash County to provide fire protection services for the N. S. Gulley Fire District, and due to the residential and commercial growth in the N.S. Gulley Fire District, the Town of Nashville is in need of a second fire station to maintain a five minute response time to addresses in the southeast portion of the N.S. Gulley Fire District; and

WHEREAS, the Nashville Town Council has determined it is appropriate for the property owners in the N.S. Gulley Fire District to pay for the Town of Nashville's second fire station projected at $1.4 million dollars and some of its annual operating cost projected at $30,400; and

WHEREAS, the Town of Nashville will have to borrow money to construct the second fire station on the eastside of Nashville, and said loan will have annual payments of $88,900 over 20-years with simple interest; and

WHEREAS, based on the current tax valuation of the N.S. Gulley Fire District of $397,636,539, a property tax increase of $0.03/$100 will generate approximately $119,290 a year; and

WHEREAS, the Nash County Commissioners are responsible for setting the N.S. Gulley Fire District's property tax rate.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Nashville, North Carolina, that the Nash County Commissioners are hereby requested to increase the N.S. Gulley Fire District property tax rate from $0.12/$100 to $0.15/$100.

PASSED and APPROVED this 30th day of March, 2020.

Brenda Brown, Mayor

ATTEST:

Lou Bunch, Town Clerk

c. Mayor Brown called for Consideration of Resolution 2020-06: Resolution ceasing the Town of Nashville's application of late payment penalties and disconnections of municipal utilities for non-payment in response to the 2020 COVID-19 pandemic.

Mayor Brown read the resolution for the record and called for a motion to approve the resolution. Council Member Taylor made a motion to approve the resolution, but stated that he also had a question. He asked if there is anything in place for when the pandemic is over because we will have some people that will fall into this category. Mrs. Sanchez replied that we will allow for payment arrangements. Council Member Taylor asked how stringent we will be with collections. Mr. Lansing replied that hopefully people will not let it slide to a point where it gets insurmountable. Council Member Taylor asked how long we will let someone go before we cut the water off. Mayor Pro Tem Burns replied that she thinks once the Council passes another resolution once the pandemic is over that would be the point where they enforce it. Mrs. Sanchez stated that her idea is that they will allow payment arrangements as long as the people make good on their payment arrangements. Mayor Brown commented that we hope that by doing this and letting people know that we truly care about them that when this is over they will do their part. Council Member Hinton referred to the letter from Josh Stein and read that "no provision in this Order shall be construed as relieving the customer of their obligation to pay bills for receipt of any utility service covered by this Order." She noted that it is for six months according to the Order. Council Member Hinton also commented that we have around 20% of customers that do not pay on time. Mrs. Sanchez replied that she thinks it is not that high and that there is a lot included in that 20% that just needs to be written off. She reported that she estimates the delinquency rate is more like 8% and that she has not seen any huge increase in that in the past month because of the current situation. There being no further discussion, Mayor Brown called for a second for the motion on the floor. Council Member Hinton seconded the motion. Mayor Brown called for a vote. The motion was unanimously approved (4-0).

The resolution was approved as follows:

DRAFT

RESOLUTION 2020-06

RESOLUTION CEASING THE TOWN OF NASHVILLE'S APPLICATION OF LATE PAYMENT PENALTIES AND DISCONNECTION OF MUNICIPAL UTILITIES FOR NON-PAYMENT IN RESPONSE TO THE 2020 COVID-19 PANDEMIC

WHEREAS, it is the Town of Nashville's policy and practice to apply a 5% late payment penalty on municipal utility accounts when payments are late, and to disconnect and discontinue municipal utilities and services when payment for those utilities and services is delinquent for 45-days or more; and

WHEREAS, the COVID-19 Pandemic of 2020 is causing severe hardship, financial and otherwise, on all Nashville municipal utility customers and making it vitally important that they maintain their essential municipal utility services.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Nashville, North Carolina, that:

1) The Town shall cease the application of a 5% late payment penalty on municipal utility accounts when payment on those accounts are late; and

2) The Town shall cease the disconnection and discontinuance of municipal utilities and services when payment for those utilities and services is delinquent for 45-days or more; and

3) Said cessations shall continue until further action of the Nashville Town Council.

PASSED and APPROVED this 30th day of March, 2020.

Brenda Brown, Mayor

ATTEST:

Lou Bunch, Town Clerk

d. Mayor Brown called for Consideration of Budget Amendments.

i. Mayor Brown called for Budget Amendment #19.

Mrs. Sanchez stated that this amendment reallocates existing funds for the yard waste site and the cemetery in response to the violation notice from NCDEQ. She commented that the more work we can get done this year, the less we will have to allocate in next year's budget. Council Member Hinton asked about the Market Study Reserve line item and what that was for. Mrs. Sanchez replied that the funds for the market study were put into this holding account, but were never dispersed to the Police and Fire Department budgets. She stated that even though the market study was implemented, due to turnover in the departments those funds have not been needed to be used and she is requesting to use some of those funds for this project. Council Member Hinton asked what the rationale was for having it. Mayor Pro Tem Burns replied that had we been fully staffed, those funds would have been used. Mrs. Sanchez informed the Council that for this year's market study, those funds will be pursed out to each

department's accounts and will not be placed in a holding account. Council Member Taylor asked if this market study was something that had been done for just last year or for several years. Mrs. Sanchez replied that these were the funds for the market study for the current year that was done for just the public safety employees. Mrs. Bunch stated that the rationale Interim Finance Director Melonie Bryan used was that if the Council did not approve the market study then it was easier to just remove that one line item rather than to remove it from each individual department's accounts. She explained that those funds should have been reallocated to those departments once the budget was approved, however that was not done and since they are no longer needed for salaries those funds are now available to be reallocated somewhere else. Council Member Taylor said that he understands that but he does not recall doing the market study. He then asked if we put money back in it every year. Mrs. Sanchez replied that they will see it in the proposed budget as part of the regular salaries. Council Member Hobbs pointed out that this was not money for the market study, it was money for the salaries that came about as a result of the market study. Mrs. Sanchez stated that she has done the calculations and does not believe that this money will be needed this year for salaries therefore she is requesting to use it for this project. Council Member Taylor asked if we ever did the study. Mrs. Bunch explained that we did implement the market study, but there were so many vacancies throughout the year that the funds were not needed. Mayor Pro Tem Burns stated that had we been fully staffed from the beginning until now that money would have been used because it would have been paid out in salaries. Council Member Hobbs stated that budgeting like this is a fairly common practice, particularly when you have a large entity and have to spread those funds out to many departments. She added that if the money was just not needed then there was no reason to allocate it back to the departments for salaries because those salaries were able to handle it within the current departmental budget. This allows these funds to be available for use by the town without having to use Fund Balance.

Mayor Brown called for a motion to approve Budget Amendment #19. Council Member Taylor made the motion, seconded by Mayor Pro Tem Burns. Mayor Brown called for discussion. Council Member Hinton asked about using all of the funds that were budgeted for Drainage Projects. She stated that there are a lot of drainage projects all over town that need to be addressed. Mayor Pro Tem Burns stated that we are using these funds to comply with the violation notice. Mrs. Sanchez noted that there was another drainage project for Par Drive that was a part of the $50,000 budget, however that was contingent on a grant. We did not receive the grant, which is why the project has not been completed. She added that the staff feels like it is a more pressing issue to get compliant with these violations. Mayor Pro Tem Burns commented that if there is something else that they feel needs immediate attention then they could address them. Council Member Hinton commented that there are drainage projects all over town that are "iffy." Mr. Lansing stated that part of these funds were being held in contingency for the Elm Street storm sewer project, but that he spoke with Kevin Varnell and if they choose a modest design for that project then they will likely not need exceed their budget. Council Member Hinton stated that she is referring to the smaller projects. Mr. Lansing replied that those projects are still out there and that both he and Mr. Brown think they can doctor those along for a little bit, handle the yard waste issue, and then come back to them next year. There being no further discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

Budget Amendment #19 was approved as follows:

Budget Amendment # 19

Account #	Account Description	Current Budget	INCREASE	DECREASE	Amended Budget
Fund	10 - General Fund				
Department	STORMWATER, SANITATION, BUILDINGS & GROUNDS				
Expenditures:					
10-590-4500	CONTRACT SERVICES	$ 8,000.00	$ 76,080.00		$ 84,080.00
10-590-4610	DRAINAGE PROJECTS	$ 50,000.00		$ 50,000.00	$ -
10-590-9700	CAPITAL RESERVE	$ 16,580.00		$ 16,580.00	$ -
10-590-4501	PUBLIC OUTREACH	$ 5,000.00		$ 4,500.00	$ 500.00
10-590-2600	ADVERTISING	$ 5,000.00		$ 5,000.00	$ -
10-580-3200	TRANSFER STATION FEES	$ 144,000.00	$ 13,920.00		$ 157,920.00
10-660-0406	MARKET STUDY RESERVE	$ 54,650.00		$ 13,920.00	$ 40,730.00
			NET CHANGE IN EXPENDITURES		$ -

EXPLANATION:
To appropriate funds for Yard Waste and Cemetery site clean-up per NCDEQ Notice of Violation.

ii. Mayor Brown called for Budget Amendment #20.

Mrs. Sanchez explained that with the turnover in the Police Department this year, they were well under budget in regular salaries and those funds are requested to be reallocated to cover other costs such as uniforms, and VC3 IT and phone services. Mrs. Sanchez noted that the department is now fully staffed. Council Member Hinton asked what Capital Outlay Other was for. Mrs. Sanchez stated that she is not sure what was budgeted in that line item, but they will not be using any more of those funds.

Mayor Brown called for a motion to approve Budget Amendment #20. Council Member Hobbs made the motion, seconded by Mayor Pro Tem Burns. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

Budget Amendment #20 was approved as follows:

Budget Amendment # 20

Account #	Account Description	Current Budget	INCREASE	DECREASE	Amended Budget
Fund	10 - General Fund				
Department	POLICE				
Expenditures:					
10-510-0201	HOLIDAY PAY	$ 18,910.00	$ 14,000.00		$ 32,910.00
10-510-0300	PART TIME SALARIES	$ 15,428.00	$ 2,500.00		$ 17,928.00
10-510-0720	SEPARATION ALLOWANCE	$ 19,680.00	$ 2,950.00		$ 22,630.00
10-510-1100	TELEPHONE & POSTAGE	$ 13,800.00	$ 5,800.00		$ 19,600.00
10-510-3600	UNIFORMS	$ 10,000.00	$ 27,000.00		$ 37,000.00
10-510-4500	CONTRACT SERVICE	$ 91,870.00	$ 14,000.00		$ 105,870.00
10-510-0200	SALARIES	$ 710,511.00		$ 40,000.00	$ 670,511.00
10-510-3300	SUPPLIES	$ 29,000.00		$ 5,000.00	$ 24,000.00
10-510-7300	CAPITAL OUTLAY OTHER	$ 45,373.00		$ 10,000.00	$ 35,373.00
10-510-7400	CAPITAL OUTLAY EQUIPMENT	$ 98,100.00		$ 2,000.00	$ 96,100.00
10-660-0406	MARKET STUDY RESERVE	$ 78,100.00		$ 9,250.00	$ 68,850.00
			NET CHANGE IN EXPENDITURES		$ -

EXPLANATION:
To reallocate funds within Police Salary and Uniform lines due to high turnover. To allocate funds for VC3 IT & Phone service.

iii. Mayor Brown called for Budget Amendment #21.

Mrs. Sanchez stated this amendment is to allocate funds for Police Pen-Link phone investigation and tracking software. She noted that the department has wanted to pursue this all year, and the funds are available in the Market Study Reserve line item to proceed with this project. Council Member Taylor asked Chief Puckett to explain how the software works. Chief Puckett stated that this software uses the data off of cell phones to track fugitives and narcotics dealers. He stated that this software will help the

department provide some of the surveillance since they do not have the manpower to do so. Council Member Taylor asked how often this system would be used. Chief Puckett replied that this type of system is used quite often by other agencies, but there is no agency in this area with this capability. He noted that in order for it to be used properly they would have to apply for a search warrant to make sure that they are following Fourth Amendment guidelines. Mayor Pro Tem Burns asked if this was a one-time fee. Chief Puckett replied that this amount is a one-time fee, but there would be an annual service fee of $1,500 which is already included in next year's budget. Council Member Hinton asked if this was in addition to the $75,000 for the Zeurcher software. Chief Puckett replied that this is a completely separate program from that software. Mayor Pro Tem Burns asked to confirm that no one else locally has this program. Chief Puckett replied no and that there are agencies waiting to see if the Town is going to get this program so they can help us combat the drug problem.

Mayor Brown called for a motion to approve Budget Amendment #21. Council Member Hobbs made the motion, seconded by Mayor Pro Tem Burns. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

Budget Amendment #21 was approved as follows:

Budget Amendment # **21**

Account #	Account Description	Current Budget	INCREASE	DECREASE	Amended Budget
Fund	**10 - General Fund**				
Department	**POLICE**				
Expenditures:					
10-510-4500	CONTRACT SERVICES	$ 105,870.00	$ 14,200.00		$ 120,070.00
10-660-0406	MARKET STUDY RESERVE	$ 68,850.00		$ 14,200.00	$ 54,650.00
				NET CHANGE IN EXPENDITURES	$ -

EXPLANATION:
To allocate funds for Police Pen-Link phone investigation and tracking software.

iv. Mayor Brown called for Budget Amendment #22.

Mrs. Sanchez stated that there are funds available in the current budget to relocate the Council Chambers dais using leftover funds from the Market Study Reserve and Minimum Housing line items. She noted that the project would cost $13,000-$15,000 and that there is already $5,000 available in the Capital Outlay Other line item. This amendment would move $5,000 each from the other two line items. Council Member Hinton asked if this project is something that they need to do at this time since the future of finances is uncertain. Mayor Pro Tem Burns commented that both she and Council Member Hinton sit on the side that has an unobstructed view, and asked the others to provide input. Mayor Brown commented that she can see half of the room. Council Member Taylor stated that it depends on where people are sitting, but that sometimes he has to look around the corner. He mentioned that this has been talked about before but it did not go anywhere. He stated that he is inclined to side with Council Member Hinton and asked if this is something that they have to do right now. Mayor Brown commented that she knows at one time they had discussed moving the dais, but according to some requirements for the ramp and space, the wall would have needed to be knocked out and extended. Council Member Hinton commented that the estimate of $13,000-$15,000 may be a low figure then. Mr. Lansing replied that Ann Collier is pretty comfortable with rebuilding the dais in the new location for $15,000 without having to move the wall. He stated that the layout of the room would now have four rows of seats facing the west wall, for a total of 46 seats. The ramp would extend down behind the dais. He commented that there was interest from some council members to pursue this, but the decision would be up to the Council if they would like to do it. Council Member Hobbs stated that with what is going on right now our economy

needs money put into it and if this is an opportunity where we might be able to use some local contractors to do this work then we would in essence be helping the economy by spending a little bit of money. Council Member Hinton commented that at the same time, they do not know what the tax revenues are going to be next year and Zee Lamb has made it abundantly clear that they have no idea about next year's revenue and so the Town needs to be careful. Council Member Hinton stated that she thinks this is something that they can table and that they can do later. She commented that she would be glad to move and someone could have her seat if it bothers them. She stated that they were grateful to have this space after the small space they had previously and that she thinks it would be arrogant to do this project in light of the fact that they are likely increasing sanitation and water and sewer fees. She added that when the public looks at that they may see that we really do not need to go up on fees. Mayor Brown asked Council Member Hinton if she would like to table this item.

Council Member Hinton made a motion to table this item, seconded by Council Member Taylor. There being no discussion, Mayor Brown called for a vote. The motion passed 3-1, with Council Member Hobbs voting against the motion. Mayor Pro Tem Burns commented that she is okay with tabling this but she understands that when this is presented again under a more stable situation that they should think about doing it.

v. Mayor Brown called for Budget Amendment #23.

Mrs. Sanchez explained that this amendment is to allocate funds for shortages in the Water & Sewer Safety and Administration Telephone and Postage line items. She also noted that there is $25,000 budgeted for Contingency and she is proposing using these funds so that they move forward with the DOC Lift Station Rehabilitation Project this year, which means that they can budget less for that in next year's budget. She stated that the DOC project will cost $100,000, but if they can get started this year using the $25,000 Contingency then it would reduce what is needed for next year. Council Member Hinton commented that last year in Sewer System Rehab they had budgeted $78,000, but the budget currently shows $276,500. Mrs. Sanchez replied that there have been some budget amendments, but the current budget is $276,500. Council Member Hinton commented that she could not find Water & Sewer Safety in last year's budget. Mrs. Sanchez replied that it is a new line item and explained that all of the Public Works Safety had been budgeted in Fund 10, but she believes that every expense that belongs to Fund 30 should be budgeted for in Fund 30. She noted that she did create a line item for that and moved some of the budget into Fund 30 for Water & Sewer Safety; this was one of the first budget amendments she did after she started.

Mayor Brown called for a motion to approve Budget Amendment #23. Council Member Taylor made the motion, seconded by Mayor Pro Tem Burns. Mayor Brown called for discussion. Council Member Hinton asked if there should be an amended budget figure beside the Contracted Services line item. Mrs. Sanchez replied that it should. Council Member Hinton instructed everyone to put $11,600 in that space. Council Member Hinton noted that there was a Public Works Safety line item 10-660-3404 for $5,150 and asked if that was separate from Water & Sewer. Mrs. Sanchez replied that it is and that in next year's budget each department will have its own Safety line item; there will no longer be a Public Works Safety line item because it will be included in each department. She stated that everything that is for Fund 30 should be paid out of Fund 30, and so she created a line item for Water & Sewer. She commented that Mr. Brown has made a push this year to be focused on safety and so there has been an increase in expenditures for safety related items. Council Member Hinton commented that it was confusing when looking at last year's budget and now seeing new line items. Mrs. Sanchez stated that

there will be several new line items that the Council will see in the new budget; each department will have their own safety line items. Mayor Pro Tem Burns asked how it is divided up for each department. Mrs. Sanchez replied that it will depend because some departments will need more based off of the line of work. There being no further discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0).

Budget Amendment #23 was approved as follows:

Budget Amendment # **23**

Account #	Account Description	Current Budget	INCREASE	DECREASE	Amended Budget
Fund	**30-Public Works**				
Expenditures:					
30-660-3400	WATER & SEWER SAFETY	$ 6,200.00	$ 5,400.00		$ 11,600.00
30-720-4500	CONTRACT SERVICE	$ 17,000.00		$ 5,400.00	$ 11,600.00
30-720-1100	TELEPHONE & POSTAGE	$ 450.00	$ 10,000.00		$ 10,450.00
30-810-1100	TELEPHONE & POSTAGE	$ 17,000.00		$ 10,000.00	$ 7,000.00
30-660-9900	CONTINGENCY	$ 25,000.00		$ 25,000.00	$ -
30-820-4501	SEWER SYSTEM REHAB	$ 276,500.00	$ 25,000.00		$ 301,500.00
			NET CHANGE IN EXPENDITURES		$ -

EXPLANATION:
To cover overages in Water & Sewer Safety and Administration Telephone & Postage
To begin DOC Lift Station Rehab Project

3. Mayor Brown asked Mr. Lansing to tell the staff how proud she is of them; she commented that she has seen the workers doing jobs that they normally do not do and that the Council appreciates their flexibility.

Council Member Taylor commented that he wants to make sure that we are doing everything we can to make sure the essential employees are safe and that they have the tools they need. Council Member Hobbs encouraged everyone to stay safe and to pray that we get through this quickly and soon so that we can start moving ahead again. She stated that she still believes that whatever we can do to put back into the community economically is important right now. She encouraged everyone to support the local businesses as much as possible. Council Member Hinton commented that she read in the *News and Observer* that the State has $900M in budget reserves, the "rainy day fund" is $1.5B, and the unemployment reserve fund is $3.9B, and so it sounds like the State is in pretty good shape. She stated that this all has to do with conservative budgeting which people had complained about but now they are glad. She commented that we should be glad that we have a strong Fund Balance in times like this. Council Member Taylor commented that we have got to keep on continuing the things we are doing to make sure we keep a strong Fund Balance. Mayor Pro Tem Burns also encouraged everyone to stay safe, be smart, and stay home. She commented that for those essential employees, the Council appreciates everything that they are doing and that they need to make sure that all employees are kept safe. She noted that there may be some things that will cause a minor inconvenience for the citizens, so the Council asks that the citizens give the Town patience and grace as we get through this. She stated that we will get through this and we are looking forward to that time. Mayor Brown again thanked everyone for all they are doing and commented that we will get through this and that the Town and the country will be a better place to live once we get through this. She encouraged everyone to stay safe and also thanked the Police and Fire employees.

There being no further business, Mayor Brown called for a motion to adjourn. Council Member Hinton made the motion, seconded by Mayor Pro Tem Burns. There being no discussion, Mayor Brown

called for a vote. The motion was unanimously approved (4-0). Mayor Brown adjourned the meeting at 3:43 PM.

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Brenda Brown, Mayor

ATTEST:

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Lou C. Bunch, Town Clerk

DRAFT

Draft Called Meeting Minutes **Tuesday, April 7, 2020**

The Town Council of the Town of Nashville held a Called Meeting on Tuesday, April 7, 2020 at 6:00 PM in Town Council Chambers. Members Present: Mayor Brenda Brown, Mayor Pro Tem Kate Burns, Council Member Larry Taylor, Council Member Louise Hinton, and Council Member Lynne Hobbs. Absent: None. Staff Present: Randy Lansing–Town Manager, Tesa Silver –Town Clerk, Sam Sanchez–Finance Director, Chris Joyner –Fire Chief, and Anthony Puckett–Police Chief. Others Present: Jonathan Edwards–Nash County, Information Technology.

1. Mayor Brown called the meeting to order at 6:00 pm. Mayor Brown led the Pledge of Allegiance and Prayer.

2. Mayor Brown called for the Presentation of Fiscal Year 2020-2021 Proposed Annual Budget.

Mayor Brown stated that the purpose of tonight's meeting was to view a presentation on the proposed budget for fiscal year 2020-2021. Mayor Brown turned the meeting over to Mr. Lansing. Mr. Lansing provided Council with a brief budget message; he stated that he and Mrs. Sanchez included all the items Council specifically mentioned as priorities within the proposed budget. Council Member Hinton asked how many additional personnel; Mrs. Sanchez stated that there were three (3) additional personal for Fire. Mr. Lansing stated that the additional positions would only be added if the Town is approved for the SAFER Grant; we will not find out if we are awarded the grant until October or November, and at that time we would hire the additional positions.

Mr. Lansing stated that this budget maintains the current tax levy of $0.58 per hundred. There is a proposed increased for the Gully Fire Tax District of $0.03; going from $0.12 per hundred to $0.15 per hundred. The increase in the Gully Fire Tax District will provide the revenue needed for the second fire station. Mr. Lansing stated that there are a few vehicles in the proposed budget including a new garbage truck, three (3) new police vehicles, two (2) non-fire vehicles, and a sewer jet machine. We are proposing to borrow money for the purchase of these vehicles; interest rates are really low and it will allow the Town to continue to grow its Fund Balance.

There are website upgrades and software upgrades that are needed; there are retention requirements that the State requires, and we are not compliant with those. Mr. Lansing mentioned specifically that Financial and Human Resource software is included in the budget; the software we are using we have had for fifteen (15) years. Council will see increases in fees for sanitation and recycling, and this budget incorporates a different base water fee. Mr. Lansing turned the meeting over to Mrs. Sanchez.

Mrs. Sanchez stated she is pleased to present Council with her very first budget; she stated that what is being presented to Council is a very lean budget; there is no property tax increase, and a conservative approach was taken with utilizing Fund Balance in order to present a balanced budget. The budget process began in January of 2020; a budget retreat was held to receive information on what Council's priorities were. After the budget retreat the department heads begin working on the departmental budgets. Mrs. Sanchez stated that the department heads were given the opportunity to

have input in the budget, and Council will see that. A budget team was formed; the team consisted of Mrs. Sanchez, Mr. Lansing, and Mrs. Lou Bunch, Human Resources Director. They sat down with each department head once each departmental budget was created; thoroughly going through each request and line item.

Mrs. Sanchez stated that the budget manual Council has received contains a lot of information; the manual is comprehensive, and coincides with the budget presentation. On certain slides Council will see, "see page number" that references a page in the budget manual; this will help Council when they are reviewing the materials provided.

This year we have received $13,600,000 in request, our recommended budget is $12,300,000, and in order to provide a balanced budget $1,300,000 has already been cut from the proposed budget. Comparing the proposed budget to the original 2019-2020 budget, there is a $1,900,000 increase; there is a $400,000 decrease in comparison to the 2019-2020 amended budget. Mrs. Sanchez has reconciled the difference between the FY 2019-2020 budget and the amended 2019-2020 budget; the FY 2019-2020 budget appropriated $120,000 of Fund Balance, however the amended 2019-2020 budget appropriated $588,000 of Fund Balance. There have been numerous budget amendments this year; the largest budget amendment was a non-cash amendment; it was for a transfer to the Capital Reserve Fund in the amount of $320,000. In the Enterprise Fund there was no net position appropriated in the FY 2019-2020 budget, however $1,400,000 is in the amended 2019-2020 budget; this was due to a non-cash budget amendment to clean up old Capital Projects Funds.

Mrs. Sanchez provided a breakdown of the budget by Fund; $7,200,000 in the General Fund, $4,400,000 in the Water and Sewer Fund; combined with a few other funds giving a total proposed budget of $12,300,000. The General Fund has an approximate increase of $1,200,000 opposed to the original FY 2019-2020 Budget ($600,000 opposed to the amended 2019-2020 budget). The Enterprise Fund has an approximate increase of $330,000 opposed to the original FY 2019-2020 Budget ($1,100,000 decrease to the amended 2019-2020 budget). The Town collects fees for services; Mrs. Sanchez provided a breakdown of what is supported by fees and what is supported by Town dollars. Council Member Hobbs asked if sales taxes are considered Town Dollars and Mrs. Sanchez stated that was correct.

Mrs. Sanchez stated that as expected Public Safety is the Town's largest funding category within the General Fund, followed by General Governmental, Administration, and Sanitation. Water and Sewer Operations is the largest funded category (81%) within the Enterprise Fund, followed by Administration. She provided another view of the General Fund; this viewpoint shows that Employee Wages and Payroll Taxes compose over half the budget. Mrs. Sanchez stated this is to be expected, we require people to be able to provide the services we provide. Employee Wages and Payroll Taxes are followed by Departmental Supplies and Services. Departmental Supplies and Services make up the vast majority of the Enterprise Fund; supplies and services included water purchases and water treatment services. Departmental Supplies and Services are followed up by Inner-fund Transfers; the largest transfer being the transfer from the Enterprise Fund for money owed to the General Fund for services provided by the General Fund to the Enterprise Fund.

Mrs. Sanchez addressed revenues in both funds; the General Fund's largest contributor of revenue is Ad Valorem Taxes (31%), followed by Unrestricted Local Governmental which includes Sales Tax (22%). Mrs. Sanchez stated we are budgeting very conservertely this year with our revenues. Council Member Hinton stated in the past the Ad Valorem Tax percentage has typically been between 41% and 43%; she questioned why it is currently at 33%. Mrs. Sanchez stated that we have additional revenue sources; increasing the amount of Capital Reserve the Town is using, utilizing the debt set-off program, and utilizing debt service causes the percentages to be skewed. 94% of the Enterprise Fund revenues are fee based; projections were also made conservatively. All the financial reports that the Town has received to date are projecting a very steep decline, due to the impact of COVID-19. The Town will see the impact of that decline in the last quarter of this fiscal year as well as in the first quarter of the upcoming fiscal year. She hopes that we will steadily rebound, but unfortunately with so many unknowns the best to approach is a conservative approach. Mr. Lansing stated that Mrs. Sanchez included a report the Town received last week from the North Carolina League of Municipalities (NCLM); the report explains how to forecast revenues.

Council Member Hinton stated that they should expect utility revenues to be severely reduced. Mrs. Sanchez stated that for accounting purposes revenue will continue to be earmarked, however, that does not mean that we will collect the money; she feels our collections will be severely impacted. She also stated that she was proud that the Town implemented no disconnections prior to the Governor's declaration; she felt it was the right thing to do. She wanted to mention that with no fees being assessed it will impact late fee collection revenues.

Mrs. Sanchez provided Council with the revenue sources used to balance the budget: $105,000 of Fund Balance was appropriated; there is a $483,000 decrease in comparison to FY 2019-2020 Amended Budget. We are projected to collect $2,139,000 in property taxes; we are proposing the use of Capital Reserves in the amount of $315,700, increasing the use of the Powell Fund reserve, and issuing installment debt to purchase vehicles. There is a proposed increase in sanitation and recycling fees. If the fee increases are not approved an additional $184,000 will have to be cut from the budget. There is a proposed increased to the Gully Fire Tax District, which will provide revenue of $581,000. The Gully Fire Tax District increase is contingent upon, the County's approval of that increase. A reimbursement of $220,000 is being proposed in the Enterprise Fund. Mrs. Sanchez also mentioned that there are a few proposed fee changes in Planning and Zoning and that Council should take a look at.

Our current property tax collection rate is a little above 98%; the budget was crafted as if we are in a recession. She reviewed collection rates from the last recession and reduced the projection collection rate to 97%; which is how she calculated the projected collection amount of $2,139,000. We also received information from NCLM in regards to Sales Taxes, and they are predicting declines. Based on the percentages NCLM provided, we calculated our projections for FY 2020-2021. Council Member Hobbs stated she looked at the report and it seemed liked they offered three scenarios; she wanted to know which of the three we used. Mrs. Sanchez stated she used the conservative projections; she clarified that what we experience here is not going to be the same as what the City of Raleigh will experience; the report stated that the City of Raleigh would be severely impacted where as our impact may not be as severe since we are a smaller municipality.

Every year the Enterprise Fund reimburses the General Fund for the services it provides to the Enterprise Fund. Based on information we have received from our auditors in the past she has changed the calculation that we use; this is causing the reimbursement to be slightly higher this year coming in at $220,000. We are proposing some Fund Balance appropriation to balance the Enterprise Fund; the amount is a little over $37,000 and it is a slight decrease from the FY 2019-2020 amended budget. The revenue projections are based on the assumption that Council will adopt the fee increases, however if Council does not approve the increases $345,000 will have to be eliminated from the budget. The projections for late charges were decreased by $20,000 and we have eliminated the Federal Mandate. If Council decides not to proceed with what is proposed then $185,000 will be added back into the budget. The fee increases that are being proposed include implementing a water based fee and eliminating the Federal Mandate Fee. There will be a different fee assessed for those receiving services in –town versus those receiving services out of town. For the vast majority of people, the fee will only increase by $1.87 per month.

Mrs. Sanchez addressed the major expenditure increases and how she proposed to fund them. The major expenditures items are the non-public safety market salary study $142,000, VC3 IT service $111,000, a website upgrade $18,000, financial software $100,000, the comprehensive plan $75,000, three (3) replacement vehicles for the police department $165,000, three (3) new fire fighter staff $141,000 (this was included based off revenue projections and not the SAFER grant), two (2) replacement vehicles for the fire department $105,000, fire station 2 capital project $100,000, a garbage truck $380,000, yard waste site improvements $35,000, the Department of Corrections lift station rehab $75,000 (this project has already started), and the quick response sewer jet $62,000. Council Member Hinton wanted confirmation that the salary study included all the salaries. Mrs. Sanchez stated that it includes all the salaries and the fringes; she directed them to the front of the manual where there is an additional spreadsheet that details each salary by fund and department. Another expenditures increase is an increase in general retirement and law enforcement retirement; Mrs. Sanchez stated they can expect those to increase each year. She has included some information from the retirement fund for their review of these increases. Additional expenditures are a Town Hall Lobby upgrade $20,000, various public works buildings and grounds renovations $35,000, library generator and awning improvements $22,000, clerk retention software $8,800, clerk agenda management software $3,800, and various radios for police and fire as well as an enclosed trailer. The total of those expenditures is $1,700,000; these items are capital items and major purchases.

There were some major requests that were not funded; if Council wants to deliberate on any of those a list has been provided. Mrs. Sanchez stated that very regretfully we were not able to include the 2% COLA, however she stated that going forward she believes that it is best practice to implement a modest COLA year by year to lessen the impact of market salary studies. We were not able to fund the additional police positions or the vehicles for those positions; we were also not able to fund the Environmental Compliance position for Public Works. The Public Works department requested funding for the Cottonwood and Cyprus Lift Station Abandonment Project for $1,700,000; this is an important project to pursue and will be put into the list of capital projects to be funded in the future. The Water and Sewer Assets Inventory Assessment was not funded; this is a much needed assessment. During the

assessment a consultant comes to identify what the Town currently has and what the Town needs. We applied for a grant for this and unfortunately we were not awarded the grant, however we are going to continue to apply for the grant. Council Member Hobbs asked how much funding we would receive if awarded the grant; Mrs. Sanchez stated 100%. Council Member Taylor asked if we knew why we weren't awarded the grant; Mrs. Sanchez stated our fees are too low, we have too much money in our accounts, and like most grants we were scored on a points system.

Mrs. Sanchez stated that we had four organizations that have requested funding from the Town. We are proposing level funding, providing them the same amount of funding we provided them this year. Council Member Taylor asked what the Boys and Girls Club requested and wanted to know what they received this year. Mrs. Sanchez stated that they asked for $10,000, they received $5,500 this year and we are proposing to give them $5,500 in the next fiscal year.

Mrs. Sanchez discussed the two Capital Reserve Funds the town has, one in the General Fund and one in the Enterprise Fund. An additional $320,000 was placed in the General Fund Capital Reserve Fund; the $320,000 had been allocated for the fund but had not been transferred to the fund. There is approximately $900,000 in the General Fund Capital Reserve Fund. $130,000 will be added to that fund this year and we are proposing to use $315,000, giving a projected balance of $728,000. The Enterprise Fund Capital Reserve Fund will start with a balance of $220,000, we will add $194,000 this year and we will use $179,000 this year giving a projected balance of $235,000.

The Town had an old Capital Project Fund; it was called Well Number Eight (8) Construction. We had money in this fund to construct a well, we did not use all the money; there was a balance of $132,000. The well was tested; it was low producing and poor producing. There is very little we can do with it. Mrs. Sanchez suggested two proposals: the first is that $132,000 could be transferred back into the Enterprise Fund Capital Reserve Fund, in turn allowing the Town to fund additional capital projects, or we could create a new Capital Reserve Fund, naming it the Water and Sewer Infrastructure Improvements Fund. With an approval from Council, the Enterprise Fund Capital Reserve Fund would be used for the purchase of items like vehicles and equipment and the new fund would be used to complete major projects. Council Member Taylor asked how much was spent on the well, and Mrs. Sanchez could not recall. Council Member Hinton asked where it is located; Mr. Lansing stated it is on Cooke Road. He stated that he believes the Town received a grant to run the water and sewer out there and some of that could have gone to drill the well. The well was never put online and has since been capped and abandoned. Council Member Hinton asked if we had five wells; Mr. Lansing stated that we have five wells.

Mrs. Sanchez stated that she and Mr. Lansing tried to be very modest this year when it came to appropriating Fund Balance. Year by year, we have not historically used all funds that have been appropriated; there have also been years where we put money back into Fund Balance. Council Member Hinton asked what is the current Unassigned Fund Balance; Mrs. Sanchez stated it is over $4,000,000 and that she included the past ten (10) years of Fund Balance History in their materials. Mrs. Sanchez discussed the Town's debt outlook. We are proposing to issue some debt in the upcoming fiscal year for the purchase of vehicles. The debt has been budgeted over a five year period at 3.25% interest rate; she

believes that Town would be able to get a lower interest rate. The last CIFI payment will be made this year. She reminded Council that we have a loan on a sewer jet vac and that there are four (4) more years of payments on it.

Mrs. Sanchez opened the floor up for questions. Mr. Lansing stated that there is some additional documentation that explains more about the potential water fee increase. The fee would increase to $7.87 and the Town would eliminate the Federal Mandate of $6.00. Council Member Hinton asked what the monthly increase would be; Mrs. Sanchez stated it would increase $1.87. The document also shows the increase in sanitation; we are currently at $14.00 and we are proposing to take that to $18.78; the increase will help with yard waste expenses. There is also a $0.76 increase for recycling taking it from $4.50 to $5.26. Mrs. Sanchez mentioned that we do have a consultant coming in from the Rural Water Association; who will review our water and sewer fees and provide feedback from their assessment.

Council Member Taylor asked Mr. Lansing if the department heads would be able to work with these budgets and Mr. Lansing stated that they would. Council Member Taylor stated that he hopes that the department heads present will share that Council will do the best they can and understand that some things may have to be considered next year. Council Member Hobbs thanked Mrs. Sanchez for the work she has done on the budget. Mrs. Sanchez pointed out that the artwork seen at the beginning of the presentation was done by Georgia Brown, Lee Brown, Public Works Director's, wife.

Mrs. Sanchez provided the following PowerPoint presentation:

PROPOSED BUDGET – FISCAL YEAR 2020-2021

Presented: April 7, 2020

Artwork by Georgia Brown

Town of Nashville FY 2020-2021 Budget Process

- 1/23/2020: Council Retreat to determine Priorities & Vision
- 2/21/2020: Departmental Requests due to Finance
- 3/3/2020-3/6/2020: Town Manager, Finance Director & HR Director meet with each Department Head to discuss Budget Requests
- 3/6/2020-4/1/2020: Management develops the Proposed Budget
- 3/27/2020: All final items due to Finance
- 3/30/2020: Finance Director presents Proposed Fee Changes to Council
- 4/1/2020-4/6/2020: Management Finalizes Budget
- 4/7/2020: Town Manager & Finance Director deliver & present Proposed Budget to Council

What's In the FY 2020-21 Budget Manual?

- Comprehensive information supplementing this presentation
- Please view the pages referenced throughout this presentation for more details.
- Numbered Table of Contents, Labeled Tabbed Sections

Requested Budget vs. Recommended Budget FY 2020-21 – All Funds

Requested Budget – All Funds	$13,577,762
Recommended Budget – All Funds	$12,281,443
Total Reduction – All Funds	$1,296,319

See Proposed Line Item Budget tab

FY 2020-21 Recommended Budget vs. FY 2019-20 Approved Budget – All Funds

FY 2019-20 Original Budget	$10,346,004
FY 2019 Amended Budget	$12,694,091
FY 2020-21 Recommended Budget	$12,281,443
Difference FY 2020-21 Recommended vs. FY 2019-20 Original	$1,935,439
Difference FY 2020-21 Recommended vs. FY 2019-20 Amended	($412,648)

See Page 17

Current Year Budget Update – General Fund

FY 2019-20 Original Fund Balance Appropriation	**$120,000**
FY 2019-20 Amended Fund Balance Appropriation	**$588,669**
FY 2019-20 Projected Actual Appropriation*	$460,534
FY 2019-20 Projected Ending Total Fund Balance*	**$4,920,211**

BA # 1: $12,300 Chipper Repair
BA # 3: $70,000 Police Software
BA # 7: $15,200 Police Vehicle Repairs & Equipment Purchases
BA # 11: $13,700 Cemetery Outbuilding
BA # 13: $4,953 Forestry Grant not awarded
BA # 15: $33,482 (Non-cash) Reimbursement to Enterprise Fund
BA # 16: $319,034 (Non-cash) Transfer to Capital Reserve Fund

See Fund Balance tab

Current Year Budget Update – Enterprise Fund

FY 2019-20 Original Net Position Appropriation	**$0**
FY 2019-20 Amended Net Position Appropriation	**$1,417,281**
FY 2019-20 Projected Actual Appropriation*	$1,021,173
FY 2019-20 Projected Ending Total Net Position*	**$9,066,253**

BA # 2: $200,000 Aviation Lift Station Project
BA # 12: $6,455 Distribute COLA
BA # 13: $2,000 Water & Sewer Safety
BA # 15: $1,208,826 (Non-cash) Reimbursement to Capital Project Funds

See Fund Balance tab

Proposed Budget by Fund FY 2020-21

TOTAL GENERAL FUND	$	7,163,095
TOTAL MSD FUND	$	39,000
TOTAL CAP. RESERVE GEN. FUND	$	315,700
TOTAL CAP. RESERVE ENT. FUND	$	312,000
TOTAL WATER & SEWER FUND	$	4,351,648
TOTAL FIRE STATION II FUND	$	100,000
TOTAL BUDGET	$	12,281,443

See Page 13

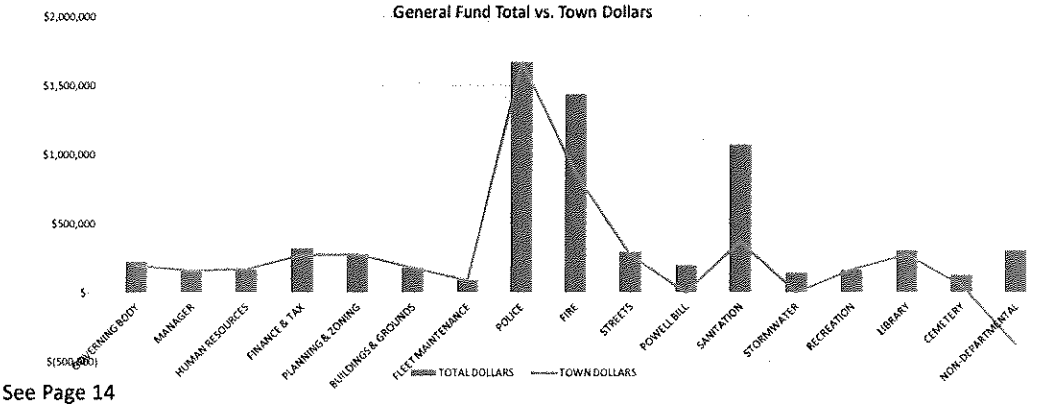
Budget Comparison by Fund – FY 2020-21 Recommended Vs. FY 2019-20

FUND	FY 2019-2020 BUDGET ORDINANCE	FY 2019-2020 AMENDED BUDGET	FY 2020-2021 PROPOSED BUDGET	DIFFERENCE ORIGINAL TO PROPOSED	DIFFERENCE AMENDED TO PROPOSED
GENERAL	$ 6,002,004	$ 6,565,005	$ 7,163,095	$ 1,161,091	$ 598,090
MSD	$ 32,000	$ 41,900	$ 39,000	$ 7,000	$ (2,900)
ENTERPRISE	$ 4,018,000	$ 5,474,152	$ 4,351,648	$ 333,648	$ (1,122,504)
CAP. RESERVE-GENERAL	$ 214,150	$ 533,184	$ 315,700	$ 101,550	$ (217,484)
CAP. RESERVE-ENTERPRISE	$ 79,850	$ 79,850	$ 312,000	$ 232,150	$ 232,150
CAP. PROJ.	$ -	$ -	$ 100,000	$ 100,000	$ 100,000
TOTALS	$ 10,346,004	$ 12,694,091	$ 12,281,443	$ 1,835,439	$ (412,648)

See Page 18

General Fund Proposed Total Dollars vs. Town Dollars FY 2020-21

Total Dollars	Town Dollars	Difference
$ 7,163,095	$ 4,639,720	$ 2,523,375



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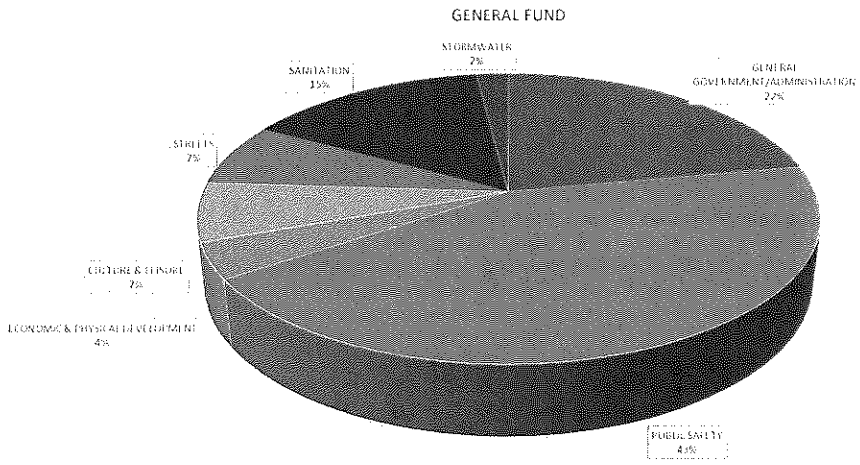
Proposed Funding by Category FY 2020-21 – General Fund



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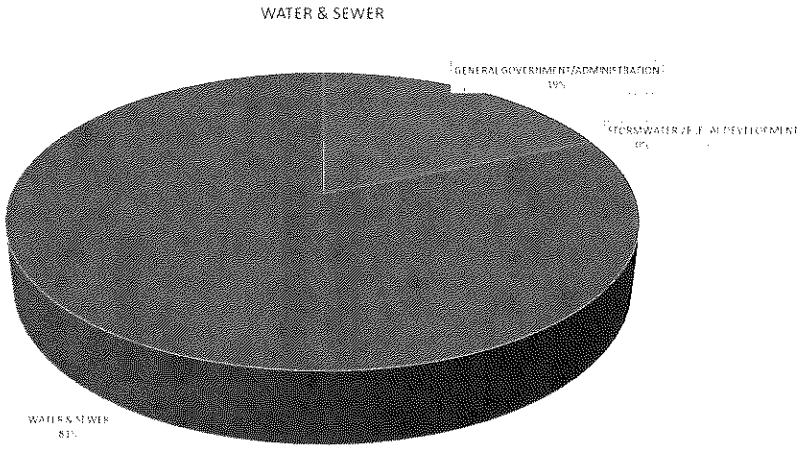
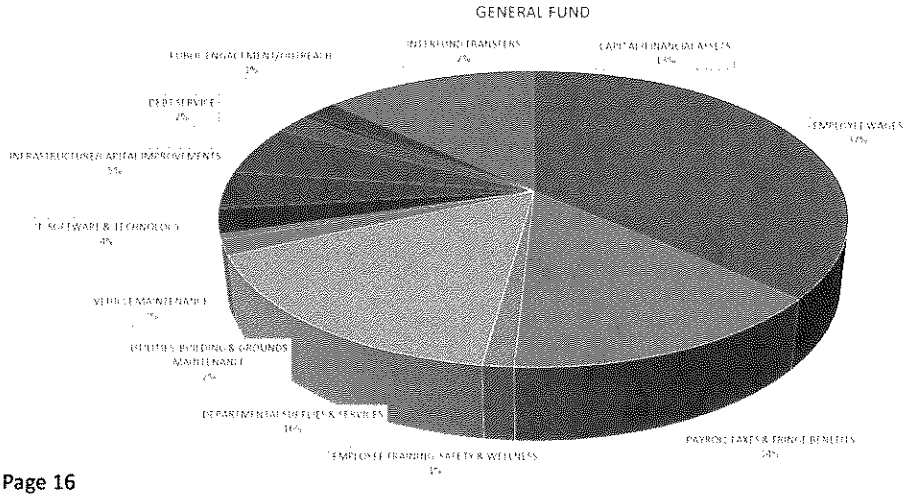
Proposed Funding by Category FY 2020-21 – Enterprise Fund



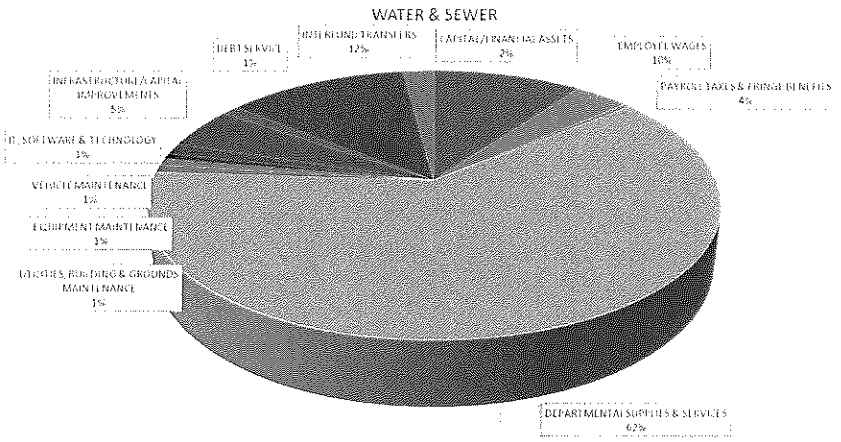
See Page 15

Proposed General Fund Budget by Expenditure Type FY 2020-21



See Page 16

Proposed Enterprise Fund Budget by Expenditure Type FY 2020-21



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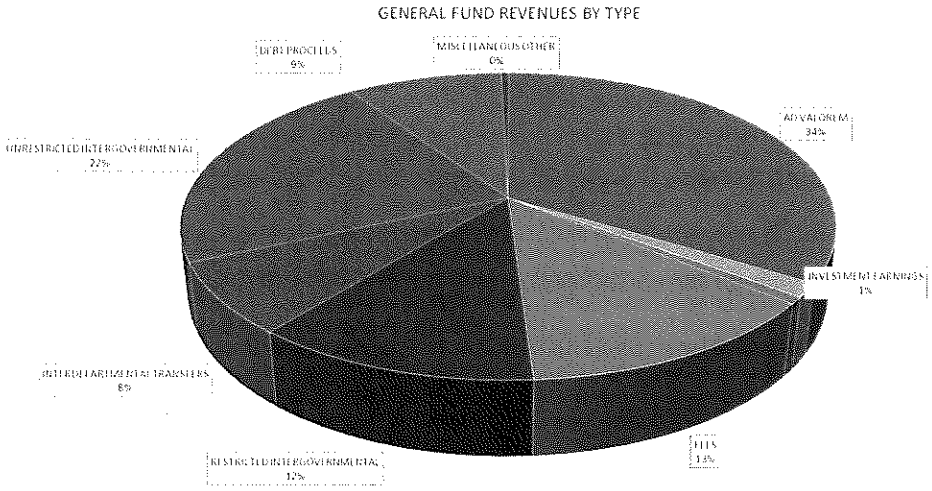
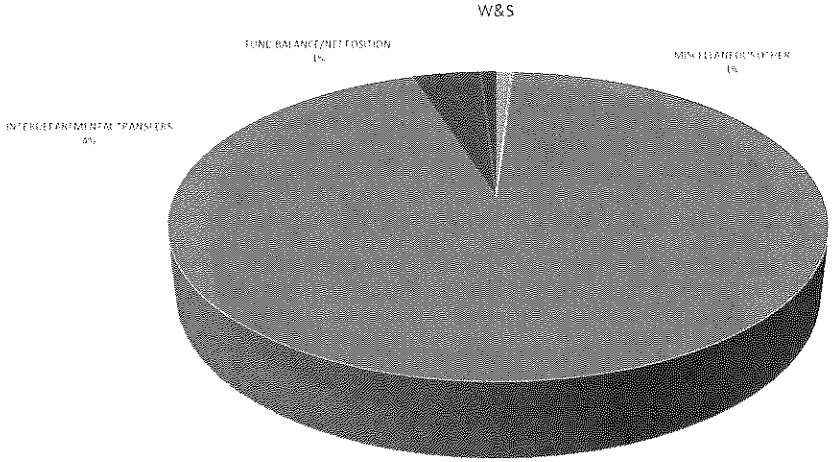
Proposed General Fund Revenues by Type FY 2020-21



See Page

Proposed Enterprise Fund Revenues by Type FY 2020-21



See Page

Major Revenues General Fund FY 2020-21

- Fund Balance Appropriated: $105,113 (Decrease of $483,556 vs. FY 19-20 Amended)
- Property Tax: $2,139,000 (Decrease of $1,556 vs. FY 19-20 Amended)
- Use of Capital Reserves: $315,700 (Increase of $200,487 vs. FY 19-20 Amended)
- Use of Powell Fund Reserves: $55,000 (Increase of $55,000 vs. FY 19-20 Amended)
- Vehicle Debt Proceeds: $650,000 (Increase of $650,000 vs. FY 19-20 Amended)
- Sanitation & Recycling Fees: $700,000 (Increase of $184,000 vs. FY 19-20 Amended)
- Gulley Fire Tax Contribution: $581,000 (Increase of $124,599 vs. FY 19-20 Amended)
- Enterprise Fund Reimbursement: $220,207 (Increase of $68,207 vs. FY 19-20 Amended)

See Page 29

Major Proposed Fee Increases FY 2020-21

- Planning & Zoning: Various Changes Requested (See Page 27)
- Sanitation: $18.78 (Increase from $14.00)
- Recycling: $5.26 (Increase from $4.50)
- N S Gulley Fire Tax: 15 cents (Increase from 12 cents)

See Fee Schedule Page 22

Property Tax Projections FY 2020-21: Conservative

ESTIMATED REAL & PERSONAL PROPERTY VALUATION (3/19/2020, NASH COUNTY TAX OFFICE)	$ 373,129,000
PUBLIC UTILITIES VALUES (NCDOR)	$ 6,317,834
TOTAL ESTIMATED VALUE	$ 379,446,834
CURRENT TOWN TAX RATE $0.58	$ 2,200,792
ESTIMATED COLLECTION RATE OF 97.19%	$ **2,138,949**

HISTORICAL RECESSION AUDITED COLLECTION RATES:

	REAL & PERSONAL PROPERTY	MOTOR VEHICLE
2007:	97.19%	94.70%
2008:	97.91%	92.61%
2009:	98.71%	91.38%

See Page 34-35

Sales Tax Projections FY 2020-21: Conservative

PRESENTED AT BUDGET RETREAT 1/23/2020			NCLM PROJECTIONS	NCLM PROJECTIONS
ANNUAL GROWTH	STATE	NASH COUNTY	FY 2019-2020	FY 2020-2021
SALES & USE TAX NET COLLECTIONS	11.99%	6.99%	-0.5%	-3.20%
ARTICLE 39	11.34%	7.07%	-0.5%	-3.20%
VIDEO PROGRAMMING	2.26%	2%	1.0%	-1.70%
SOLID WASTE DISPOSAL	5.70%	4%	-3.2%	1%
ELECTRICITY	2.56%	2%	1.7%	1%
TELECOMMUNICATIONS	-12.54%	-11%	-7.5%	-9.20%
PEG CHANNEL	0.00%	3%	0.0%	0%
ABC TAX			0.5%	0%

See Page 36-63

Enterprise Fund Reimbursement to General Fund FY 2020-21

Total Enterprise Fund Portion of General Fund Administration Departments	**$323,996**
Less: Total General Fund Portion of Public Works Administration Department	**($103,759)**
Total Enterprise Fund Reimbursement Due to General Fund	**$220,207**

See Page 64

Major Revenues Enterprise Fund FY 2020-21

- Fund Balance Appropriated: $37,648 (Decrease of $1,379,633 vs. FY 19-20 Amended)
- Use of Capital Reserves: $177,000 (Increase of $122,500 vs. FY 19-20 Amended)
- Water Revenue: $1,595,000 (Increase of $345,000 vs. FY 19-20)
- Late Charges: $60,000 (Decrease of $20,000 vs. FY 19-20 Amended)
- Federal Mandate Fee: $0 (Decrease of $185,000 vs. FY 19-20 Amended)

See Page 32

Proposed Fee Increases FY 2020-21

- In-Town Water Flat Fee: $7.87 (Increase from $6 Federal Mandate Fee)
- Out-of-Town Water Flat Fee: $18.90 (Increase from $6 Federal Mandate Fee)
- No Social Security # Customer Deposit: $150 (Increase from $100)

See Presentation on Proposed Fee Increases

Major Expenditure Increases FY 2020-21 – All Funds

- Non-Public Safety Salary Study: $142,702 (See Human Resources Tab)
- VC3 IT Service: $111,344 (See Budget Retreat Manual)
- Website Upgrade:$18,290 (See Page 113)
- Financial Software Upgrade: $100,000 (See Page 149)
- Comprehensive Plan: $75,000
- Police Replacement Vehicles (3): $165,000
- Firefighter Staff (3): $141,162
- Fire Replacement Vehicles (2): $105,000

See Page 276-277

Major Expenditure Increases FY 2020-21 – All Funds (Cont.)

- Fire Station II Capital Project: $100,000 (See Proposed Fee Increases Manual)
- Garbage Truck: $380,000
- Yard Waste Site Improvements: $35,000
- DOC Lift Station Rehab: $75,000
- Quick Response Sewer Jet: $62,000

See Page

Other Expenditure Increases FY 2020-21 – All Funds

- General Retirement 10.22%: $23,830 (See Page 67-72)
- LEO Retirement 10.84%: $8,328 (See Page 67-72)
- Town Hall Lobby Upgrade: $20,000
- Public Works Building/Grounds Renovations: $35,000
- Library Generator/Awning: $22,000
- Clerk Social Media Retention Software: $8,836
- Clerk Agenda Management Software: $3,850
- Police Portable Radios (6): $27,000
- Police Mobile Radios (6): $30,000
- Fire Mobile Radios (7): $42,000
- Sewer 16' Enclosed Trailer: $10,000

See Page 276-277

Total of All Increases FY 2020-2021 – All Funds

=$1,741,342

(Difference between FY 2019-2020 Original Budget vs. FY 2020-2021 Proposed Budget = $1,935,439)

Major Requests Not Funded FY 2020-21

- 2% COLA: $63,659
- Police Investigator: $52,168
- Police Community Supervisor: $55,021
- Police Additional Vehicles (2): $98,500
- Public Works Environmental Compliance Officer: $61,906
- Cottonwood & Cypress Lift Station Abandonment: $1,700,000
- Water & Sewer Asset & Inventory Assessment: $300,000

See Page 278

Community Contributions FY 2020-21

Organization	Requested	Recommended
Boys & Girls Club	$10,000	$5,500
Community Building	$1,927	$1,927
American Legion	$300	$300
Nash Arts Council	$8,032	$8,032

See Page 120-134

Proposed Capital Reserve Activity FY 2020-21 – General Fund

7/1/2020 Beginning Balance	Addition to Capital Reserves	Less: Use of Capital Reserves	Projected Balance: 6/30/2021
$890,188	$130,650	$315,700	$728,804

See Page 279

Proposed Capital Reserve Activity FY 2020-21 – Enterprise Fund

7/1/2020 Beginning Balance	Addition to Capital Reserves	Less: Use of Capital Reserves	Projected Balance: 6/30/2021
$221,150	$193,850	$179,400	$235,600

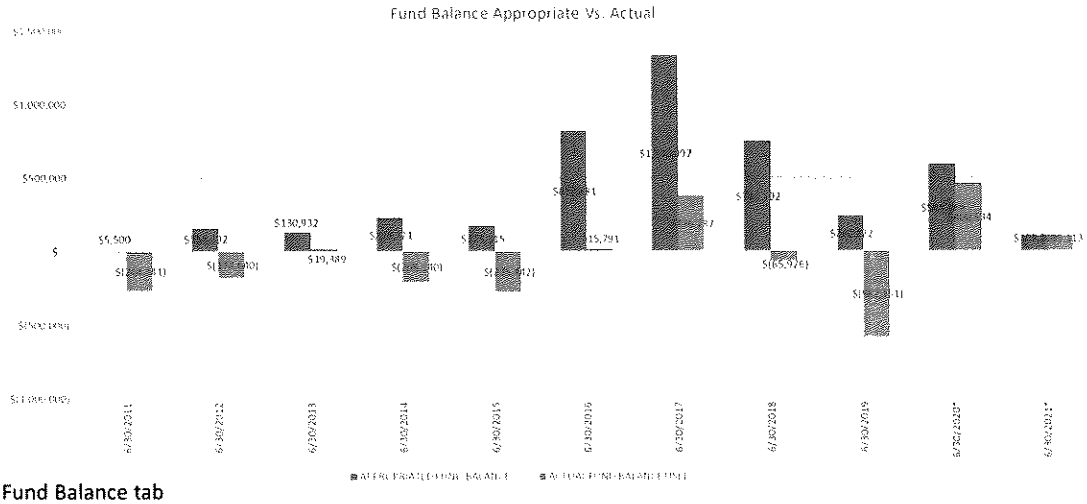
See Page 279-280

Proposed Capital Reserve Activity FY 2020-21 – Water & Sewer Infrastructure Improvements Fund

7/1/2020 Beginning Balance	Addition to Capital Reserves	Less: Use of Capital Reserves	Projected Balance: 6/30/2021
$102,613	$118,150	$0	$220,763

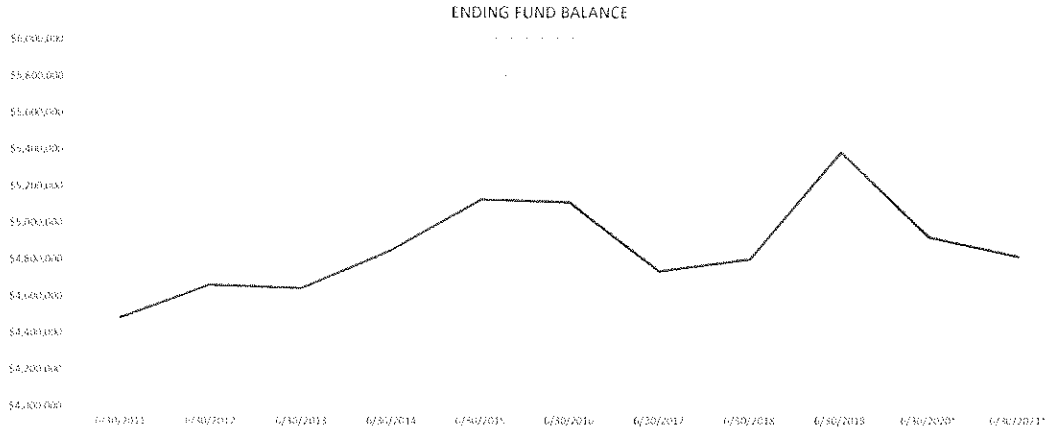
See Page 280

History of General Fund Balance Appropriated vs. Used



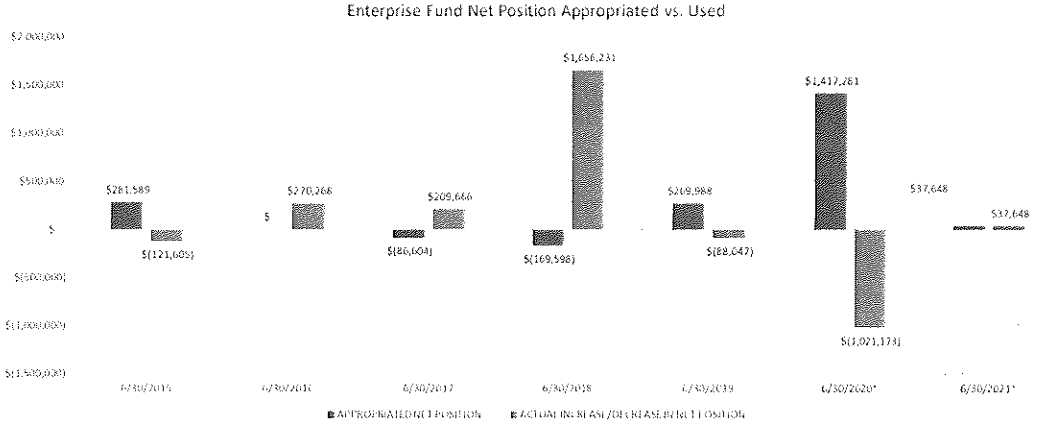
See Fund Balance tab

History of Total General Fund Balance



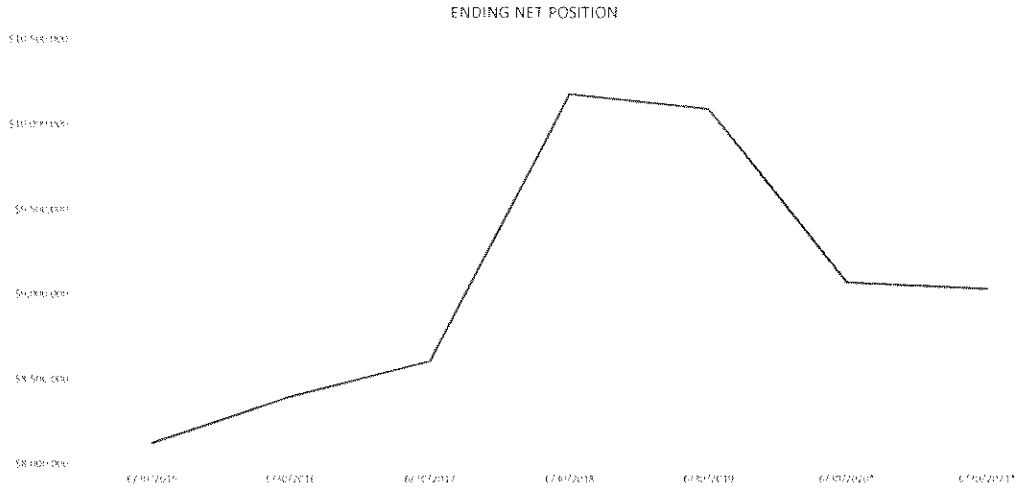
See Fund Balance tab

History of Enterprise Fund Net Position Appropriated vs. Used



See Fund Balance tab

History of Total Enterprise Fund Net Position



See Fund Balance tab

Debt Outlook FY 2020-21

GENERAL FUND					
2021 VEHICLE INSTALLMENT LOAN	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25 (Final)
TOTAL PAYMENT	$ 141,024.02	$ 141,024.02	$ 141,024.02	$ 141,024.01	$ 140,992.28
CAPITAL PROJECT FUND					
FIRE STATION II INSTALLMENT LOAN	FY 2020-21	FY 2021-22	(All Years)	(All Years)	FY 2040-41 (Final)
TOTAL PAYMENT	$ -	$ 88,906.28	$ 88,906.28	$ 88,906.28	$88,195.46
WATER & SEWER FUND					
CIFI INFRASTRUCTURE LOAN	FY 2020-21 (Final)				
TOTAL PAYMENT	$ 9,900.00				
SEWER JET VAC LOAN	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 (Final)	
TOTAL PAYMENT	$ 39,911.64	$ 38,601.54	$ 37,291.50	$ 27,110.29	

See Debt Outlook tab

Questions?

3. Adjourn

There being no further business, Mayor Brown called for a motion to adjourn. Council Member Hinton made the motion to adjourn, seconded by Council Member Hobbs. There being no discussion, Mayor Brown called for a vote. The motion was unanimously approved (4-0). Mayor Brown declared the meeting adjourned at 6:40 pm.

DRAFT

_____

Brenda Brown. Street, Mayor

Attest:

_____

Jontesca Silver, Town Clerk

TOWN OF NASHVILLE

499 S. BARNES STREET
NASHVILLE, NC 27856
WWW.TOWNOFNASHVILLE.COM
(252) 459-4511

Town Council
AGENDA REPORT

MEETING DATE:	May 5, 2020
PREPARED BY:	Randy Lansing, Town Manager
ISSUE CONSIDERED:	Presentation by Pat Luce, Government Contracts Manager, for Waste Industries/GFL Environmental, Inc.

SUMMARY OF ISSUE: Waste Industries, which has changed its name to GFL Environmental, Inc., has notified the Town of Nashville of a $0.66 increase per recycling cart for curbside collection and disposal of household recycling effective July 1, 2020. Pat Luce with GFL Environmental will attend the May 5th Nashville Town Council meeting to explain the increase.

The current per cart fee is $4.60 per month and costs the Town $12,613 a month, $151,356 annually, for 2,742 carts. The new per cart fee will be $5.26 per month and cost the Town $14,423 a month, $173,076 annually.

MANAGER'S RECOMMENDATION:	Receive Mr. Luce's Presentation and Explanation for the Recycling Increase.
ATTACHMENT(S):	Waste Industries/GFL Environmental, Inc.'s Notice of Increase
REVIEWED BY TOWN MANAGER:	

Recycling Processing Fee Increase

March 12, 2020

Randy Lansing
Town of Nashville
499 Barnes Street
Nashville, NC 27856

Dear Mr. Lansing,

The costs for Recycling Processing continues to soar. The costs for Recycling Processing in most of our markets are higher than the costs for trash disposal.

GFL's processing partner, SONOCO, last March gave us an increase from $0.00 to $50.00 per ton on all of our Single Stream Recycling loads which we then, passed on to our Municipal Customers. By early summer it had already jumped to $75.00 per ton which we absorbed and costs continued to rise through the rest of 2019 and into 2020. SONOCO has raised our rate to $105.00 per ton. It will be necessary for us to pass through an increase to cover this cost. Based on your 12-month average of tons, there will be a $0.66 increase per cart effective 7/1/20.

Should you wish to discuss, please feel free to call or email me.

Pat Luce
Govt Contracts Manager
GFL Environmental, Inc.
3821 Cook Blvd.
Chesapeake, VA 23323
800-207-6618 Ext. 19438
Patrick.luce@gflenv.com
www.glfenv.com

Nashville Recycling Tonnage			
	FY-16	FY-17	FY-18
July	27.45	24.45	31.94
Aug	26.33	26.06	29.29
Sept	35.8	33.65	33.3
Oct	26.92	27.95	27.53
Nov	27.21	26.34	25.04
Dec	34.64	31.85	25.23
Jan	27.72	26.48	22.2
Feb	24.77	24.62	26.62
March	35.19	34.51	28.67
April	27.42	23.47	24.83
May	31.03	30.05	27.37
June	28.3	26.08	27.36
Total	**352.78**	**335.51**	**329.38**

TOWN OF NASHVILLE

499 S. BARNES STREET
NASHVILLE, NC 27856
WWW.TOWNOFNASHVILLE.COM
(252) 459-4511

Town Council
AGENDA REPORT

MEETING DATE:	May 5, 2020
PREPARED BY:	Randy Lansing, Town Manager
ISSUE CONSIDERED:	Leasing 108 S. Boddie Street for the Nashville Parks, Recreation, and Cultural Resources Department
SUMMARY OF ISSUE: Adam Williams owns a commercial building at 108 S. Boddie Street that will work well for the Nashville Parks, Recreation, & Cultural Resources Department. The one story building is 3,420 sq. ft. in size measuring 38' x 90'. It has a new roof, new HVAC system, new electrical, new plumbing, and new roof, ceiling, walls, and floor coverings. Mr. Williams is willing to up-fit the building to the Town's needs by installing a Men's and Women's ADA restroom, a drinking fountain, an office, a small work room, a storage room, and a large 36' x 58' open space area for indoor programming. If the Town pays $9,000 to up-fit the building, he will rent the building for $1,500 a month with a one year lease, or $1,200 a month for a 2-year lease. If Mr. Williams pays the $9,000 up-fit cost, the rent will be $2,200 a month for a one year lease, or $2,000 a month for a 2-year lease. $9,000 is readily available in the FY 2019-2020 Park & Rec Budget as almost none of its remaining $115,000 budget will be spent. Because the up-fit cost is greater than $5,000, a budget amendment will be needed. The up fitting will take one month. The building will need to be reclassified by Nash County Building & Inspections from mercantile to assembly, and Williams will take care of this. Because the capacity of the 36' x 58' open assembly room (2,088 sq. ft.) is less than 300 people (298 at 7 sq. ft. per person) a fire sprinklers system and fire monitoring system is not required.	
MANAGER'S RECOMMENDATION:	The Town of Nashville Pay $9,000 to Up-Fit 108 S. Barnes Street for the Town's Parks, Recreation, & Cultural Resources Use Approve a 2-Year Lease at $1,200 a Month on the Building
ATTACHMENT(S):	Property Owner's Lease Options A Picture & Floor Plan Sketch of the Building Remaining Park & Rec FY-20 Budget Budget Amendment #27
REVIEWED BY TOWN MANAGER:	

03/24/2020

Proposal between Nashville Parks & Rec and Williams Rental in reference to the up fit cost and leasing for 108 Boddie Street Building will be as follows:

Nashville Proposed Up Fit Cost

1. Cost would be $9,000.00 for the proposed up fit cost with rent at $1,500.00 per month with a 1 year lease agreement.

2. Or $1,200.00 per month with a 24 month lease agreement.

Williams Rental's Proposed Up Fit Cost

1. Rent amount would be $2,200 per month with the proposed up fit cost with Williams Rental with 1 year lease agreement.

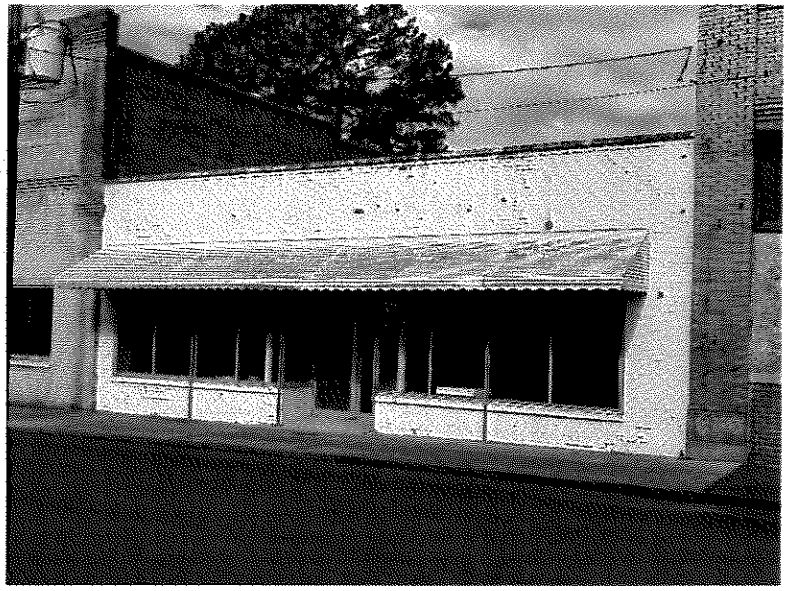
2. With a 2 year lease agreement signed, rent will drop back down to $2,000.00 per month.

Should you have any additional questions, please feel free to give me a call at 252-266-1700.

Thank You

Adam Williams/Owner

Front Views of 108 S. Boddie Street



Rear View of 108 S. Boddie Street

108 BODDIE STREET

FY 2019-2020

TOWN OF NASHVILLE
BUDGET REPORT BY ACCOUNT
CURRENT PERIOD: 04/01/2020 TO 04/30/2020

IDEAL REMAINING PERCENT: 17 %

ACCOUNT		BUDGETED EXPENDITURE	CURRENT EXPENDITURE	YEAR TO DATE EXPENDITURE	ENCUMBRANCE	REMAINING BALANCE	PCT
10-620-0200	SALARIES AND WAGES	117,623	7,765	86,730	0	30,893	26
10-620-0300	PART-TIME WAGES	28,842	0	14,841	0	14,001	49
10-620-0400	PROFESSIONAL SERVICES	0	0	150	0	-150	0
10-620-0500	FICA	11,478	568	7,182	0	4,296	37
10-620-0600	HEALTH INSURANCE	20,780	1,676	15,199	0	5,581	27
10-620-0610	MEDICAL DEDUCTIBLE REIMBURSEMENT	300	0	0	0	300	100
10-620-0700	RETIREMENT CONTRIBUTION	10,943	697	7,751	0	3,192	29
10-620-0710	401-K RETIREMENT CONTRIBUTION	3,635	233	2,470	0	1,165	32
10-620-1100	TELEPHONE AND POSTAGE	3,400	0	2,037	0	1,363	40
10-620-1300	UTILITY BILLS (FIELD LIGHTS)	12,500	778	9,468	0	3,032	24
10-620-1400	TRAVEL	2,000	0	936	0	1,064	53
10-620-1600	MAINTENANCE AND REPAIRS EQUIPMENT	4,320	0	2,893	0	1,427	33
10-620-1700	MAINTENANCE AND REPAIRS VEHICLES	700	0	36	0	664	95
10-620-2100	EQUIPMENT RENTAL	4,500	200	1,045	200	3,255	72
10-620-2600	ADVERTISING	1,800	0	427	0	1,373	76
10-620-3100	GAS, OIL , AND TIRES	1,500	0	1,242	0	258	17
10-620-3300	MATERIALS AND SUPPLIES	28,500	439	7,598	140	20,762	73
10-620-3600	UNIFORMS	4,000	0	2,957	0	1,043	26
10-620-4200	SPEC CONTRACTED SERV GRASSROOT	8,639	0	4,909	0	3,730	43
10-620-4300	SPEC CONTRACT SERV (UMPIRES)	2,680	0	2,680	0	0	0
10-620-4500	PROFESSIONAL AND CONTRACTED SERVICE	20,700	0	13,843	2,881	3,976	19
10-620-4800	PURCHASES FOR RESALE (CONCESSIONS)	120	0	0	0	120	100
10-620-4900	TROPHIES/AWARDS	2,500	0	1,304	0	1,196	48
10-620-5300	DUES AND SUBSCRIPTIONS	469	0	370	0	99	21
10-620-5400	TEAM INSURANCE PREMIUMS	4,000	0	1,686	0	2,314	58
10-620-7301	PARK IMPROVEMENTS-FROM DONATIONS	110,000	0	99,768	0	10,232	9
10-620-7304	NCDEQ GRANT EXPENSES	16,710	0	16,315	0	395	2
		422,639	12,356	303,838	3,221	115,580	27

BUDGET AMENDMENT
FISCAL YEAR 2019-2020

Budget Amendment # **27**

Account #	Account Description	Current Budget	INCREASE	DECREASE	Amended Budget
Fund	**10 - General Fund**				
Department	**VARIOUS**				
Expenditures:					
10-620-0200	FULL TIME SALARIES	$ 30,893.00		$ 9,000.00	$ 21,893.00
10-500-1500	BUILDING MAINTENANCE	$ 25,000.00	$ 9,000.00		$ 34,000.00
			NET CHANGE IN EXPENDITURES		**$ -**

EXPLANATION:
To upfit Boddie Street rental building for Recreation.

Approved by Town Manager

5-1-20
Date

posted:

Approved by Town Council

Date

Item #:

TOWN OF NASHVILLE

499 S. BARNES STREET
NASHVILLE, NC 27856
WWW.TOWNOFNASHVILLE.COM
(252) 459-4511

Town Council
AGENDA REPORT

MEETING DATE:	May 5, 2020
PREPARED BY:	Randy Lansing, Town Manager
ISSUE CONSIDERED:	Resolution of Support & Application to the North Carolina Rural Infrastructure Authority's Building Reuse Program for Asterra Labs

SUMMARY OF ISSUE: The North Carolina Department of Commerce administers the North Carolina Rural Infrastructure Authority's Building Reuse Program to aid local units of government in economic development and the creation of jobs for their communities. Asterra Labs, LLC, is a startup pharmaceutical company planning to be located in the shell building in the Nashville Commerce Park at 800 Cooke Road, where it will manufacture dietary supplements. Asterra will create 25 high paying jobs and invest $1,819,185 in its startup. The company and the Carolina Gateway Partnership have asked the Town of Nashville to submit a $250,000 Building Reuse grant application, prepared by the Partnership, to the North Carolina Rural Infrastructure Authority to help cover the costs of up fitting the building for Asterra Labs use. Gateway Partnership is covering the $12,500 local match required by the Program.

Note: Due to COVID-19 and cancelation of the Town's April Town Council meetings, approval of this resolution is after the fact. The Building Reuse grant application was submitted for the project in early April and Rural Infrastructure Authority awarded the grant April 16th.

MANAGER'S RECOMMENDATION:	Approve Resolution 2020-07 for Support & Application to the Building Reuse Program for a $250,000 grant for Asterra Labs, LLC
ATTACHMENT(S):	Resolution of Support and Application to the North Carolina Rural Infrastructure Authority's Building Reuse Program NC Dept. of Commerce Award Notification
REVIEWED BY TOWN MANAGER:	

Resolution 2020-07

AUTHORIZING RESOLUTION BY THE TOWN OF NASHVILLE FOR THE NORTH CAROLINA DEPARTMENT OF COMMERCE BUILDING REUSE PROGRAM "ASTERRA LABS BUILDING RENOVATION PROJECT"

WHEREAS, The North Carolina General Assembly has authorized funds to stimulate economic development and job creation in distressed areas through constructing critical water and wastewater facilities, addressing technology needs, renovating vacant buildings, and implementing research and demonstration projects; and

WHEREAS, the Town of Nashville has need for and intends to assist in the renovation of a vacant building in the project described as the "Asterra Labs, LLC Building Renovation Project"; and

WHEREAS, the Town intends to request funding assistance from the North Carolina Department of Commerce from its Building Reuse Program for the project;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Nashville, North Carolina as follows:

SECTION 1. That the Town of Nashville is in full support of the application and the project, and if funding is received the Town and the Carolinas Gateway Partnership will arrange for a local cash match of at least 5% of the grant request amount.

SECTION 2. That the Town of Nashville has substantially complied or will substantially comply with all State, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto, and that Randy Lansing, Town Manager, is authorized to execute any additional documents pertaining to the grant application as requested by the North Carolina Department of Commerce.

ADOPTED this the 5th day of May 2020 in Nashville, North Carolina.

_____
Brenda Brown, Mayor

ATTEST:

_____
Jontesca Silver, Town Clerk

(Seal)

ROY COOPER
Governor

ANTHONY M. COPELAND
Secretary

KENNY FLOWERS
Assistant Secretary

April 20, 2020

The Honorable Brenda Brown
Mayor
Town of Nashville
PO Box 987
Nashville, NC 27856-0987

Re: **Building Reuse Grant Award Notification**
Contract Reference: 2020-059-3201-2587
Project Title: Asterra Labs, LLC/Chiron/Project Joe

Award Date: 4/16/2020
Award Amount: $250,000.00
Jobs Committed: 25

Dear Mayor Brown:

On behalf of the Rural Infrastructure Authority, and the Rural Economic Development Division, I am pleased to announce that the local government has been awarded funding under the Building Reuse Program. To finalize the award, the following items that were missing from the application materials should be submitted:

1. ***Signed Application***
2. ***Local Government Resolution***

Please e-mail the documents to the program manager listed below within 30 days of receipt of this letter. Upon the receipt and approval of these documents, the Rural Division will email the contract documents.

Once one complete set of signed contract documents is returned to the Rural Division, the local government may begin to request payments. Progress reports for the grant are due on **January 15 and July 15** for each year that the grant is open. When the company has hired and maintained the number of jobs committed for six consecutive months, the local government should submit the required documents for job verification and grant closure. Forms and instructions for payment requests, progress reports, job verification, and project closeout can be found on the Rural Division website at: www.nccommerce.com/rgp.

Congratulations on this award and we extend our best wishes to you for success in bringing new job creation to rural North Carolina. We look forward to working with you on this important project. If you have any questions, please contact your program manager Hazel Edmond at hazel.edmond@nccommerce.com.

Sincerely,

Kenny Flowers
Assistant Secretary for Economic Development

TOWN OF NASHVILLE

499 S. BARNES STREET
NASHVILLE, NC 27856
WWW.TOWNOFNASHVILLE.COM
(252) 459-4511

Town Council

AGENDA REPORT

MEETING DATE:	May 5, 2020
PREPARED BY:	Randy Lansing, Town Manager
ISSUE CONSIDERED:	Appropriating $35,000 to Suddenlink to Extend a Fiber Optic Telecommunications Line to West Nashville Commerce Park.

SUMMARY OF ISSUE: The Town's West Nashville Commerce Park on Cooke Road does not have high speed internet service. Asterra Labs, LLC, is locating its startup pharmaceutical company in the shell building at the Park, and high speed internet is needed right away. Carolina Gateway Partnership reached out to both CenturyLink and Suddenlink on behalf of the Town, and requested proposals to serve the Park with a high speed internet. After taking into consideration the monthly revenue from Asterra Labs, Suddenlink responded with a better proposal than CenturyLink. Suddenlink will extend a fiber optic line to the Park for a $35,000 contribution to aid in construction. The Carolina Gateway Partnership will contribute $10,000 to this cost. Andy Nagy, Nash County Economic Development Director, says Nash County will contribute $10,000. The balance of $15,000 will come from the Town's economic development contingency line item, 10-660-9900, which has $20,000 in it. Nash County and Carolina Gateway Partnership will both send their $10,000 contributions to the Town. If approved, the Town will put this $20,000 contribution from the County and the Partnership with its $15,000, and pay Suddenlink upon completion of the project and receipt of the bill.

MANAGER'S RECOMMENDATION:	Approve Resolution 2020-08 Authorizing a $35,000 Contribution to Suddenlink/AlticeUSA to Aid in Construction of a Fiber Optic Telecommunications Line to West Nashville Commerce Park. Approve Budget Amendment #25 adding $20,000 in revenues and $15,000 in expenses to the FY 2019-2020 Budget.
ATTACHMENT(S):	Resolution 2020-08 An Email from Brad Hufford Confirming Suddenlink/AlticeUSA's Request for a $35,000 Contribution in aid of Construction An Email from Brad Estop, AlticeUSA Confirming to Fiber Optic Line's Construction and its Construction Timeline Budget Amendment #25
REVIEWED BY TOWN MANAGER:	

Resolution 2020-08

RESOLUTION AUTHORIZING A $35,000 CONTRIBUTION TO SUDDENLINK/ALTICEUSA TO AID IN CONSTRUCTION OF A FIBER OPTIC TELECOMMUNICATIONS LINE TO THE WEST NASHVILLE COMMERCE PARK

WHEREAS, as the Town of Nashville has developed the West Nashville Commerce Park on Cooke Road in the Town of Nashville; and

WHEREAS, the lots in the Park have all of the necessary utilities and infrastructure to support commercial and light industrial businesses with the exception of telecommunications; and

WHEREAS, Suddenlink/AlticeUSA, a telecommunications company serving Nashville, has given the Town a proposal to extend and provide the Park with telecommunication services via a fiber optic line in exchange for an upfront $35,000 contribution to aid in construction; and

WHEREAS, the Nashville Town Council has determined that expending $35,000 for a fiber optic telecommunication line to provide the West Nashville Commerce Park with telecommunication services is in the best interest of the Town of Nashville;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Nashville, North Carolina that $35,000 is hereby authorized as a contribution to Suddenlink/ AtliceUSA to aid in construction of a fiber optic telecommunications line to the West Nashville Commerce Park on Cooke Road in the Town of Nashville.

PASSED and APPROVED this the 5th day of May 2020.

_____
Brenda Brown, Mayor

ATTEST:

_____
Jontesca Silver, Town Clerk

(Seal)

Randy Lansing

From: Brad Hufford <bhufford@econdev.org>
Sent: Wednesday, April 29, 2020 9:21 AM
To: Randy Lansing (randy.lansing@townofnashvillenc.gov)
Subject: Suddenlink Agreement Copy
Attachments: Service Agreement SDL Enterprise - Carolinas Gateway Partnership Special Construction One Time_.pdf; Asterra Labs - Fiber Optic Cable Build Project Update (24.5 KB)

Randy,

I've attached a copy of the service agreement that I signed setting up the one time construction payment for the fiber extension to the West Nashville Commerce Park. Suddenlink/Altice system for invoicing is not set up for having separate parties on the same account so in order for us to get a separate bill for the $35,000 construction costs they had to set up a separate account for that charge. They are aware that the Town of Nashville will be the party that pays the entire amount and they will issue a separate invoice to the town once the construction is complete. CGP and Nash County will pay $10,000 each to the Town of Nashville prior to that date.

I've also attached an email I received from Brad Estep who is project manager on the construction side. His email lays out the dates on the construction schedule. We are supposed to get our first 2 week update on Thursday. I am going to assist them with trying to fast track the permitting from NCDOT once they get to that point.

I think an important point to make with the town council is that these funds are not only for infrastructure for Asterra Labs, that the build-out of the fiber line will then also serve the other companies that will locate in the West Nashville Commerce Park as well as the 14 acres of town owned land across Cooke Rd. In the future new companies will be able to tap onto that line with no assistance needed.

Let me know if you have any questions. I look forward to the next council meeting so we can discuss the project in more detail.

Thanks,

Brad Hufford
Vice President
Carolinas Gateway Partnership
427 Falls Rd. Rocky Mount NC 27804
Office: 252.442.0114
Direct: 252.442.0198
Cell: 252.902.6091
Email: bhufford@econdev.org
Website: econdev.org

Randy Lansing

From: Brad Estep <Brad.Estep@AlticeUSA.com>
Sent: Wednesday, April 15, 2020 1:47 PM
To: ron.rogers@asterralabs.com
Cc: Dennis Morrissey; Brad Hufford
Subject: Asterra Labs - Fiber Optic Cable Build Project Update

Ron,

As I mentioned on our call this morning, I am sending this email to be used as correspondence for progress updates on the fiber build project for the Nashville location. As we discussed, this project was received by my team yesterday and was launched to our construction and engineering teams this morning. Due to the fact that we will have to apply for both NC DOT and pole attachment permits, our project is staged to an estimated 90 day timeline. Below I have provided some details for the project including the reference number and a rough timeline showing the projected completion dates for the main project milestones:

Project Reference #:
10127903

Customer:
Asterra Labs

Customer Address:
800 Cook Rd Nashville, NC

Services Requested:
200Mb/s dedicated internet circuit, 2 business class phone lines.

Estimated Timeline for Key Milestone Phases:

- **Project Received – 4/14/20**
- **Design Approval – 4/29/20**
- **Material Requisition – 5/12/20**
- **Permit Management – 6/24/20**
- **Issue to Build Contractor – 6/26/20**
- **Fiber In Place – 7/3/20**
- **Fiber Splice and Activation – 7/15/20**
- **Circuit Test and Turn up – 7/16/20***

The circuit test and turn refers to the dedicated internet circuit. The phone installation will be coordinated by our Sales Support team after this phase completes. That team will provide separate updates.

As per your request, I have also copied Brad Hufford on this email so he can be included on all future updates. My update intervals will be every 2 weeks, unless a pressing issue needs to be addressed sooner. I will also update both of you as soon as the permit requests have been filed so Brad can start escalations on his end to speed up that process.

Thanks,

Brad Estep
Project Manager, Service Delivery

Office: 304-760-8928
brad.estep@AlticeUSA.com
4939 Teays Valley Rd Scott Depot, WV 25560
alticeusa.com

Support Information
For Commercial Billing &Technical Support - (855)-270-5527
Fiber Support - (866) 232.5455

For escalations please contact:
Richard Beckley, Manager - Service Delivery Project Management, 469.305.5630
Richard.Beckley@AlticeUSA.com

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BUDGET AMENDMENT
FISCAL YEAR 2019-2020

Budget Amendment # **25**

Account #	Account Description	Current Budget	INCREASE	DECREASE	Amended Budget
Fund	**10 - General Fund**				
Department	**VARIOUS**				
Revenues:					
10-348-0100	COMMERCE PARK FIBER CONTRIBUTIONS	$ -	$ 20,000.00		$ 20,000.00
10-399-0000	FUND BALANCE APPROPRIATION	$ 588,669.00	$ -	$ 5,000.00	$ 583,669.00
			NET CHANGE IN REVENUES		**$ 15,000.00**
Expenditures:					
10-660-9900	CONTINGENCY	$ 20,000.00	$ 15,000.00		$ 35,000.00
			NET CHANGE IN EXPENDITURES		**$ 15,000.00**

EXPLANATION:
To extend a Fiber Optic Telecommunications line to West Nashville Commerce Park for a total cost of $35,000. We will receive a $10,000 contribution from Nash County and a $10,000 contribution from Carolina Gateways Partnership for this project.

Approved by Town Manager _____ 5-1-20
Date

posted: _____

Approved by Town Council _____ Item #:
Date

TOWN OF NASHVILLE

P.O. Box 987
499 S. BARNES STREET
NASHVILLE, NC 27856
WWW.TOWNOFNASHVILLE.COM
(252) 459-4511

Town Council
AGENDA REPORT

MEETING DATE:	May 5, 2020
PREPARED BY:	Lou Bunch, Human Resources Director
ISSUE CONSIDERED:	Resolution to amend the Personnel Policy for the Families First Coronavirus Response Act provisions.
SUMMARY OF ISSUE:	On March 18, 2020, Congress passed and the President signed into law the Coronavirus Response Act also known as the Families First Coronavirus Response Act. This Act has two provisions: 1) Paid Sick Leave for all employees for two weeks (up to 80 hours) for one of 6 designated COVID-19 related reasons; and 2) Paid Emergency Family and Medical Leave for all employees for up to 12 weeks for designated COVID-19 related reasons relating to child care. Under the Act, Emergency Responders may be excluded from the provisions due to the nature of these types of jobs. Also under the Act, the Town may allow employees to supplement the 2/3 of paid leave under reasons #4-6 of Paid Sick Leave and for the Emergency Family and Medical Leave with accrued leave. These provisions are in effect from April 1, 2020-December 31, 2020. The Town of Nashville's Personnel Policy must be amended to include the provisions of the Act.
STAFF RECOMMENDATION:	Approve the resolution as presented which includes the exclusion of Emergency Responders for reasons #4-6 of the Paid Sick Leave provision and for the Emergency Family and Medical Leave provision, and also includes that employees may be allowed to supplement the 2/3 of paid leave with the employee's accrued leave.
ATTACHMENT(S):	Resolution 2020-09: Resolution to Amend the Personnel Policy of the Town of Nashville Families First COVID-19 Coronovirus Response Act Section 29. Emergency Paid Sick Leave & Section 30. Family and Medical Leave Expansion Act (eFLMA)
REVIEWED BY TOWN MANAGER:	

RESOLUTION 2020-09
RESOLUTION TO AMEND THE PERSONNEL POLICY OF THE TOWN OF NASHVILLE SECTION 29. FAMILIES FIRST COVID-19 CORONAVIRUS RESPONSE ACT: EMERGENCY PAID SICK LEAVE & SECTION 30. FAMILIES FIRST COVID-19 CORONAVIRUS RESPONSE ACT: FAMILY AND MEDICAL LEAVE EXPANSION ACT (eFLMA)

WHEREAS, on March 18, 2020, Congress passed and the President signed into law the Coronavirus Response Act also known as the Families First Coronavirus Response Act; and

WHEREAS, the Town Council of the Town of Nashville desires to amend the Personnel Policy of the Town of Nashville to include the provisions of this Act.

NOW, THEREFORE, BE IT RESOLVED, by the Town Council of the Town of Nashville that Article VII. Holidays and Leaves of Absence be amended as follows:

1) By adding:

Section 29. Families First COVID-19 Coronavirus Response Act: Emergency Paid Sick Leave

The Families First Coronavirus Response Act requires covered employers to provide employees with paid sick leave for specified reasons related to COVID-19. These provisions are time limited and will apply from April 1, 2020 through December 31, 2020.

For purposes of this section, "Child Care Provider" is defined by the Act as one who provides childcare services on a regular basis and is unavailable regardless of whether that provider is paid or not to look after the child. Also for purposes of this section, the definition of "School" does not include home schooling. Additionally, for purposes of this section, the term "Emergency Responders" is defined as fire and police personnel.

All employees (full-time, part-time, and seasonal) are eligible for two weeks (up to 80 hours) of paid sick time at the employee's regular rate of pay where the employee is unable to work or telework because the employee:

(1) is quarantined pursuant to a Federal, State, or local quarantine or isolation order related to COVID-19; or
(2) has been advised by a health care provider to self-quarantine because of COVID-19; or
(3) is experiencing symptoms of COVID-19 and is seeking a medical diagnosis.

All employees (full-time, part-time, and seasonal), with the exception of emergency responders, are eligible for two weeks (up to 80 hours) of paid sick time at *two-thirds* the employee's regular rate of pay where the employee is unable to work or telework because of a bona fide need:

> (4) to care for an individual subject to quarantine pursuant to Federal, State, or local government order or advice of a health care professional; or
> (5) to care for a son or daughter (under 18 years of age) whose school or child care provider is unavailable due to COVID-19; or
> (6) where the employee is experiencing substantially similar conditions as specified by the Secretary of Health and Human Services, in consultation with the Secreteries of Labor and Treasury.

Part-time and seasonal employees will be paid for the number of hours the employee works, on average, over a two-week period. Paid leave under this policy is limited to $511 per day ($5,110 in total) where leave is taken for reasons 1, 2, or 3 described above; and is limited to $200 per day ($2,000 in total) where leave is taken for reasons 4, 5, or 6 as described above.

Employees will not be required to use any accrued leave if they are eligible for paid leave under the emergency paid sick leave provision; however an employee may elect to supplement the two-thirds of the regular rate of pay for emergency paid sick leave under options 4, 5, or 6 with accrued sick leave, vacation, or compensatory time, provided that the combination of leave supplemented and the emergency paid sick leave does not exceed normal compensation.

Emergency paid sick leave taken for reasons 1, 2, 3, 4 or 6 may not be taken on an intermittent basis and must be taken in full consecutive days of leave. Emergency paid sick leave taken under reason 5 for child care leave may be taken on an intermittent basis provided that the Town and the employee agree that the employee will take intermittent leave and agree on the increments of time in which it will be measured (i.e. half day, hours, etc.) Intermittent leave for child care reasons is available for employees who are still reporting to the workplace and to those who are working remotely. No leave provided by the Town before April 1, 2020 may be credited against an employee's emergency paid sick leave entitlement. In addition, emergency paid sick leave cannot be carried over after December 31, 2020.

The request for use of this leave must be made by the employee as soon as the need arises. The request shall be made to the Human Resources Director. The Town will not retaliate against employees who request or take leave in accordance with this policy.

2) <u>By adding:</u>

Section 30. Families First COVID-19 Coronavirus Response Act: Family and Medical Leave Expansion Act (eFMLA)

The Families First Coronavirus Response Act requires covered employers to provide employees with emergency paid Family and Medical Leave for specified reasons related to COVID-19. These provisions are time limited and will apply from April 1, 2020 through December 31, 2020.

For purposes of this section, "Child Care Provider" is defined by the Act as one who provides childcare services on a regular basis and receives compensation for those services; it excludes the situation where a family member has been providing childcare and is no longer available. Also for purposes of this section, the definition of "School" does not include home schooling. Additionally, for purposes of this section, the term "Emergency Responders" is defined as fire and police personnel.

All employees (full-time, part-time, and seasonal), with the exception of emergency responders, who have worked for the Town of Nashville for at least 30 days prior to the designated leave are eligible for Emergency Family and Medical Leave when the employee is unable to work due to a bona fide need for leave to care for a son or daughter whose school or child care provider is closed or unavailable for reasons related to COVID-19. This Act does not change the eligibility requirements for regular FMLA leave as described in Article VII, Section 17.

Leave taken under the Emergency Family and Medical Leave Act is paid leave following a 10-day waiting period; an employee may choose to take unpaid leave, to use accrued leave, or to choose to use Emergency Paid Sick Leave as described in Article VII, Section 29 to satisfy this waiting period. After the 10-day waiting period and for up to an additional 10 weeks of Emergency Family and Medical Leave (for a total of 12 weeks), the Town will pay full-time employees no less than two-thirds the employee's regular rate of pay for the number of hours the employee would otherwise be normally scheduled. The Act limits this pay entitlement to $200 per day and $10,000 in the aggregate per employee. Employees who work a part-time or seasonal schedule will be paid no less than two-thirds of the employee's regular rate of pay for the average number of hours the employee worked for the six months prior to taking leave; employees who have worked for less than 6 months prior to leave are entitled to the employee's reasonable expectation at hiring of the average number of hours the employee would normally be scheduled to work.

Employees will not be required to use any accrued leave if they are eligible under the Emergency Family and Medical Leave provision; however an employee may elect to supplement the two-thirds of the regular rate of pay for Emergency Family and Medical Leave pay with accrued sick leave, vacation, or compensatory time, provided that the combination of leave supplemented with Emergency Family and Medical Leave pay does not exceed normal compensation.

Leave taken under this reason may be taken on an intermittent basis provided that the Town and the employee agree that the employee will take intermittent leave and agree on the increments of time in which it will be measured. Intermittent leave for child care reasons is available for employees who are still reporting to the employer's workplace and to those who are working remotely.

Employees are still limited to a total of twelve weeks of FMLA leave within a 12-month period for all reasons combined. Employees who have already used up their FMLA allotment for the year are not entitled to Emergency FMLA leave. The regular rules under the Family Medical Leave Act as described in Article VII, Section 21 will apply to job reinstatement.

Emergency FMLA leave is available effective April 1, 2020 and expires December 31, 2020. The request for use of this leave must be made by the employee as soon as the need arises. The request shall be made to the Human Resources Director. The Town will not retaliate against employees who request or take leave in accordance with this policy.

Amended this the 5th day of May, 2020.

_____

Brenda Brown, Mayor

ATTEST:

_____

Jontesa Silver, Town Clerk

(Seal)

TOWN OF NASHVILLE

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Town Council
AGENDA REPORT

MEETING DATE:	May 5, 2020
PREPARED BY:	Lou Bunch, Human Resources Director
ISSUE CONSIDERED:	Resolution to amend the Personnel Policy to add the Paid Administrative Leave and Telework Policy.
SUMMARY OF ISSUE:	On March 16, 2020, in response to the COVID-19 outbreak, the Town of Nashville in conjunction with Nash County, declared a State of Emergency for Nashville. In order to safely continue operations following CDC social distancing guidance, it became necessary to implement a Paid Administrative Leave and Telework Policy for Town Staff. This policy categorizes positions based on the current needs of the Town and allows management to determine if and when telework or paid administrative leave is available.
STAFF RECOMMENDATION:	Approve the resolution as presented.
ATTACHMENT(S):	Resolution 2020-10: Resolution to Amend the Personnel Policy of the Town of Nashville Section 31. Paid Administrative Leave and Telework Policy
REVIEWED BY TOWN MANAGER:	

RESOLUTION 2020-10
RESOLUTION TO AMEND THE PERSONNEL POLICY OF THE TOWN OF NASHVILLE SECTION 31. PAID ADMINISTRATIVE LEAVE AND TELEWORK POLICY

WHEREAS, in response to the COVID-19 outbreak, the Town of Nashville in conjunction with Nash County declared a State of Emergency for Nashville on March 16, 2020; and

WHEREAS, the Town of Nashville has taken proactive measures to ensure the safety of Town staff while maintaining critical operations; and

WHEREAS, in order to safely continue operations, it became necessary to implement a Paid Administrative Leave and Telework Policy for Town Staff; and

WHEREAS, the Town Council of the Town of Nashville desires to amend the Personnel Policy of the Town of Nashville to include the provisions of this policy

NOW, THEREFORE, BE IT RESOLVED, by the Town Council of the Town of Nashville that Article VII, Holidays and Leaves of Absence be amended as follows:

By adding:

Section 31. Paid Administrative Leave and Telework Policy

During emergency situations, the Town Manager may determine the need to implement the following Paid Administrative Leave and Telework Policy. The Town Manager, in conjunction with the Human Resources Director and Department Heads, will determine the appropriate category for positions based on the current needs of the Town. Employees may be categorized as:

a. Category 1 – Required: Employees in this category, regardless of the situation will be working, unless they are sick, quarantined, or isolated.
b. Category 2 – Intermittently Required: Employees in this category most likely perform some task that is required. Most employees in this category could perform their work via telework; however, they could be required to report to the office depending on the needs of the Town.
c. Category 3- On-Call: Employees in this category would be on-call for a situation that may arise that requires them to come in based on the needs of the Town.
d. Category 4 – Not Required: Employees in this category would rarely be required to work on-site during an emergency situation; however, they could be recalled depending on the needs of the Town.

The Town Manager, in conjunction with the Human Resources Director and the Department Head, will determine if an employee can or cannot perform some or all of their essential job

functions via telework from home. Employees sent home under this policy will coordinate with their supervisor which work assignments may require the employee to report to a work site, may be completed via telework, or may remain incomplete for the duration of an agreement. Employees may also be assigned new tasks by their supervisor.

Under this policy, employees are eligible to receive Paid Administrative Leave for regular hours of work that cannot be completed either in-person or remotely via telework. Employees must complete their timesheet to accurately reflect separate entries for hours of work completed and for any Paid Administrative Leave hours. During the employees' regularly scheduled work hours, the employee is required to respond to a phone call from a supervisor, Department Head, Human Resources Director, or Town Manager within two (2) hours. This time is not eligible for "stand-by" pay, as defined in Article III, Section 14. Employees are required to check their Town email at least once per day to handle any time sensitive business and to check for updates from Town Administration, Human Resources, or the Department Head. The employee should record this time on the timesheet.

Employees may be required to report to work by their supervisor, Department Head, Human Resources Director, or Town Manager, regardless of the employee's job category. Employees may be asked to temporarily carry out job duties outside of their normal responsibilities to cover for other employees' absences; this could include assignments outside of the employee's department.

If an employee is required to report to work during normal work hours, they will be given as much notice as possible, but may need to report within two hours' time, depending on the circumstances. This time will be considered part of the employee's normal working hours and will not qualify for "stand-by" pay. If an employee is called out for an unscheduled assignment and is required to report to work outside of normal work hours, "stand-by" pay will apply to non-exempt employees. Employees will be given 24 hours-notice regarding the end of an agreement under this policy.

The Department Head, with approval from the Town Manager, may impose additional restrictions for their employees not inconsistent with this policy.

Ratified this 5th day of May, 2020.

_____

Brenda Brown, Mayor

ATTEST:

_____

Jontesa Silver, Town Clerk

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Town Council
AGENDA REPORT

MEETING DATE:	May 5, 2020
PREPARED BY:	Tesa Silver, Town Clerk
ISSUE CONSIDERED:	Electronic Devices and Services Acceptable Use Policy
SUMMARY OF ISSUE:	The Town of Nashville Electronic Devices and Services Acceptable Use Policy establishes guidelines and procedures for Town Employees who utilize Town devices and services. The policy also defines what is acceptable when employees access the Town's network or the internet from a Town issued or personal device. The policy is intended to ensure safe practices and appropriate behaviors when using Town devices and services; doing so protects the Town's network, electronic devices and services.
STAFF RECOMMENDATION:	Approve the policy as written allowing the Town Manager and the Human Resource Director to move forward with implementation.
ATTACHMENT(S):	Town of Nashville Electronic Devices and Services Acceptable Use Policy
REVIEWED BY TOWN MANAGER:	

Electronic Devices and Services Acceptable Use Policy

Objective

The purpose of this policy is to establish and promote the legal, secure and ethical use of all electronic devices and services by all Town of Nashville employees. This policy will also provide guidelines that will protect the town's electronic resources and establish what an inappropriate use is. The town recognizes that the use of electronic devices and services makes tasks and communication more efficient and effective; this policy will serve on how to use such resources in a responsible and acceptable manner. This policy should be followed in conjunction with all other Town of Nashville policies that govern workplace conduct. The town will comply with all Federal, State, and Local Laws as they relate to the town, and nothing contained within this policy should be misconstrued to violate any rights or responsibilities of the law.

Devices and Services

Devices and services are all electronic devices and services that are accessed on or from any town facility and is town issued; they include communication methods, software and technology services that are paid for with town funding, or devices or services that are used in a manner which identifies the individual with the town.

All technology provided by the Town of Nashville including computer systems, communication networks, records, files, or other information shared electronically are the property of the town. The use of the town's technology and electronic resources should be job related and not for personal use and convenience. The town reserves the right to examine, monitor, and regulate all electronic resources, communications, files and all other content including internet usage and emails transmitted by or stored on its system, whether on or off-site.

Employees should be aware that all electronic records, files, information and communications are subject to the North Carolina Public Records Law; they may also be subject to discovery in litigation. Town employees are expected to use electronic resources responsibly and productively as necessary for all job functions or tasks.

Prohibited Use

1. Electronic resources may not be used to knowingly transmit, retrieve, or to store any communication of a discriminatory, harassing or derogatory nature to any individual or group, which are obscene or pornographic, are of a defamatory or threatening nature, for "chain letters," for any purpose which is illegal, or against town policy or contrary to the town's interest.
2. Electronic resources may not be used to communicate disparaging, abusive, profane, or offensive language; nor may they be used for any illegal activities including piracy, hacking, extortion, blackmail, and copyright infringement. Copyrighted materials

belonging to entities other than the town may not be transmitted by employees on the town's network without permission of the copyright holder.

3. Employees may not knowingly share passwords or IDs for others to use (A master list of all social media accounts user IDS and passwords will be kept by the Town Clerk; this will ensure that the Town has access to all of its social media accounts. Upon ending employment with the Town, an employee will give all user IDS and passwords to the IT department or their direct supervisor to ensure access to all town files, documents, and resources is terminated.
4. Employees must respect the confidentiality of other people's electronic communications and may not attempt to read others emails and information. They may not crack passwords, hack into other systems, or breach computer or network security measures. Employees will not monitor electronic files or communications of other employees or of third parties except by explicit direction from town management.
5. Employees may not send communications or emails that disclose any confidential or proprietary information.
6. No email or communication may be sent which attempts to hide the identity of the sender or represent the sender as someone else from another town or company.
7. Employees may not use the town's devices or services in a way that disrupts its use by others. This includes sending or receiving excessive numbers of large files and spamming (the sending of unsolicited emails to thousands of users).
8. Employees may not use false or misleading information for the purpose of obtaining access to unauthorized resources.
9. Employees may not access, alter, copy, move, or remove information, proprietary software, or other data files without prior authorization.
10. Employees may not use town resources to obtain personal information about an individual without permission.
11. Employees may not use electronic resources to forge or falsify documents.
12. Employees are prohibited from downloading software, other program files, or online services without prior approval from the Town Manager and the IT department. All files or software should be passed through virus protection programs prior to use.
13. Every employee of the Town of Nashville is responsible for the content of all text, audio, video, or image files that he or she places on town devices or sends over the town's network.
14. Employees' personal devices should not be connected to the town's secured network; any wifi connection must be on the guest network.
15. Employees may stream music from personal devices on the guest network as long as it does not interfere with their job performance, the job performance of others, or the disruption of town goods and services to residents.

Violations

Witnesses to or victims of a violation of this policy should notify or file a complaint with their direct supervisor. Investigations of violations will be conducted within each department by the department head and the IT department. If the investigation finds that the violation is valid, then the appropriate corrective measures will be taken.

Any employee abusing the privilege of town facilitated access to devices or services will be subject to:

- Corrective action (to improve the employee's performance);
- Removal of access;
- Disciplinary action;
- Termination.

Willful destruction or damage of electronic devices and/or services is grounds for immediate termination and the employee will be subject to prosecution by the town or third parties to the fullest extent of the law. In addition employees may be held monetarily responsible for any loss or damage cause by willful damage or destruction, or excessive negligence concerning assigned electronic devices.

Any employee who wishes to appeal an investigation's decision may do so by filing a grievance; following the policy set forth in the Town of Nashville Personnel Policy.

Town of Nashville Electronic Devices and Services Acceptable Use Acknowledgement

By signing this form, I acknowledge that I understand that effective {insert date} the Town of Nashville has established an electronic Devices and Services Acceptable Use Policy. I have read and fully understand this policy. I understand that by my use of the town's electronic devices and services, it constitutes full acceptance of the terms of this policy and consent to monitoring.

By signing this form, I acknowledge that I have been made aware of this policy and that I have been given a copy of it.

Employee Signature: _____ Date: _____

Print Name: _____ Title: _____

Department:

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Town Council
AGENDA REPORT

MEETING DATE:	May 5, 2020
PREPARED BY:	Tesa Silver, Town Clerk
ISSUE CONSIDERED:	Social Media Policy
SUMMARY OF ISSUE:	The Town of Nashville currently has eleven (11) social media accounts; the Town has no formal guidelines on how those accounts are used. The Town of Nashville Social Media Policy is designed to protect the Town and its reputation. The policy is a defense for mitigating risk for the Town and its employees. The policy clearly defines what is appropriate and what is not appropriate for employees to post in a professional capacity in regards to the Town and Town business as well as on their own personal social media accounts. This policy defines the proper ways in which employees should engage with the public online while creating transparency and boosting awareness about the Town.
STAFF RECOMMENDATION:	Approve the policy as written allowing the Town Manager and the Human Resource Director to move forward with implementation.
ATTACHMENT(S):	Town of Nashville Social Media Policy
REVIEWED BY TOWN MANAGER:	

Town of Nashville Social Media Policy

Objective

The Town of Nashville has an overriding interest and expectation of what is spoken on its behalf on social media sites. This policy provides guidelines for social networking and social media; it also establishes appropriate practices for social media use. To address the fast changing landscape of the internet and the way residents communicate and obtain information online, the Town and each of its departments may consider using social media to provide an online forum to reach a broader audience.

The Town encourages the use of social media to further the goals of the Town, the mission of each department, and to provide information about the Town, from the Town to its residents when appropriate.

Organizational Guidelines and Acceptable Professional Use

The Town of Nashville's primary website, Facebook page, and Twitter page will serve as the primary social networking presence for the Town. However, the Town maintains separate social media accounts to successfully target content for specific audiences. These messages achieve certain Town goals and may include time sensitive information during public emergencies, marketing and promoting Town services, and encouraging public input for Town projects, programs, and initiatives. When possible, content posted to these social media sites should also be on the Town's website or contain links directly to the Town's website.

Written proposals for a request for official creation of a new social media account must be approved by the Town Manager. The proposal must include:

- Why social media is appropriate for the intended target audience;
- Why the current social media accounts do not meet the department's needs;
- Examples of the type of information that will be included on the proposed social media site;
- The department must identify the staff member(s) who will be allowed to have access and provide content updates;
- Who will design the new account;
- The estimated number of hours that will be dedicated to maintenance and content management of the proposed social media account;
- How often post(s) will be made;
- How the account will link back to the Town's website;
- Any other information the department feels will be helpful in sharing the vision to help the Town Manager in making an informed decision regarding the request for approval of the use of the proposed account.

All social media sites must adhere to Town policies, procedures, and protocols including:

- Maintain the use of the Town logo;
- Adhere to laws and policies regarding copyrights, use of photographs, personal privacy, the First Amendment, the American with Disabilities Act, and HIPAA;
- Have a single login using a Town issued email address;
- Must adhere to website policies concerning linking to third party sites, privacy, and guidelines for accessibility for the disabled;
- Accounts will not contain any political information or be used for political activity;
- Accounts will comply with policies and procedures for information security;
- Master account information will be maintained by the Town Clerk.

The Town Manager (or their designee) will serve as the primary administrator of all Town social media accounts. The Town Manager will work with department heads to obtain which employees are permitted to manage and/or create content. Only authorized employees may publish content to the Town's website or social media accounts. Content will also focus on the Town's goals and interests.

Employees authorized to post content on the behalf of the Town must follow appropriate behavioral standards as set out as below. The same laws, professional expectations, and guidelines for interacting with residents online are those expected when interacting in person. Employees who terminate employment with the Town will be immediately removed from all accounts. Elected and appointed officials will not create or manage Town social media accounts.

Employees are prohibited from posting any form of material that:

- Is prohibited by Federal, State, or Local Law or prohibited by Town policies;
- Is threatening, obscene, vulgar, offensive, abusive, derogatory, discriminatory, disparaging, defamatory, harassing, or that constitutes personal attacks of any kind;
- Involves the sale or solicitation, or facilitates any for-profit non-Town business activity including the sale of personal goods and services, or any charitable fundraising campaigns that are not sanctioned by the Town;
- Is used for any political advocacy efforts or any non Town activity that would cause the Town to incur any liability.
- Uses pseudonyms or personal contact information;
- Shares usernames and passwords;
- May be considered objectionable or inflammatory (employees should avoid comments or topics that could result in arguments);
- Addresses personnel issues.

Employees posting on behalf of the Town should:

- Adhere to their area of expertise;
- Strive for transparency and openness;
- Be honest;
- Keep interactions and information factual and accurate;
- Take the proper tone to remain light and engaging but not so casual that you may offend, offer double entendres, or fail to accurately convey your intent of the information.
- Publicly correct any information communicated that is later found to be in error;
- Protect privacy and not share trade secrets, confidential, or nonpublic information;
- Provide links to credible sources of information when possible to support interactions;
- Respect the public's opinion whether positive or negative provided it is within the Town's jurisdiction and not prohibited by the comment policy provided in this policy;
- Only utilize the Town emails and phone numbers as contact information;
- Only tag individuals, organizations, and businesses with social media pages that are acting on behalf of the Town, however, post(s) will not promote, endorse, or criticize any vendor, contractor, or supplier (all content posted must be neutral in that regard);
- Consider consequences for posting inappropriate content.

If an employee publishes any information that has the potential effect of involving the employee, co-workers, or the Town in any kind of dispute or conflict then the employee responsible will be subject to coaching, counseling, or disciplinary action up to and potentially including termination of employment depending on the severity and repeat nature of the offense. Examples of this include:

- Content that interferes with the work of any employee;
- Content that creates a harassing, demeaning, or hostile work environment;
- Content that disrupts the orderly workflow or the delivery of services to residents;
- Content that harms the good will and reputation of the Town for residents and the community at large;
- Content that erodes the public's confidence in the Town;
- Content that places doubt on the reliability, trustworthiness, or sound judgment of the person who is the originator or subject of the information.

All social media accounts (other than Twitter) should have the following language usable on each social media page or profile:

"The purpose of this site is to provide Town of Nashville residents and visitors with timely information about {insert brief summary here}. Because representatives of the Town of Nashville communicate through this site, any communications posted on this page including comments or questions posted by the public is subject to the North Carolina Public Records

Laws. We value your comment and questions but the Town of Nashville may not be able to address them through this site. Please visit http://www.Townofnashville.com for contact information on specific issues. Any communication posted here by someone other than an official representative of the Town of Nashville is solely the view and the opinion of the author, not the Town of Nashville, any members of its staff, or any public official."

All Twitter accounts should have a link to the departmental webpage or the Town's website where the following language may be seen:

"The purpose of this Twitter account is to provide Town of Nashville residents and visitors with timely information about {insert brief summary here}. Because representatives of the Town of Nashville government communicate through this site, any communications posted on this page is subject to the North Carolina Public Records law including direct messages to and from this account. We value your comment and questions but the Town of Nashville may not be able to address them all through this site. Please visit http://www.Townofnashville.com for contact information on specific issues. Any communication posted here by someone other than an official representative of the Town of Nashville is solely the view and opinion of the author, not the Town of Nashville, any members of its staff, or any public official."

Comment Policy

As a public entity the Town must abide by certain standards to serve all residents in a civil and unbiased manner. Comments or content containing any of the following inappropriate language will not be permitted and are subject to removal and/or restriction by the Town:

- Comments not related to or under the jurisdiction of the Town;
- Violent, profane, obscene, or pornographic content or language;
- Content that promotes, fosters, or perpetuates discrimination on the basis of race, creed, color, age, religion, sexual orientation, gender, or national origin;
- Content that threatens or defames any person or organization;
- Content that incites violence;
- Conduct in violation of any Federal, State, or Local Law;
- Encouragement of illegal activity;
- Information that may tend to compromise the safety of the public or the public systems; and
- When an employee responds to a comment in their official capacity the employee's name and title should be made available.

Comments posted by any member of the public are the opinion of the poster only, and publication of a comment does not imply endorsement of or agreement by the Town. Comments do not necessarily reflect the opinions or policies of the Town of Nashville. The Town reserves the right to deny access to any social media site of any person who violates the Town's social

media policy at any time and without prior notice. Each department will monitor their social media sites for comments requesting responses from the Town and for comments in violation of this policy.

The Town Manager will be notified if there is any posted material that may be inappropriate that violates this policy, any other Town policy, is illegal, or infringes on copyrights or rights of any persons. The Town Manager's office will investigate and respond accordingly. If removed, the department's authorized user will notify the commenter that their response has been deemed inappropriate and removed due to inconsistencies with the Town's content requirements.

Terms of Service

Each form of social media has its own Terms of Service that regulate how users interact using that particular site. Any employee using any form of social media on behalf of the Town should consult the site's most current Terms of Service in order to avoid violations. If the terms of service contradict department or Town policy then the Town Manager should be made aware and a decision should be made about whether use of social media is appropriate.

Records Retention

Social Media Sites contain communication created by, sent to, or received by the Town and its employees for Town business; such communications are public records and subject to North Carolina General Statue Chapter 132. The Town must assume the responsibility for public records and comply with retention periods set forth in their approved retention and disposition schedule. The retention requirements apply regardless of the form of the record.

Each department with a social media site will preserve records pursuant to the adopted records retention schedule for the required retention period. The record should preserve the integrity of the original record and be easily accessible. All comments or posts made to the Town sites or pages are public not private. Any employee who receives a private message through a social media platform should direct the user to contact them through their Town email address or respond to the user using the Town issued email address.

Security

The Town continues to research and implement strategies to best prevent fraud and/or unauthorized access to social media sites and the Town's network. It is important to understand that security related to social media is fundamentally a behavioral issue not a technology issue. In general employees unintentionally provide information to third parties who pose a risk to the Town network. Employees should be made aware of these types of threats and trained on how to avoid threats. Due to the vulnerability of social media sites to security exploits it is important to be courteous when using such sites. Employees should minimize the amount of information an attacker is likely to use to gain a successful attack.

In order to minimize risk with security the Town will ensure that:

- Employees are made aware of what information to share, with whom they can share it, and what not to share;
- Security awareness and training is provided to educate users about the risk of information disclosure when using social media and to make them aware of various attack mechanisms;
- Employees are aware of the Privacy Act requirements and restrictions. The Town will educate users about social networking usage policies and privacy controls to help them better control their own privacy in any profile they use for the Town, and to protect against inadvertent disclosure of sensitive information;
- Users are educated on the types of social media threats before they are granted access to social media websites.

Personal Use of Social Media

The Town of Nashville respects the rights of employees to use social media sites and blogs on their own time as a medium of self-expression and a form of public conversation. The Town does not discriminate against employees who use social media for personal interest and affiliations or for other lawful purposes. Employees are encouraged to exercise sound judgment when posting, as postings may not only be read by family and friends, but by coworkers, supervisors, Town residents and the media. These guidelines are encouraged to ensure a distinct separation between personal and organizational views. Inappropriate use of social media may be grounds for disciplinary action.

Employees will not use social media on work time or on any Town issued device unless it is work related and has been authorized by a department head or the Town Manager. Employees may use social media on their own personal time, including breaks, as long as it does not interfere with the work of others or the disruption of the delivery of Town services. Employees may not expressly or implicitly represents themselves as an employee or a representative of the Town when expressing his or her own beliefs, and/or opinions on any social media platform.

Photographs or other depictions of the Town buildings, vehicles, uniforms, emblems, logos, or the Town seal will not used on any employee's personal social media accounts. Employees may be legally responsible for content they post and held personally liable for defaming others and/or revealing confidential information. The Town may require immediate removal of and impose discipline for material that is disruptive to the work place, distribution of Town services, or in any way impairs the mission of the Town. Misuse of social media whether on or off duty is grounds for disciplinary action up to and including termination. This policy extends to employees who choose to operate their personal accounts anonymously. This policy is in no way constructed to prohibit activities that are legally protected activities or constitutionally protected speech.

Employees are required to sign a written acknowledgement that they have received, read, understand and agree to comply with the Town of Nashville's Social Media Policy.

Personal use of Social Media by Elected and Appointed Officials

Town of Nashville Elected and Appointed Officials may create and maintain personal and /or campaigning social networking and social media sites. These accounts should remain personal in nature and be used to share personal opinions or information not related to Town Business. This provides a true distinction and separation between the official's personal views and the views of the Town of Nashville.

Elected and appointed officials should not use Town email accounts for any personal social media or social networking site. All officials who chose to note their relationship with the Town on their personal pages should include the following disclaimer: "Postings on this site are my own and do not reflect or represent the opinions of the Town of Nashville."

Any personal social media account used by an elected or appointed official that contains posts relating to Town business are subject to the North Carolina Public Records Law. While all officials are free to express their own opinions on their personal social media accounts they should be aware that as Town officials, certain comments can rise to the level of unacceptable conduct thus creating just cause for potential political actions up to and including censure and/or removal.

Town of Nashville

Social Media Policy

Acknowledgment

By signing this form I acknowledge that effective {inset date} the Town of Nashville has established a Social Media Policy. The Town's policy pertains to guidelines for organizational use, and both appropriate and inappropriate use for professional and personal use of social media.

By signing this form, I acknowledge that I have been made aware of this policy and that I have been give a copy of it.

_____ _____

Signature Date

_____

Printed Name

_____

Title

TOWN OF NASHVILLE

P.O. Box 987
499 S. BARNES STREET
NASHVILLE, NC 27856
WWW.TOWNOFNASHVILLE.COM
(252) 459-4511

Town Council
AGENDA REPORT

MEETING DATE:	May 5, 2020
PREPARED BY:	Julie Spriggs, Planning & Development Director
ISSUE CONSIDERED:	Downtown Nashville Strong Advisory Board Member Application
SUMMARY OF ISSUE:	Luke Whitehead with the Nashville United Methodist Church has submitted an application for appointment to the Downtown Nashville Strong Advisory Board. His appointment will expire on June 30, 2022.
STAFF RECOMMENDATION:	Staff recommends appointment of Luke Whitehead to the Downtown Nashville Strong Advisory Board.
ATTACHMENT(S):	Application for David Luke Whitehead
REVIEWED BY TOWN MANAGER:	

TOWN OF NASHVILLE
ADVISORY BOARD APPLICATION

Name:	David Luke Whitehead
Home Address:	208 S. Collin St.
Length of residency in Nashville:	10 years
Previous Address:	40 E Center St.
Home Telephone:	252 459 1575
Business Telephone:	252 459 2178
Cell Telephone:	252 813 8485
E-mail Address:	luke@nashvillenc.net

Please indicate which Board you would like to volunteer service to:

- o Library Advisory Board
- o Parks and Recreation Advisory Board
- o Planning Board
- o Board of Adjustment

Employment History (Please list most recent employment first)

Name of Company	City/State	Occupation	Dates of Service
Nashville UMC	Nashville	Pastoral Clergy	6-10 - Current

Have you ever served on an Advisory Board in Nashville? Yes or (NO) (circle)
Have you ever served on a Board in another community? Yes or (NO) (circle)

If yes, please list:

—

Please list other volunteer experience (Name of organization & position)

—

Please explain briefly your reason for applying for an appointment to this particular Advisory Board:

As a father to 3 children, happily married and one who likes
works, and sends my children to school in the local
downtown community, I feel my voice can assist in a solid
direction. Also, as a avid traveler to other small town
downtowns I've seen what's good and what's not.

By signing, I hereby give my permission to the Town of Nashville to conduct an investigation of my background, references, character, past employment, consumer reports and criminal history information which may be in any state or local files, including those maintained by both public and private organizations, and all public records, for the purpose of confirming the information contained on my application and/or obtaining other information which may be material to my qualifications for appointment.

I hereby consent to the Town of Nashville's verifying all the information I have provided on my application form. I also agree to execute as a condition of appointment or a condition of continued appointment any additional written authorization necessary for the Town of Nashville to obtain access to and copies of records pertaining to this information. I hereby agree to release any person, company, or other entity from any and all causes of action that otherwise might arise from supplying the Town of Nashville with information it may request pursuant to this release. I understand any false answers or statements, or misrepresentations by omission, made by me on this application or any related document, will be sufficient for rejection of this application or for my immediate revocation of appointment should such falsifications or misrepresentations be discovered after I am appointed.

Applicant's Signature: _____

Date: 3/5/20

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Town Council
AGENDA REPORT

MEETING DATE:	May 1, 2020
PREPARED BY:	Samantha Sanchez, Finance Director
ISSUE CONSIDERED:	Appoint Tressa Rudd, Staff Accountant, as Deputy Tax Collector
SUMMARY OF ISSUE:	To ensure continuity of vital processes within the Finance Office, I am proposing to appoint Tressa Rudd as Deputy Tax Collector. She will serve alongside Yvette Hinton, Tax Collector. Tressa has been employed with the Town since 2017 and is skilled in many key finance roles. She has attended several courses through the University of North Carolina School of Government and is pursuing her Associate's in Accounting at Wake Technical Community College. Through her skills and education, Tressa will continue to be an asset to the Town as Deputy Tax Collector.
STAFF RECOMMENDATION:	Appoint Tressa Rudd as Tax Collector.
ATTACHMENT(S):	Resolution appointing Tressa Rudd as Deputy Tax Collector
REVIEWED BY TOWN MANAGER:	

RESOLUTION 2020-11

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF NASHVILLE APPOINTING A DEPUTY TAX COLLECTOR

WHEREAS, NCGS §105-349 authorizes each governing body of each municipality the ability to appoint a Deputy Tax Collector;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Nashville, North Carolina, through the adoption of this resolution hereby authorizes that:

> **Section 1.** Tressa Rudd is appointed as Deputy Tax Collector in accordance with NCGS §105-349. Her authority as Deputy Tax Collector is deemed properly designated for purposes of NCGS §105-350 without limitation.

PASSED and APPROVED this 5th day of May, 2020.

_____
Brenda Brown, Mayor

ATTEST:

_____
Jontesca Silver, Town Clerk

TOWN OF NASHVILLE

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Town Council
AGENDA REPORT

MEETING DATE:	May 1, 2020
PREPARED BY:	Samantha Sanchez, Finance Director
ISSUE CONSIDERED:	Resolution Authorizing the Town of Nashville to Engage in Electronic Payments
SUMMARY OF ISSUE:	Per the NC Administrative Code 20 NCAC 03 .0409 any local government that engages in electronic payments must adopt a resolution authorizing the unit to do so. Electronic payments include transactions made by credit/purchase cards, fuel cards, ACH, automatic drafts, and online payments. The unit must also adopt a written policy that outlines electronic payment procedures and provide training to all personnel. The Finance Officer must also provide a quarterly Budget-to-Actual report to Town Council. The Town has engaged in electronic payments for several years. Adoption of this resolution will bring the Town into compliance with the NC Administrative Code. Details of the Town's electronic payments policy can be found within the Town's Purchase Policy. I am currently conducting a thorough review of the existing Purchase Policy and making revisions to ensure LGC and statutory compliance, and safeguard against potential fraud or misuse of Town funds. A draft of the new Purchase Policy will be provided to Town Council for review and approval.
STAFF RECOMMENDATION:	Adopt Resolution Authorizing the Town of Nashville in Engage in Electronic Payments.
ATTACHMENT(S):	Resolution Authorizing the Town of Nashville to Engage in Electronic Payments
REVIEWED BY TOWN MANAGER:	

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Town Council
AGENDA REPORT

MEETING DATE:	May 5, 2020
PREPARED BY:	Samantha Sanchez
ISSUE CONSIDERED:	Budget Amendment # 26
SUMMARY OF ISSUE:	Budget Amendment # 26 reallocates funds for repairs to the garbage truck and to begin the Town Ordinance Recodification Project.
STAFF RECOMMENDATION:	Approve the Budget Amendment
ATTACHMENT(S):	Budget Amendment # 26 and Municode proposal
REVIEWED BY TOWN MANAGER:	

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Town Council
AGENDA REPORT

MEETING DATE:	May 1, 2020
PREPARED BY:	Samantha Sanchez, Finance Director
ISSUE CONSIDERED:	Award Bid for Independent Audit Services
SUMMARY OF ISSUE:	An annual independent audit of the Town's Financial Statements is required by Generally Accepted Accounting Principles (GAAP) and the Local Government Commission (LGC.) The Finance Office conducted a Request for Qualifications (RFQ) for Independent Auditing services. The RFQ process awards contracts based primarily on qualifications rather than cost. I am pleased to announce that the Town received four well-qualified bids, which are attached for Council's review. After a thorough review of all bids, I recommend awarding the contract to Petway Mills & Pearson, PA, from Zebulon, NC. The firm was established in 2004, employs an experienced staff of 25, and has performed over 65 municipal audits. I believe that Petway Mills & Pearson, PA can make a significant contribution to the Town through their tailored approach to auditing.
STAFF RECOMMENDATION:	Award the Bid for Independent Audit Services to Petway Mills & Pearson, PA.
ATTACHMENT(S):	Audit Bids: Petway Mills & Pearson, PA (Zebulon, NC); Sharpe Patel, CPA (Raleigh, NC); May & Place, PA (Louisburg, NC); Winston Williams Creech & Evans, LLP (Oxford, NC)
REVIEWED BY TOWN MANAGER:	

PROPOSAL FOR

AUDITING SERVICES

TOWN OF NASHVILLE

FOR THE YEARS ENDED JUNE 30, 2020, 2021 AND 2022

Submitted by
Phyllis M. Pearson, CPA
Partner
PETWAY MILLS & PEARSON, PA
806 North Arendell Avenue
Zebulon, North Carolina 27597
919-269-7405

PM&P

PETWAY
MILLS &
PEARSON, PA

CERTIFIED PUBLIC ACCOUNTANTS

C. Briggs Petway, Jr.
Phyllis M. Pearson

Zebulon Office
P.O. Box 1036
806 N. Arendell Ave.
Zebulon, NC 27597
919.269.7405
919.269.8728 Fax

Raleigh Office
9121 Anson Way
Suite 200
Raleigh, NC 27615
919.781.1047

www.pmpcpa.com

April 7, 2020

Ms. Samantha Sanchez
Finance Director
Town of Nashville
499 South Barnes Street
Nashville, North Carolina 27856

Dear Ms. Sanchez:

PETWAY MILLS & PEARSON, PA is pleased to submit our proposal to provide auditing services to the Town of Nashville for the years ended June 30, 2020, 2021 and 2022.

Our firm's staff is experienced with and has performed over 65 financial and compliance audits of municipalities, special purpose governments and not-for-profit organizations receiving governmental funding in the last twelve months and on an ongoing basis over the last several years.

We feel we can make a significant contribution toward your needs and look forward to the opportunity to provide services to your Town. Please contact me at (919) 269-7405 should you have any questions regarding this proposal or if you would like to arrange a meeting to further discuss our capabilities.

Sincerely,

Phyllis M Pearson, CPA

Phyllis M. Pearson, CPA
Partner

Memberships:

North Carolina Association of Certified Public Accountants

American Institute of Certified Public Accountants

Our Firm– PETWAY MILLS & PEARSON, PA

Our firm was formed on December 29, 2004. We are a local accounting practice located in Central North Carolina. Our firm provides attestation and assurance services (audits, reviews, agreed-upon procedures, write-up or compilations), tax preparation, peer review and management advisory services that are focused toward not-for-profit organizations, governmental units and closely held businesses.

The firm's office is in Zebulon, North Carolina, and our firm employs 25 individuals. The firm's primary service area stretches from Raleigh, through Zebulon and East Wake County, and on to Wilson. However, the firm's staff audits governments, charter schools (charter schools are not-for-profit organizations that are required to report as governments by the North Carolina General Assembly) and not-for-profit organizations across the state, literally from the mountains to the coast (Murphy and Cashiers in Western North Carolina to Newport and Calabash in Eastern North Carolina). We also provide services to not-for-profit organizations and charter schools in South Carolina.

Our Firm's Owners

Briggs Petway and Phyllis Pearson are the firm's owners.

Our Relationships

Our firm works hard to maintain our relationships and we will work hard to maintain a relationship with the Town of Nashville. Our staff is committed to the growth of our firm and to maintaining long-term commitments with organizations such as the Town of Nashville.

Responsiveness

We are available to quickly turnaround your audit and comply with any deadlines you may specify. Our firm structure allows quick response to client questions and needs. We are committed to the timely performance of our professional services as requested by you.

Equal Employment Opportunity Employer

We are an equal employment opportunity employer. Our employment decisions are based on merit and business needs, not on race, color, creed, national origin, religion, gender, age or disability or any other factor.

Our Range of Activities

Our firm provides basic services in accounting, auditing, tax preparation and consulting, financial planning, QuickBooks consulting, designing and installing accounting systems and management advisory consulting.

We provide attestation services (audits, reviews and agreed upon procedures) to not-for-profit organizations, governments and for-profit entities. The majority of these engagements are audits and a significant number are federal and State Single audits.

Our partners and our staff are also involved as board members and volunteers for several not-for-profit organizations.

SECTION 1

SECTION 1 – SPECIFIC REQUIREMENT NUMBER 1

Local Firm

The audit will be handled out of our Zebulon office.

SECTION 1 – SPECIFIC REQUIREMENTS NUMBER 2

Engagement Team

Our firm appreciates the Town of Nashville's desire for a working relationship with its auditors. Each of our partners actively participates in or conducts our engagements. Our partners are readily available to clients and are on site on all of our engagements.

Our firm's service delivery philosophy is to assign to an engagement, staff that understands the unique challenges in an industry. Through a careful review of our staff's experience, we will select an engagement team specifically to serve the Town of Nashville.

Our partners and managers teach and train our staff on an ongoing basis. Through extensive training and commitment to staff development, we ensure that our staff will be a significant resource to the Town. We also believe that responsibility for training our staff rests with us.

We expect to assign the following staff to the Town of Nashville's engagement:

Phyllis M. Pearson, CPA	Partner/BA
Michael Allen (CPA candidate)	Manager/BS
Jonathan Glover (CPA candidate)	Staff accountant/MA/BS
Ethan Brotherton (CPA candidate)	Staff accountant/BS

SECTION 1 – SPECIFIC REQUIREMENTS NUMBER 3

Our Background and Experience in Auditing Governmental Units

We audited 15 municipalities, three public authorities, one library, one school system, and 53 charter schools with fiscal years ending June 30, 2019. Our firm has audited municipalities since 1993 and charter schools since their formation in 1998. All engagements were performed under GASB 34.

Current and Prior Government Audit Clients – Partial List

Town of Bunn (Audit 1999-2019)
Town of Coats (Audit 2008-2015)
City of Dunn (Audit 2005-2019)
Town of Franklinton (Audit 2009-2015)
Town of Scotland Neck (Audit 2010-2019)
Town of Hobgood (Audit 2009-2015)
Town of Lucama (Audit 1993-2019)
Town of Pinetops (Audit 2008-2019)
Town of Wendell (Audit 2006-2019)
Town of Whitakers (Audit 2010-2019)
Town of Pikeville (Audit 2011-2019)
Town of Smithfield (Audit 2012-2015)
Town of Wilson's Mills (Audit 2011-2015)
Town of Holly Springs (Audit 2013-2015)
Town of Castalia (Audit 2009-2019)

Town of Warrenton (Audit 2014-2015)
Town of River Bend (Audit 2015-2020)
Averasboro Township Tourism Development Authority (Audit 2005-2019)
Braswell Memorial Library (Audit 2009-2019)
City of Roxboro (2017-2019)
Town of Tarboro (2016-2019)

SECTION 1 – SPECIFIC REQUIREMENT NUMBER 4

Additional Services

Our staff's experience includes providing assistance to local governments with cost allocation and indirect cost proposals, assisting in the preparation of specialized internal reports, developing internal control compliance systems for federal and State programs, developing fixed asset tracking systems for an ABC Board, preparing standard operating procedures for organizations with State, local and federal funding, providing general management advice and assistance with routine bookkeeping and computerized accounting systems. Our staff has also assisted not-for-profit organizations, community action agencies, public agencies and airport authorities with the preparation of indirect cost plans and cost allocation plans.

Town of Bunn
Assistance with financial closings
2001 and 2002

Town of Pinetops
Assistance with bookkeeping, financial closings and financial statement preparation
2005, 2006 and 2007

Town of Warrenton
Assistance with bookkeeping
2007

SECTION 1 – SPECIFIC REQUIREMENT NUMBER 5

Quality Control Programs

We utilize a quality control system that addresses guidelines and procedures governing professional performances; services provided; independence; personnel hiring, assignment, supervision, advancement and development; consultation; acceptance and continuance of clients; and inspection regarding the firm's quality control policies and procedures.

Peer Reviews

Peer reviews are exhaustive reviews of a firm's working papers, financial statements and quality control systems applicable to the firm's attestation and assurance practice. These reviews are performed by CPAs outside of our firm in accordance with standards established by the American Institute of Certified Public Accountants. During the peer review, audit engagements are reviewed to determine compliance with professional standards. The work of the reviewers is in turn reviewed by the North Carolina Association of Certified Public Accountants and by the American Institute of Certified Public Accountants. The peer reviewer issues a formal report that is available to the public. Our predecessor firm completed four peer reviews during its period of operation and received an unqualified report each time. A copy of that firm's most recent peer review is attached to this proposal. We did not receive a letter of comment as a result of our peer review.

SECTION 1 – SPECIFIC REQUIREMENT NUMBER 6

Phyllis Pearson will be the partner in charge of the engagement. Michael Allen, Jonathan Glover and Ethan Brotherton will also be assigned to the engagement. Additional staff will be assigned to the engagement as needed.

Our firm stresses continuity of staff on engagements. All of our partners are extensively involved in governmental audits. In the interest of staff continuity over the next four years, our firm pledges that one of the individuals listed above will be assigned to your engagement for the duration of the contract. This pledge is conditional upon these individuals' continued employment with our firm.

We expect to assign one partner, one senior accountant and one staff accountant to the Town's audit as follows:

- Phyllis Pearson, CPA (34 years' experience) will spend approximately 50% of the audit engagement time on planning, compliance testing, and substantive testing and report preparation.
- Michael Allen (4 years' experience) will spend approximately 30% of the audit engagement time on planning, compliance testing, and substantive testing and report preparation.
- Our staff accountants, Jonathan Glover and Ethan Brotherton (1 ½ years' experience), will spend approximately 40% of the audit engagement time on compliance and substantive testing.

Each member of our staff is familiar with the GASB 34 reporting model and has completed several audits that reported under GASB 34. We have several municipalities and charter schools which report using the governmental model that incorporates LGC requirements since 1998.

SECTION 1 – SPECIFIC REQUIREMENT NUMBER 7

Phyllis Pearson, CPA, Partner, has audited, as an independent auditor in public accounting, not-for-profit organizations, community action agencies, school systems, governments, charter schools, public authorities, transit authorities and for profit organizations for thirty years. She is familiar with *Government Auditing Standards*, OMB Circular A-133 (Uniform Guidance) and the State Compliance Supplements. Ms. Pearson's clients' revenue streams range from $50,000 to $60,000,000 and included compliance audit requirements specified by State and Federal agencies. Ms. Pearson has audited enterprise funds for utilities, transit authorities and solid waste activities included in general funds.

Michael Allen, Manager, has completed four years in public accounting. He has audited health care organizations, not-for-profit organizations, governments, charter schools and for profit organizations during her period of employment. He is familiar with *Government Auditing Standards*, OMB Circular A-133 (Uniform Guidance) and the State Compliance Supplements. His clients' revenues streams range from $50,000 to $60,000,000 and included compliance with audit requirements specified by State and Federal agencies. Mr. Allen has performed Federal and State single audits and has audited enterprise funds of governmental units.

Jonathan Glover, staff accountant, has completed a year and one-half year in public accounting. He has audited health care organizations, not-for-profit organizations, governments, charter schools and for profit organizations during her period of employment. He is familiar with *Government Auditing Standards*, OMB Circular A-133 (Uniform Guidance) and the State Compliance Supplements. His clients' revenues streams range from $50,000 to $60,000,000 and included compliance with audit requirements specified by State and Federal agencies. Mr. Glover has performed Federal and State single audits and has audited enterprise funds of governmental units.

Ethan Brotherton, staff accountant, has completed a year and one-half year in public accounting. He has audited health care organizations, not-for-profit organizations, governments, charter schools and for profit organizations during her period of employment. He is familiar with *Government Auditing Standards*, OMB Circular A-133 (Uniform Guidance) and the State Compliance Supplements. His clients' revenues streams range from $50,000 to $60,000,000 and included compliance with audit requirements specified by State and Federal agencies. Mr. Brotherton has performed Federal and State single audits and has audited enterprise funds of governmental units.

Continuing Education

Our firm requires our staff to obtain continuing education in accordance with standards proscribed by the North Carolina State Board of CPA Examiners and the American Institute of Certified Public Accountants. Continuing education consists of attending and participating in conferences and seminars sponsored by the North Carolina Association of Certified Public Accountants and the American Institute of Certified Public Accountants. We carefully select the courses our staff attends to ensure they are informed of changes in regulations, professional standards and best practices affecting the accounting profession.

We require each staff member who is assigned to governmental audits to obtain at least 24 hours of continuing professional education every two years in the area of governmental accounting in accordance with *Government Auditing Standards.* We also require all of our audit staff to obtain 80 hours of continuing education in auditing areas every two years.

Our firm's staff has attended various continuing education courses. These courses were as follows:

2019
Accounting for NonProfit Grants & Contracts
Annual Update for Accountants & Auditors
Audits of 401(k) Plans
Employment Taxes for NFP's
Ethics and Professional Conduct
Forensic Accounting: Uncovering Schemes & Scams
Governmental & Not-for-Profit Annual Update
Leases: Mastering the New FASB Requirements
New Auditor Reporting Standard
Revenue Recognition: FASB Requirements
Statement of Cash Flows: Preparation, Presentation and Use
Technology Basics for NonProfits
Analyzing a Company's Grants & Contracts
Audit Workpapers: Documenting Fieldwork
Audit Workpapers: Reviewing Fieldwork
Auditing Revenue Under ASC 606
Auditing Procurement Under Uniform Guidance
GASB Statement: Best Practices in OPEB Accounting & Auditing
Navigating Indirect Costs in Your Single Audit
Smart Sampling in Single Audit
Tackling Internal Control Over Compliance in Single Audit
Understanding the Changes to Yellow Book Independence
When You Think It, Ink It! Best Practices in Single Audit Documentation
Using Part 6 of the New Compliance Supplement on Internal Control

2018
State & Local Government Audit Planning Considerations
Applying Professional Skepticism in an Audit
Applying the Uniform Guidance in Your Single Audits
Audit Workpapers: Reviewing Fieldwork
Data Breaches & Other Cyber Frauds

Documenting Your EBP Audit: What You Need to Know
Ethics in Practice: AICPA Code and Real Life Applications
Forensic Accounting: Uncovering Schemes and Scams
Interpreting the New Revenue Recognition Standard: What All CPA's Need to Know
Governmental Pensions: Prepare for a Changing Landscape
NFP FASB Standards Update
Not-for-Profit Accounting & Auditing Update
Not-for-Profit Financial Storytelling
Purchasing, Inventory and Cash Disbursements: Common Frauds & Internal Controls
Risk Assessment Deep Dive: How to Avoid Common Missteps
Risk Management for Not-for-Profit Organizations
The Most Common Financial Statement & Asset Fraud Schemes: Detect & Prevent
Accounting & Auditing Update
Form 990: Learn from Experts
Fraud & Cash Receipts: Common Frauds & Internal Controls
How to Build a Virtual Accounting Services Practice
Spreadsheet Risk – Can you eliminate it?
Yellow Book Financial Audits
Single Audits: New Insights on Factors Driving Quality
Working Paper Documentation

2017
Preparing Form 990
Employee vs. Independent Contractor
Government & Nonprofit Update
Introduction to Group Audits
Implementing the New Nonprofit Financial Reporting Model
Professional Ethics in Practice: Recent Changes for CPA's
Audit Sampling: A Comprehensive Guide to Effective & Efficient Sampling in Tests of Details & Controls
Everything You Wanted to Know About Generally Accepted Government Auditing Standards (GAGAS)
Strategies for Developing High Performing Teams
Accounting & Auditing Update
Yellow Book Update
Employee Engagement: Building Accountability Within Your Teams
How to Audit Going Concern Uncertainties
ASU Practical EBP Implementation Issues
Auditing Head Start Under the New Program Performance Standards & Revised Compliant Supplement
Implementing the New Not-for-Profit Standard: Practical Considerations
Comprehensive Guidance on Preparation, Compilation & Review Engagements
Documenting your EBP Audit
Financial Statement Disclosures: Tips & Practice Issues for Small Business
Are You Read for Your Next Peer Review?
GAQC Annual Update
Mandatory EBPAQC Designated Partners Audit Planning

SECTION 1 – SPECIFIC REQUIREMENT NUMBER 8

Our firm audits charter schools, school systems, community action agencies, public authorities, not-for-profits and governments, all of which require compliance auditing of State, local and federal programs. Our municipal clients maintain utilities, solid waste, capital project funds, special revenue funds and special purpose funds which we have audited as part of the overall engagement. We are experienced in the application of *Government Auditing Standards* and Uniform Guidance and its related compliance supplements. Our staff has also audited clients that receive the GFOA certificate in financial excellence.

SECTION 1 – SPECIFIC REQUIREMENT NUMBER 9

Specialized Skills and Training

Audit staff members have been trained in performing governmental audits and in providing services to governmental clients. Our staff is also familiar with designing indirect costs proposals for clients and providing interim financial statements and projections for bond issuances.

Ms. Pearson has served as the instructor at workshops on cost allocation, indirect costs, internal controls, and obtaining and maintaining tax exempt status and financial management. These workshops were sponsored by the North Carolina Department of Commerce, the North Carolina Rural Economic Development Center, Inc., the North Carolina Association of Community Development Corporations, Inc., the North Carolina Community Action Association and the North Carolina Community Development Initiative, Inc.

SECTION 1 – SPECIFIC REQUIREMENT NUMBER 10

Partial List of Current and Prior Clients

Municipalities (all units report under the new reporting model)

Pamela Perry, Town Clerk
Town of Bunn
Post Office Box 398
Bunn, North Carolina 27508
(919) 496-2992
(Audit 1999-2019)

Jim Roberts, Finance Director
City of Dunn
401 East Board Street
Dunn, North Carolina 28335
(910) 230-3500
(Audit 2005-2019)
GFOA Certificate of Achievement 2009-2018

Town of Lucama
Post Office Box 127
Lucama, North Carolina 27851
(252) 239-0560
(Audit 1993-2019)

Butch Kay, Finance Director
Town of Wendell
15 E 4th Street
Wendell, North Carolina
(919) 365-4444
(Audit 2006-2019)

Tammy Keesler, Finance Director
Town of Pinetops
101 Hamlet Street
Pinetops, North Carolina 27864
(252) 827-4435
(Audit 2008-2019)

Public Authority
Jim Roberts, Finance Director
Averasboro Township Tourism Development Authority
401 East Board Street
Dunn, North Carolina 28335
(910) 892-2170
(Audit 2005-2019)

Library

Hattie Harrington, Finance Officer
Braswell Memorial Library
727 North Grace Street
Rocky Mount, North Carolina 27804
(252) 442-1951 ext 251
(Audit 2009-2019)

SECTION 1 – SPECIFIC REQUIREMENT NUMBER 11

Independence Standards

Independence and objectivity are professional requirements for a CPA firm. All of PETWAY MILLS & PEARSON, PA's personnel are required to adhere to the independence rules of the Code of Professional Conduct of the American Institute of Certified Public Accountants, the 2018 Revised *Government Auditing Standards* and the independence standards specified by the GAO in *Standards for Audit of Governmental Organizations, Programs, Activities and Functions.* All of our personnel are required to observe similar rules of the North Carolina State Board of CPA Examiners as well as such rules and regulations of the Securities and Exchange Commission and other regulatory agencies before which the firm practices.

As far as the Town of Nashville is concerned, our firm is independent as contemplated by such independence rules.

Our Firm's Statement of Policy and Procedures regarding Independence under *Government Auditing Standards* is as follows:

PETWAY MILLS & PEARSON, PA believes that the two overarching principles defined by *Government Auditing Standards* must be followed. Accordingly, we shall not perform management functions or make management decisions and we will not audit our own work or provide non-audit services in situations where the amounts or services involved are significant or material to the audit. We believe failure to follow these principles impairs our independence with regard to the client.

To ensure compliance with our policy, the following procedures are required to be completed.

- **Annually, each employee will identify to management of the firm, in writing, a certification as to their independence with regard to the firm's clients.**

With each audit and review engagement, the firm will prepare a written evaluation regarding our independence and our staff's independence with respect to the client that will be a part of the audit or review work papers. If any responses indicate our independence would be impaired, we do not provide services to that potential client

SECTION 1 – SPECIFIC REQUIREMENT NUMBER 12

Liability Insurance

Our firm has obtained professional liability insurance in the amount of $4,000,000 to cover potential claims. There have been no liability claims against the firm over the last five years.

SECTION 1 – SPECIFIC REQUIREMENT NUMBER 13

No regulatory action has been taken by any oversight body against PETWAY MILLS & PEARSON, PA.

SECTION 1 – SPECIFIC REQUIREMENT NUMBER 14

LOCAL GOVERNMENT COMMISSION AND UNC SCHOOL OF GOVERNMENT

We have been working with the Local Government Commission since our formation in 2004. The Commission regularly reviews of audit reports and makes comments as needed. We revise reports when requested by the Commission.

We seek the advice of the Commission whenever we encounter schools with difficult accounting problems. For example, schools may have component units that are not audited and the auditors' opinions would need to be revised to reflect the impact of an unaudited component unit on the opinion as well as on the financial statement presentation. We consider the Commission a respected resource of information that we use in conducting our audits.

We also attend Local Government Commission and the University of North Carolina School of Government in Chapel Hill continuing education courses to ensure we are knowledgeable on the requirements of the Commission and the State for our report submissions.

Bernard Robinson & Company, L.L.P.

Report on the Firm's System of Quality Control

February 26, 2018

To the Partners of Petway Mills & Pearson, PA
and the Peer Review Committee of the North Carolina
Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Petway Mills & Pearson, PA (the firm) in effect for the year ended September 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

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

1501 Highwoods Blvd., Ste. 300 (27410)
P.O. Box 19608 | Greensboro, NC 27419
P: 336-294-4494 • F: 336-294-4495

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Petway Mills & Pearson, PA in effect for the year ended September 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Petway Mills & Pearson, PA has received a peer review rating of *pass*.

Bernard Robinson & Company, L.L.P.

BERNARD ROBINSON & COMPANY, L.L.P.

Provided by: Petway, Mills & Pearson, PA

Petway, Mills & Pearson, PA

Quality Control Document – Petway Mills & Pearson, PA

OVERVIEW

Petway Mills & Pearson, PA's quality control (QC) policies and procedures for the six elements of quality control are presented below. All employees of the firm are provided a copy of this document and are responsible for understanding, implementing, and adhering to these policies and procedures.

The firm is a member of the AICPA Employee Benefit Plan Audit Quality Center (Center) and has agreed to establish policies and procedures specific to the firm and its ERISA employee benefit plan practice to comply with the applicable professional standards and the membership requirements of the respective Center. These policies and procedures are documented and communicated by this document.

As required by the membership requirements of the respective Center, it is the policy of the firm that all eligible audit partners be members of the AICPA. It is the responsibility of the managing partner to annually advise each audit partner that AICPA membership is mandatory. Also, as required by the membership requirements of the respective Center, the managing partner annually designates an audit partner to assume firm-wide responsibility for the quality of the firm's ERISA employee benefit plan practice.

It is the firm's policy to adhere to all applicable unconditional and presumptively mandatory requirements of SQCS No. 8 (QC10), *A Firm's System of Quality Control*, as evidenced by the policies and procedures within this QC document. Any questions, concerns, or recommendations about the firm's QC system should be communicated to the managing partner.

LEADERSHIP RESPONSIBILITIES FOR QUALITY WITHIN THE FIRM

It is the firm's policy to promote a culture of quality that is pervasive throughout the firm's operations through the development of its system of QC. Firm management, under the direction of the managing partner, assumes responsibility for the firm's system of QC and designs the system to (1) emphasize the importance of performing work that complies with professional standards and applicable legal and regulatory requirements and (2) issue reports that are appropriate in the circumstances. In maintaining a culture of quality, the firm emphasizes the importance of ethics and integrity in every decision that personnel make, particularly at the engagement level. The firm ensures compliance with this policy by implementing the following procedures:

1) The firm dedicates sufficient and suitable resources to its QC system and quality initiative and assigns the operational responsibility for the firm's QC system to individuals with the experience, ability, and authority to identify, develop, and implement the necessary QC policies and procedures based upon their comprehensive understanding of QC 10. The firm communicates clear, consistent, and frequent actions and messages that emphasize the expectation that each individual is to follow the firm's QC policies and procedures. Such actions and messages include—

   a) Providing a copy of the firm's system of QC document to all new professional employees and reviewing the document and its importance with them.

   b) Reviewing the firm's QC policies and procedures, especially in areas where questions or problems have arisen, with personnel during firm training sessions.

   c) Updating the firm's QC policies and procedures, as needed, such as due to revision in professional standards, and promptly notifying firm personnel (and providing training when appropriate) about those updates.

   d) Reviewing the firm's QC document at least annually with firm personnel.

2) The managing partner evaluates client relationships and engagements to ensure that commercial considerations are not placed ahead of the firm's commitment to QC. Additionally, the firm's performance evaluation, compensation, and advancement policy and procedures (covered in the Human Resources section of this document) do not place commercial considerations ahead of the quality of work performed.

3) The managing partner, engagement partners, and other partners in the firm demonstrate the importance of quality by their actions.

4) The engagement partner assumes responsibility for the overall quality of each engagement to which he or she is assigned, emphasizes the fact that quality is essential when performing engagements, and sets an appropriate example throughout all stages of the engagement for the other engagement team members to follow.

5) The firm establishes a formal code of conduct that reflects the firm's core value of quality and guides personnel to make appropriate decisions throughout their workday. The code of conduct is regularly communicated and reiterated to all employees and is posted in the QC folder.

6) The firm rewards personnel who demonstrate a commitment to quality through its performance evaluation, compensation, and advancement system, as covered in the Human Resources section of this document.

7) The firm does not allow unethical behavior to occur unchallenged and addresses instances of noncompliance with the firm's QC system through swift disciplinary action or, in extreme cases, termination of the offending employee.

8) At least annually, the firm's leadership responsibilities for quality within the firm policy and procedures are reviewed to determine if they are appropriate and operating effectively, as covered in the Monitoring section of this document.

RELEVANT ETHICAL REQUIREMENTS

It is the firm's policy that all professional personnel be familiar with and follow relevant ethical requirements of the AICPA, contained in the *Code of Professional Conduct*, the States of North Carolina and South Carolina Boards of Accountancy, and the North Carolina and South Carolina State CPA Society in performing their professional responsibilities. Furthermore, it is the policy of our firm that, for engagements subject to *Government Auditing Standards* and other applicable regulatory agencies, all professional personnel be familiar with and adhere to the relevant ethical requirements included in those standards, including any that may be more restrictive. Additionally, when the firm and its professional personnel encounter situations that raise potential independence threats, but such situations are not specifically addressed by the interpretations of the *Independence Rule* of the AICPA *Code of Professional Conduct*, the situation will be evaluated by referring to the *Conceptual Framework for Independence* and applying professional judgment to determine whether an independence breach exists. The firm takes appropriate action to eliminate threats to independence or mitigate them to an acceptable level by applying safeguards. If effective safeguards cannot be applied, the firm will withdraw from the engagement or take other corrective actions as appropriate to eliminate the breach. The firm ensures compliance with this policy by implementing the following procedures:

1) All personnel have access to the relevant ethical requirements to which the firm is subject. The firm expects its personnel to be familiar with those relevant ethical requirements.

2) All professional personnel who work on attest engagements and are required to be independent, sign a representation letter when hired and annually thereafter acknowledging their familiarity with the firm's relevant ethical requirements policy and procedures, particularly with regard to independence. The representation letter also lists known circumstances and relationships that may create a potential threat to independence or violate the firm's relevant ethical requirements policy.

3) Ethics training is provided for professional personnel annually, as required by the States of North and South Carolina Boards of Accountancy.

4) Certain relevant ethical requirements are addressed by procedures within the work programs and standard forms in the accounting and auditing manuals used by the firm. Such procedures:

   a) Determine compliance with relevant ethical requirements, including independence, on each new and recurring attest client as part of the acceptance and continuance decision. For clients of whom the firm is not independent, the only attest service performed is a compilation and the firm discloses its lack of independence in the related report.

   b) Consider unpaid fees (billed and unbilled).

   c) Consider any familiarity threat related to senior personnel recurring on an attest engagement for five years or more.

   d) Annually confirm the independence of another accountant performing work on a group audit or a segment of a review, or attestation engagement.

e) Identify non-attest services performed for attest clients and determine if the services threaten independence with respect to that client (including how the firm was satisfied that client personnel had the skills, knowledge, or experience to oversee the non-attest services). The firm will only provide non-attest services to an attest client when the client accepts its responsibilities. Where applicable, this includes determining whether such non-attest (non-audit) services impair independence under the independence rules in *Government Auditing Standards.*

f) Consider the firm's independence of attest clients at which professional personnel have been offered management positions or have accepted offers of employment.

g) Consider whether actual or threatened litigation has an effect on the firm's independence with respect to the client.

h) Determine whether all professional personnel are independent of the financial reporting entity, if the firm is engaged as the group auditor to report on the basic financial statements of the financial reporting entity.

i) Consider whether the firm was party to a cooperative arrangement with a client that was material to the firm or the client.

5) All professional personnel remain alert for any evidence of noncompliance with relevant ethical requirements during the engagement and are required to promptly notify the engagement partner and managing partner of any circumstances or relationships that may create a potential threat to independence or an independence breach, so that appropriate action can be taken.

6) If a potential threat to independence is identified, the managing partner accumulates and communicates relevant information to appropriate personnel so (a) firm management and the engagement partner can determine whether they satisfy independence requirements, (b) the engagement partner can take appropriate action to address identified threats to independence, and (c) the firm can maintain current independence.

7) All relevant ethical requirements matters (including potential issues from the employee independence representation letters and those from other sources) are resolved by the managing partner. The managing partner is responsible for determining actions to be taken when professional personnel violate firm independence policies and procedures. Documentation of the resolution of a relevant ethical requirements matter is filed in the client's workpaper files and retained in accordance with the firm's document retention policy.

8) If a breach of independence is identified, the breach and the required corrective actions are promptly communicated to (a) the managing partner, (b) the engagement partner, who (along with the firm) needs to address the breach, (c) other relevant personnel in the firm and those subject to the independence requirements who need to take appropriate action and (d) those charged with governance at the attest client. The engagement partner confirms to the managing partner when required corrective actions related to the independence breach and noncompliance with these policies and procedures has been taken.

9) At least annually, the managing partner reviews the firm's relevant ethical requirements policy and procedures to determine if they are appropriate and operating effectively, as covered in the Monitoring section of this document.

ACCEPTANCE AND CONTINUANCE OF CLIENT RELATIONSHIPS AND SPECIFIC ENGAGEMENTS

It is the firm's policy that, for all audit, attestation, review, compilation, and preparation service engagements, the acceptability of the client and the engagement be evaluated before the firm agrees to provide professional services. The firm will accept and continue only client relationships and specific engagements when it has determined that the requisite competence and capabilities (including adequate time, resources and licensure) exist within the firm to perform the engagement and the firm can comply with legal and relevant ethical requirements, as explained in the Assignment of Engagement Teams activity within the Human Resources section of this document. Additionally, the firm will only undertake or continue relationships and engagements when the firm has considered the integrity of the client and does not obtain information indicating that the client lacks integrity. The firm ensures compliance with this policy by implementing the following procedures:

1) For each prospective client that requests for the first time a preparation, compilation, review, attestation or audit service, the partner making initial contact with the client is required to complete an engagement acceptance and continuance form. The completed form is routed to the managing partner who decides whether to accept or reject the prospective client and who documents that conclusion on the form.

2) For existing attest clients, the managing partner annually reviews the firm's client list and reevaluates the acceptability of each client and engagement. In addition, prior to commencing the engagement, the engagement partner ensures that the relevant section of the engagement acceptance and continuance form has been completed. (The engagement acceptance and continuance form is located in the accounting and auditing manuals used by the firm).

3) The managing partner or the engagement partner documents how issues identified during the acceptance and continuance process, if any, were overcome and resolved so that the firm decided to accept or continue the client relationship or specific engagement. Such documentation includes discussion of significant issues, consultations, conclusions, and the basis for the conclusions.

4) If situations occur after the commencement of an engagement and while work is in process that indicate the firm should consider withdrawing from the engagement, the managing partner is notified of the circumstances. In that situation, the firm considers whether there are any professional, regulatory, or legal requirements for the firm to remain associated with the client and the engagement or to report the withdrawal to regulatory authorities. In addition, the firm considers whether withdrawing from the engagement or discontinuing the client relationship is appropriate. The engagement partner and managing partner jointly decide whether to withdraw from an attest engagement. Significant issues, consultations, conclusions, and the basis for the conclusions are documented when withdrawal from an engagement or from both the engagement and the client relationship occurs.

5) The engagement partner is responsible for ensuring that an engagement letter is obtained for each client. The engagement letter documents the firm's understanding with the client regarding the nature, scope, and limitations of the services to be performed, as well as the identification of the engagement partner and his or her role.

6) The engagement partner is responsible for—

   a) Being satisfied that appropriate acceptance and continuance procedures were followed and that the acceptance and conclusion decisions reached are appropriate.

   b) Promptly communicating information obtained, if any, that would have caused the firm to decline the engagement had it been known initially, to the firm, so that the firm and the engagement partner can take the necessary action.

7) If the firm discovers a potential conflict of interest during the acceptance and continuance decision, the managing partner determines whether it is appropriate to accept or continue the engagement. If the engagement is accepted or continued, the ethical requirements under ET 1.110.010, *Conflicts of Interest*, are considered, including whether a conflict of interest that might be perceived as impairing objectivity was disclosed and consented to by the client or other appropriate parties.

8) At least annually, the managing partner reviews the firm's acceptance and continuance of client relationships and specific engagements policy and procedures to determine if they are appropriate and operating effectively, as covered in the Monitoring section of this document.

HUMAN RESOURCES

Overall

The success of the firm is dependent upon its professional staff. It is the firm's intent to succeed in the marketplace by having partners and staff who possess the competence, capabilities, and commitment to ethical principles to assure that engagements performed by the firm are in accordance with professional standards and applicable legal and regulatory requirements and that appropriate reports are issued in the circumstances. Having effective QC policies and procedures over the human resources element helps to ensure the proficiency of personnel. The activities of our human resources QC system include—

- Recruitment and hiring.
- Determining competencies and capabilities.
- Assignment of engagement teams.
- Professional development.
- Performance evaluation, compensation, and advancement.

Policies and procedures for each of these activities are detailed below. At least annually, the managing partner reviews the firm's human resources policies and procedures to determine if they are appropriate and operating effectively, as covered in the Monitoring section of this document.

Recruitment and Hiring

It is the firm's policy that recruitment and hiring decisions for the professional staff be based on an objective evaluation of the firm's personnel needs, that candidates possess the appropriate characteristics to perform competently, and that new employees are adequately informed of the firm's policies and procedures. The firm ensures compliance with this policy by implementing the following procedures:

1) A recruitment and hiring plan is prepared periodically (as necessary) and is approved by the managing partner. The recruitment and hiring plan is communicated to those involved in the recruitment and hiring process.
2) Recruiting techniques and actual employment decisions are made by the managing partner after considering the needs of the firm.
3) An Interview and Evaluation Checklist is prepared for each applicant.
4) The firm's personnel policies and procedures relevant to applicants and new employees are communicated to them.

Determining Competencies and Capabilities

It is the firm's policy to determine whether personnel possess the requisite competencies and capabilities. In making this determination, the firm primarily considers qualitative measures, as opposed to quantitative ones. The firm ensures compliance with this policy by implementing the following procedures:

1) Periodically, the managing partner assesses the competencies and capabilities of engagement partners to help assure engagements are performed in accordance with professional standards and applicable legal and regulatory requirements, and that appropriate reports are issued in the circumstances. The following competencies and capabilities are assessed based on the characteristics of the particular client, industry, and service provided:
   a) An understanding of the role of the firm's QC system and the AICPA *Code of Professional Conduct.*
   b) An understanding of the service to be performed.
   c) Technical proficiency.
   d) A familiarity with the industries served.
   e) Professional judgment.
   f) An understanding of the organization's information technology systems.
   g) Personal attributes, leadership qualities, and perspective on business issues.
2) The firm determines how engagement partners and other personnel can best obtain additionally needed competencies and capabilities. If a partner lacks recent experience in the assigned industry or area, he or she obtains appropriate education and/or experience before performing engagement planning procedures.
3) In the unusual situation where an engagement is found to be materially nonconforming after report issuance (such as during monitoring or in connection with a peer review or regulatory inspection), the firm takes appropriate action, as further described in the Monitoring section of this document.
4) Performance evaluations are conducted, at least semiannually, to determine the capabilities and competencies possessed by staff other than partners.
5) In the unusual situation where the firm accepts an audit in an industry that the firm's personnel have not previously audited and professional education is insufficient for the engagement team to obtain the requisite competence to perfume the engagement, the firm engages a suitably qualified external individual to assist with the performance of the audit as a member of the engagement team.

Assignment of Engagement Teams

It is the firm's policy that each engagement be supervised by an engagement partner with appropriate competence, capabilities, and authority. Additionally, all personnel assigned to engagements possess the necessary competence and capabilities to perform engagements that comply with professional standards and applicable legal and regulatory requirements (including licensing requirements) and enable the firm to issue reports that are appropriate in the circumstances. The firm ensures compliance with this policy by implementing the following procedures:

1) In addition to assessing the engagement partner's competencies and capabilities (see the Determining Competencies and Capabilities section), the managing partner clearly defines and communicates the responsibilities and authority of an engagement partner to that partner, and evaluates the partner's work load to ensure that he or she has the time to adequately perform the role.
2) The identity and role of the engagement partner are communicated to client management and those charged with governance through a written engagement letter.
3) The engagement partner obtains satisfaction that the engagement team (including any external specialists) meets the objective of the Assignment of Engagement Teams policy of the firm's Human Resources QC element before any engagement procedures are performed.
4) The managing partner makes all partner assignments, while staff assignments are determined by the firm's engagement partners. All assignments are made after considering the requisite competencies and capabilities needed for the particular client and engagement. A copy of the staffing plan is circulated to all employees.

Professional Development

It is the firm's policy that all professional personnel comply with the continuing professional education requirements of the AICPA, the States of North Carolina and South Carolina Boards of Accountancy, the AICPA Employee Benefit Plan Audit Quality Center, the U.S. Government Accountability Office, and other regulatory agencies, if applicable; that all professional staff maintain an adequate awareness and understanding of current developments in professional standards, including developments that support the levels of service and industries of engagements provided; that all non-licensed professional staff work toward passing the CPA exam; and that all professional staff assist in the training and development of staff members under their supervision. The firm ensures compliance with this policy by implementing the following procedures:

1) The QC partner approves professional staff member CPE prior to staff attendance. An individual CPE Record worksheet is prepared by each professional staff member annually.
2) The QC partner and/or office manager, monitors employee progress toward meeting the CPE plan.
3) All professional personnel are to obtain at least the minimum number of CPE required each year by the North Carolina and South Carolina Boards of Accountancy (or, alternatively, meet the CPE requirements of the AICPA) in programs that qualify for credit under the CPE rules that govern the firm.
4) Individuals who work on audits subject to the *Government Auditing Standards*, including planning, directing, performing audit procedures or reporting, complete at least 24 hours of CPE every two years that directly relates to government auditing, the government environment, or the specific or unique environment in which the audited entity operates. In addition, auditors who do any amount of planning, directing, or reporting on Yellow Book audits and auditors who are not involved in those activities but charge at least 20% of their time annually to Yellow Book audits also obtain at least another 56 hours (for a total of 80 hours) of CPE that enhances their professional proficiency to perform audits.
5) The partner assigned firm-wide responsibility for the quality of the firm's governmental audit practice meets both the 24-hour and 80-hour CPE requirements.
6) Individuals who sign audit opinions and/or manage ERISA employee benefit plan audit engagements and individuals who work on ERISA employee benefit plan audit engagements meet the CPE requirements of the AICPA Employee Benefit Plan Audit Quality Center.
7) Appropriate CPE documentation is maintained for each professional for the most recent five years.
8) The firm maintains a current library, circulates within the firm important news about new or emerging changes in professional literature or business activities and conducts training sessions on significant changes, if necessary.

9) The firm recognizes the importance of on-the-job training and encourages personnel with supervisory responsibility to be aware of situations where it can be provided.

10) The firm recognizes the benefit of other professional development activities and encourages personnel at each staff level to participate in such activities.

Performance Evaluation, Compensation, and Advancement

It is the firm's policy that performance evaluation, compensation, and advancement decisions for professional personnel be based on a timely and objective evaluation of individual performance, that the professional personnel selected for advancement have the necessary qualifications to fulfill their assigned responsibilities, and that compensation of personnel, including partners, be based on the quality of their work. The firm ensures compliance with this policy by implementing the following procedures:

1) The following personnel levels and related performance criteria are used by the firm:
   a) **Staff Accountant** — Assume responsibility for unaudited financial statement engagements, segments of audits, or the completion of tax returns under the supervision of more experienced staff.
   b) **Senior (In-charge)** — Assume responsibility for the supervision of unaudited financial statement engagements, audits, and tax return preparation engagements.
   c) **Manager (Supervisor)** — Plan and supervise assigned engagements as well as assist in administrative functions of the office and the development of new practice opportunities.
   d) **Partner** — Assume ultimate responsibility for all assigned engagements, perform assigned administrative duties, and participate in civic and community activities.
2) All professional staff are evaluated by their supervisors at the completion of engagements of approximately 150 or more hours or at least every six month or more frequently at the discretion of the engagement partner.
3) The managing partner annually approves partner compensation and any incentive bonus based upon criteria established by the partner group. Such criteria reward quality service and do not place commercial considerations ahead of the quality of work performed.
4) At least annually, and on an *ad hoc* basis if necessary, the partners meet as a committee to discuss advancement, compensation, and termination decisions.

ENGAGEMENT PERFORMANCE

Overall

Engagement performance encompasses many aspects of performing an engagement, from the initial planning stages to the issuance of the report and assembly of the workpapers. Additionally, it is not uncommon for the firm's engagement teams to occasionally encounter difficult or contentious issues that result in the need for consultation or that create differences of opinion. The firm believes in a strong quality control system and supports frequent engagement quality control review. While all of these activities are part of the engagement performance element of the QC system, the firm has chosen to differentiate certain activities within this section of the QC document for ease of understanding. The activities are segregated as follows:

- Engagement performance and documentation.
- Engagement QC review.
- Consultation and differences of opinion.

Policies and procedures for each of those components of engagement performance are described below. At least annually, the managing partner reviews the firm's engagement performance policies and procedures to determine if they are appropriate and operating effectively, as covered in the Monitoring section of this document.

Engagement Performance and Documentation

It is the firm's policy that all audit, attestation, review, compilation and preparation service engagements be properly planned, performed, supervised, reviewed, documented, and reported or communicated in accordance with the

requirements of professional standards, applicable legal and regulatory requirements, and the firm. In this regard, the firm's engagement performance QC steps are documented in the firm's engagement performance bridging documents.

The firm uses PPC's accounting and auditing manuals and practice aids as an integral part of its QC system to assist with promoting consistency in the quality of engagement performance. The QC partner endures the reliability of such materials and their suitability to the firm's practice, including updating and modifying the materials, if needed, for the firm's engagements.

After evaluating the reliability and suitability of PPC accounting and auditing manuals and practice aids, the firm adopts and integrates within its QC system the use of such materials as more fully described in the engagement performance bridging documents. The firm maintains separate bridging documents for its engagements performed under the AU-Cs. AT-Cs and AR-Cs, which are located at the non-traditional engagement practice manual. This QC document, the PPC manuals and any other practice aids used by the firm are intended solely to assist us in achieving compliance with professional standards. Accordingly, nothing within the QC document should be construed as (1) requiring a higher level of performance or documentation than the minimum specifically required by our firm's QC policies and procedures, or (2) overriding the exercise of professional judgment.

Engagement Quality Control Review

It is the firm's policy to evaluate all engagements against criteria established by the firm to determine whether an engagement QC review should be performed, and to perform an engagement QC review for all engagements that meet the criteria. Engagement QC reviews are completed before the report is released. The firm ensures compliance with this policy by implementing the following procedures:

1) The firm establishes criteria for performance of an engagement quality control review (EQCR). The firm establishes a different set of criteria for each major service provided (i.e., preparation, compilation, review, audit, and attestation engagements).

2) All engagements are evaluated against the established criteria. An EQCR is performed for all engagements that meet the established criteria.

3) The firm periodically evaluates and makes changes to its EQCR criteria as needed based on changes in the structure and nature of the firm's practice.

4) Based on the current composition of the firm's accounting and auditing practice, the firm has concluded that EQCR should be performed for all audit, attestation, review, compilation and preparation engagements.

5) The appointment of engagement quality control reviewers requires consideration of the technical qualifications necessary to perform the role (including the necessary experience and authority), and the degree to which an engagement quality control reviewer can be consulted during the engagement without jeopardizing the reviewer's objectivity. In selecting appropriate engagement quality control reviewers, the following criteria are followed—

   a) The engagement quality control reviewer is selected by the managing partner.

   b) The engagement quality control reviewer has sufficient and appropriate experience, technical expertise and authority for the particular engagement to be reviewed.

   c) Engagement quality control reviewers maintain appropriate ethical requirements (such as objectivity, due professional care and independence), including independence requirements relating to the engagement reviewed.

   d) The engagement quality control reviewer does not make decisions for the engagement team or otherwise participate in the performance of the engagement except in a consulting role. Both the engagement quality control reviewer and the engagement ream are careful to maintain the reviewer's objectivity.

   e) If the objectivity and/or continued eligibility of the engagement quality control reviewer come into question, the engagement partner will communicate the situation to the quality control director or the managing partner. The engagement quality control reviewer will be replaced if the reviewer's ability to perform an objective review is likely to have been impaired.

6) Performing an EQCR includes the following procedures—

   a) Having a discussion with the engagement partner about significant findings and issues.

   b) Reading the financial statements or other subject matter information and the proposed report.

c) Reviewing selected engagement documentation relating to the significant judgements of the engagement team and the conclusions reached.

d) Performing an evaluation of the conclusions reached in formulating the report and considering where the proposed report is appropriate.

e) Reviewing for appropriateness the resolution and conclusions reached regarding differences of opinion and matters requiring consultation.

f) Considering the engagement team's evaluation of the firm's independence in relation to the specific engagement.

7) Concurring reviews are engagement quality reviews in addition to the engagement partner review. These review are required to be performed prior to the issuance of a report and engagement planning is required to contain procedures to ensure the engagement is completed in sufficient time to allow for this review to occur properly.

a) Initial engagements (Note that a change in the level of service or additional services beyond the initial understanding creates an initial engagement) outside of our niche practice of real estate development companies, construction companies, closely held businesses, not-for-profit organizations (charities), small governments, charter schools, school boards, mortgage brokers, golf courses, homeowner associations, community action agencies and employee benefit plans.

8) If differences of opinion occur between the engagement partner and the engagement quality control reviewer, appropriate differences of opinion procedures are followed (see the Consultation and Differences of Opinion section of this QC document), and documentation of the resolution of conflicting opinions is finalized before the release of the report.

9) The firm prepares appropriate documentation of the EQCR, including documentation reflecting that—

a) The procedures required by firm policies have been performed.

b) The EQCR was completed before the report was released.

c) The reviewer was not aware of any unresolved matters that would have caused him or her to believe that significant judgments the engagement team made and conclusions they reached were not appropriate.

10) For engagements for which an EQCR is required (see Procedure 4 of this section), the engagement partner (a) determines that an engagement quality control reviewer has been appointed; (b) discusses with the engagement quality control reviewer the significant findings or issues that arose during the engagement, if any; and (c) does not release the report until the completion of the EQCR.

11) When the firm does not have qualified personnel to perform the EQCR, the firm contracts with suitably qualified external individuals or other firms to perform the review. The criteria in Procedure 5 are followed in selection qualified external engagement quality control reviewers. The engagement quality control reviewer performs and documents review procedures as required by professional standards.

Consultation and Differences of Opinion

It is the firm's policy that personnel refer to authoritative literature or other sources when appropriate. It is also the firm's policy that all professional personnel seek consultation on a timely basis, within or outside the firm, whenever differences of opinion occur or uncertainties exist regarding a technical issue. The firm ensures compliance with this policy by implementing the following procedures:

1) The firm maintains or provides ready access to an adequate and up-to-date reference library that includes current reference materials related to clients served and that should be consulted to assist professional staff in their research of technical issues.

2) Issues requiring consultation are first discussed by members of the engagement team. If further consultation is necessary, individuals within the firm having appropriate expertise are then consulted.

3) Consultations with individuals outside of the firm who have relevant specialized expertise, including non-accounting or non-auditing specialists, are approved by the managing partner. Before using an outside individual or specialist, the firm evaluates whether the external provider is qualified for the specific purpose of the consultation.

4) All relevant facts are provided to those consulted so they can understand the nature and scope of the consultation.

5) All consultations involving difficult or contentious issues are agreed upon by both the individuals seeking consultation and the individuals consulted. Such consultations are sufficiently documented in accordance with professional standards.

6) If a difference of opinion occurs within the engagement team, between the engagement partner and the engagement quality control reviewer, or with those consulted within or outside the firm, that difference is resolved using Procedures 2, 3, and 4, if possible. If not, the matter is brought to the attention of the managing partner. The managing partner (with the assistance of other practitioners or regulatory entities, if desired) resolves the dispute regarding the proper course of action to be taken by the firm on the issue in question. The conclusion reached to resolve the matter of disagreement and how that conclusion was implemented are documented. In addition, any party to the consultation/difference of opinion who disagrees with the final conclusion may document his or her disagreement with the resolution of the matter. The firm will not release the report until any differences of opinion are resolved.

7) For all attest engagements, the engagement partner is responsible for ensuring that appropriate consultation is undertaken on difficult or contentious matters. The engagement partner ensures that (a) members of the engagement team follow the firm's consultation policies during the course of the engagement, (b) the nature and scope of the consultation are agreed upon with the party consulted, (c) the resulting conclusions are understood by the party consulted, and (d) such conclusions are implemented.

MONITORING

It is the firm's policy that the quality control system be monitored on an ongoing basis to provide the firm with reasonable assurance that the policies and procedures established by the firm for each of the elements of QC are relevant, adequate, and operating effectively. Monitoring activities include EQCR, inspection, and post-issuance review. EQCR, performed prior to completion of the engagements, assists in providing ongoing consideration and evaluation of the firm's QC system. The policy and procedures relating to EQCR are addressed in the Engagement Performance section of this document. The retrospective monitoring activities performed by the firm relate to inspection and post-issuance review (collectively referred to as *inspection/review*) and are the primary activities addressed in these monitoring policy and procedures.

As an integral part of the monitoring process, inspection/review procedures are performed on all elements of the firm's QC system at least annually to determine whether the firm has complied with professional standards, applicable legal and regulatory requirements, and its stated QC policies and procedures. The firm ensures compliance with this policy by implementing the following procedures:

1) At least annually, the managing partner selects an individual or team to perform inspection/review procedures on the firm's QC system. Individuals selected as monitoring team members possess adequate technical knowledge and experience and, when practical, are not directly involved in the administration, supervision, or performance of the QC procedures or engagements each will inspect/review. The monitoring process is planned, performed, and documented using the appropriate monitoring checklist found in the practice aid section of *PPC's Guide to Quality Control* as a work program. The engagements selected for inspection are taken from the firm's complete engagement population, including each type of plan in the firm's ERISA employee benefit plan audit practice in accordance with the membership requirements of the respective audit quality center. The monitoring procedures include review of administrative records to assess compliance relating to QC elements other than engagement performance.

2) At the conclusion of the inspection/review, the team captain is responsible for (a) identifying and summarizing the deficiencies noted and (b) discussing the results of the inspection/review with the managing partner, engagement partners and other appropriate personnel responsible for each of the engagements selected for review and determining whether any corrective action needs to be taken or improvements made with respect to those specific engagements. Engagement partners consider whether any deficiencies noted in the monitoring team's communication may affect other audit engagements.

3) The firm pursues one or more of the following actions resulting from its evaluation of the deficiencies noted during inspection/review—

   a) Take appropriate remedial action directed toward the individual engagement or person.

b) Revise the firm's QC policies and procedures.

c) Discipline individuals who failed to follow the firm's QC policies and procedures.

d) Communicate the findings to those responsible for training and professional development.

4) In addition, if a materially nonconforming engagement or other significant deficiency is identified, the firm takes appropriate action that, depending on the severity of the deficiency(ies), may also include one or more of the following internal actions:

a) Require an EQCR on the engagement partner's future engagements in the related industry or area

b) Prohibit the engagement partner from performing future engagements in the related industry or area.

c) In rare cases, consider the need to sever ties with the engagement partner.

5) If monitoring procedures indicate that required engagement procedures were not performed or that an issued report is inappropriate, the firm determines what further actions are needed to comply with relevant professional standards and applicable legal and regulatory requirements. Depending upon the specific situation, the firm may obtain legal advice.

6) At least annually, the firm prepares and distributes a formal monitoring report to engagement partners and the managing partner. This annual monitoring communication provides a description of (a) the monitoring procedures performed, (b) the conclusions reached from such procedures, and (c) any systemic, repetitive, or other significant deficiencies noted and the corrective actions taken to resolve them. Engagement partners consider whether any deficiencies noted in the firm's communication may affect their engagements.

7) In addition, the firm is subject every three years to a peer review in accordance with the requirements of the AICPA and the States of North Carolina and South Carolina Boards of Accountancy. The managing partner is responsible for scheduling and coordinating that review. The firm elects to have its peer review count as its inspection for each year in which a peer review is performed.

a) In accordance with the membership requirements of the AICPA Employee Benefit Plan Audit Quality Center, the engagement letter covering the firm's peer review requires that the ERISA employee benefit plan audits selected for review during the firm's peer review are reviewed by someone who is employed by a member firm of the respective Center. Also information relative to the firm's most recently accepted peer review is available to the public in accordance with the membership requirements of the respective Centers.

b) The internal inspection/review results (including those specific to the firm's ERISA employee benefit plan audit engagements selected for inspection/review) and annual monitoring communication are made available to the firm's peer review team.

8) Based on the results of the ongoing monitoring of the QC system, the firm's annual inspection/review, the monitoring communication, and, if appropriate, the results of the firm's peer review, the managing partner determines any corrective actions that should be pursued to improve, amend, or revise the QC system.

9) The managing partner periodically reminds personnel during staff meetings that any concerns regarding complaints or allegations may be communicated to the firm without fear of reprisal. The firm is particularly interested in complaints and allegations about the firm's noncompliance with professional standards, applicable legal and regulatory requirements, or the firm's system of quality control. The firm appropriately addresses complaints and allegations by—

a) Establishing channels of communication for complaints and allegations through the firm's website and communicating such information to employees and clients.

b) Investigating complaints and allegations and involving legal counsel if considered necessary. The firm assigns partners to this process who are trained and knowledgeable about firm procedures and who are not otherwise involved in the engagement relating to the complaint or allegation.

c) Documenting all complaints and allegations.

10) The firm documents the performance of each element of its QC system on an ongoing basis, as well as in conjunction with documenting its monitoring of the system. The firm retains documentation evidencing the operation of its QC

policies and procedures for a time sufficient to allow those monitoring the QC system, including peer reviewers, to evaluate the firm's compliance with its system.

CPE Plan

- PMP will select courses to ensure CPE is obtained to enhance our skills with regard to employee benefit plans, compilation and reviews, governmental audits and other audits. The timing of these courses should be during June of each year to prepare staff for government audits. PMP will also select certain tax courses to maintain and improve tax skills during the latter part of the year. The tax manager, audit partner and managing partner discuss CPE needs and the CPE to be obtained is expected to be reflective of each individual's needs.
- Each licensed professional is expected to obtain state required ethics courses to maintain licensing. Professionals obtaining licenses are expected to obtain the 8 hours of ethics required by the state to obtain certification.
- Each individual working on governmental audits is expected to obtain CPE over a two-year period that will meet the 24/80 hour requirement of Government Auditing Standards.
- Each individual working on employee benefit audits is expected to obtain CPE over a three-year period to maintain current knowledge of employee benefit plan requirements.
- All unlicensed professionals are expected to be working toward the 150-hour requirement for certification or participating in the firm provided CPA study course.
- Either the tax manager or the audit partner approve each employee's CPE in advance of enrollment in a course.

Work Assignments Plan

Audits

- Audit work assignments are determined every six months because the audit practice and contracting periods occur on a roughly six-month schedule.
- Updates are made to the audit work assignments as needed weekly and a revised work assignment worksheet is distributed every time the work assignment changes.
- A calendar based schedule is maintained on a daily and weekly basis that indicates the dates and times the auditors are expected to be on site at a clients or working in the office on a client.

Taxes

- Individuals with sufficient tax return preparation skills are assigned tax returns based on the skill level required to prepare the tax returns. The tax manager and the tax partner assign tax returns as needed and deadlines are reflective of IRS deadlines.

Write Up

- Individuals with sufficient write up experience (bookkeeping) perform monthly write ups with due dates as assigned by the engagement partner.

INDEPENDENCE, INTEGRITY, AND OBJECTIVITY REPRESENTATION

Name: _____ Date: _____

I have read and understand the firm's policy and procedures regarding independence, integrity, and objectivity as stated in the firm's quality control document. As such, I represent that:

1) I am familiar with and will adhere to the independence, integrity, objectivity rules, regulations, interpretations, and rulings of the AICPA, the State of North Carolina Board of Accountancy, the State of North Carolina CPA Society, the Securities and Exchange Commission, state statues, and other regulatory agencies (to the extent applicable.)

2) I have reviewed the firm's client list to determine if I have prohibited investments, transactions, or relationships.

3) Except as described in No. 7, I do not hold any prohibited investments nor were any held during the period. I have not entered into any prohibited transactions; nor am I aware of having any prohibited relationships.

4) As a member of the engagement team, I know that in cases when the work of another auditor is used, a written representation regarding the other auditor's independence with respect to our client must be obtained.

5) Any situation where I am either not independent or do not know whether I am independent is listed and explained in the first two columns of No. 7.

6) Any situation I which I am not able or do not know whether I am able to exercise objectivity in performing an engagement is listed and explained in the first two columns of No. 7.

7)

CLIENT	POSSIBLE ISSUES	RESOLUTION

Signed: _____ Date _____

PETWAY MILLS & PEARSON, PA
PERFORMANCE STANDARDS

PARTNER – Billings 2.0 – 2.5 X base salary

Performance Criteria: Engagements, either reviewed or prepared are 100% complete and accurate; engagement meets professional standards.

Maintains compliance with all applicable federal, state, local and employment laws; properly licensed as applicable; ensure relationships with employees complies with laws and regulations.

Embraces the Firm's mission; follows Firm policies; treats clients, staff and community members with respect; maintains a professional attitude at all times; markets the Firm; works to increase the client base and expands the Firm's opportunities; maintains client relationships and enhances those relationships.

Works a sufficient number of hours in any week or month to ensure deadlines are met.

Supervises staff as assigned by the partners and on engagements as assigned by the partners; understands that rotating staff assignments increases staff skills; provides adequate on-the-job training; consistently and constantly available to answer all staff questions and to provide direction for staff.

Maintains technical skills in assigned area and can perform adequate research in technical areas; serves as a resource to staff in technical areas; ensures engagements are properly completed and technically correct.

Maintains work/life balance such that the needs of the Firm are met; maintains an approach to work/life that considers the impact of decision making on staff; considers the needs of the clients and meets those needs timely and completely.

Represents the Firm and develops new client relationships and maintains old client relationships.

Serves as an example for all employees in approach to work, attitude, technical skills and work performance.

PETWAY MILLS & PEARSON, PA
PERFORMANCE STANDARDS

SENIOR MANAGER – Billings 2.0 – 2.25 X base salary

Performance Criteria: Engagements, either reviewed or prepared are 100% complete and accurate when submitted to the partners for review; deliverables to the client are ready for signature and delivery; engagement meets professional standards.

Maintains compliance with all applicable federal, state, local and employment laws; properly licensed as applicable; ensure relationships with employees complies with laws and regulations.

Embraces the Firm's mission; follows the partners' instructions and policies; treats clients, staff and community members with respect; maintains a professional attitude at all times; markets the Firm; works to increase the client base and expands the Firm's opportunities; maintains client relationships and enhances those relationships.

Works a sufficient number of hours in any week or month to ensure deadlines are met and partners are given adequate time to complete their reviews; understands that assigned hours (53 hour periods) apply only to staff due to their skill levels and that managers and senior managers are expected to work hours similar to the partners hours to ensure work is delivered timely; understands weekend hours are required for managers and senior managers in busy periods to ensure work is completed timely and accurately.

Supervises staff as assigned by the partners and on engagements as assigned by the partners; understands that rotating staff assignments increases staff skills; provides adequate on-the-job training; consistently and constantly available to answer all staff questions and to provide direction for staff.

Maintains technical skills in assigned area and can perform adequate research in technical areas; serves as a resource to staff in technical areas; ensures engagements are properly completed and technically correct.

Maintains work/life balance such that the needs of the Firm are met; maintains an approach to work/life that considers the impact of decision making on staff and partners; considers the needs of the clients and meets those needs timely and completely.

Represents the partners if needed; responsible for operations in the absence of the partners.

Serves as an example for all employees in approach to work, attitude, technical skills and work performance.

PETWAY MILLS & PEARSON, PA
PERFORMANCE STANDARDS

MANAGER – Billings 1.75 – 2.0 X base salary

Performance Criteria: Engagements, either reviewed or prepared are 98% complete and accurate when submitted to the partners for review; deliverables to the client are ready for signature and delivery; engagement meets professional standards.

Maintains compliance with all applicable federal, state, local and employment laws; properly licensed as applicable; ensure relationships with employees complies with laws and regulations.

Embraces the Firm's mission; follows the partners' instructions and policies; treats clients, staff and community members with respect; maintains a professional attitude at all times; markets the Firm; works to increase the client base and expands the Firm's opportunities; maintains client relationships and enhances those relationships.

Works a sufficient number of hours in any week or month to ensure deadlines are met and partners are given adequate time to complete their reviews; understands that assigned hours (53 hour periods) apply only to staff due to their skill levels and that managers and senior managers are expected to work hours similar to the partners hours to ensure work is delivered timely; understands weekend hours are required for managers and senior managers in busy periods to ensure work is completed timely and accurately.

Supervises staff as assigned by the partners and on engagements as assigned by the partners; understands that rotating staff assignments increases staff skills; provides adequate on-the-job training; consistently and constantly available to answer all staff questions and to provide direction for staff.

Maintains technical skills in assigned area and can perform adequate research in technical areas; serves as a resource to staff in technical areas; ensures engagements are properly completed and technically correct; licensed as a CPA.

Maintains work/life balance such that the needs of the Firm are met; maintains an approach to work/life that considers the impact of decision making on staff, manager and partners; considers the needs of the clients and meets those needs timely and completely.

Serves as an example for all employees in approach to work, attitude, technical skills and work performance.

PETWAY MILLS & PEARSON, PA
PERFORMANCE STANDARDS

SENIORS – Billings 1.50 – 1.75 X base salary

Performance Criteria: Engagements, either reviewed or prepared are 89% complete and accurate when submitted to the partners or managers for review; deliverables to the client are ready for signature and delivery; engagement meets professional standards.

Maintains compliance with all applicable federal, state, local and employment laws; properly licensed as applicable; ensure relationships with employees complies with laws and regulations.

Embraces the Firm's mission; follows the partners' or managers' instructions and policies; treats clients, staff and community members with respect; maintains a professional attitude at all times; markets the Firm; works to increase the client base and expands the Firm's opportunities; maintains client relationships and enhances those relationships.

Works a sufficient number of hours in any week or month to ensure deadlines are met and partners and managers are given adequate time to complete their reviews; understands weekend hours are required in busy periods to ensure work is completed timely and accurately.

Supervises staff as assigned by the partners and on engagements as assigned by the partners; understands that rotating staff assignments increases staff skills; provides adequate on-the-job training; consistently and constantly available to answer all staff questions and to provide direction for staff.

Maintains technical skills in assigned area and can perform adequate research in technical areas; serves as a resource to staff in technical areas; ensures engagements are properly completed and technically correct; licensed as a CPA.

Maintains work/life balance such that the needs of the Firm are met; maintains an approach to work/life that considers the impact of decision making on staff, manager and partners; considers the needs of the clients and meets those needs timely and completely.

Serves as an example for all employees in approach to work, attitude, technical skills and work performance.

PETWAY MILLS & PEARSON, PA
PERFORMANCE STANDARDS

STAFF – Billings 1.25 – 1.50 X base salary

Performance Criteria: Prepares engagements or assigned portions of engagements that are reasonably complete and accurate when submitted to the seniors, managers or partners for review; engagements or assigned work meets professional standards; scans documents as instructed by seniors, managers or partners into the appropriate software; enters data as instructed by seniors, managers or partners into the appropriate software; prepares confirmations and request lists to be sent to the client as instructed by seniors, managers or partners; performs test of controls, detailed substantive tests and compliance tests as instructed by seniors, managers or partners; learns to prepare financial statements and reports as instructed by seniors, managers or partners.

Maintains compliance with all applicable federal, state, local and employment laws; properly licensed as applicable; ensure relationships with employees complies with laws and regulations.

Embraces the Firm's mission; follows the seniors', managers' or partners' instructions and policies; treats clients, staff and community members with respect; maintains a professional attitude at all times; markets the Firm; maintains client relationships and enhances those relationships; understands that team assignments are for training purposes and that work assigned by non-team members may be required as needed to meet client needs.

Works a sufficient number of hours in any week or month to ensure deadlines are met and seniors, managers and partners are given adequate time to complete their reviews; understands that assigned hours (53 hour periods) apply to ensure work is delivered timely; understands weekend hours are required as instructed by seniors, managers and partners to ensure work is completed timely and accurately.

Maintains technical skills in assigned area and can perform adequate research in technical areas; serves as a resource to other staff members in technical areas; ensures engagements or assignments are properly completed and technically correct; working toward becoming licensed as a CPA.

Maintains work/life balance such that the needs of the Firm are met; maintains an approach to work/life that considers the impact of decision making on staff, seniors, manager and partners; considers the needs of the clients and meets those needs timely and completely; maintains a positive attitude toward all employees and preforms requested work without hesitation and with a positive attitude.

PETWAY MILLS & PEARSON, PA
PERFORMANCE STANDARDS

PARAPROFESSIONALS – Billings 1.0 – 1.25 X base salary

Performance Criteria: Responsible for proofing audit reports; preparing depreciation schedules; preparation of engagement letters and contracts; preparation of confirmations, including sending, re-sending and receiving confirmations and attorney's letters; assist with inventory observations; performs test of controls as directed by audit seniors; assists with audit scanning, engagement set-up and roll forwards; prepares and sends client assistance packages; prepares Board presentations as directed by the partners; enters data for audit trial balances and audit adjustments; maintains audit files as directed by the partners; assists with preparation of audit proposals; ensures the client receives an electronic copy of their audit reporting package; maintains audit engagement tracking worksheets and current data for client s such as contacts, addresses, emails, etc.; maintains the audit schedule; engagements; performs agreed upon procedures and preparing compilations; prepares IRS forms 1040; assist with tax return scheduling; trains new staff on tax return processing; scans tax returns; files tax records as needed.

PETWAY MILLS & PEARSON, PA
RECORD RETENTION AND DESTRUCTION POLICY

1) Purpose

The purpose of this Policy is to ensure that necessary records and documents of are adequately protected and maintained and to ensure that records that are no longer needed by Petway Mills & Pearson, PA or of no value are discarded at the proper time. This Policy is also for the purpose of aiding employees of Petway Mills & Pearson, PA in understanding their obligations in retaining paper and electronic documents - including e-mail, Web files, text files, sound and movie files, PDF documents, and all Microsoft Office or other formatted files.

2) Policy

This Policy represents the Petway Mills & Pearson, PA's method of retention and disposal of records and the retention and disposal of electronic documents.

3) Administration

Attached as Appendix A is a Record Retention Schedule that is approved as the initial maintenance, retention and disposal schedule for physical records of Petway Mills & Pearson, PA and the disposal of electronic documents. The Officer Manager (the "Administrator") is the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed. The Administrator is also authorized to: make modifications to the Record Retention Schedule from time to time to ensure that it is in compliance with local, state and federal laws and includes the appropriate document and record categories for Petway Mills & Pearson, PA; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Policy.

4) Suspension of Record Disposal In Event of Litigation or Claims

In the event Petway Mills & Pearson, PA is served with any subpoena or request for documents or any employee becomes aware of a governmental investigation or audit concerning Petway Mills & Pearson, PA or the commencement of any litigation against or concerning Petway Mills & Pearson, PA, such employee shall inform the Administrator and any further disposal of documents shall be suspended until shall time as the Administrator, with the advice of counsel, determines otherwise. The Administrator shall take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of documents.

5) Applicability

This Policy applies to all physical records generated in the course of Pet-way Mills & Pearson, PA's operation, including both original documents and reproductions. It also applies to the electronic documents described above.

This Policy was approved by Petway Mills & Pearson, PA's management.

A. ACCOUNTING AND FINANCE

Record Type	Retention period
Accounts Payable ledgers and schedules, internal	7 years
Accounts Receivable ledgers and schedules, internal	7 years

Annual Audit, Review and other engagement workpapers and reports and tax returns	7 years
Annual Compilations Records, including work papers and other documents and reports and tax returns	7 years
Individual, Estate and Corporate tax returns	7 years
Bank Statements and Canceled Checks, internal	7 years
Employee Expense Reports, internal	7 years
General Ledgers, internal	7 years
Internal Financial Statements	7 years
Notes Receivable ledgers and schedules, internal	7 years
Investment Records	7 years after sale of investment
Credit card records (documents showing customer credit card number)	2 years

Credit card record retention and destruction

All records showing customer credit card number must be locked in a desk drawer or a file cabinet when not in immediate use by staff.

If it is determined that information on a document, which contains credit card information, is necessary for retention beyond 2 years, then the credit card number will be cut out of the document.

B. CONTRACTS

Record Type	Retention period
Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supportive documentation) .	7 years after expiration or termination

C. CORPORATE RECORDS

Record Type	Retention period
Corporate Records (minute books, signed minutes of the Board and all committees, corporate seals, articles of incorporation, bylaws, annual corporate reports)	Permanent
Licenses and Permits	Permanent

D. CORRESPONDENCE AND INTERNAL MEMORANDA

General Principle: Most correspondence and internal memoranda should be retained for the same period as the document they pertain to or support. For instance, a letter pertaining to a particular contract would be retained as

long as the contract (7 years after expiration). It is recommended that records that support a particular project be kept with the project and take on the retention time of that particular project file.

Correspondence or memoranda that do not pertain to documents having a prescribed retention period should generally be discarded sooner. These may be divided into two general categories:

1. Those pertaining to routine matters and having no significant, lasting consequences should be discarded *within two years*. Some examples include:

    - Routine letters and notes that require no acknowledgment or follow-up, such as notes of appreciation, congratulations, letters of transmittal, and plans for meetings.
    - Form letters that require no follow-up.
    - Letters of general inquiry and replies that complete a cycle of correspondence.
    - Letters or complaints requesting specific action that have no further value after changes are made or action taken (such as name or address change).
    - Other letters of inconsequential subject matter or that definitely close correspondence to which no further reference will be necessary.
    - Chronological correspondence files.

    Please note that copies of interoffice correspondence and documents where a copy will be in the originating company file should be read and destroyed, unless that information provides reference to or direction to other documents and must be kept for project traceability.

2. Those pertaining to non-routine matters or having significant lasting consequences should generally be retained permanently.

E. ELECTRONIC DOCUMENTS

1. **Electronic Mail**: Not all email needs to be retained, depending on the subject matter.
    - All e-mail---from internal or external sources---is to be deleted after 12 months.
    - Staff will strive to keep all but an insignificant minority of their e-mail related to business issues.
    - Petway, Mills & Pearson, PA will archive e-mail for six months, after which time the e-mail will be permanently deleted.
    - Staff will not store or transfer Petway, Mills & Pearson, PA related e-mail on non-work related computers, except as necessary or appropriate for Petway, Mills & Pearson, PA purposes.
    - Staff will take care not to send confidential/proprietary Petway, Mills & Pearson, PA information to outside sources
    - Any e-mail staff deems vital to the performance of their job should be copied to the staff's H: drive folder and printed and stored in the employee's workspace.
2. **Electronic Documents**: including Microsoft Office Suite and PDF files. Retention also depends on the subject matter.

- **PDF documents** — The length of time that a PDF file should be retained should be based upon the content of the file and the category under the various sections of this policy. The maximum period that a PDF file should be retained is 7 years. PDF files the employee deems vital to the performance of his or her job should be printed and stored in the employee's workspace, All PDF files should be stored in the related client file if necessary to support audit, tax, compilation and any other engagement procedures. .

- **Text/formatted files** - Staff will conduct annual reviews of all text/formatted files (e.g., Microsoft Word documents) and will delete all those they consider unnecessary or outdated. After 7 years, all text files will be deleted from the network and the staff's desktop/laptop. Text/formatted files the staff deems vital to the performance of their job should be printed and stored in the staff's workspace.

3. Web Page Files: Internet Cookies

- All workstations: Internet Explorer should be scheduled to delete Internet cookies once per month.

Petway Mills & Pearson, PA does not automatically delete electronic files beyond the dates specified in this Policy. It is the responsibility of all staff to adhere to the guidelines specified in this policy.

Each day Petway Mills & Pearson, PA will run a tape backup copy of all electronic files on Petway Mills & Pearson, PA's servers. The tape is a safeguard to retrieve lost information within a one-year retrieval period should documents on the network experience problems. The tape backup copy is considered a safeguard for the record retention system of Petway Mills & Pearson, PA, but is not considered an official repository of Petway Mills & Pearson, PA records. All monthly and yearly tapes are stored offsite.

In certain cases, a document will be maintained in both paper and electronic form. In such cases the official document will be the electronic document.

4. Scanned Documents

To facilitate the preparation of electronic workpapers, Petway Mills & Pearson, PA has adopted a practice of scanning documents in PDF format to the H drive in a folder named scanned documents or the NAS in a folder named scanned documents. Any documents scanned to these two locations will be deleted, without notice, on the 7th day following the date of the original scan. The Administrator is responsible for monitoring the use of these files and for deleting the files. Deletion of files is required to maintain hard drive space for processing of the Firm's work.

5. Quickbooks Files

Quickbook program files should not be downloaded to any drive. Quickbook data files may be saved on the H drive for the 7-year retention period available to other files. The Administrator is responsible for deleting these files, without notice, after 90 days.

6. File Storage Requirements

Petway Mills & Pearson, PA requires all electronic documents to be filed by client by year on all drives. This procedure is necessary to maintain files on a 7-year basis to permit files to be deleted from the various hard drives by year without searching files because data will be correctly filed for destruction. Further, all files should be stored at the root level since there is not unlimited space on any hard drive for storage purposes. No workpapers should be filed under an employee's name that relates to a client. Laptop hard drives should be reviewed and all unneeded files deleted every 90 days.

F. INSURANCE RECORDS

Record Type	Retention period
Annual Loss Summaries	10 years
Audits and Adjustments	3 years after final adjustment
Certificates Issued to Petway Mills & Pearson, PA	Permanent
Claims Files (including correspondence, medical records, injury documentation, etc.)	Permanent
Group Insurance Plans - Active Employees	Until plan is amended or terminated
Group Insurance Plans — Retirees	Permanent or until 6years after death of last eligible participant
Inspections	3 years
Insurance Policies (including expired policies)	Permanent
Journal Entry Support Data	7 years
Loss Runs	10 years
Releases and Settlements	25 years

G. LEGAL FILES AND PAPERS:

Record Type	Retention period
Legal Memoranda and Opinions (including all subject matter files)	7 years after close of matter
Litigation Files	1 year after expiration of appeals or time for filing appeals
Court Orders	Permanent
Requests for Departure from Records Retention Plan	10 years

H. MISCELLANEOUS

Record Type	Retention period
Consultant's Reports	2 years
Material of Historical Value (including pictures, publications)	Permanent
Policy and Procedures Manuals — Original	Current version with revision history
Policy and Procedures Manuals – Copies	Retain current version only
Annual Reports	Permanent

I. PAYROLL DOCUMENTS

Record Type	Retention period
Employee Deduction Authorizations	4 years after termination
Payroll Deductions	Termination + 7 years
W-2 and W-4 Forms	Termination + 7 years
Garnishments, Assignments, Attachments	Termination + 7 years
Labor Distribution Cost Records	7 years
Payroll Registers (gross and net)	7 years
Time Cards/Sheets	7 years
Unclaimed Wage Records	7 years

J. PENSION DOCUMENTS AND SUPPORTING EMPLOYEE DATA

General Principle: Pension documents and supporting employee data shall be kept in such a manner that Donors Forum can establish at all times whether or not any pension is payable to any person and if so the amount of such pension.

Record Type	Retention period
Retirement and Pension Records	Permanent

K. PERSONNEL RECORDS

Record Type	Retention period
Commissions/Bonuses/Incentives/Awards	7 years
EEO- I (EEO-2 - Employer Information Reports	2 years after superseded or filing (whichever is longer)
Employee Earnings Records	Separation + 7 years
Employee Handbooks	1 copy kept permanently
Employee Medical Records	Separation +6 years
Employee Personnel Records (including individual attendance records, application forms, job or status change records, performance evaluations, termination papers, withholding information, garnishments, test results, training and qualification records)	7 years after separation
Employment Contracts — Individual	7 years after separation

Employment Records - Correspondence with Employment Agencies and Advertisements for Job\ Openings	7 years after separation
Employment Records - All Non-Hired Applicants (including all applications and resumes - whether solicited or unsolicited results of post-offer, pre-employment physicals, results of background investigations, if any, related correspondence)	7 years (4 years if file contains any correspondence which might be construed as an offer)
Job Descriptions	3 years after superseded
Personnel Count Records	7 years
Forms I-9	7 years after hiring or 1-year after separation

L. PROPERTY RECORDS

Record Type	Retention period
Correspondence, Property Deeds, Assessments, Licenses, Rights of Way	Permanent
Original Purchase/Sale/Lease Agreement	Permanent
Property Insurance Policies	Permanent

M. TAX RECORDS

General Principle: Petway Mills & Pearson, PA must keep books of account or records as are sufficient to establish amount of gross income, deductions, credits, or other matters required to be shown in any such return.

These documents and records shall be kept for as long as the contents thereof may become material in the administration of federal, state, and local income, franchise, and property tax laws.

Record Type	Retention period
Tax-Exemption Documents and Related Correspondence	Permant
IRS Rulings	Permanent
Excise Tax Records	7 years
Payroll Tax Records	7 years
Tax Bills, Receipts, Statements	7 years
Tax Returns – Income, Franchise, Property	Permanent
Tax Workpaper Packages – Originals	7 years
Sales/Use Tax Records	7 years

Annual Information Returns – Federal & State	Permanent
IRS or other Government Audit Records	Permanent

Receipt of Petway, Mills & Pearson, PA Quality Control Manual

I acknowledge that I have received a copy of the Petway, Mills & Pearson, PA Quality Control Manual. I agree to read it thoroughly, including the statements describing the purpose and effect of the manual.

By signing below, I acknowledge that I have received a copy of the Petway, Mills & Pearson, PA Quality Control Manual and I understand that it is my responsibility to read and comply with the policies contained within it and any revisions made to it.

_____ _____

Signature Date

_____

Please print your full name

Please sign and date one copy of this notice and then return it to the Director of Human Resources. Retain a second copy for your reference.

PROPOSAL FOR

AUDITING SERVICES

TOWN OF NASHVILLE

FOR THE YEARS ENDED JUNE 30, 2020, 2021 AND 2022

SECTION 2

Submitted by
Phyllis M. Pearson, CPA
Partner
PETWAY MILLS & PEARSON, PA
806 North Arendell Avenue
Zebulon, North Carolina 27597
Phone: 919-269-7405
Fax: 919-269-8728
ppearson@pmpcpa.com

SECTION 2 – SPECIFIC REQUIREMENT NUMBER 1

Tailored Audit Program

During the planning and preliminary audit segments of the engagement, we will modify our standard governmental industry audit programs for conducting the audit to reflect the operations and circumstances of the Town. By tailoring the programs, we can ensure we achieve our audit objectives efficiently and effectively and that we address audit concerns of the Town.

SECTION 2 – SPECIFIC REQUIREMENT NUMBER 2

Use of Statistical Sampling

We will use statistical sampling to evaluate a transaction balance or class. Utilizing our risk-based audit approach, we will stratify our sample to focus on high dollar transactions and to achieve adequate coverage over the balance of the population. We will use random sampling as often as possible to accomplish more efficient and effective testing of account balances.

SECTION 2 – SPECIFIC REQUIREMENT NUMBER 3

Testing of Internal Controls and Automated Processed

We will study and evaluate the internal controls of the Town. Our study will consider the five components of internal controls: control environment, risk assessment, control activities, information and communication and monitoring. We will review operating and accounting policies and procedures, determine significant audit areas, determine controls to test and perform tests of those controls. Under recent auditing standards, we will also review the automated computer controls in operation. Tests of controls will be comprised of review of written policies and procedures, discussions with staff members and tests of documentation to support application of policies and procedures.

We will also review the flow of documentation through the computerized processes to determine if automated controls are operating effectively.

Typically, we test at least 25 transactions for each operating cycle of revenues, expenses and payroll. We will also examine a sample of journal entries and test the controls over those entries. We will also test controls over bank reconciliations and spreadsheets.

SECTION 2 – SPECIFIC REQUIREMENT NUMBER 4

Use of Computer Specialists

We will perform a preliminary evaluation of the Town's computer system. From that evaluation, we will determine the need for further evaluation by a computer specialist. We will, at that point, utilize our staff's expertise or contract with a computer specialist as necessary to meet professional standards.

SECTION 2 – SPECIFIC REQUIREMENT NUMBER 5

Organization of Audit Team

PERSON	TITLE/DEGREE	EXPERIENCE	TIME SPENT ON AUDIT
Phyllis M. Pearson, CPA	Partner/BA	34 years	50%
Michael Allen (CPA candidate)	Manager/BS	4 years	30%
Jonathan Glover (CPA candidate)	Staff accountant/MA/BS	1 ½ years	20%
Ethan Brotherton (CPA candidate)	Staff accountant/BS	1 ½ years	20%

SECTION 2 – SPECIFIC REQUIREMENT NUMBER 6

Management Letter

During the audit process, we may identify significant deficiencies, findings, material weaknesses, or matters we wish to communicate to the Town. We will issue a management letter related to these items. The management letter is an opportunity to share what we encountered during our examination of the Town's records. Through the use of a management letter, we can communicate best practices for accounting, financial reporting and internal controls. We will discuss the letter with the Town at the end of the examination.

SECTION 2 – SPECIFIC REQUIREMENT NUMBER 7

Client Assistance

Assistance from the finance department will certainly make our audit process easier, quicker, more efficient, and ultimately, less expensive to the Town. When we audit a Town, we make an initial evaluation of the quality of that Town's financial data, hoping to find cause to support a reduction in substantive tests of balances by relying on good results from our compliance tests of controls.

We will request that the Town's staff assist us in the preparation of certain work papers and the location of various organizational and supporting documents as defined in the proposal. However, to comply with AU Section 339, *Audit Documentation* requirements we will need to review copies of all material contracts that the Town has in force during the fiscal year.

SECTION 2 – SPECIFIC REQUIREMENT NUMBER 8

Timeline

- Provide client assistance list. — Week of May 4, 2020

Planning and preliminary audit — Week of June 15, 2020

- Review prior year audit work papers.
- Review internal financial statements.
- Perform analytical review of internal financial statements.
- Determine preliminary materiality levels.
- Perform study and evaluation of internal controls.
- Perform tests of controls.
- Conduct compliance audit, if applicable.
- Prepare detailed audit programs.

Fieldwork — Week of September 7, 2020

- Perform substantive tests of balances.
- Confirm significant balances.
- Prepare proposed audit adjustments.
- Discuss proposed audit adjustments with management
- Post closing trial balance completed.

Conclusion — Week of September 21, 2020

- Draft financial statements and related reports
- Conduct reviews of audit work papers.
- Obtain audit representation letter.
- Conduct final exit conference.

Issuance of Our Report and the Financial Statements — Week of October 19, 2020

This audit timeline has been provided for your review and may be adjusted at your request.

SECTION 2 – SPECIFIC REQUIREMENT NUMBER 9

Cost Estimates

Position	Interim	Year End	Office	Total	Rate	Costs
Partner	20.00	10.00	15.00	45.00	140	$6,300
Manager	20.00	40.00	40.00	100.00	125	$12,500
Staff	20.00	40.00	40.00	100.00	90	$9,000
Totals	60.00	90.00	95.00	245.00		$27,800
Less-discounts						-$2,800
Actual audit costs						$25,000
2020						$25,000
2021						$25,400
2022						$25,600

Basis/methodology of cost estimate: Our cost estimate is based on historical costs associated with audits of municipalities of similar size and complexity. The base bid is a "not-to-exceed" amount.

Basis of determining cost estimate after first year: Our cost estimate after the first year based on adjustments for inflation.

Costs are all inclusive. Travel costs, supplies and other items are included.

SECTION 2 – SPECIFIC REQUIREMENT NUMBER 10

Our Engagement Approach

Our audit will be customized to the operations and organization of the Town of Nashville. Our firm will consider the unique character of your Town and our evaluation of audit and fraud risks and will design audit procedures to specifically address your operations. However, we will also exercise our professional judgment during the audit process.

We believe the Town of Nashville expects its auditors to provide services with integrity and honesty. Accordingly, we will communicate the results of your audit to management and attend meetings as directed by management. We plan to serve as the Town's advisers for accounting policies and procedures if selected as your auditors. Due to changes in the accounting profession and to the complexity of recent professional standards, the application of accounting standards has become more difficult. Our firm's responsibility is to communicate with the Town recent changes in professional standards and interpret the impact of those changes on the Town. We will be available to provide the Town advice, but the final decision on any accounting matter rests with the Town.

During the audit process, we may identify significant deficiencies, findings, material weaknesses, or matters we wish to communicate to the Town. We will issue a management letter related to these items. We do not consider the management letter to be an element of punishment; however, the management letter is an opportunity to share what we encountered during our examination of the Town's records. Through the use of a management letter, we can communicate best practices for accounting, financial reporting and internal controls. We will discuss the letter with the Town at the end of the examination.

We will retain our working papers for a period of three years. The working papers will be available at your request for review.

Our basic audit approach for all of our clients is customized to their specific industry and individual needs.

The audit of the Town will be conducted in four phases:

- Planning and preliminary audit, including tests of controls and single audit
- Fieldwork
- Review
- Issuance of our report and the financial statements

Planning and Preliminary Audit

Careful planning results in an efficient and successful audit engagement. We will conduct a planning meeting following your acceptance of this proposal. In our meeting we will discuss

- Your concerns and operating objectives
- Your short and long term strategic plans
- Changes in your operations during the year
- Conduct internal audit staff interviews and review reports
- Nature and timing of assistance from your staff
- Date of fieldwork
- Delivery of report

Following our meeting, we will study and evaluate the internal controls of the Town. Our study will consider the five components of internal controls: control environment, risk assessment, control activities, information

and communication and monitoring. We will review operating and accounting policies and procedures, determine significant area audits, determine controls to test and perform tests of those controls. Under recent auditing standards, we will also review the computer controls in operation. Based on the results of our tests, we will design detailed audit programs that are reflective of your operations. At the end of planning, we will discuss with management any exceptions noted in our testing.

We will also perform single audit compliance tests during this phase of the audit.

Audit and Fraud Risk Assessments

In order to gain an understanding of the Town's operations and to adequately plan our audit engagement, we perform an initial review of the Town's existing internal controls. Using a risk-based audit approach, we may limit the areas we evaluate to those that are considered to be significant to the engagement or to areas that the Town's management has identified as high risk.

We perform this evaluation through the use of flow charts, review of the Town's existing written documentation, completion of internal control questionnaires based on discussions with the Town's staff and preparation of memos based on discussions with the Town's staff. During this review process, we focus on areas where fraud may occur and will include in our management letter comments related to preventing fraud should we identify an area of concern.

We plan our audit and fraud risk assessment based on the information obtained in this phase of the engagement.

Fieldwork

During audit fieldwork, we will analyze assets, liabilities and equity and determine if those account balances are fairly stated. For selected items of revenues and expenses, we will determine if those items are properly recorded in the accounting records. During audit fieldwork, we will discuss with management the outcome of our audit procedures.

The final part of our fieldwork determines the fairness of the financial statement presentation. We will determine if the financial statements consistently apply accounting principles generally accepted in the United States of America and adequately disclose material items.

Review

Upon the completion of the audit fieldwork, the audit partner will review the audit work papers and the financial statements. At this point, a second partner will monitor the engagement for compliance with the firm's quality control policies and procedures.

Issuance of Our Report and the Financial Statements

Following our reviews, we will issue our draft report and the financial statements to management and the Town. We will also issue our management letter.

We will be available to discuss our report, the financial statements and the management letter as requested by the Town. We will prepare the Annual Financial Information Report if applicable.

Following approval of the draft by Town management we will prepare the Local Government Commission Data Input Worksheet for the Town and submit the Data Input Worksheet along with the required copies of the report to the Local Government Commission. We will provide15 copies of the report and a PDF copy as requested.

SUMMARY OF AUDIT COSTS SHEET

1. Base Audit — $ 22,500
   Includes Personnel costs, travel, and on-site work
2. Extra Audit Services — $ _____
   $ Per hour
3. Preparation of Financial Statements — $ 2,000
   Independent/Segregate of Audit Services
4. Annual Financial Information Report (AFIR) — $ 500
   Submission by October 31st each year

TOTAL $ 25,000

PROPOSAL CERTIFICATION

Proposer's Signature Phyllis M Pearson, CPA **Date** 4-7-20

By Signing above I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposals on behalf of my organization.

Firm: Pettway Mills & Pearson, PA	**Print Proposer's Name:** Phyllis M Pearson
Address: 806 North Arendell Ave Zebulon, NC 27597	**Main Phone:** 919-269-7405
	Fax: 919-269-8728
	E-mail: ppearson@pmpcpa.com
	Date: 4-7-20

SHARPE PATEL CPA
CERTIFIED PUBLIC ACCOUNTANTS
BEYOND THE NUMBERS

TOWN OF NASHVILLE

Response to RFP for Financial Audit Services

Responsible Office and Contact Person:

Jay E. Sharpe, CPA, CFE

AUDIT PARTNER

1109 Indian Trail Drive
Raleigh, NC 27609
Phone: (919) 961-7496
Email: jay@sharpepatelcpa.com
Website: www.sharpepatelcpa.com

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APPENDICES:

Attachment A – Cost Proposal Breakdown

Profile

FIRM PROFILE

While Sharpe Patel PLLC is a new CPA firm, its team is not. Jay Sharpe and Aaron Patel formed the Firm to give better service to clients across all industries including the governmental. Our key objective is to provide superior client service in a timely and efficient manner.

Our Governmental audit team is key to providing great services. The team is made up of a number of seasoned staff at all levels that have experience with a variety of types of clients within the governmental sector.

EXPERIENCE

Sharpe Patel PLLC initiated its practice in the governmental service industry in response to our observation that larger firms were devoting fewer and fewer resources to their smaller and mid-size clients. We have seen more and more firms getting out of the governmental sector. We are quite the opposite, we see this as a growth sector for the Firm. Ever-changing accounting standards, economic conditions and the continued rise in operating costs have propelled our Governmental Audit Team to help entities alleviate the pressures facing the industries. Our commitment to the governmental sector is reflected in the significant growth of our practice, the retention of those clients and the low turnover of our employees.

The experience and capabilities of our Governmental Audit Team include:

- Financial Audits, reviews and compilations
- Single Audits, under both Federal and North Carolina requirements.
- Program Specific Audits
- Agreed-upon Procedures
- Forensic Audits
- Performance Audits
- Risk Assessment
- Staff Training Seminars
- Internal Control Studies
- Financial Statement Preparation
- Forecasted Financial Statements

AUDIT STAFFING

The staffing needs are based on the complexity and nature of the organization, timing, the extent of procedures which must be performed to meet the audit objective, and the travel involved. We have designated specific audit associates to the engagement however, our audit associates are interchangeable between our offices and their assignments may change. There will be a minimum of two audit associates, one audit manager, and one partner designated to the engagement at all times. It is very common for two managers to be assigned to an engagement as one will act as an associate. Each member of this team will be fully available to satisfy the needs of the engagement.

We understand that professionals who have gained specific governmental knowledge through on site experience are best equipped to serve our clients, so we are committed to returning team members to the same engagements each year. This continuity helps control costs and saves time, by making sure you are working with trusted professionals who have a clear understanding of your goals and strategies.

Our partners and managers maintain a high degree of client involvement which minimizes the overhead and reduces the audit costs. This also provides the client a higher level of expertise that is always available. The following indicates the individuals by level and location that will handle the audit:

The Town's Audit will staffed by the Firm as follows:

Partner (and in charge)	Raleigh
Manager	Raleigh
Senior Staff / staff	Raleigh
Senior Staff / staff	TBD

GOVERNMENTAL CLIENTS

Below is a sample of governmental entities our team has worked on throughout the years:

Client	Services	Years	Gasb 34
Wake County Board of Education	Financial statement audit		
	Single audit	6	Yes
Town of Pittsboro	Financial statement audit	7	Yes
Town of Benson	Financial statement audit	4	Yes
City of Kinston	Financial statement audit		
	Single audit	2	Yes
Town of Ayden	Financial statement audit	1	Yes
Town of Goldston	Financial statement audit		
	Single audit	6	Yes
Town of Holden Beach	Financial statement audit	2	Yes
Wayne County Board of Education	Financial statement audit		
	Single audit	4	Yes
Jones County Board of Education	Financial statement audit		
	Single audit	4	Yes
Caldwell Community College	Financial statement audit	4	
Cary EMS	Financial statement audit	7	
Eastern Wake EMS	Financial statement audit	7	
NC Agricultural Finance Authority	Financial statement audit	1	
NC Office of the State Auditor	Financial statement audit	1	
Durham Visitors and Convention Bureau	Financial statement audit	1	
Cape Fear Center for Inquiry (charter school)	Financial statement audit		
	Single audit	15	Yes
Phoenix Academy (charter school)	Financial statement audit		
	Single audit	13	Yes
Bethany Community Middle School (charter school)	Financial statement audit		
	Single audit	8	Yes
Neuse Charter School of Johnston County	Financial statement audit		
	Single audit	3	Yes
Healthy Start Academy (charter school)	Financial statement audit		
	Single audit	3	Yes
North East Carolina Preparatory Academy (charter school)	Financial statement audit		
	Single audit	3	Yes

ADDITIONAL SERVICES

The firm from time to time provides other services to not-for-profits. A couple of example of these services includes the following:

- Jay Sharpe, CPA, CFE conducted a three-year forensic audit for the Lumberton Housing Authority.
- Jay Sharpe consulted on the presentation of Foundations related to Cape Fear Community College and Carteret Community College when GASB 61 was introduced. This consultation included the determination of the Foundations as component units and their presentation on the financial statements if they were determined to be component units.
- Jay Sharpe and Jacob Allen have conducted pension testing for several school systems.
- Jay Sharpe conducted a vendor audit for a School System.

PEER REVIEW

Sharpe Patel PLLC is a member of the American Institute of Certified Public Accountants (AICPA) and participants in the AICPA Peer Review Program. The AICPA Peer Review Program, - administered by the North Carolina Association of Certified Public Accountants in North Carolina, requires enrolled firms to have a peer review conducted by an independent evaluator, once every three years, of their accounting and auditing practice. Such review assures that the services we provide to our clients meet the highest level of standards in the accounting profession.

It is the policy of our Firm that our quality control system be monitored on an ongoing basis to provide the Firm with reasonable assurance that the policies and procedures established by the Firm for each of the other quality control elements (including quality control elements and activities not formalized in writing) of quality control are suitably designed and are being effectively applied. The adequacy and effectiveness of the Firm's quality control system is monitored on an ongoing basis by the Firm's quality control partner. As an integral part of the monitoring process, our quality control system is inspected annually to determine whether the Firm has complied with its stated quality control policies.

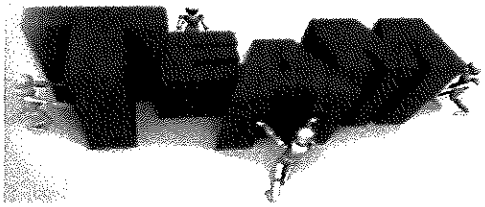
Because we are a new firm, we have not had our first peer review. That is slated sometime in 2021. However, we have enrolled in the peer review program.

STAFF EXPERIENCE

All staff assigned to the Town's audit will have previous not-for-profit audit experience. All staff also have experience preparing financial statements under the new reporting model.

The Town's audit will be staffed by the Firm as follows:

Partner in Charge	Jay E. Sharpe, CPA, CFE	Raleigh	50% or >
Audit Manager	Jacob Allen, CPA	Raleigh	100%
Senior Staff / Staff	Leizl Baker	Raleigh	100%
Senior Staff / Staff	TBD	Raleigh	100%



TEAM BIOGRAPHIES

SUPERVISING AUDITOR

Jay E. Sharpe will be the partner in charge for the Town's audit. Additional information for each staff is as follows:

Jay E. Sharpe, Partner – Audit Partner

Jay E. Sharpe, CPA, CFE is the Raleigh office's partner and services as the firm's Director of Auditor Services. Jay over 20 years of experience in governmental and not-for-profit organizations. His work experience includes working with a variety of Foundations, Towns, Boards of Education, Community Colleges, various types not-for-profits, charter schools, EMS Units and HUD properties. Jay previously worked for the Office of the State Auditor.

In addition to his auditing experience, Jay performs forensic and fraud investigative services. He has led seminars in the past on preventing fraud and is the past President of the Board of Directors for the Central Carolina Chapter of the Association of Certified Fraud Examiners.

Community Involvement

- Former Treasurer on the Board for the SPCA of Wake County.
- Jay teaches accounting and auditing classes at Wake Tech

Jay is a volunteer reviewer for the GFOA.

Education and Licenses

- Bachelor of Science in Accountancy – The University of North Carolina at Wilmington
- Masters in Science in Accountancy – The University of North Carolina at Wilmington
- Licensed as a Certified Public Accountant in North Carolina (license # 27818)
- Licensed as a Certified Fraud Examiner

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- North Carolina Association of Certified Public Accountants (NCACPA)
- Association of Certified Fraud Examiners (ACFE)

Continuing Professional Education

Jay has maintained required CPE levels over the past three years. He has taken over 40 credit hours per year including annual ethics requirements, annual audit updates, fraud seminars and attended the local government and not-for-profit conferences held by the NCACPA. Jay has also led seminars on fraud and auditing techniques during the past three years.

Jacob Allen, Audit Manager

Jacob Allen, CPA, is an Audit Manager in the Raleigh office of Sharpe Patel PLLC. Jacob practices in the areas of auditing and attestation. He has over ten years of experience in public accounting and his areas of expertise include:

Continuing Professional Education

His continuing education includes attendance at courses concentrating on audit services for governmental industry clients.

Education

- Bachelor of Business Administration in Accounting – Campbell University
- Masters of Accountancy – North Carolina State University

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- North Carolina Association of Certified Public Accountants (NCACPA)

Accreditations and Licenses

Jacob is licensed as a Certified Public Accountant in the State of North Carolina (#37400).

Staff Commitment

The Firm is fully committed to having the having the same staff on an annual basis on the Town's audit engagements. We fully understand from previous experience with clients that staff continuity is one of the major reasons organizations become dissatisfied with their CPAs. It is beneficial to the Firm to have the same staff on an engagement on an annual basis as they will have previous knowledge with the client and will be more efficient.

Education

It is a policy of the Firm that all audit staff maintain at a minimum of 40 hours of CPE on an annual basis, rather or not that they have at their CPA license. This continuing professional education is accomplished through a combination of conferences, seminars, webinars, self-study course and internal CPE courses. Every staff assigned to the Town's audit will have sufficient CPE and Yellow Book credit hours on an ongoing basis.

GOVERNMENTAL EXPERIENCE

As noted under our Firm Profile, the Firm has vast experience in auditing governmental agencies. Our governmental experience includes:

- Towns and Cities (includes general government and proprietary activities)
- Boards of Education
- Charter Schools
- Community Colleges
- EMS Units
- Affordable Housing
- Component units including Foundations

REFERENCES

We invite you to contact the below personnel of other current audit clients in regards to their audit experience with us.

Town of Benson
303 E. Church Street
Benson, NC 27504
Kim Pickett – Finance Director
kpickett@townofbenson.com
(919) 894-3553

Town of Goldston
Goldston NC
Annie King-Gaines ; akkgaines@americansouthgc.com

Wayne County Public Schools
2001 E. Royall Avenue
Goldsboro, NC 27534
Michael Hayes – Finance Director
michaelhayes@wcps.org
(919) 731-5900

Town of Pittsboro
635 East Street
Pittsboro, NC 27312
Heather Meacham – Finance Director
hmeacham@pittsboronc.gov
(919) 542-4621 ext. 102

John Fletcher
Former head of audit committee for the Town of Holden Beach
fletcherlux@gmail.com
910-508-6849

Additional references available upon request.

REGULATORY ACTIONS

No regulatory action has been taken against the Firm or any staff members that will be assigned to the audit.

INDEPENDENCE

In accordance with the quality control document of the Firm all professional personnel must be familiar with and adhere to the independence, confidentiality integrity, and objectivity rules, regulations, interpretations, and Rulings of the AICPA, the State of North Carolina Board of Accounting, the State of North Carolina CPA Society, state statutes, and other State or regulatory agencies where applicable. Independence, Confidentiality, Integrity, and Objectivity Representation is required by all personnel when hired and annually thereafter.

Independence on all audit engagements is reviewed on an annual basis to insure compliance with all rules that govern this topic. We have reviewed our independence in association with this proposed engagement and in all matters relating to the audit of the Town, Sharpe Patel PLLC is independent in fact and appearance.

INSURANCE COVERAGE

The Firm presently carries the following insurance policies:

1. Worker's Compensation - The Firm maintains Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage.

2. Commercial General Liability –General Liability Coverage on a Comprehensive Broad Form on an occurrence basis.

3. Automobile - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the contract.

4. Professional Liability - Professional Liability Coverage on a Comprehensive Broad Form on an occurrence basis.

All insurance meets the laws of the State of North Carolina. Insurance coverage is obtained from companies that are authorized to provide such coverage and are authorized by the Commissioner of Insurance to do business in North Carolina. The Firm shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this contract. The limits of coverage under each insurance policy maintained by the Firm shall not be interpreted as limiting the contractor's liability and obligations under the contract.

If awarded the contract, we will be glad to provide a COI.

LGC / SCHOOL OF GOVERNMENT

We have attended multiple audit seminars at the School of Government. Representatives from the Local Government Commission participate in these seminars. We understand they work together to assist auditors in keeping up with changes in standards to help advocate timely audits and audit quality.

SHARPE PATEL CPA
CERTIFIED PUBLIC ACCOUNTANTS
BEYOND THE NUMBERS

TOWN OF NASHVILLE

Response to RFP for Financial Audit Services

Responsible Office and Contact Person:

Jay E. Sharpe, CPA, CFE

AUDIT PARTNER

1109 Indian Trail Drive
Raleigh, NC 27609
Phone: (919) 961-7496
Email: jay@sharpepatelcpa.com
Website: www.sharpepatelcpa.com

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APPENDICES:

Attachment A – Cost Proposal Breakdown

SECOND SECTION

AUDIT PROGRAMS

Our audit programs are combinations of programs made in house and programs which are issued by governmental authorities and private publishers such as Practitioners Publishing Company (PPC). We generate unique programs for each audit based on the client's industry and our risk assessment software. The use of this risk assessment software allows us to assess risk to each individual section of the financial statements and to generate additional tasks for higher risk areas. We able to customize the programs as needed. We subscribe to the not-for-profit industry from PPC and CCH.

STATISTICAL SAMPLING

We will use a combination of statistical and non-statistical sampling in our audit approach. We will determine which method to use based on auditor judgment during planning and creation of procedures. Statistical sampling will include use of either simple random sampling using a random number generator or interval sampling. Non-statistical sampling will include use of judgmental selection and haphazard selection. Audit procedures performed on selected samples along with analytical procedures will be used to obtain sufficient appropriate audit evidence to afford a reasonable basis for an opinion regarding the financial statements under audit. When appropriate, we will also use Dual-Purpose Sampling to test the operating effectiveness of controls and tests of the recorded monetary amounts, minimizing the time spent on repetitive tasks, thereby saving audit costs. The sample sizes will be directly related to the assessment of the inherent risk and the control risk of the entity.

We will gain an understanding of internal controls through the use of internal control walkthroughs. We typically perform test controls over major areas such as cash disbursement, receipts and payroll. We prefer to conduct internal control testing during interim fieldwork and during the actual year under audit so we can gain an understanding of controls during the year.

COMPUTER AUDIT SPECIALIST

We do use a computer audit specialist when a need arises. However, due to the heavy investments that our Firm has made in technology and the knowledge that our staff has, we are typically able to handle computer related issues without the need of a specialist. Our staff will obtain an understanding of the internal controls surrounding the computer systems to identify any potential weakness that may have a direct and material impact on the financial statements and we will make recommendations directly to management in areas where weaknesses are identified.

MANAGEMENT LETTER CONTENT

During compliance and substantive testing we may note certain matters involving internal control and other operational procedures. Our job as your auditor will be to ensure that you understand where you have deficiencies or weaknesses so that you can make informed decisions on how best to respond to these risks. We may identify the following types of deficiencies:

- Control Deficiency: A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. This type of deficiency is communicated in the management letter.
- Significant Deficiency: A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
- Material Weakness: A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

We will communicate to you orally and in a letter, all deficiencies noted and recommendations for your consideration, intended to improve the internal control and/or the results of the operating efficiencies. The letters are solely for management, those charged with your organization's governance, others you deem appropriate within your organization and any governmental authorities you need to share this information with.

Our Firm operates under a "NO SURPRISE MANDATE", any issues which arise during the audit will be brought to the attention of management for discussion and analysis. We will NOT be issuing board communication without providing the same information to management. Management, as well as the audit committee will have the opportunity to discuss any issues which come up prior to issuance of Standard Board Communication Letters.

In addition, during the audit process; especially as a new auditor, a.k.a. a fresh set of eyes, we will provide verbally any room we observe for improvement to management.
Our goal is to be a partner with all of our clients, and work together to make the audit a smooth, and value-added process.

CLIENT ASSISTANCE METHODOLOGY

Our Firm uses state of the art technology in addition to e-mail and file sharing as much as possible, eliminating all unnecessary paper and removing geographic limitations. We customarily utilize paperless and electronic engagement software in the field to share data with staff working on the same engagement using Virtual Office and Prosystem Engagement. Therefore, the items outlined in the Request for Proposal (RFP) and other requested items are preferred in electronic format whenever possible. In addition to the environmental benefit, this can save significant amounts of time in calculations, sampling, procedures, and record keeping ultimately reducing audit costs.

We fully understand that minimizing costs is a high objective of both the Firm and the Town. In order to accomplish this, we do expect complete cooperation from the Town's staff during the performance of the audit. This includes preparing as many of the schedules and supporting documentation as possible and being available for questions and discussion. We understand the Staff at the Town are very busy in their daily responsibilities. An audit can be a

burden for a short period of time, but the better the cooperation, the more efficient the audit can be performed and the quicker the auditors will leave! We can designate specific time to ask questions of staff if needed.

In order to input the Town's trial balances into our audit software, we would need the trial balance transmitted to us in an excel format or a format that could be converted to excel.

We will provide a list of items needed ahead of fieldwork.

AUDIT PLAN

AUDIT APPROACH

Our audit approach is designed to maximize efficiencies, by leveraging staff and technology. We utilize automated processes, and have staff that specializes in certain areas of the audits, such internal control tests and high-risk areas. We have found that we can complete more efficient audits by utilizing this approach, which also provides a high level of expertise, therefore improving service and recommendations to your organization. Our goal is to provide an efficient high-quality audit.

RISK ASSESMENT

We will perform a risk assessment of the Town's financial reporting process. This assessment will evaluate both inherent and control risks. Based on this risk assessment, we will concentrate our audit procedures on higher risk areas.

This is a tentative schedule. Actual dates will be determined in a preliminary meeting with management.

April 2020	Sharpe Patel PLLC is awarded the audit.
April	Engagement letter / contracts are prepared. Signed engagement letters / contracts are returned to the Firm and submitted to the LGC for their approval. Sharpe Patel PLLC communicates with the predecessor auditors and sets up a time to review their working papers.
May / June	We will conduct preliminary fieldwork. This will include planning and risk assessment procedures. We will conduct internal control testing. We expect to be on site one to two days for this. We will also send the Town a list of the items we will need to complete our regular fieldwork at this time along with any bank, loan (if applicable) and revenue confirmations.
August	We will receive trial balances in advance of fieldwork so we can enter into our system and conduct preliminary analysis. We know the staff at the Town are very busy in their routine responsibilities. Our goal is to limit the disruption. We use a paperless engagement system, so documents can be sent ahead of fieldwork.

Engagement Fieldwork

September	The Firm will conduct final fieldwork. The exact dates will be discussed with management. All issues we note during our audit will be discussed with staff before fieldwork is complete. We expect to be on site for final fieldwork for approximately one week.

Engagement Conclusion

October	The financial statements will be prepared by the Firm. Once completed, we will present management with a draft. Once draft is approved, we will submit to the LGC for their review and approval.
November / December	We will present the audits to any requested Board and / or committee meetings.

We will present the Town with a more specific time and more exact dates if awarded the audit.

FEES

The fees for the audits for the year ended June 30, 2020 are as follows:

Total audit fees (breakdown on attachment A)	$24,336
The following two years	
June 30, 2021	$24,336
June 30, 2022	$25,066

Please see Attachment A for a cost proposal breakdown for various costs, rates and timing of hours.

This fee includes:

- **Financial Audit of the Town**
- **Assistance in the Preparation of the financial statements of the Town**
- **Presentation to the board and / or finance committee**
- **Travel costs**
- **Minor technical questions throughout the year**
- **Assistance with preparation of the AFIR**

** This fee is an estimate based on our expectation of the amount of worked needed to complete the audit services for the Town. If the actual work is less than the fee quoted above, the Town will be charged the lesser amount.*

Technical Questions

We understand the Town may seek consultation on various subjects throughout the year and we encourage our clients to contact us with questions. Routine questions are included in our fees above as part of our service and are encouraged. If the Town has questions or research topics that require extensive time, those services will be billed at our standard billing rates (discounted for not-for-profits). We will agree to the cost of this additional work with the Town before beginning any such requests

OTHER INFORMATION

Why Choose Us?

Service

We at Sharpe Patel PLLC pride ourselves on providing a service model that thrives on being more responsive to our clients. We want to serve our clients and work with them, not simply be a vendor that works for the client. We allow our clients access to our most experienced personnel. We believe we are the size the CPA firm that can give those personal services to organizations the size of the Town. We understand that many CPA firms could perform an audit, but it is the personal service that makes the difference. We want all our clients to succeed and we want to assist them in doing so.

Staff

As noted above, our service model calls for our most experienced personnel to be available to our clients. We have experienced low turnover, therefore we are able to offer staff continuity for the engagements. Technology and sophisticated auditing software systems are nice, but what makes the difference is the people. We believe the experience of our staff is a perfect fit for these engagements.

Experience

Concentration in the governmental sector.

Communication

In order to best serve the Town, we believe communication is an overriding factor. We will provide constant communication to management on the audit process.

Pricing

We based our cost proposal on how much time we think, based on experience, it will take to complete the engagement. Many firms base their cost proposal on what the Town previously paid and try to low bid to win the contract. In the end, as with many services, we believe you get what you pay for. ***We are not in the business of "winning" engagements, instead we are "creating" relationships.***

ATTACHMENT A

Cost Proposal Breakdown

TOWN OF NASHVILLE
Cost Proposal
Audit Services - June 30, 2020

The following is a summary of our cost proposal for the audit services of the Town for the year ended June 30, 2020. This cost proposal is on a "**not-to-exceed**" basis.

Personnel Costs	Partner	Audit Manager	Senior Staff	Staff	Total
Preliminary Fieldwork	4	8	16	16	44
Fieldwork	12	32	32	32	108
Work performed in auditor's office (planning, wrap up, financial statements, etc.)	10	20	12	8	50
Total Hours	26	60	60	56	202
Rates	$ 200	$ 150	$ 130	$ 110	
	$ 5,200	$ 9,000	$ 7,800	$ 6,160	$ 28,160
Travel					$ 400
Cost of supplies and materials					$ -
Other costs					$ -
TOTAL COSTS					$ 28,560
Government discount			15%		$ (4,224)
COST PROPOSAL			June 30, 2020		$ 24,336 *
			June 30, 2021		$ 24,336 *
			June 30, 2022		$ 25,066 *

* **This is a cost not to exceed. If the costs are less than the quoted amount, the Town will be charged the lesser amount.**

SUMMARY OF AUDIT COSTS SHEET

1. Base Audit — $ 20,836.00
   Includes Personnel costs, travel, and on-site work
2. Extra Audit Services — $ _____ (1)
   $ Per hour
3. Preparation of Financial Statements — $ 3,000.00
   Independent/Segregate of Audit Services
4. Annual Financial Information Report (AFIR) — $ 500.00
   Submission by October 31st each year

TOTAL $ 24,336.00 (2)

PROPOSAL CERTIFICATION

Proposer's Signature Jay E Sharpe **Date** 4/2/2020

By Signing above I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposals on behalf of my organization.

Firm: Sharpe Patel PLLC	**Print Proposer's Name:** Jay Sharpe
Address:	**Main Phone:** 919-961-7496
1109 Indian Trail Drive	**Fax:**
Raleigh NC 27609	**E-mail:** jay@sharpepatelcpa.com
	Date: 4/2/2020

(1) If a single audit is required, we will discuss additional fees

(2) If our work is less than quote, we will charge lesser amount

Request for Proposal for Audit Services

Town of Nashville

For the Year Ended June 30, 2020

And Fee Estimates for the Following Two Years

Section 1- Profile of the Firm

Section 1 – Profile of the Firm

(Responses being with the number from the requested Information)

1. May & Place, PA is located in Louisburg, NC and has only one office.

2. Dale Place, Partner, will conduct the audit. Raymond Boutwell, Staff Accountant, will prepare the financial statements and report to Scott May, Partner, in order for Dale Place to remain independent during the audit.

3. May & Place, PA conducts governmental audits of varying sizes. The below list contains the names of governmental audits conducted in the prior year along with approximate years of service.

Name of Organization	Type of Services	Estimate of Years Serviced
Town of Archer Lodge	GAAS & GAS Audit	4
Town of Louisburg	GAAS & GAS Audit & Federal/State Single Audit (When Applicable)	>15
Town of Nashville	GAAS & GAS Audit & Federal/State Single Audit (When Applicable)	>15
Town of Franklinton	GAAS & GAS Audit & Federal/State Single Audit (When Applicable)	>15
Town of Stem	GAAS & GAS Audit (When Applicable)	2
Town of Norlina	GAAS & GAS Audit (When Applicable)	2
Town of Middleburg	GAAS & GAS Audit (When Applicable)	2
Town of Macon	GAAS & GAS Audit (When Applicable)	2
Town of Spring Hope	GAAS & GAS Audit	4
Aeronautics Authority of the County of Vance, County of Granville...	GAAS & GAS Audit & Federal/State Single Audit (When Applicable)	5
Numerous Local ABC Boards	GAAS	>15

GAAS	-	Generally Accepted Auditing Standards (AICPA)
GAS	-	Government Auditing Standards (Yellow Book-Issued by the Comptroller of the United States)

4. May & Place, PA prepares the financial statements for governmental organizations of varying sizes. The below list contains the names of governmental organizations where May & Place, PA prepared the financial statements in the prior year along with approximate years of service.

Name of Organization	Type of Services	Estimate of Years Serviced
Town of Archer Lodge	GAAS & GAS Audit	4
Town of Louisburg	GAAS & GAS Audit & Federal/State Single Audit (When Applicable)	>15
Town of Nashville	GAAS & GAS Audit & Federal/State Single Audit (When Applicable)	>15
Town of Franklinton	GAAS & GAS Audit & Federal/State Single Audit (When Applicable)	>15
Town of Spring Hope	GAAS & GAS Audit	4
Numerous Local ABC Boards	GAAS	>15

5. May & Place, PA participates in the AICPA sponsored quality control program. A copy of the firm's latest peer review letter is attached.

6. The audit will be conducted by Dale Place. Dale has over 30 years' experience with governmental audits ranging from small towns to the State universities and community colleges. Dale will be the only auditor on-site. No audit work will be assigned to subordinates. Dale takes over 40 hours continuing education each year and complies with the yellow book requirements. His continuing education is reviewed and evaluated for compliance each year during the firm quality control program and during the peer review every three years.

7. The following table list the educational background assigned to the audit and financial statement preparation.

Name	Position	Education	Certifications
Dale Place	Partner	BSBA MBA	CPA CFE

Courses Dale Place attended in last three years related to Governmental Audits:

Course Titles	Course Date	CPE Hours
Local Government Workshop	5/5/2019	8
2019 Local Government Conference	5/16/2019	8
NC Local Government Auditing, Reporting, & Review	6/6/2019	8
Single Audit: Best Practices & Common Deficiencies.	11/13/2019	2
Yellow Book: Changes & Common Deficiencies	11/18/2019	4
What's Going on at GASB	11/18/2019	4
How Fraud Can Affect Smaller Organizations	12/6/2019	4
Combating Internal Fraud	12/18/2019	2
Local Government Conference	5/172018	5.5
NC Local Government Auditing, Reporting, & Review	6/12/18	8
Governmental A&A Update	9/20/2018	4
Advance Topics in Single Audit	10/3/2018	8
Fraud & A& A Conference	10/29/2018	8
Local Government Conference	5/18/2017	8
NC Local Government Auditing, Reporting, & Review	5/22/2017	8
Fundamentals for performing a Single Audit Under the Uniform Guidance	7/18/2017	8
Internal Controls that Reduce the Risk of Fraud	9/20/2017	4
Fraud Conference	10/30/2017	8

8. Dale Place has over 30 years' experience in governmental accounting and auditing of small and large governments.

9. Dale Place has over 30 years' experience in governmental auditing and governmental fraud investigations. Dale Place is a member of the AICPA, NCACPA and ACFE. Dale has testified in court as an expert witness, and as a witness for the prosecution. Dale has presented numerous seminars throughout North Carolina on governmental fraud and abuse. Dale served as President of the Central Carolina Chapter of Certified Fraud Examiners for two separate terms.

10. Below are the names, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted for a reference.

Name of Organization	Contact person	Telephone #
Town of Archer Lodge	Kim Batten	919-359-9727
Town of Louisburg	Sean Medlin	919-497-1015
Town of Nashville	Sam Sanchez	252-459-4511
Town of Franklinton	Candy Bowman	919-494-2520
Town of Stem	Vicki Garett	919-691-2369
Town of Norlina	Christina Allman	252-456-3325
Town of Middleburg	Anne Fudge	252-492-6104
Town of Macon	Annette Lynch	252-257-4732
Town of Spring Hope	Michele Collins	252-478-5186
Aeronautics Authority of the County of Vance, County of Granville...	Amanda Aiken	252-438-8154

11. May & Place, PA's Policy and Procedures Statement regarding Independence under *Government Auditing Standards, July 2018 Revision*, (Yellow Book) states,

    All employees of May & Place, PA must abide with the Independence standards as described in the *Government Auditing Standards, July 2018 Revision*, when conducting an audit of or providing nonaudit services to organizations that must abide with *Government Auditing Standards, July 2018 Revision*.

12. May & Place, PA carries liability insurance totaling $1,000,000 per claim.

13. May & Place, PA has received no regulatory action from any oversight body.

14. May & Place, PA works with the NC Local Government Commission (LGC) by submitting municipal audit contracts, audit reports, data entry forms, invoices, and other audit correspondence for LGC approval. In addition, May & Place, PA contacts the LGC when seeking clarification on issues. May & Place, PA attends classes offered by the University of North Carolina School of Government in Chapel Hill.

Denning, Herring, Sessoms & Company, P.A.

Certified Public Accountants
Clinton, NC 28328

J. ANTHONY SESSOMS, CPA
BOBBY W. HERRING JR, CPA

1905 SUNSET AVENUE
P.O. BOX 2185
(910) 592-8172
1-800-283-8614
FAX (910) 590-2380
www.dhscompany.com

Report on the Firm's System of Quality Control

June 18, 2019

To the Owners of
May & Place, PA
and the Peer Review Committee of the NCACPA

We have reviewed the system of quality control for the accounting and auditing practice of May & Place, PA (the firm) in effect for the year ended December 31, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of May & Place, PA in effect for the year ended December 31, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. May & Place, PA. has received a peer review rating of pass.

Denning, Herring, Sessoms & Company, P.A.

Denning, Herring, Sessoms & Company, P.A.
Clinton, NC

Request for Proposal for Audit Services

Town of Nashville

For the Year Ended June 30, 2020

And Fee Estimates for the Following Two Years

Section 2 – Audit Approach

Section 2 – Audit Approach

(Responses being with the number from the requested Information)

1. May & Place, PA uses Thomson Reuters PPC's Guide to Audits of Local Governments which includes PPC's Practice aids and PPC's SMART Practice Aids.

2. May & Place, PA uses statistical sampling in situations where it is required.

3. May & Place, PA uses automated processes when applicable and internal control testing methods appropriate based on the situations.

4. May & Place, PA has access to computer specialist when needed.

5. Dale Place, Partner, will conduct the entire audit. There is no plan use other staff. Raymond Boutwell will prepare the financial statements and report to Scott May, Partner.

6. Any suggested changes in operations to improve internal controls and/or findings will be included in the management letter.

7. No other assistance expected from the Town's staff other than what is outlined in the RFP or required in the past.

8. Will begin preliminary audit work in June 2020 and expect to complete work by October 31, 2020.

9. Cost for the fiscal year ending June 30, 2020 audit and financial statement preparation.

Personnel	Position	Task	Estimated Hrs.	Rate	Total
Dale Place	Partner	Audit	250	$ 75.00	$ 18,750.00
Raymond Boutwell	Staff Accountant	Financial Statement Preparation	160	75.00	12,000.00
	Total		410.00		$ 30,750.00

(Travel time, supplies, materials, and other cost are factored in the rates and are not charged separately.)

The cost for the audit and financial statement preparation for the two years subsequent to June 30, 2020, will be based on any increase in time resulting from changing requirements in accounting and/or auditing standards, and/or the addition of capital projects and other fund types resulting from continued growth of the Town, and/or federal and/or State single audits.

10. Audit firm personnel cost - See table above.

11. Travel cost is included in hourly rates.

12. Cost of supplies and materials included in hourly rate.

13. Other costs – None.

14. Additional information available upon request.

15. Summary of Audit Costs Sheet:

SUMMARY OF AUDIT COSTS SHEET

1. Base Audit — $18,750.00
   Includes Personnel costs, travel, and on-site work
2. Extra Audit Services — $ —
   $ Per hour
3. Preparation of Financial Statements — $12,000.00
   Independent/Segregate of Audit Services
4. Annual Financial Information Report (AFIR) — $ —
   Submission by October 31st each year

TOTAL $30,750.00

PROPOSAL CERTIFICATION

Proposer's Signature _____ **Date** 4/27/2020

By Signing above I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposals on behalf of my organization.

Firm: May & Place, PA	**Print Proposer's Name:** Dale Place
Address:	**Main Phone:** 919-496-3041
PO Box 900	**Fax:** 919-496-6342
Louisburg, NC 27549	**E-mail:** dale@mayandplace.com
	Date: 4/27/2020

Towns of Nashville, NC

Audit Proposals

For the Fiscal Years Ending

June 30, 2020, 2021, and 2022

Town of Nashville, NC

Section One –

Experience and Qualifications

Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants

America Counts on CPAs

Gary L. Williams, CPA
Carleen P. Evans, CPA
Jennifer T. Reese, CPA
Tara H. Roberson, CPA

Curtis G. Van Horne, CPA

April 28, 2020

Town of Nashville
Attn: Samantha Sanchez, Finance Director
P. O. Box 987
Nashville, NC 27856

We would like to thank you for extending our firm an invitation to submit a proposal to perform the annual audit of the Town of Nashville for the fiscal years ending June 30, 2020, 2021, and 2022.

Executive Summary:

It is our understanding that we will be engaged to perform an audit of the financial statements for the Town of Nashville ("Town, as required by auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards ("Yellow Book"), issued by the Comptroller General of the United States. We will also audit the Town of Nashville's compliance with the specific requirements of its major federal and State programs under the guidelines of Title 2 U.S. *Code of Federal Regulations part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, its compliance with laws and regulations and design of its internal control system as required by Yellow Book standards, if applicable.

We will direct the audits in an appropriate manner such that all necessary financial and compliance information for all funds is concluded and the audit reports, management letters and other applicable report drafts are presented to the Finance Director for review and reconciliation to the Town's records and submissions to the Local Government Commission ("LGC") by the LGC deadline of each engagement year. We will work with the Town of Nashville to develop an audit calendar that will allow our firm and the Town to meet the completion dates. We will hold periodic status meetings during the audits as well as exit conferences prior to the completion of the audits.

Each year an audit contract will be issued and will conform to the LGC requirements and be approved by the Secretary of the Commission or his designee prior to the audit commencement. All invoices will be submitted to the LGC for approval prior to submitting those invoices to the Town for payment.

This proposal is a firm and irrevocable offer for three months after the delivery of the proposal.

Our firm is best qualified to perform the audits of the Town based on:

- Over 30 years of experience in auditing governments and non-profits in North Carolina,
- Continuous service provided to our clients over the years – current average of 15 years of service to our governmental clients,
- Commitment to continued education and training, particularly in the governmental arena – evidenced by an average of over 40 hours per person per year in accounting and auditing education, and
- Commitment to the governmental and nonprofit industry.

Our responses to the audit technical proposal requirements are as follows:

1. Winston, Williams, Creech, Evans & Co., LLP has an office located in Oxford, North Carolina. Our firm has a total of 14 employees with 4 partners, 1 CPA (manager), 8 staff accountants, and 1 administrative support.

2. The number of people located within our local office who will handle the audit are as follows:

Partners	2
Staff Accountants	2

3. We have included lists of both our current and prior governmental audit clients as Attachment 1 to this audit proposal. Our firm began providing audit services to governmental units in the State of North Carolina 30 years ago. During this time period, our governmental audit client base has expanded to its current level of 18 units. We currently audit 2 counties, 7 municipalities and 9 other governmental units in the State of North Carolina. Our firm has approximately 247 years of continuous service to our local government clients.

   We strive to build strong working relationships with our clients and provide them with exceptional service and expertise in the governmental industry. Our firm is proud to report that on average, we have provided over 10 years of continuous service to our governmental audit clients. We have served approximately 65% of the number of our current governmental audit clients for a period of 10 or more years.

4. Additional services our firm provides to our governmental clients include preparing draft financial statements and footnote disclosures for the CAFR and preparing the Schedule of Expenditures of Federal and State Awards, if required. We perform these services for a majority of our governmental audit clients. All of our clients that have submitted their CAFR to be reviewed by the GFOA have received the Certificate of Excellence for Financial Reporting. As we have three audit partners available, we are able to provide a full review of non-attest services by an independent member of our firm of the audit and the services provided to aid in our independence.

We prepare the Data Input, Annual Financial Information Report (AFIR) and Annual Data Collection Form for a significant number of our audit clients. Our firm also performs Agreed Upon Procedures for our clients as required by the Office of the State Auditor (i.e. Pension Audits, Medicaid Audits in the past, etc.).

Our office also has governmental clients that we perform payroll, bookkeeping, LGC reporting, and compilation services. We are not independent of these clients and therefore do not provide any attestation services to these clients. We do however assist them in getting their files ready for their auditors. Some of these clients are the Town of Middleburg and the Town of Stem.

5. Our firm participates in the AICPA Peer Review Program. Firms can receive a rating of pass, pass with deficiencies or fail. We are pleased to report that our firm received a peer review rating of pass for 2017, our most recent peer review period. Additionally, our firm received an unqualified opinion with no letter of comments, which represents the best available opinion that can be issued, for 2014, 2011, 2008, 2005, 2002, 1999 and 1996. We have included a copy of our 2017 peer review letter as Attachment 2 to this audit proposal.

6. Professional experience for each person assigned to the audit is as follows:

   A. **Tara H. Roberson, CPA (Partner)**

   - Graduated from North Carolina State University with a Master of Accounting and a Bachelor of Science in Accounting, Magna Cum Laude
   - Worked for Ernst & Young, LLP in roles from staff through senior manager in their audit department from 1998-2009 serving clients in the retail/manufacturing, real estate, not-for-profit and health sciences industries. Her real estate clients included audits under OMB Circular A-133.
   - Served as Senior Manager of Accounting and Financial Reporting for Sensus USA, Inc. for 2010-2011
   - Joined our firm as a Manager in July 2011 and has focused primarily on audits of governments
   - Audit partner for Winston, Williams, Creech, Evans & Company, LLP since 2018, concentrating primarily on governmental and non-profit accounting and auditing.
   - Member of both the AICPA and the NCACPA organizations, serves on the NCACPA Governmental Accounting and Auditing (GAA) Committee
   - Serves as treasurer for Oxford Preparatory School and Boy Scout Troop 637

B. **Jennifer T. Reese, CPA (Partner)**

- Graduated from Meredith College with a Bachelor of Science Degree in Computer and Mathematical Sciences.
- Obtained her Master of Accounting Degree from the University of North Carolina at Chapel Hill.
- Received her CPA certification in 2001.
- Member of both the AICPA and the NCACPA organizations, serves on the NCACPA Governmental Accounting and Auditing (GAA) Committee
- Joined the firm in 2000 and works extensively in governmental accounting and auditing, concentrating primarily on county governments.
- Audit partner for Winston, Williams, Creech, Evans & Company, LLP since 2018, concentrating primarily on governmental and non-profit accounting and auditing.
- Serves as treasurer for Marrow's Chapel United Methodist Church

C. **Gail Lane (Staff Accountant)**

- Graduated from Vance Granville Community College with an Associate of Applied Science in Business Administration in 1980.
- Worked in human services for Granville County for 30 years.
- Worked in governmental accounting since 2016.

D. **Emily Johnson (Staff Accountant)**

- Graduated in 2007 from The University of Georgia with a B.S. in Chemistry.
- Graduated from Boston University with a Master's Degree in Public Health in 2011.
- Worked in governmental consulting for 4 years consulting the U.S. Environmental Protection Agency.
- Began working in governmental accounting in 2019.

The specialized skills, training and background in public finance of the individuals assigned to this audit are as follows:

- The individuals assigned to this audit have over 30 years of combined experience in auditing local governments in the State of North Carolina.
- The partners assigned to this audit are active members of the NCACPA Government Accounting and Auditing Committee.
- Our audit staff members are committed to being knowledgeable in the governmental accounting and auditing industry. In fact, for each of the past three years, our audit staff members have obtained an average of roughly 40 hours of CPE per year in accounting and auditing courses and of that average, roughly 30 hours of governmental accounting and auditing courses for each year. At least one staff member attends the Local Government Conference and the NC Local Government Auditing, Reporting and Review course.
- Our firm is an active member of the Governmental Audit Quality Center.

Partners will be onsite for at least 50% of the compliance and financial audit fieldwork.

7. The partners listed above and members of our staff that serve in our audit department have met the continuing professional education requirements ("CPE") of the North Carolina State Board of Certified Public Accountant Examiners. Additionally, each of the individuals mentioned above have met the continuing education requirements of Yellow Book.

   All members of our staff receive a minimum of 40 hours of CPE each year. Audit team members obtain at least 80 CPE hours of accounting and auditing every two years, with a minimum of 24 of these hours being related to governmental accounting and auditing. Our firm is committed to ensuring that each of our audit staff members has the knowledge and skills necessary to assist the audit team in performing a high-quality audit for each of our clients.

   Tara Roberson's CPE for the prior three years:

   - 2019:
     - MAGI Training
     - NC Single Audit Bootcamp
     - IRS New Guidance on Section 199A & when Rental Income Qualifies for the 199A Deduction
     - EY Q1 2019 Financial Reporting Update
     - Q1 2019 Current Accounting and Reporting Developments
     - 2019 State and Local Government Audit Planning Considerations
     - 2019 Compliance Supplement and Single Audit Update
     - NC Local Government Auditing, Reporting and Review
     - EY Q2 Financial Reporting Update
     - KPMG Tax Watch Webcast: Understanding the Taxpayer First Act
     - KPMG Government Institute Webcast – A Call to Action: Implementing the New GASB Lease Standard – Part 3
     - PwC Q4 2019 Accounting and Reporting Developments Webcast
     - Issues in Preparing a Statement of Cash Flows
     - 2019 Personal and Professional Ethics for NC CPAs
   - 2018:
     - Professional Issues Update and Joint Committee Meeting
     - Local Compliance Audits for DHHS Programs
     - Top 10 Topics in Governmental Accounting and Auditing
     - 2018 Local Government Conference
     - Government Institute Webcast: GASB Activities Update 2018
     - KPMG Government Institute Webcast: Implementation Considerations and Lessons Learned for the New GASB Employer OPEB Standard
     - School of Government Auditor Review Class
     - Q3 2018 Current Accounting and Reporting Developments Webcast
     - Emerging Practices for Overseeing Cybersecurity Risk
   - 2017:
     - Implementation Considerations for the New GASB OPEB Standards
     - Local Compliance Audits for DHHS Programs

- Local Government Conference
- An Auditor's Guide to Uniform Guidance – Procedures, Reporting & Findings
- NC Local Government Auditing, Reporting and Review
- Ernst & Young Q3 2017 Financial Reporting Update
- Q3 2017 Current Accounting and Reporting Developments Webcast
- Q4 2017 Current Accounting and Reporting Developments Webcast
- EY Q4 2017 Financial Reporting Update
- Personal and Professional Ethics for NC CPAs

Jennifer Reese's CPE for the last three years:

- 2019:
  - The Tax Cuts and Jobs Act: What You Need to Know Now
  - 2019 Personal and Professional Ethics for North Carolina CPAs
  - GASB 34 - Basic Financial Statements for State and Local Governments
  - Performing Effective and Efficient Single Audits
  - Governmental Financial Reporting
  - GAO Standards - Yellow Book
  - Yellow Book and Single Audit Deficiencies
- 2018:
  - 2018 Local Government Conference
  - 2018 Personal and Professional Ethics for North Carolina CPAs
  - Understanding and Evaluating Internal Controls
  - Fundamental Audit Strategies
  - Audits of State and Local Governments
  - Single Audits Under the Uniform Guidance
  - The Starting Line on Generally Accepted Government Auditing Standards
  - How to Audit Long-term Debts and Related Accounts
- 2017:
  - Avoiding Common Peer Review and Other Issues
  - PPC 1010 Materiality, Sampling, Scoping, Tests of Controls
  - Accounting & Auditing Update
  - Monthly Accounting Alert
  - SMART Tools: Internal Controls
  - Understanding the FASBs New Standard on Leases
  - Issues in Preparing a Statement of Cash Flows
  - 2017 Personal and Professional Ethics for North Carolina CPAs
  - Audit Sampling: A Comprehensive Guide to Effective and Efficient Sampling in Tests of Details and Tests of Controls
  - Implementing SSARS 21: The New Compilation, Review and Preparation Standards
  - Key Considerations in Auditing Revenue
  - Quarterly Yellow Book Update - Q1 2017
  - Audit Quality: What the Regulators Want to See
  - SMART tools: Risk Assessment
  - PPC 101: Making the Most of the Methodology

Gail Lane's CPE for the last three years:

- 2019:
  - SEFAs
  - Getting Auditors In and Out Efficiently
  - Understanding Financial Information
  - Common Single Audit Deficiencies
  - The Fraud of Identity Theft
  - Audit Workpapers – Fieldwork Standards
  - Introduction to Bookkeeping
  - Preparing for an Engagement Review
  - Quarterly Yellow Book Update: Q1 2019
  - Compilations – An Overview
  - GAO's Yellow Book – Attestation Engagements
  - Audits of State and Local Governments
- 2018:
  - 2017 Auditing Update
  - Audit Workpapers - Fieldwork Standards
  - Yellow Book and Single Audit Deficiencies
  - Audits of State and Local Governments
  - Single Audits Under the Uniform Guidance
  - GAAS Guide - Audit Programs
  - SEFAs
  - Audit Documentation and Workpaper Review
  - What is a Yellow Book Financial Audit?
  - KPMG Government Institute Webcast: Implementation Considerations and Lessons Learned for the new GASB Employer OPEB Standard
- 2017:
  - SMART Tools: Risk Assessment
  - Auditing Update
  - Audit Quality: What the Regulators Want to See
  - Auditors Reports
  - Quarterly Yellow Book Update-Q1 2017
  - Key Considerations in Auditing Revenue
  - Implementing SSARS 21: The New Compilation, Review and Preparation Standards
  - Accounting for Governmental Assets and Liabilities
  - A Single Audit Case Study
  - Audit Sampling
  - Yellow Book and Single Audit Deficiencies
  - GASB 34: Basic Financial Statements for State and Local Governments
  - Local Compliance Audits for DHHS Programs

Emily Johnson's CPE since joining WWCE:

- 2019:
  - Single Audits of Governmental and Nonprofit Entities

- Accounting for Governmental Assets and Liabilities
- GAAS Guide - Internal Control
- Audit Workpapers - Fieldwork Standards
- GAAP Guide - The Balance Sheet
- Audits of States, Local Governments and Non-Profit Organizations
- GAAS Guide – Planning
- Introduction to Bookkeeping

8. Our firm specializes in performing audits of governmental entities. In fact, approximately 90% of our firm's auditing hours are spent on governmental audit engagements. All members of this audit team have extensive experience in performing governmental audits. Individuals assigned to this audit team have experience auditing governments with water and sewer systems, electric systems, solid waste landfills and airports. Additionally, our firm performs numerous audits of local government authorities and ABC boards. All members of this engagement team have significant experience in performing audits in accordance with audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act.

9. Please see the biographical information provided for team members under item 5 for description of specialized skills, training or background in public finance of assigned team members.

10. We have included lists of both our current and prior governmental audit clients as Attachment 1 to this audit proposal. The following personnel of current governmental audit clients that may be contacted for reference are as follows:

    A. Richard Balmer, Finance Officer
    South Granville Water and Sewer Authority
    415 Central Avenue, Suite B
    Butner, NC 27509
    (919) 575-3367

    B. Rueben Carden, Finance Officer
    City of Creedmoor
    P O Box 765
    Creedmoor, NC 27522
    (919) 764-1011

    C. Jamie Holtzman, Finance Director
    County of Franklin
    113 Market Street
    Louisburg, NC 27549
    (919) 496-3182

    D. Kathy Brafford, Finance Director
    Warren County

548 W. Ridgeway Street
Warrenton, NC 27589
(252)-257-1778

In addition to these individuals, we also encourage you to contact members of the LGC to validate our qualifications and experience performing audits of governmental units throughout the State of North Carolina. Sharon Edmundson, Director of Fiscal Management, can be reached by telephone at (919) 814-4289.

11. The firm's management monitors compliance with independence standards in accordance with the firm's quality control document. All professionals who work on accounting and auditing engagements are required to be independent, sign a representation letter when hired and annually thereafter acknowledging their familiarity with the firm's relevant ethical requirements policies and procedures, particularly with regards to independence. The representation letter also lists known circumstances and relationships that may create a potential threat to independence or violate the firm's relevant ethical requirements policy. Additionally, management will determine if our firm is independent when considering whether to accept or continue an audit engagement. This quality control document is available to you upon request.

12. Our firm currently carries $1,000,000 per occurrence and $2,000,000 in aggregate in general liability insurance, $1,000,000 in professional liability insurance and $1,000,000 workers' compensation employer's liability per employee.

13. There has never been any regulatory action taken by an oversight body against our firm.

14. The NC Local Government Commission ("LGC") is responsible for oversight of the governmental organizations in North Carolina. As auditors, we work closely with this organization as a resource for current insight into governmental auditing. The LGC provides continuing education each year for governmental entities as well as auditors to keep all parties abreast of new pronouncements as well as issues that they have encountered. The LGC offers classes at the University of North Carolina School of Government in Chapel Hill for auditors as well as finance officers each year. A partner from our firm attends this information session each year to remain knowledgeable on governmental audit information. Our firm also uses the Listserv for the LGC and the School of Government to stay aware of recent developments and updated information in the governmental audit area. Jennifer Reese and Tara Roberson both serve on the Governmental Accounting and Auditing Committee with members of the LGC as well as members of the School of Government.

We certify that the information contained in this audit proposal is complete and accurate to the best of our knowledge. We also certify that all partners and managers are Certified Public Accountants licensed by the North Carolina State Board of Certified Public Accountant Examiners.

We would like to thank you for allowing us to submit this proposal and we look forward to working with you.

Sincerely,

Jennifer Reese, CPA

Jennifer Reese, CPA
Winston, Williams, Creech, Evans & Co, LLP
P. O. Box 1366
Oxford, NC 27565

Attachment 1

Lists of Current and Prior

Governmental Audit Clients

Winston, Williams, Creech, Evans & Co, LLP has provided audit services for the following governmental entities over the past five years.

Current Clients	Contact Person	Contact Number	Years Served
Tar River Land Conservancy	Derek Halberg	919-496-5902	16
City of Oxford (CAFR)	Hak Ung	919-603-1125	32
City of Creedmoor (CAFR)	Jamison Crampton	919-528-4557	14
Warren County (CAFR)	Kathy Brafford	252-257-7139	15
Franklin County (CAFR)	Jamie Holtzman	919-496-3182	11
Town of Murfreesboro	Carolyn Brown	252-398-5904	14
Town of Oak City	William Stalls	252-798-7721	14
Granville County ABC Board	Connie Smith	919-693-6531	14
Person County ABC Board	Dale Norris	336-599-8294	19
Oxford Parking Authority	Hak Ung	919-603-1125	32
Downtown Oxford Economic Development Corporation	Hak Ung	919-603-1125	21
South Granville Water and Sewer Authority	Richard Balmer	919-618-2140	6
Upper Neuse River Basin Association	Haywood M Phthisic, III	919-796-8049	2
Town of Enfield	Patricia Whitaker	252-445-3146	6
Town of Momeyer	Karen Hendricks	252-459-4788	17
Franklin County TDA	Jamie Holtzman	919-496-3182	5
Town of Black Creek	Cindy Dougherty	252-243-6439	1
Vance County TDA	David Beck	252-438-2222	8

Prior Clients			
Granville County (CAFR)	Mike Felts Steve McNally	919-693-4182	20
Granville County TDA	Steve McNally	919-603-1301	20
South Granville Memorial Gardens	Michael Felts	919-603-1301	17
Town of Winfall	Valerie Jackson	252-426-5015	9
Hertford County	Loria Williams	252-358-7805	12
Caswell County	Gwen Vaughn	336-694-4193	8
City of Roxboro	Dan Craig	336-599-0168	9
Town of Edenton	Chad Coble	336-449-4144	12
Person County	Amy Wehrenberg	336-597-1726	20
Person County TDA	Amy Wehrenberg	336-597-1726	20
Town of Gibsonville	Ben Baxley	336-449-4144	9
Gibsonville Housing Authority	Ben Baxley	336-449-4144	9
Town of Youngsville	Emily Hurd	919-556-5073	13
Youngsville ABC Board		919-556-5073	23
Durham Convention & Visitors Bureau	E'vonne Coleman	919-680-8319	7
Person-Caswell Lake Authority	John Atwater	336-599-0168	8
Town of Haw River	Lesley Gonzalez	336-578-0784	11

Attachment 2

2017 Peer Review Letter

JOHNSON HICKEY MURCHISON
CERTIFIED PUBLIC ACCOUNTANTS • SINCE 1977

Report on the Firm's System of Quality Control

August 8, 2017

To the Partners
Winston, Williams, Creech, Evans & Company, LLP
and the Peer Review Committee of the North Carolina Association of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Winston, Williams, Creech, Evans & Company, LLP (the firm) in effect for the year ended March 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

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

Peer Reviewer's Responsibility

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

Required Selections and Considerations

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

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

2215 Olan Mills Drive | jhmcpa.com | 423 756 0052 t
Chattanooga, Tennessee | 423 267 5945 f

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Winston, Williams, Creech, Evans & Company, LLP in effect for the year ended March 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Winston, Williams, Creech, Evans & Company, LLP has received a peer review rating of *pass*.

Johnson, Hickey & Murchison, P.C.

Towns of Nashville, NC

Audit Proposals

For the Fiscal Years Ending

June 30, 2020, 2021, and 2022

Town of Nashville, NC

Section Two - Cost Estimate

Our responses to the cost estimate proposal requirements are as follows:

1. We utilize industry-leading audit software developed by PPC, a Thomson Reuters company specifically for local governments. We utilize *PPC's SMART Practice Aids* software that allows us to tailor and streamline our audit programs and practice aids workpapers for each individual governmental audit client. The functionality and features of the PPC software enable us to increase audit quality as well as efficiency. The information we obtain during our audit planning and risk assessment procedures and from internal control testing is utilized by our audit team to help generate tailored audit programs for the substantive testing we will perform during our audit fieldwork.

   In addition to the PPC software, we also utilize the Audit Manual for Governmental Auditors in North Carolina published by the Local Government Commission department of the State Treasurer's office. We utilize checklists and audit programs contained in this manual to assist us in identifying possible statutory violations and internal control weaknesses that should be brought to management's attention and/or disclosed in the notes to the financial statements.

   After gaining an understanding of the Town's internal controls and performing our risk assessment, our audit approach will consist of a combination of detail testing and analytic review to obtain reasonable assurance that an account is free of material misstatement.

2. When performing the audit, if we decide that analytical procedures or other substantive procedures do not provide sufficient appropriate audit evidence with respect to the remaining balance of an item, we will perform tests of details to the remaining balance. We will then make a determination as to whether we should use audit sampling or expand our audit procedures to individually significant items to test the remaining balance. If the audit team agrees that audit sampling will be the best way to test the remaining balance, we will make a determination based on risk assessment as to whether we will utilize statistical or non-statistical sampling for this test work.

3. When performing our understanding of the Town's internal controls and risk assessments, we will analyze the cost benefit of utilizing automated processes and internal control testing as a method to reduce control risk and possibly reduce the amount of substantive testing that will be required on particular account balances and classes of transactions. If it is determined that it will be beneficial to the audit to utilize automated processes and test controls, then an appropriate audit program will be created for that work when creating our audit programs for substantive testing. Our firm does obtain an understanding of major processes and completes walkthroughs to determine if these processes appear to be in place effectively. Any noted issues with processes will be discussed with the finance officer.

4. Our audits do not currently utilize the work of computer audit specialists. Our current audit team has had training in computer auditing techniques and will apply those as deemed appropriate in our planning of the audit.

5. Our audit team for this engagement will consist of the following individuals:

A. Jennifer T. Reese – Partner responsible for the overall audit, approximately 30% of total audit hours
B. Tara H. Roberson – Partner, approximately 30% of total audit hours
C. Gail Lane –Staff Accountant, approximately 20% of audit hours.
D. Emily Johnson – Staff Accountant, approximately 20% of audit hours.

6. We will include in the management letter any recommendations we have for strengthening internal controls and any suggestions we may have for increasing the efficiency or effectiveness of the Town's operations.

7. We will deliver the Client Assistance Package that will contain a list of any items that we will need for the audit that are not already outlined in the RFP to the Finance Officer. We encourage our clients to transmit as many audit items as possible to us electronically. To facilitate this process, we provide each of our clients with a login to our client portal. The portal functions as a secure, high-speed medium for the transfer of files between you and our firm. To aid in auditor independence and in management ownership of the financial statements, additional items that will be requested in the client assistance package that are not listed in the RFP include the following:
   - Calculation of pension entries to the liability and expense by function and fund for each pension fund (LGERS, LEOSSA) or the basis by which to allocate the actuarial calculated amounts to the funds / functions.
   - Calculation of OPEB entries to the liability and expense by function and fund or the basis by which to allocate the actuarial calculated amounts to the funds/ functions.
   - Annual actuarial valuations of the LEOSSA and OPEB plans by a qualified actuary.
   - Calculation/guidance for allowance for doubtful accounts.
   - Depreciation schedules
   - Calculation of compensated absences at yearend.

8. Tentative schedule for completing the audit is as follows:

May	Audit planning meeting
May/June	Internal control evaluation and compliance interim fieldwork
August 10th	Trial balance due from Town to Auditors
August 17th	Year-end fieldwork begins
September 30th	Agreed upon post-closing trial balance and draft fund financial statements submitted for review
October 10th	Revisions to fund financial statements to be submitted WWCE
October 14th	Full draft of financial statements submitted for review
October 23rd	Revisions of financial statements to be submitted
October 28th	Proposed Town Council Meeting to present audit
October 30th	Final reports and financial statements submitted

9. See Attachment 1 to Section 2 of this proposal for a breakdown of the costs for the audit by entity and by fiscal year.

   The base audit fees for fiscal years June 30, 2021 and 2022 reflect a 3% increase for inflation.

   It should be noted that we do not bill separately for travel costs we incur when performing the audit engagement. If we are engaged to provide services outside of the audit engagement, we will negotiate the fees for these services with the Finance Officer, and the fees may include reimbursing our firm for travel costs.

   We also would like to mention that our fees included in this proposal include initial consultation on technical assistance required by you or members of your staff. If further work is required, we will negotiate any necessary fees.

   During the audit proposal process, an assessment is made of new accounting pronouncements and where we believe a client to be in the process of implementing those standards. The amount of work that will be required to audit that new standard and implement that change for the first year and then on-going years are considered when we bid our audits. Many times, when we are proposing on audits for multiple year terms, these changes are not known however. We try to keep our fee increases to basic inflationary costs to account for costs of personnel, technology, training, etc. and if the time involved to complete the audit work is substantially different due to new standards, we will negotiate a change order when that becomes known.

   Our fee for the year ending June 30, 2020 is presented on a fixed-fee basis except where noted. We will not bill an amount greater or less than the above fee regardless of the actual time incurred unless a change-order is negotiated. In the event that circumstances arise during the audit that requires work to be performed in excess of the original estimates, a change-order will be negotiated with the Finance Officer prior to commencement of the work. This change-order will specify the services to be provided and that these services will be billed at our standard hourly rates.

10. Costs for fiscal year June 30, 2020 is as follows:

	On-site Interim	On-site Year-end	In Office	Total Hours	Hourly Rate	Total Cost
Partners	8	32	48	88	$ 250	$ 22,000
Staff Accountants	16	16	24	56	125	7,000
Initial Audit Setup Fee						2,000
Total	24	48	72	144	-	$ 31,000

The initial audit setup fee is just included in the initial year of the audit. This fee is used for time involved in the setup of the financial statements, additional work needed for opening balances and any other initial work done. Administrative fees consist of supplies,

printing, and other administrative costs. These costs are included in the costs above. The cost above also includes the cost of fifteen copies of the audit report, management letter and other applicable reports we will submit to the Town of Nashville. Any other copies required will be charged on an as needed basis in addition to the quoted fee. Each additional report over 15 will be $20 per copy.

The fees for fiscal years June 30, 2021 and 2022 reflect a 3% increase for inflation.

Yearend	Audit Fee
June 30, 2021	$ 29,870
June 30, 2022	$ 30,750

All fees presented above assume that the Town of Nashville will have grant funding that requires a Yellow Book audit. If a Yellow Book audit is not necessary, then the annual fee will be reduced by $1,000 for that particular year. If the Town of Nashville has grant funding that requires a Single Audit, then the annual fee will be increased by $2,000 for that particular year.

11. See #9 above.

12. See #10 above.

13. Other costs involved with the audit include the following fees:
    - Bank confirmation fees charged by confirmation.com – these charges are not to exceed $120 per year.
    - AFIR will be billed separately at a charge of $1,000.

14. No additional information deemed necessary.

15. Please refer to Attachment 1 to this proposal.

We certify that the information contained in this audit proposal is complete and accurate to the best of our knowledge. We also certify that all partners and managers are Certified Public Accountants licensed by the North Carolina State Board of Certified Public Accountant Examiners.

We would like to thank you for allowing us to submit this proposal and we look forward to working with you.

Sincerely,

Jennifer Reese, CPA

Jennifer Reese, CPA
Winston, Williams, Creech, Evans & Co, LLP
P. O. Box 1366
Oxford, NC 27565

Attachment 1

Summary of Audit Costs Sheets

SUMMARY OF AUDIT COSTS SHEET

1. Base Audit Includes Personnel costs, travel, and on-site work	$ 24,000 2,000 Initial Audit Fee MAX 120 Confirmations
2. Extra Audit Services $ Per hour	$
3. Preparation of Financial Statements Independent/Segregate of Audit Services	$ 5,000
4. Annual Financial Information Report (AFIR) Submission by October 31st each year	$ 1,000

TOTAL $ MAX OF $32,120

PROPOSAL CERTIFICATION

Proposer's Signature Jennifer Reese, CPA **Date** 4-28-2020

By Signing above I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposals on behalf of my organization.

Firm: Winston, Williams, Creech, Evans & Company, LLP	**Print Proposer's Name:** Jennifer Reese, CPA
Address: P. O. Box 1366	**Main Phone:** 919-693-5196
Oxford, NC 27565	**Fax:** 919-693-7614
	E-mail: reese@wwcecpa.com
	Date: 4-28-2020

RESOLUTION 2020-12

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF NASHVILLE TO ENGAGE IN ELECTRONIC PAYMENTS

WHEREAS, it is the desire of the Town Council of the Town of Nashville to engage in electronic payments as defined by NCGS §159-28; and

WHEREAS, it is the responsibility of the Finance Director to provide a written policy outlining the procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03.0409; and

WHEREAS, it is the responsibility of the Finance Director to provide a written policy outlining the procedures for disbursing public funds by electronic transactions as required by NC Administrative Code 20 NCAC 03.0410;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Nashville, North Carolina,

Section 1. Authorizes the Town of Nashville to engage in electronic payments as defined by NCGS §159-28; and

Section 2. Authorizes the Finance Director to provide a written policy outlining procedures for pre-auditing obligations that will be incurred by electronic payments as required by NC Administrative Code 20 NCAC 03.0409; and

Section 3. Authorizes the Finance Director to provide a written policy outlining procedures for disbursing public funds by electronic transactions as required by NC Administrative Code 20 NCAC 03.0410.

PASSED and APPROVED this 5th day of May, 2020.

_____

Brenda Brown, Mayor

ATTEST:

_____

Jontesca Silver, Town Clerk

BUDGET AMENDMENT
FISCAL YEAR 2019-2020

Budget Amendment # **26**

Account #	Account Description	Current Budget	INCREASE	DECREASE	Amended Budget
Fund	**10 - General Fund**				
Department	**VARIOUS**				
Expenditures:					
10-580-1600	VEHICLE MAINTENANCE	$ 19,000.00	$ 12,000.00		$ 31,000.00
10-660-5401	WORKERS COMP	$ 92,647.00		$ 12,000.00	$ 80,647.00
10-490-4500	PROFESSIONAL SERVICE	$ -	$ 5,300.00		$ 5,300.00
10-490-4501	MINIMUM HOUSING	$ 6,300.00		$ 5,300.00	$ 1,000.00
			NET CHANGE IN EXPENDITURES		**$ -**

EXPLANATION:
To cover brake repairs on garbage truck. To begin Codification Project.

Approved by Town Manager _____ 5-1-20
Date

posted:

Approved by Town Council _____ Item #:
Date

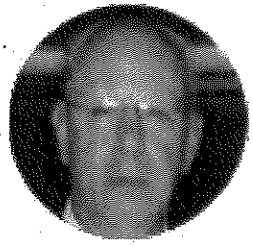
municode

CONNECTING YOU & YOUR COMMUNITY

RECODIFICATION, SUPPLEMENTATION AND ONLINE CODE HOSTING SERVICES

Nashville, North Carolina

January 27, 2020 – Quote valid for 90 days



Dennis Heller
Regional Account Manager
Phone 800-262-2633 ext. 7450
Direct: 850-353-7450
Email DHeller@municode.com
PO Box 2235 Tallahassee, FL 32316

LETTER OF INTEREST

January 27, 2020

Ms. Lou Bunch
Town Clerk
PO Box 987
Nashville, NC 27856 via email: lou.bunch@townofnashvillenc.gov

Ms. Bunch:

Thank you for speaking with Regional Account Manager Dennis Heller regarding the recodification of the Town's Code of Ordinances. This proposal will provide the scope of services and pricing details for the recodification process, which will result in an official Code of Ordinances that is free from internal conflicts and inconsistencies, conforms to the laws of the State of North Carolina, and is easily accessible in print and online to staff and citizens alike. Our staff includes 11 in-house professional codification attorneys who have completed hundreds of codification and recodification projects nationwide. We will be happy to provide a recent Legal Review Memorandum sample upon request.

With over 68 years of experience, Municode is the oldest and most trusted codifier in the nation. We currently provide codification services to over 4,500 municipalities throughout the United States and host over 3,500 municipal codes online via our code hosting platform, MunicodeNEXT. Whether it's through the legal codification or recodification process, full-service or self-service supplementation options, online legislative search tools, meeting management and agenda software or custom government website design, we have the experience, resources and expertise to provide our local government clients with innovative products, superior technology and excellent customer service. We invite you to visit our corporate website at www.municode.com to explore our full suite of government services.

Our Supplement team includes 14 teams of Legal Editors and Proofreaders who are dedicated to providing the most accurate and efficient supplement process possible for the ongoing maintenance of your new code. Our code hosting platform, MunicodeNEXT, is the nation's most advanced, accessible and intuitive website for government codes – allowing your staff and citizens to have access to your current code and all archived versions of your code, every official copy of your ordinances, the power to compare versions of your code over time, the ability to be notified every time your code is updated and a powerful search engine capable of simultaneously searching your code, ordinances, minutes, resolutions, budgets and more. Customers who trust Municode with both their online codes and their municipal website enjoy the added benefit of a unified search engine. With a simple button click, you can easily filter your website search results to pull up all matches within your online Code of Ordinances.

To start the recodification process, simply make your selections on pages 3-5 of this proposal and fill in and sign the signature page on page 13. If you have any questions, please let us know. In addition to email, Dennis can be reached at 800-262-2633 ext. 7450. Vice President of Client Services Steffanie Rasmussen (800-262-2633 ext. 1148) also welcomes your call at any time. Thank you for the opportunity to submit this proposal!

Sincerely,

Dale M. Barstow
Vice President of Sales
Phone: 800-262-2633 ext. 1225

EXECUTIVE SUMMARY

Recodification, Supplementation and Website Hosting

Logic: Give your municipality a fresh start. Engage our full-time attorneys to examine the legal sufficiency of your code from top to bottom. Clean up the pagination, reprint all pages and replace binders and tabs, if needed. Quickly and efficiently transition your code to the most advanced suite of web/mobile services available in the nation: ***MunicodeNEXT***

★ **Recodification** ..... **$15,400**[1]

Timeline ..... **10-12 months**

The recodification base cost of $15,400 is based on a 500 page, double column 10-point code (existing format and font size). Additional options are presented on the following page.

A full-time, Municode attorney will legally review the Code, not just a code editor. We will research all legislation against the State Constitution, State Law, and the Charter, and ordinances will be compared to Code content to determine if there are inconsistencies or conflicts within the legislation itself. We will suggest a structure and organization for the code and provide a table of contents indicating the recommended structure. We will also provide State Law references within the code and hyperlinks to internal references within the code. We will provide a legal memorandum containing recommended options and conduct a conference to review the memorandum and recommendations. Our team will edit the text of your code to reflect proper grammar and stylistic consistency; create a subject matter index; create all tables (contents, State Law reference, prior code comparison, and ordinance disposition); and insert graphics into the printed and electronic versions of the code. A draft code will be provided to you for final review prior to printing and shipment.

★ **Supplement Service** (double column per page rate [existing format]) **$22**

★ **Supplement Service** (single column per page rate) **$18**

Municode does not charge an extra fee for posting supplements online or printing your supplement pages. All of these services are already included in your supplement per page rate.

★ **Online hosting = MunicodeNEXT!** ..... **$645**[2]

The online code is only $645 for our standard service. If you want to further enhance the transparency of your online code, you can upgrade to the MyMunicode bundle for only $1,435 annually!

[1] Please see page 3 for additional pricing details.
[2] Please see page 5 for additional features and pricing available on our MunicodeNEXT platform.

RECODIFICATION QUOTATION SHEET

Recodification base cost, includes **$15,400**[3]

- ★ 500 double column 10-point font pages (existing format and font size)
- ★ Receipt, review and organization of materials
- ★ Legal analysis & research by a full-time, Municode attorney
  - ★ Preparation of legal memorandum by a Municode attorney
- ★ Conference with attorney (make selections below)
- ★ Implementation of approved legal findings
  - ★ Updating State Law references
  - ★ Editorial preparation and proofreading
  - ★ Page formatting (make selections below) and Indexing
- ★ Tables[4], Graphics[5] & tabular matter[6]
- ★ Final proofreading and corrections
- ★ Quality control review and printing
  - ★ 20 printed copies, to include 3-post stamped binders and tabs
- ★ Adopting ordinance prepared by a Municode attorney

Project is based on the font size & pages below – please only select one:

Font Size Double Column: ❑ 10-point (500) ❑ 11-point (609)

Font Size Single Column: ❑ 10-point (700) ❑ 11-point (791) ❑ 12-point (875)

Conference Selection:

❑ On-site conference, each **Attorney time, travel, lodging and per diem**

❑ Teleconference or web-based conference, 3-hour session **No charge**[7]

Format Elections *(Please check or circle desired elections below)*

Font: **Times New Roman** - Will be used as the font unless otherwise indicated.

Other choices include: **Palatino**, **Century Gothic**, **Gill Sans**, Arial, Bookman, Garamond, and New Century Schoolbook

Binder Color: ❑ Semi-Bright Black ❑ Dark Blue ❑ Hunter Green ❑ Burgundy

Binder Stamping Color: ❑ Gold ❑ Silver

Items not included in base cost

- ★ Pages **over** 500 10-point, double column pages per page (or equivalent) **$24**
- ★ Pages **over** 700 10-point, single column pages per page (or equivalent) **$22**
- ★ Freight **Actual**
- ★ State sales tax **If applicable**
- ★ Post your code on MunicodeNEXT **See selections on page 5**

Payments for recodification project - *Your project can be budgeted over two fiscal years*

- ★ Execution of Agreement **$5,390**
- ★ Submission of the Legal Memorandum **$3,850**
- ★ Submission of Draft Code **$3,850**
- ★ Delivery **Balance**

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[1] Legislation added to the project must be approved and received prior to the established cutoff date. Following the delivery of the final code draft for client proofing, any extensive changes requested in the Code content, and/or any material added to the Code that was not previously contemplated, will be subject to an additional Proof Update fee. Proofs not returned within 45 days may be subject to a proof update fee, if applicable.

[4] The following tables are included in the base cost: supplement history table, code comparative table, State Law reference table and ordinance history table. An additional hourly charge applies for creation, modification, addition or updating of any table or schedule other than those enumerated in this footnote. This includes Traffic and Fee tables or schedules.

[5] Includes printing all copies.

[6] Tabular matter is defined as algebraic formula, or other materials that require special programs or extra editorial time to modify and prepare for inclusion in an update.

[7] For the initial 3-hour session, then $150 per hour thereafter.

SUPPLEMENTATION QUOTATION SHEET

Supplement Service Base Page Rate[8]

Page Format	Base Page Rate
Double Column (existing format)	$22 per page
Single Column	$18 per page

Base page rate above includes:

- ★ Acknowledgement of material
- ★ Data conversion, as necessary
- ★ Editorial work
- ★ Proofreading
- ★ Updating the index
- ★ Schedule as selected by you[9]
- ★ Updating electronic versions[10] and online code
- ★ Printing 20 copies

Base page rate above excludes:

★ Freight	**Actual**
★ State sales tax	**If applicable**
★ Images, Graphics[11] & tabular[12] matter, each	**$10**
★ Administrative Support Fee	**$275**
★ MyMunicode or online code	**Selections on page 5**

Electronic media options for Code of Ordinances (sent via download) [13]

➢ Existing Order--Folio Bound Views	**$75 per update**
☐ WORD (DOCX)	**$150 initially then $75 per update**
☐ Adobe PDF of the code	**$150 initially then $75 per update**
☐ Adobe PDF of each supplement	**$150 initially then $75 per update**

Invoices for Supplements and Additional Services will be submitted upon shipment of project(s).

[8] All prices quoted in this section may be increased annually in accordance with the Consumer Price Index – Bureau of Labor Statistics.
[9] Schedule for supplements can be weekly, bi-weekly, monthly, bi-monthly, quarterly, tri-annual, semi-annual, annual or upon authorization. Electronic updates can occur more frequently than printed supplements.
[10] We do not charge a per page rate for updating the internet; however, a handling fee is charged for PDF, Word, Folio or additional electronic media items ordered.
[11] Includes printing of all copies.
[12] Tabular matter is defined as tables, algebraic formula, or other materials that require special programs or extra editorial time to modify and prepare for inclusion in an update.
[13] "delivery" is defined as making updated electronic data available to you via download or FTP. Fee applies whenever content is delivered as PDF, Folio or Word, via one of the aforementioned mediums.

ONLINE CODE HOSTING QUOTATION SHEET (MunicodeNEXT)

Online features can be purchased on an a la carte basis, or through our MyMunicode bundle for the best value. Please visit our online library of over 3,500 codes on MunicodeNEXT here. You can learn more about our standard and premium online services here.

Please check the appropriate box (es) to indicate your selection:

EXISTING ORDERS

- ➢ Online Code = *MunicodeNEXT*, annually **$645**
- ➢ CodeBank annually **$150**

ADDITIONAL AVAILABLE SERVICES

- ❑ OrdBank annually (or per ordinance) **$340**
  Permanent online collection of ordinances with hyperlinks from history notes, supplement history table, and code comparative table to ordinances. This service applies to amendatory (included) ordinances only. **($35)**
- ❑ OrdBank + OrdLink annually (or per ordinance) **$440**
  Provides hyperlinks from newly adopted amendatory legislation to sections of the code to be amended. **($60)**
- ❑ CodeBank Compare + eNotify[14] annually **$250**
  Compare any two versions of your online code (starting with the first Municode supplement). Notify provides readers email updates each time the code is updated.
- ❑ MuniPRO Service annually **$295**
  Search over 3,500 online codes/ordinances. Attach notes to codes and drafts of new legislation.
- ❑ Custom Banner one-time fee **$250**
  Customize MunicodeNEXT to match the look of your website.
- ❑ MuniDocs[15] annually, upgraded self-loading capabilities – *first 3 months service at no charge!* **$350**[16]
  Host any other municipal documents in a fully searchable format, including Minutes, Agendas, Resolutions, Budgets and more for self-loading to the MuniDocs platform!

My Municode - Value Pricing!

- ❑ **MyMunicode** annually **$1,295**[17]
  Includes MunicodeNEXT (Online Code), OrdBank, CodeBank, CodeBank Compare + eNotify, MuniPRO, and Custom Banner

RECOMMENDED ADDITIONAL SERVICE (See pages 11 & 12 to review additional services)

- ❑ MunicodeMEETINGS Agenda Management Software, annually **$3,800**
  Cloud-based agenda meeting management system. Streamlines and automates agenda process. Increases agenda process visibility, easy agenda updates, approval workflow, live council voting & roll call, email notifications, a unified document search and automated approval routing.

[14] Enrollment in CodeBank is required in order to receive the CodeBank Compare/eNotify technology.

[15] Your MuniDocs files can also serve as storage for archived ordinances within the MuniDocs platform. Unlike our online OrdBank feature, these self-loaded archived ordinances will not be linked to the legislation within the online Code. All ordinances for codification and all ordinances for linking via our OrdBank feature can be emailed to us at ords@municode.com.

[16] Includes up to 25 GB storage. Quote for additional storage is available upon request.

[17] Total value if each item were to be purchased a la carte would be approximately $1,680 per year with participation in our OrdBank service.

History, Mission, and Team

With over 68 years of experience, Municode's mission is to connect public sector organizations with their communities. Our solutions promote transparency and efficiency - such as custom website design, meeting and agenda management, the legal codification process, and our robust suite of online legislative search tools.

Municode partners with more than 4,500 government agencies across all fifty states. Municode is a privately-owned corporation and is financially sound with no debt. Our leadership focuses on improving Municode through investments in its people and its technology. Our culture is conducive to the longevity of our employees; our clients can establish a long-term partnership with our experienced and stable workforce.

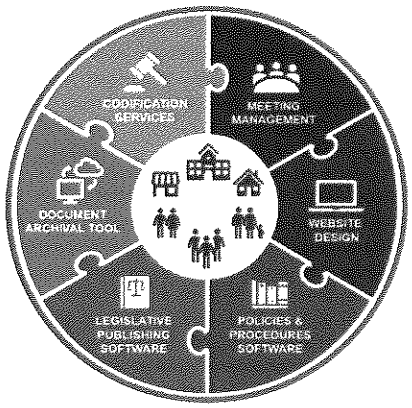
Municode is home to over 160 employees (most of whom enjoy a 10+ year tenure). Our headquarters in Tallahassee, Florida includes four buildings totaling 56,000 square feet. Our West Coast office is located just south of Portland in Lake Oswego, Oregon. We also have individual team members working in several states across the country.

Our Vision: Simple, Seamless Integration

Our vision is to create seamless integration between our service offerings. The goal is to reduce staff workload, while at the same time, increasing the ability for municipalities to connect with their communities.

The following example integration points are either in place today or envisioned in our future strategic roadmap.

- Unified search across all platforms (website, meetings, online codes)
- Auto-publish agendas and minutes from the Meetings platform to the Website
- Ordinance auto-publishing from the Meetings platform to your online code, queued for supplementation, Code of ordinance cross-references to legislative voting history, minutes, and video/audio



SCOPE OF SERVICES

Recodification & Republication Summary

During the recodification process, the attorney assigned to your project will organize and examine every Chapter, Title and Section of your Code in order to ensure that it is free from internal conflicts and inconsistencies and conforms to the laws of the State of North Carolina. Your Municode attorney will be available to consult with you and your staff at any time during the recodification process. This personal dialogue ensures that your code will accurately reflect the intent of your ordinances and the unique needs of your community. The complete process is outlined below.

Ordinances. All legislation of a general and permanent nature, passed in final form by you as of the cutoff date established by you and your Municode attorney, will be included in the code. All material that we receive will be acknowledged via e-mail, in order to establish a record of included ordinances. Legislation not of a general and permanent nature will be omitted from the code unless otherwise instructed by you. Notations can be added in the code to reference legislation adopted by reference, if elected.

Attorney Analysis and Review of Material. Your Municode attorney, along with his/her team of legal editors, proofreaders and indexers will be assigned to this project. Our legal team will research the Code and all legislation submitted by you to ensure conformity with state statutes. The ordinances will also be compared to Code content in order to determine if there are any inconsistencies or conflicts within the legislation itself. Ordinances enacted, or added, subsequent to the date of this agreement, or items not contemplated within the scope of service, may be included later at an agreed upon page rate. We will suggest a structure and organization for the code and provide a Table of Contents indicating the recommended structure.

Page Format Options. We will work with you to determine the desired formatting and style of the new code, and will review page composition format options, such as font type, font size, page layout, and graphics appearance and placement with you. We will help you choose a format that produces a professional document that is easily researched.

References. We will provide State Law References within the code. Editorial notes will be provided as appropriate. Internal references within the code will be hyperlinked in the online version.

Legal Memorandum. We will provide you with a user-friendly Legal Memorandum containing all of our analyses and recommendations. This memorandum will reflect our attorney's Legal Review and will provide you with recommended options intended to remove conflicts and inconsistencies; conform to State Law, when appropriate; and ensure compliance with your charter. This approach facilitates collaboration and dissemination among departments, thus making the process as easy for you as possible. Our goal is to make the recodification process simple and smooth for you.

Conference. Within 30 days of your receipt of the Legal Memorandum, we will conduct a conference, either in person or via telephone or webinar, to review the Legal Memorandum and our recommendations. All interested personnel may be included, but your attorney and clerk are essential. Issues discovered during the legal research will be discussed at the conference, with the goal of the conference being to come to agreement on any required changes. Your attorney has the final decision-making authority for resolution of issues brought up at the conference or noted in the Legal Memorandum.

Editing and Proofreading. Our team will edit the text of your code to reflect proper grammar and stylistic consistency. We will not reword any provision that changes the substantive intent of the code, unless you approve the revision. However, non-substantive revisions to improve readability are a part of the process. We will proofread your code. The text will be reviewed for sense and structure and to ensure the implementation of the decisions by your attorney and our attorney.

Index, Graphics and Tables. Our team will create a hierarchical, subject matter Index and all tables (contents, State Law Reference, prior code comparison and ordinance disposition) for your code as necessitated by the materials provided. We will insert the graphics you have provided into the printed and electronic versions of the code.

Post Conference Code Draft. After editing and proofreading, a post-conference Code Draft incorporating solutions captured in the Legal Memorandum and agreed upon at the legal conference will be delivered to you

for final review prior to printing and shipping. We guarantee typographical correctness. Any errors attributable to our team will be corrected at no charge during the term of this agreement. After the code draft is provided additional material can be added to the project for an additional charge.

Adopting Ordinance. Our attorney will provide an adopting ordinance upon completion of the recodification.

Printing and Binding. We will print your new code on high quality acid-free paper, with an SFI (Sustainable Forest Initiative) certification. These copies will be housed in heavy duty, 3-post leatherette binders (with 4 color choices), name-stamped on the front and spine of each binder. Divider tabs for each major section of the code and index (if elected) will also be provided.

The time frame for completion of the recodification project is within **10 to 12 months**, excepting any delays occasioned by the Town. Adhering to an established schedule of deadlines is critical to the success of this project and will ensure the contents of the Legal Memorandum remain current and complete at the time the Code is adopted and republished. To ensure a successful project completion, it's important that a conference is held to discuss the findings of the Legal Memorandum within 30 days of its receipt, and that the subsequent Code Draft we provide be returned within 45 days with any revisions noted. If the Code draft is not returned within 45 days, additional update fees may apply.

Your participation in the Scope of Services for Recodification & Republication of the code is anticipated to be as follows:

- ★ Provide all ordinances and code material, preferably in WORD format;
- ★ Provide images, graphics and tabular matter, preferably in original format;
- ★ Be available to answer any questions from the Municode Attorney conducting the project;
- ★ Attend the conference to discuss the findings of the Legal Memorandum;
- ★ Work with the Municode Attorney to resolve the findings of the Legal Memorandum;
- ★ Work with Municode to determine the desired formatting and style of the new code;
- ★ Return the draft code to Municode with any revisions noted;
- ★ Adopt the newly recodified code.

Supplementation Services

Municode's full-service supplementation process has been designed for timeliness, efficiency, simplicity and most of all, for our customers' convenience. Supplements can be provided on the schedule of your choice. In addition to printed supplements, we can deliver the updates in Word, PDF and/or Folio formats.

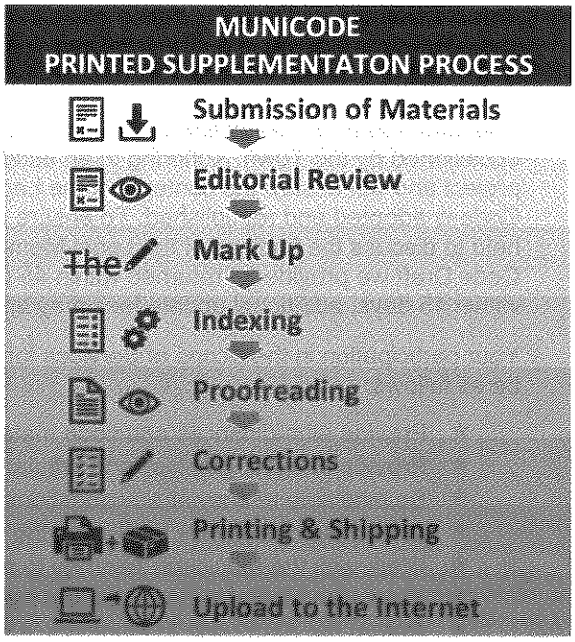
We pride ourselves on a turnaround time of **30 to 35 days for printed supplements** and can provide you with h "always up to date" **electronic update services within 10 to 15 days** at the same per page rate quoted for printed supplements. With printed supplementation, the online code is updated within **3 days** after shipping the supplement, and there is no additional fee for this service.

A recent analysis of our 2018 printed supplement Services indicated an editorial error rate of less than .1%, which is made possible by our attention to detail, ongoing communication with our clients, and strict quality control checks to ensure we continue to produce the best printed and electronic supplements available in our industry. Any errors attributable to Municode during the preparation, printing and maintenance of the code will be corrected at no cost. The printed supplement process is outlined below:

1. Receipt of new legislation will be acknowledged within 24 hours. Our production support team will record the adoption date, effective date and ordinance number(s) and ensure that all necessary exhibits, tables and graphics are included. You will be advised promptly if any pertinent information is missing from your submission. Your material will then be immediately forwarded to our Supplement team for codification. If our OrdBank service (advance legislation service) is selected, the legislation will be posted online within 48 hours in PDF format as "Adopted Legislation not yet Codified".

2. Editorial Review – Our editorial team will review all ordinances received to determine whether the ordinance should be included in your code; where the ordinance should be placed; whether the ordinance conflicts with your existing code format; what material should be removed from your existing code; whether history notes will be added; what tables will be updated and whether the Table of

Contents in the front of the code and at the Chapter/Title level should be amended. If any significant errors or numbering issues are noted, your editor will contact you for clarification. No substantive changes to your legislation will be made by our editorial team, however minor typographical errors will be corrected as part of the supplement process. Should the editorial, legal and/or proofreading team find discrepancies in your ordinances, we will communicate with you to ensure that the ordinances are correct and consistent with the existing code.



3. Indexing – If an Index is elected, your supplement will now be sent to our indexing team, where all new legislation is indexed and cross-referenced in all appropriate locations.
4. Proofreading – The proofreader assigned to your editorial team will then examine your supplement line by line to ensure editorial accuracy, code hierarchy and layout and to confirm that your supplement is grammatically correct and free of errors in spelling and capitalization. Your supplement is examined again line by line to ensure that the improvements made by the editorial team were thorough and accurate. During this process, the original ordinance is compared again with the newly added text to further ensure editorial accuracy.
5. Posting the supplement online (MunicodeNEXT) – After your supplement has been completed, your online code will be updated within 3 days and any electronic products requested will be provided. You will receive notification that the website has been updated via email. If our CodeBank Compare + eNotify service is selected, citizens will be notified each time the online code is updated. When your code is updated on MunicodeNEXT, all internal cross-reference links are updated. With our OrdBank feature, each history note will be linked to the ordinance that amended the respective section.
6. Printing and Shipping – We will print, cut, 3 hole-punch, and ship your supplement to you unless otherwise instructed. You can change your supplement schedule at any time, and there is no additional charge for more frequent supplementation. *Instruction Sheet:* With each printed supplement, we will furnish a page of instructions for removal of the obsolete pages and insertion of the new pages; as well as a *Checklist* of up-to-date pages with each supplement.

Online Code Hosting Services (MunicodeNEXT)

Our code hosting platform, MunicodeNEXT, includes both Standard and Premium features, designed to provide a wide variety of additional capabilities for the research and navigation of your code, as well as for preserving its history. With our MunicodeNEXT advanced features, your staff and citizens need only click the link provided on your municipality's website to access your full Code of Ordinances. They not only have access to your complete and current Code of Ordinances, but to all archived versions of your code, every official copy of your ordinances, the power to compare versions of your code over time, the ability to be notified every time your code is updated, and the ability to translate your code into over 100 languages via ***Google Translate***, which is included at no additional charge. We encourage you to visit our online library of over 3,500 codes hosted on MunicodeNEXT: https://library.municode.com/.

ADA compliance is multi-faceted. All HTML content viewed via our MunicodeNEXT web application is WCAG 2.1 Level AA compliant and will scale to the viewport of any modern smartphone or tablet running iOS, Android, or Windows Phone 7 or higher. Web application accessibility techniques continue to involve and improve as technology advances. Municode is committed to making accessibility an import part of ongoing product updates. Our tech stack includes HTML5 & CSS3, Javascript (AngularJS), and a restful API written in C# running on .Net Core. All content is rendered in standard HTML and is viewable in all modern browsers including PC: Microsoft Internet Explorer 10 or later, Firefox 3.6 or later, macOS®: Safari™ 5.0 or later, and Chrome 18 or later.

We house our public facing website in a secure, SAS70, PCI compliant data center owned and operated by Flexential in Atlanta, Georgia). All systems are backed up and synchronized between our Tallahassee, Florida and Atlanta, Georgia locations for full geographic redundancy. We actively monitor the status of our hosting facility. We utilize Veeam Backup & Recovery to take daily snapshots of all servers in both of our data centers. Snapshots are performed from 8 pm EST to 5 am EST, are replicated between sites and are routinely tested. Biometric authentication is required to enter the data center facility, and anyone entering the premises must be either active customers or authorized vendors with badge and PIN access. Each rack is locked with a combination lock to prevent unauthorized entry or access. The facility is monitored by camera 24/7 to further provide physical security.

We secure our systems using enterprise grade security products. We employ firewalls from Palo Alto networks to secure the perimeter and endpoint security from Carbon Black to provide anti-virus scanning and threat detection on all servers, desktops, laptops, virtual machines and mobile devices. Carbon Black actively scans all file access on all endpoints of our network and quarantines any suspected malware, immediately sending notification to our systems administration staff. We use Nimble and 3Par SANs for all our storage needs. Each SAN member is fully redundant – redundant power supplies, controllers, NICs, etc. The drives on each array are configured as either RAID 5, RAID 50, or RAID 60 arrays.

Our powerful search engine allows users enter simple or advanced searches and supports Boolean operators, stemming, wildcards, proximity searches, and a global synonym list. Users can easily search the code using keywords or phrases, and can print, download and/or email any portion of your code. Search terms can be applied to the entire code or narrowed to search only within specific chapters or sections. Our recent website upgrade allows users to sort results by relevance or book order! Our collapsible Table of Contents, continuous next-hit feature and internal and external hyperlinking and cross-referencing features simplify and enhance the navigation of your online code, allowing your staff and citizens the capability of simultaneously searching your code, ordinances, minutes, resolutions, budgets and more.

MunicodeNEXT is designed with accessibility in mind. Our application is fully responsive, ensuring all features are available on appropriately sized desktop, tablet, and smartphone viewports. Designed to provide easy access and an intuitive interface, it is extremely well-suited for use on tablets and mobile devices running iOS or Android. Our application also conforms to Level AA of the Web Content Accessibility Guidelines 2.0.

MunicodeNEXT Premium Feature Summary

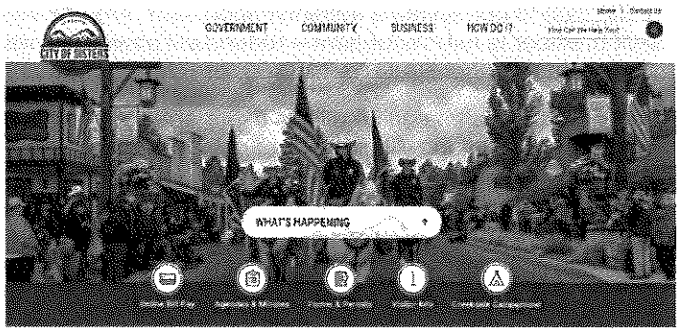
- ★ **CodeBank** will enable you to have instant access to past versions of your code after each supplementation.
- ★ **CodeBank Compare + eNotify** provides you with the ability to select a past version of your online code and compare it to any other version of the code each time the code is updated. The differences will be shown via Highlights (added materials) or Strikethrough (deleted material).
- ★ **eNotify** allows users to enroll to receive an email notification each time your online code is updated. A "modified," "removed" or "added" badge is shown within the online table of contents to alert users of recently amended sections of your code.
- ★ **OrdBank** will create one click access to every amendatory ordinance via linked history notes. Ordinances are permanently stored online in the OrdBank repository and filed in annual folders.
- ★ **OrdLink** will create highlights within your online code to help users identify what amendatory ordinances have been recently adopted and what code sections have been amended.
- ★ **MuniPRO** allows you to search over 3,500 codes in the Municode library, save frequently used or complex searches, create notes to attach to any publication and draft new ordinances.
- ★ Our **MuniDocs** feature has recently been upgraded to allow clients to upload a wide variety of .rtf, .doc, .docx, and .pdf documents to browse and search alongside the code. Uploading is as simple as dragging and dropping the document from your computer into the upload dialog box on the improved administrator dashboard, where previously uploaded documents can also be managed. When uploaded, users can choose from a wide list of predefined document types, including minutes, agendas, resolutions and more. These documents are immediately converted to PDF and indexed for search, organized in nested folders – allowing the public to browse and search them immediately.

ADDITIONAL SERVICES AVAILABLE FOR PURCHASE

Municode offers a wide variety of services, all of which have been designed primarily to serve local governments. Please contact us for information and pricing on any of the services listed below, all of which may be purchased under this contract and all of which are competitively priced.

Website Design and Hosting Services

Let our team of web analysts and developers create or redesign a website for your municipality that provides your staff and citizens with a stunningly beautiful website that is simple for staff to use, easy for citizens to access, responsive, interactive, dynamic, and extremely efficient! Using the popular Drupal, open-source framework, we will work with you to understand your history, anticipate your future, define your priorities and achieve the long-term goals of your community.



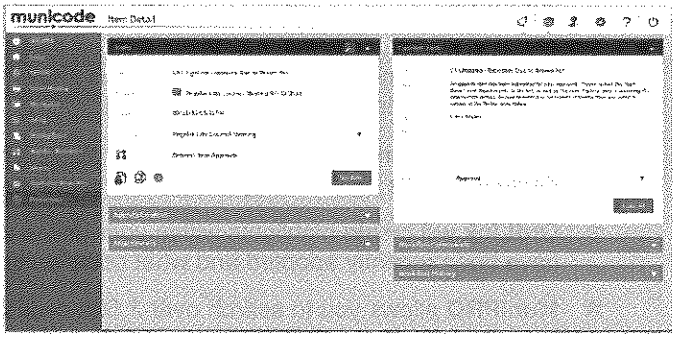
When Municode designs your completely mobile friendly website, our goal is to improve your image and your community profile, increase the self-service capacity of your residents, and empower your staff to create, edit and maintain website content as simply and efficiently as possible. The result will be an unparalleled municipal website solution at a very compelling price.

- ❑ **Request MunicodeWEB Demo/Proposal**

Meeting and Agenda Management

Municode provides a cloud-based agenda meeting management system that enables our clients to save time and money by streamlining and automating the agenda process. With zero set-up requirements, minimal budget impact, built in automatic upgrades and internal and external IT support issues managed directly by Municode's expert team of web analysts and system developers, your staff will spend significantly less time on agenda management, while still maintaining total administrative control of your agenda packets.

Municode provides the highest level of government transparency to your citizens. We will show you how to live stream your meeting videos at no cost and can provide archived video and audio linking capabilities that will allow your constituents to access the exact point in the meeting video where a specific piece of business is discussed. You can take roll call and record votes live in the meeting – and legislators can also vote directly from their Mac, PC, iPad, or Android device!



Other benefits include agenda process visibility, easy agenda updates, approval workflow, live Council voting & roll call, Email notifications, a Unified Document Search and automated approval routing. When you are ready to publish your Agenda, our "single click publishing" will provide you with automatic agenda and packet creations.

- ❑ **Request MunicodeMEETINGS Demo/Proposal** (*see pricing page 5*)

Payment Solutions - Point and Pay

Our preferred payment solutions partner, Point & Pay (https://www.pointandpay.com/) makes paying bills easier! Everything they do is backed by their best-in-class user interfaces, insightful features and high-quality service and support. Point and Pay can assist in processing City/County taxes, utility bills, permits & licensing, and more. With a focus on mobile interfaces, they enable your customers to conveniently pay bills whenever and wherever they want!

❑ **Request Point and Pay Demo/Proposal**

MCCi Services:

Laserfiche Enterprise Content Management Software and Services

MCCi understands the challenges organizations face every day with paper-based processes. We provide innovative solutions that transform these challenges into smart practices that improve efficiency, productivity and organizational structure. Recognized as one of the nation's top 20 Most Promising Government Technology Solution Providers, we are also the largest Laserfiche provider in the world. MCCi is passionate about helping organizations run their office more efficiently – saving time, money and resources! With 900 clients nationwide, MCCi is the largest provider of Laserfiche solutions in the world.

Digital Imaging Services

Through MCCi, Municode can help with your digital imaging services needs include scanning, indexing and integration of hard copy documents, electronic documents, and microfilm/microfiche. MCCi provides the most powerful index retrieval search engine available.

MCCi ExperienceExcellence

Open Records Request Software

JustFOIA is an affordable, easy to use, completely web-based hosted service that was created specifically to help you manage and track public records requests. Since JustFOIA is completely web-based, you are able to login anywhere that has an internet connection. You simply type in your customized web address and enter your credentials, safely and securely. Your service is available 24/7, every single day of the year.

JustFOIA

JustFOIA helps agencies receive, track and report on open records requests. JustFOIA is a hosted solution that is user-friendly, affordable, and integrated with Laserfiche Enterprise Content Management.

❑ **Request MCCi Demo/Proposal**

Internet-based Document Editing and Presentation System

enCodePlus is a unique Internet-based document editing and presentation system used for authoring, displaying, and managing all aspects of land development regulations or zoning ordinances. Developed by community planners, **encode**Plus assists in the creation of land development and zoning ordinances that are fully customizable, easy to navigate and rich with features including GIS interactive mapping, a "Land Use Look Up" tool, hyperlinking to outside resources, historical archiving and in-line graphics.

From its humble beginnings as a stand-alone Windows PC program, **enCode**Plus has matured to meet the needs of an innovative and exacting group of land use code writers and their client communities. To learn more about how **enCode**Plus can be an economic driver for your municipality and positively impact the transparency and navigability of your zoning or land development ordinance, please visit this link: http://www.encodeplus.com/

ENCODE PLUS

❑ **Request enCodePlus™ Demo/Proposal**

SIGNATURE PAGE

This proposal shall be valid for a period of ninety (90) days from the date appearing below unless signed and authorized by Municode and the Town of Nashville, North Carolina.

Term of Agreement. This Agreement shall begin upon execution of this Agreement and end three years after the publication date of the new code. Thereafter, the supplement service shall be automatically renewed from year to year provided that either party may cancel or change this agreement with sixty (60) days written notice.

Submitted by:

MUNICIPAL CODE CORPORATION

Municode Officer: Dale M Barstow

Title: Dale M. Barstow, Vice President of Sales

Date: January 27, 2020

Accepted by:

TOWN OF NASHVILLE, NORTH CAROLINA

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Pre-Audit Certificate: Required by G.S. 159-28
(a) This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act

Signature of Finance Officer

GovTech 100 GovTech Top 100 Innovators in 2016, 2017 & 2018

municode
CONNECTING YOU & YOUR COMMUNITY

municode

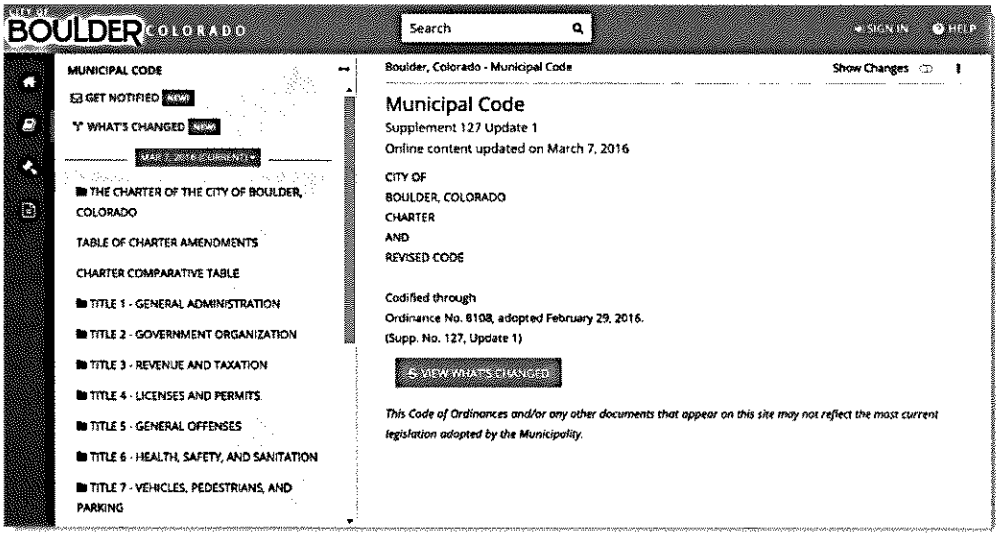
CONNECTING YOU & YOUR COMMUNITY

ATTACHMENT A

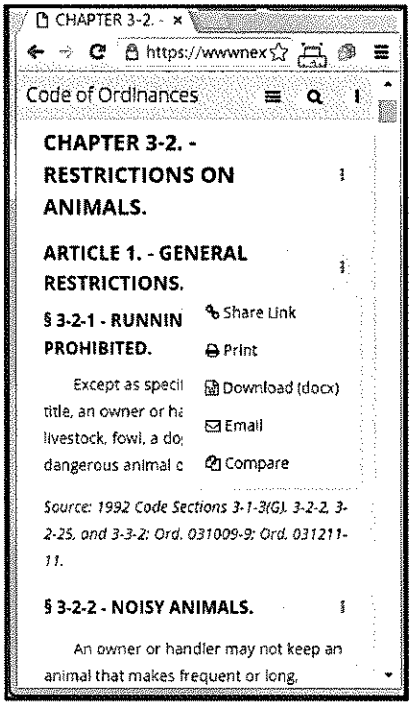
MunicodeNEXT Standard & Premium Features

STANDARD FEATURES OF MunicodeNEXT

Responsive Design – Our team designed MunicodeNEXT to function on any device. Over 20% of our traffic is generated from a smartphone or tablet. Our user interface, based on Google's Material Design guidelines, ensures any device that accesses our application will have access to our full suite of features.

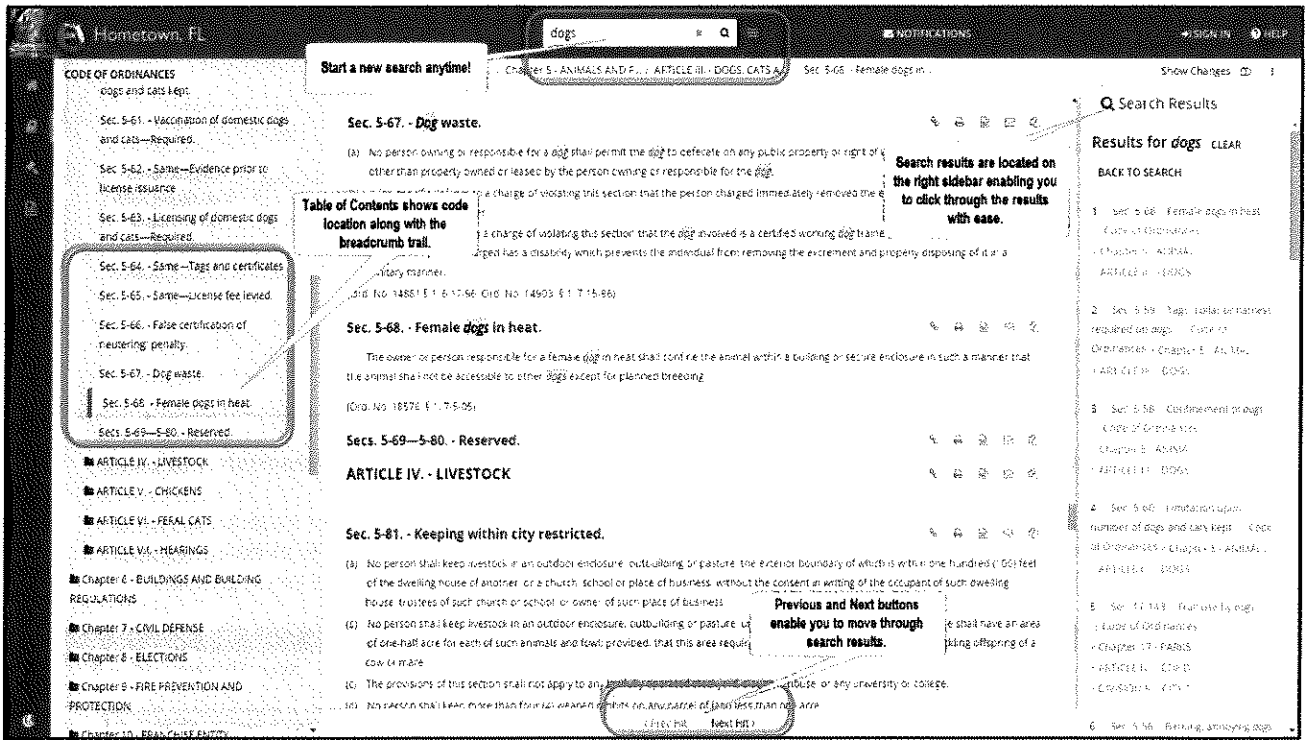


Mobile and Tablet friendly – Our application uses touch friendly icons, easy to access menus, and fly overs to expose all functionality while maintaining a clean, intuitive interface.



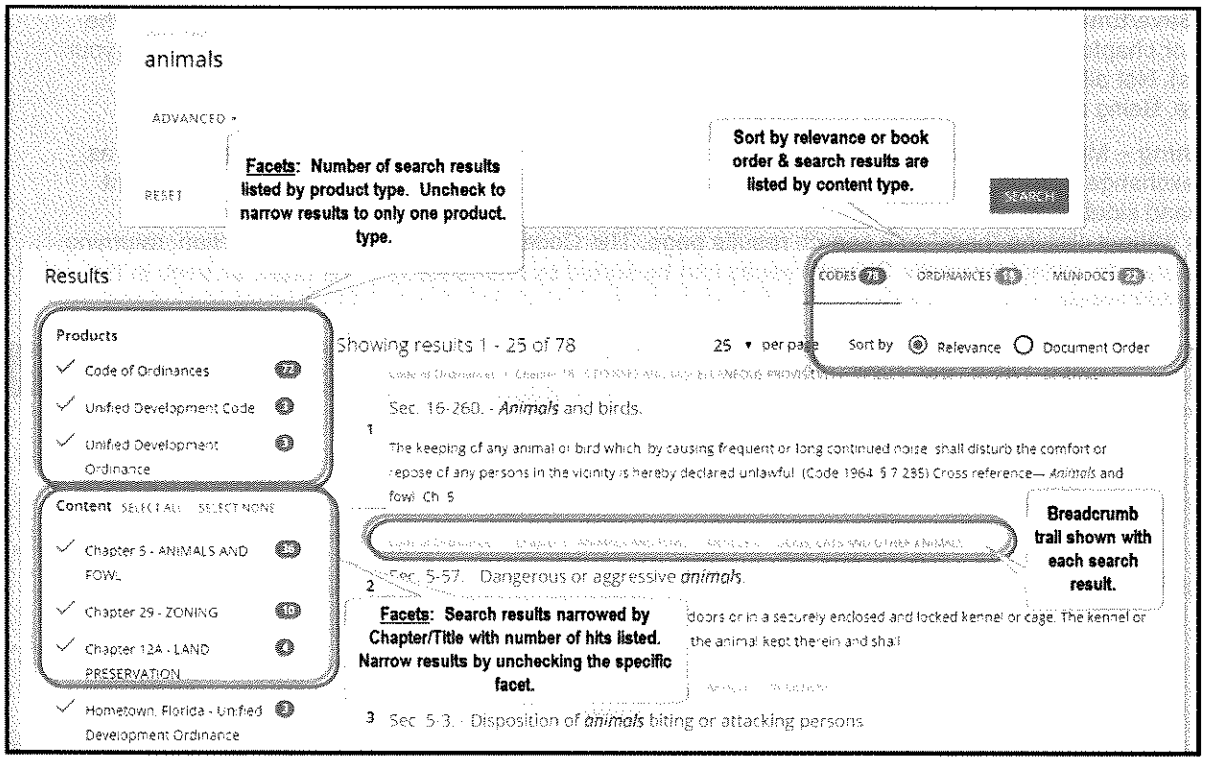
Print/Save/Email – Users can print, save (as WORD) or email files at the section level, as well as at the article or chapter level. You can print, save or email non-sequential sections from multiple portions of your Code(s). Not all codification companies enable you to download WORD documents directly from the website. Being able to do so greatly enhances your ability to draft new legislation.

Searching – Municode leverages a powerful open source search platform that also power sites such as Stackexchange, Github, and Wikipedia. Search starts on a dedicated page, then moves to a persistent right-hand sidebar as you cycle through the results. This enables you to quickly move through search results without clicking "back" to a search results page. The Code is also indexed by the section, returning more accurate, granular results. Search results can be sorted by relevance or book order as seen in the screenshot below.



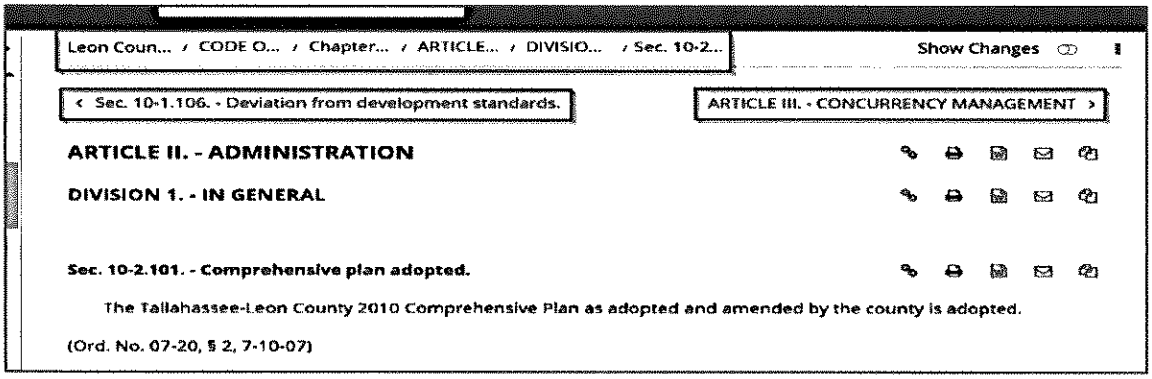
Municode Search Components:

- ★ **Advanced Searching** – You and your power users can conduct searches using Natural Language (think Google) or Boolean Logic.
- ★ **Multiple Publications** – If you have multiple publications (Code, zoning, etc.), they will all be searchable from one interface.
- ★ **Searchable ordinances** – With our OrdBank service, ordinances posted pre and post-codification are full-text searchable.
- ★ **Searching all content types** – If you use our OrdBank or MuniDocs service, you can search any combination of the Code, ordinances, and MuniDocs simultaneously. Search results are labeled for easy identification.
- ★ **Narrow Searching** – Your users could search selected chapters or titles in order to pinpoint their searches and find what they are looking for as quickly as possible!
- ★ **Stored Searching** – MunicodeNEXT allows all search result listings to be bookmarked under your browser's bookmark tabs. Users need only conduct a search and press Ctrl+D to add the search result listing to your browser's tabs.



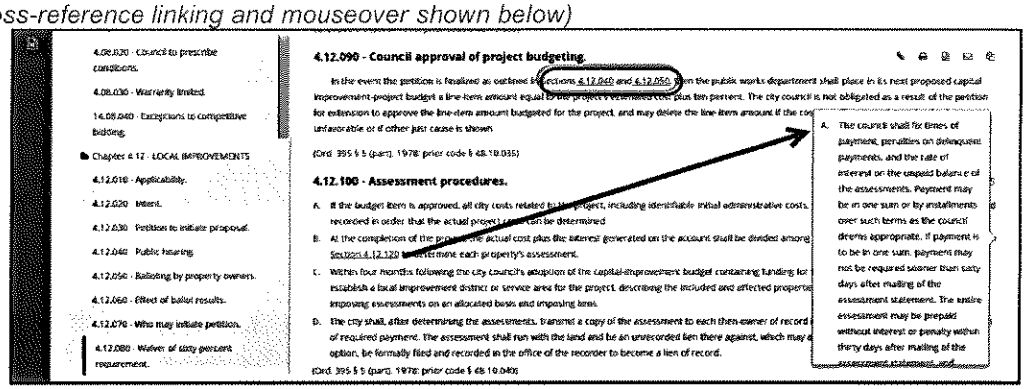
Search enhancements provided with our latest website upgrade include (see screenshot above):

Browsing – MunicodeNEXT provides a persistent breadcrumb trail when browsing or searching and a Previous/Next button at the top and bottom of any document you're viewing. The table of contents and content pane also stay in sync as you scroll to deliver the most intuitive reading experience possible.



- ★ **Internal Cross-Reference Linking** – Cross-references within your Code are linked to their respective destination Article, Chapter or Section.
- ★ **Collapsible TOC** – The table of contents collapses, providing additional real estate with which you may view your Code. Easily view your maps, graphs and charts by simply enlarging the item.
- ★ **Mouseover (cluetips)** – Navigate to your Code and any linked cross-reference will quickly display in the pop-up preview window.
- ★ **Google Translate** – includes the Google Translate plugin, allowing users to view and navigate our hosted Codes in over 100+ languages.

(Cross-reference linking and mouseover shown below)



Translation – MunicodeNEXT includes the Google Translate plugin, allowing users to view and navigate our hosted Codes in over 100+ languages.

Social Media Sharing – You and your users are able to share Code sections via Facebook and Twitter. This will make it easier for you and your team to utilize social media in order to engage your citizenry and enhance your level of transparency.

Static Linking – Copy links of any section, chapter or title to share via email or social media.

Scrolling Tables and Charts – Headers stay fixed while you scroll through the table/chart.

GIS – We can provide a permalink to any Code section and assist staff to create a link from your GIS system to relevant Code sections.

In-line Images & PDFs – We take great care to ensure that your images match online and in print and are captured at the highest quality possible. Our online graphics can be enlarged by hiding the table of contents to maximize the image. Municode can also incorporate PDFs of certain portions of the Code that have very specific viewing and layout requirements.

Website Accessibility – Our current website complies with level A of the Web Content Accessibility Guidelines (WCAG) 2.0.

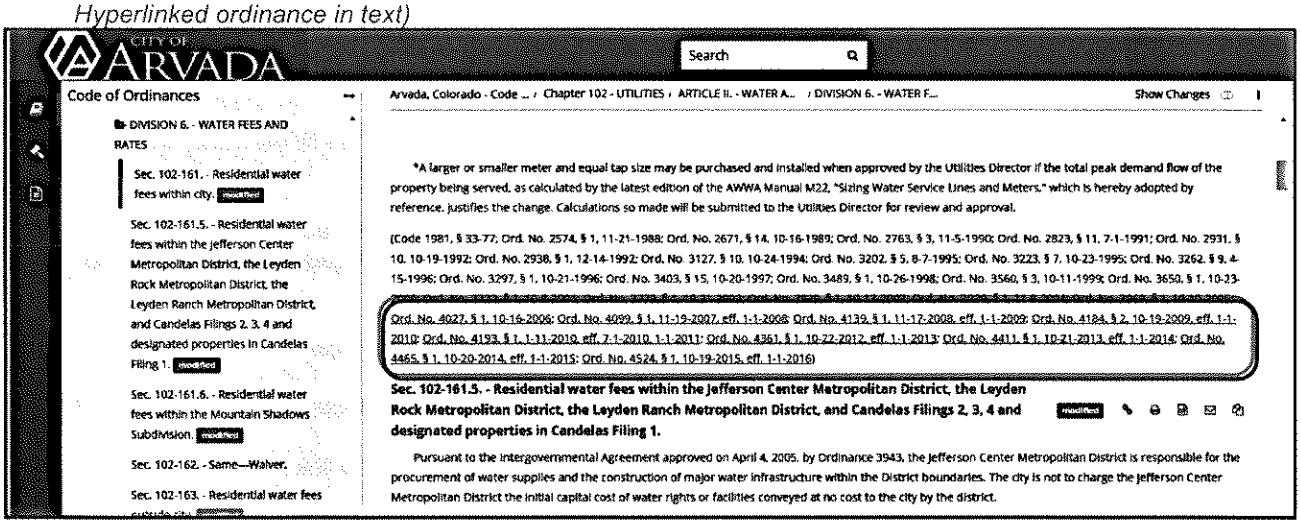
Support – Phone, email and web support for citizens and staff: 24-hour email response; phone support from 8:00 a.m. to 8:00 p.m. (Eastern). A variety of video tutorials are offered, and we are always available to host a personalized webinar for you and your staff to demonstrate our online features.

PREMIUM FEATURES OF MunicodeNEXT

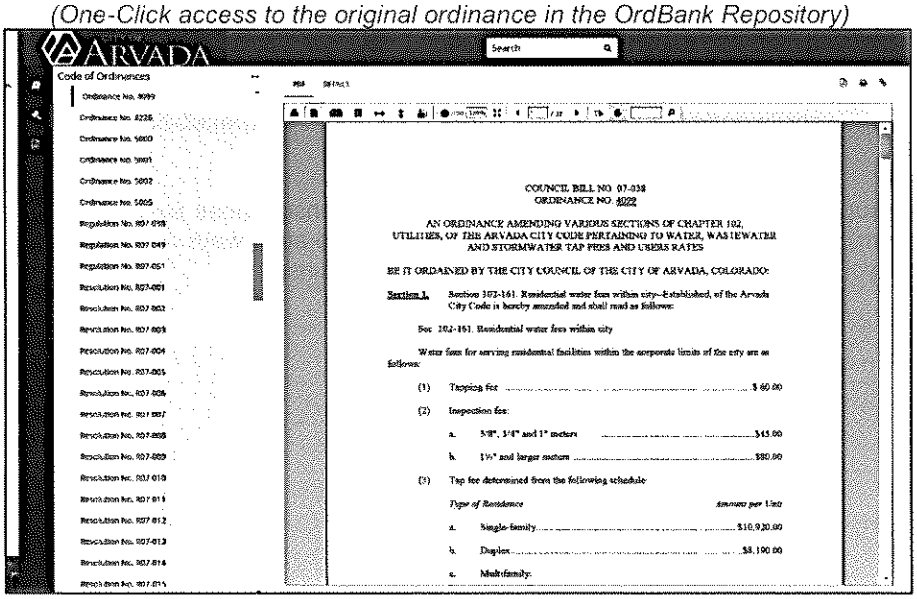
Custom Banner. We can customize the look and feel of your Code to more closely match your website. Please note the custom banners in each of the screenshots provided in this sample.

OrdBank. With our OrdBank solution, newly adopted legislation will be posted online in between supplements. Upon the completion of your supplement, the ordinances will be linked in your history notes and stored in your OrdBank Repository under the "OrdBank" tab.

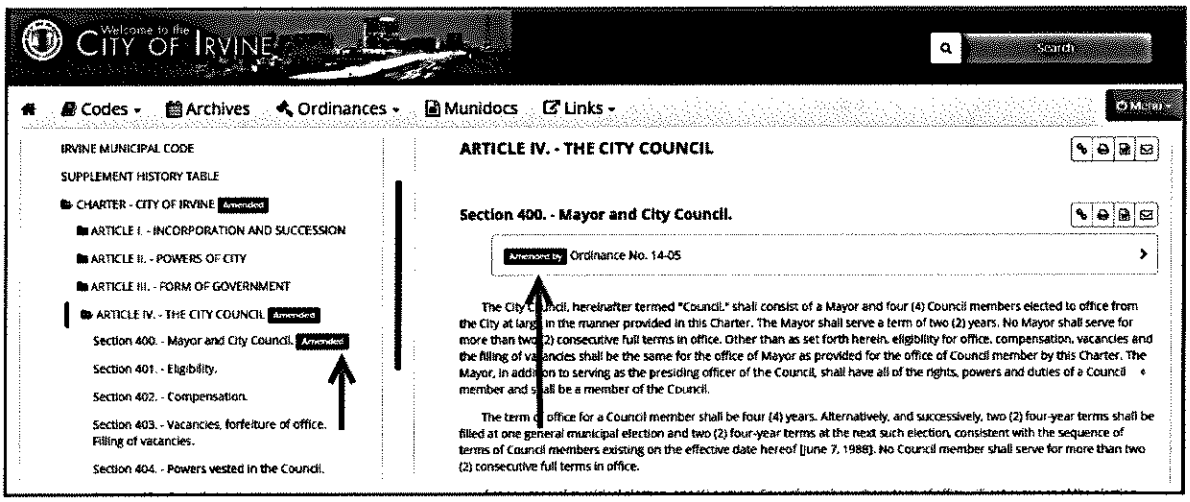
Hyperlinked ordinance in text)



(One-Click access to the original ordinance in the OrdBank Repository)

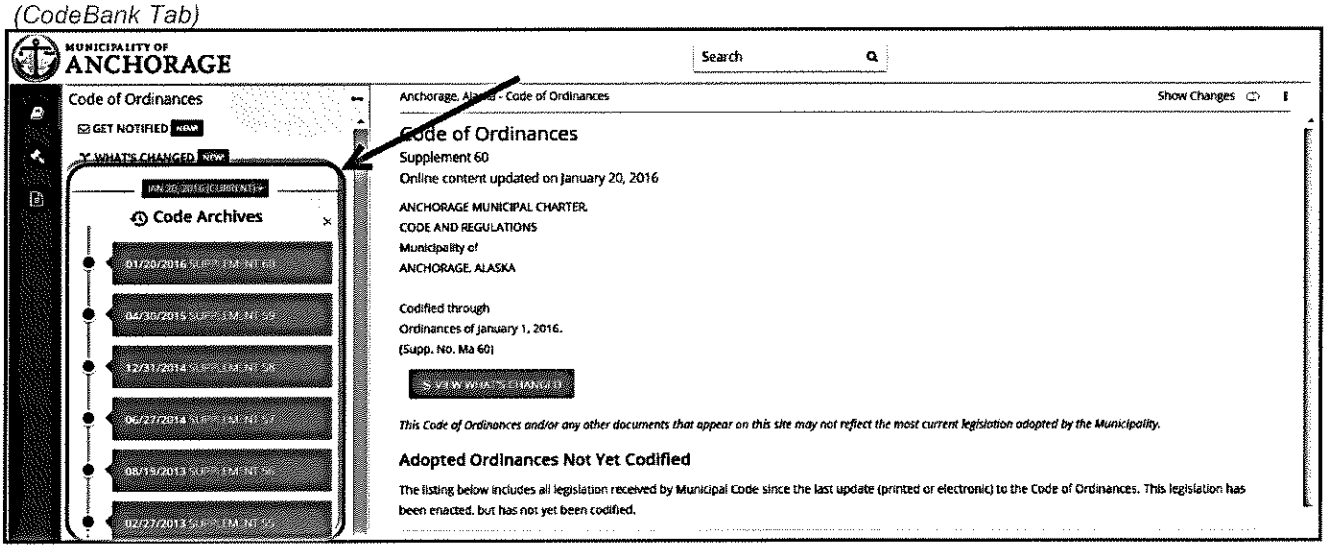


OrdLink + OrdBank. Prior to incorporating the ordinances into your Code via supplementation, the OrdLink feature can hyperlink newly adopted ordinances to the section being amended. Linked sections are highlighted in the table of contents and links are created from the amended sections to the new ordinances. Once the linked ordinances are incorporated into your Code, they are added to your OrdBank repository and hyperlinked to your history notes. This service lets everyone know that new ordinances have been adopted.



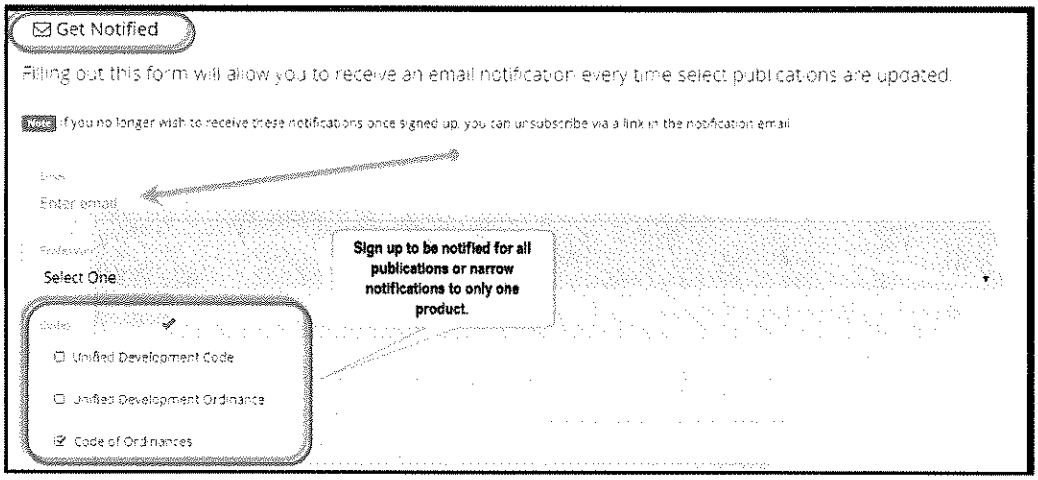
CodeBank. Our CodeBank feature provides an online archival platform for previous supplements of your Code. Empower your staff and citizens to access every previous version of your Code with one click.

(CodeBank Tab)



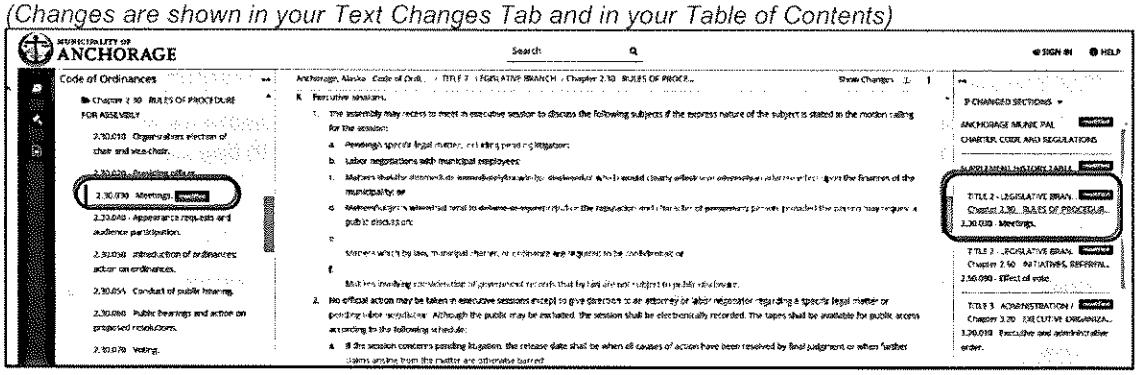
CodeBank Compare. Our CodeBank Compare service is a powerful feature that provides users the ability to select a past version of your online Code and compare it to any other version of your online Code. The differences will be shown via highlights (added material) or strikethrough (deleted material). The CodeBank feature is required in order to access CodeBank Compare. Users will be notified of the changes in the table of contents and within the text of the Code via "modified," "new" or "removed" badges. Users can also select an option to view all of the changes in a single view, complete with strikethrough and highlights showing the specific textual changes that were made. The CodeBank Compare service will show all amendments to your Code that were implemented during the most recent update.

eNotify. Our eNotify service allows users to enroll online and receive email notifications each time your online Code is updated. This will empower your staff and citizens to receive instant notifications every time your online Code is updated. The CodeBank Compare feature is required in order to utilize the eNotify service.

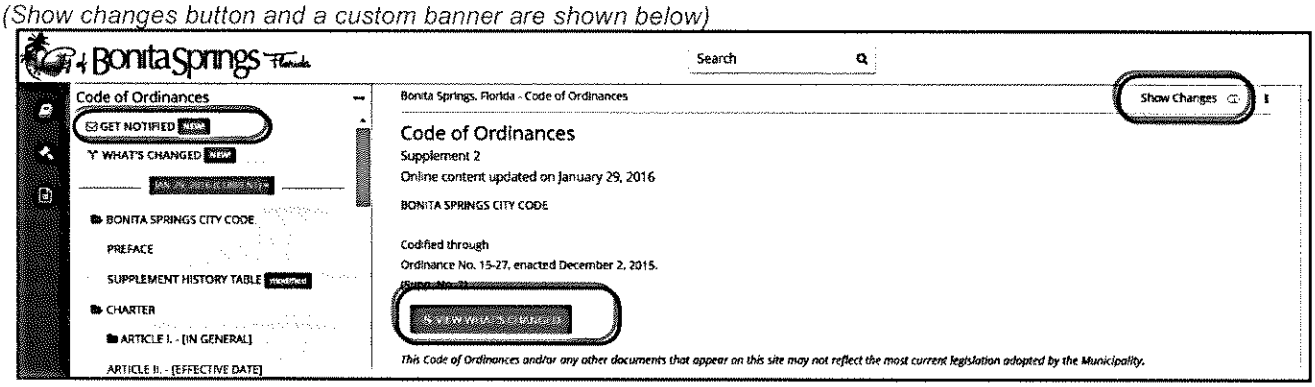


Compare enhancements provided with our latest website upgrade include the ability to show changes in every version of the Code stored in CodeBank.

(Changes are shown in your Text Changes Tab and in your Table of Contents)



(Show changes button and a custom banner are shown below)

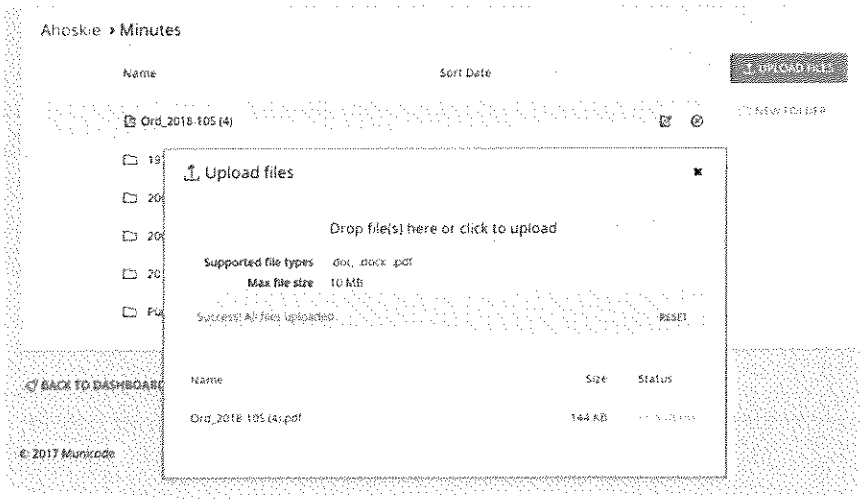


MuniDocs. MuniDocs Upload allows you to upload many types of documents to browse and search alongside your online code and is fully searchable and filterable. After users login, they are presented with a dashboard that allows them to upload new documents and manage previously uploaded documents. When uploaded, users are able to pick from a list of predefined document types

Name

- Minutes
- Agendas
- Budgets
- Resolutions
- Applications
- Forms
- Policies
- Manuals
- Misc. Documents

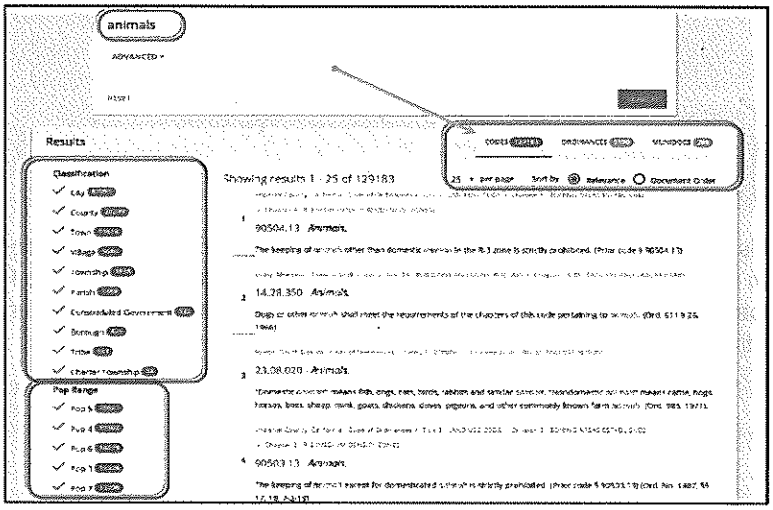
Uploading a document is as simple as dragging and dropping the document from your computer into the upload dialog box on the admin dashboard. Uploaded documents are immediately converted to PDF and indexed for search. Users may upload .rtf, .doc, .docx, and .pdf documents and organize these documents by nested folders. The public can then browse and search these documents immediately.



MuniPRO. MuniPRO Searching allows you to search the over 3,500 Codes we host (the entire country, a single state or individually selected Codes of your choosing). MuniPRO searches are ideal for researching local regulations of special interest or to find out how other communities are dealing with similar issues. If the IP based model is selected, only Multiple Code Searching is available. MuniPRO provides subscribers with the following tools:

- ★ **Multiple Code Search.** Search all Codes within one state, multiple Codes within one state, or search all Codes in the entire US hosted by Municode. Search results are sorted by relevancy and indicate the source publication, showing excerpts and keyword highlighting.

- ★ **MuniPRO Saved Searches.** Save frequently used or complex searches for easy retrieval from the MuniPRO Dashboard.

- ★ **MuniPRO Notes**. Create a note and attach it to any section in any publication. Note icons are present when viewing the section, alerting the user to a previously written note. A global listing of notes can be accessed and managed from the MuniPRO Dashboard.

- ★ **MuniPRO Drafts**. Begin a new ordinance draft to keep track of pending legislation. Drafts icons are present when viewing the section, alerting the user to a previously created draft. A global listing of drafts can also be accessed and managed from the MuniPRO Dashboard.