PERSON COUNTY BOARD OF COMMISSIONERS **MARCH 19, 2018**

MEMBERS PRESENT	**OTHERS PRESENT**
Tracey L. Kendrick	Heidi York, County Manager
Gordon Powell	C. Ronald Aycock, County Attorney
Jimmy B. Clayton	Brenda B. Reaves, Clerk to the Board
Kyle W. Puryear	
B. Ray Jeffers	

The Board of Commissioners for the County of Person, North Carolina, met in regular session on Monday, March 19, 2018 at 9:00am in the Person County Office Building Auditorium.

Chairman Kendrick called the meeting to order. Vice Chairman Powell gave an invocation and Commissioner Puryear led the group in the Pledge of Allegiance.

DISCUSSION/ADJUSTMENT/APPROVAL OF AGENDA:

Chairman Kendrick requested an item to be added to the agenda for action to Call for a Public Hearing related to the County's Intent to Sell the Person County Home Health and Hospice Agency.

A **motion** was made by Vice Chairman Powell and **carried 5-0** to add an item to the agenda for a Call for a Public Hearing related to the County's Intent to Sell the Person County Home Health and Hospice Agency, and to approve the agenda as adjusted.

RECOGNITION OF LOCAL GOVERNMENT DAY:

Chairman Kendrick welcomed the Person High School students enrolled in civics and economics participating in Local Government Day to observe the Board of County Commissioners in session. Chairman Kendrick, Vice Chairman Powell and Commissioners Clayton, Jeffers and Puryear proceeded to introduce themselves and shared general information about the office of a commissioner and general government. County Manager, Heidi York, Assistant County Manager, Sybil Tate and Clerk to the Board, Brenda Reaves also introduced themselves.

RECOGNITION:

RESOLUTION OF APPRECIATION:

Chairman Kendrick read and presented a Resolution of Appreciation to Person County Retiree Judith Akers.

RESOLUTION OF APPRECIATION

WHEREAS, Judith Akers has served the people of Person County during her tenure as a Social Work Program Manager with the Department of Social Services; and

WHEREAS, Judith Akers has served the citizens of Person County with honor, integrity, sincerity and dedication, providing accurate, concise services for thirty-five (35) years, February 1983 – January 2018; and

WHEREAS, Judith Akers has earned the respect and admiration of all who have known her and worked with her throughout her career; and

WHEREAS, the County of Person recognizes the many contributions Judith Akers has made to the County and offers her sincere best wishes for her retirement.

NOW, THEREFORE, I, Tracey L. Kendrick, Chairman of the Person County Board of Commissioners, do hereby extend this Resolution of Appreciation to Judith Akers for continually striving to make Roxboro and Person County a better place to live and work.

Adopted this, the 19th day of March, 2018.

Tracey L. Kendrick, Chairman
Person County Board of Commissioners

Attest:

Brenda B. Reaves
Clerk to the Board of Commissioners

PUBLIC HEARING:

TEXT AMENDMENT REQUEST BY THE PERSON COUNTY PLANNING STAFF TO AMEND THE ORDINANCE REGULATING AUTOMOBILE GRAVEYARDS AND JUNKYARDS REGARDING COMMERCIAL AND RESIDENTIAL JUNKYARDS:

A **motion** was made by Vice Chairman Powell and **carried 5-0** to open the duly advertised public hearing for a Text Amendment Request by the Person County Planning Staff to Amend the Ordinance Regulating Automobile Graveyards and Junkyards regarding Commercial and Residential Junkyards.

Planning Director, Lori Oakley shared the following presentation noting all zoning ordinances and state statutes have been met for this public hearing. Ms. Oakley shared the following presentation with the group related to the Planning Staff's request to amend the Ordinance regulating Automobile Graveyards and Junkyards:

PERSON COUNTY BOARD OF COMMISSIONERS MEETING

March 19, 2018

Petition TA-01-18 - A request by the Person County Planning staff to amend the Ordinance Regulating Automobile Graveyards and Junkyards in Person County regarding commercial and residential junkyards and their associated penalties.

Planning Staff Analysis

- This text amendment request serves to clarify in which instances the Ordinance Regulating Automobile Graveyards and Junkyards in Person County ("Junkyard Ordinance") would apply to a parcel of land and which penalties would apply to the violation.
- While working on two current junkyard violations, staff determined that the language pertaining to residential junkyards was contradictory. While Section Six, *Applicability*, of the Junkyard Ordinance states that the ordinance applies to all properties (residential, commercial and industrial), Section Four, *Prohibitions*, only prohibits commercial junkyards.

Section Three - Definitions

- **Junkyard, Commercial:** Any establishment or place of business which is maintained, operated, or used for storing, salvaging, keeping, buying or selling junk ~~regardless of the length of time that junk is stored or kept~~, or for maintenance or operation of an automobile graveyard, but shall not include garbage dumps or county-operated sanitary landfills. An establishment or place of business which stores or keeps, for a period of 90 days or more, materials within the meaning of "junk" as defined in this section shall be deemed to be a junk yard within the meaning of this chapter.
- **Junk Yard, Residential:** A residential parcel of land in which an area of 600 square feet or more of "junk materials" are kept or stored at any given place whether for profit or not. Materials enclosed in closed buildings, solid waste containers or rolling stock (i.e., rail cars, trailer or other containerized body not intended or designed to be self-propelled) are excluded.

Section Four - Prohibitions

- All ~~commercial~~ junkyards or automobile graveyards except as hereinafter provided shall be unlawful after the effective date of this Ordinance for any person, firm or corporation, or other legal entity to operate or maintain in any unincorporated area of Person County a junkyard or automobile graveyard without first obtaining a license to operate same and without maintaining screening from view as hereafter described.

Planning Staff Analysis

- Staff also determined that the penalty section was unclear and that both criminal and civil penalties could be applied to a parcel regardless if it was zoned commercial or residential. Staff is recommending that criminal penalties only apply to non-residential properties. Civil penalties, in accordance with the NC General Statues, can apply to both.

Section Ten – Enforcement Provisions

Penalties and remedies for violations shall be as follows:

A. Criminal Penalty (shall only apply to parcels used for commercial purposes). Any person, firm, corporation, or other entity who maintains or operates or who controls the maintenance of a junkyard or automobile graveyard in violation of this Ordinance shall be guilty of a misdemeanor and subject to prosecution, and if convicted, shall be punished by a fine not to exceed $50 or by imprisonment not to exceed thirty (30) days, or both, in the discretion of the Court. Each day that said automobile graveyard or junkyard shall be maintained or operated in violation of this Ordinance shall constitute a separate and distinct offense.

B. Civil Penalties. In addition to the criminal sanctions as herein set out, as provided by North Carolina General Statute 153A-123 (d), and (e), this Ordinance may be enforced by an appropriate equitable remedy issuing from a court of competent jurisdiction or by injunction and order of abatement.

Planning Staff Recommendation

- Planning Staff recommends approval of TA-01-18. Staff is requesting language in the Junkyard Ordinance that clearly distinguishes between a commercial and a residential junkyard along with the associated penalties for each.

Reasonableness and Consistency Statement

The NC General Statutes requires that when reviewing a text amendment, the board also include with their motion a statement as to whether the proposed text amendment is reasonable and consistent.

The text amendment request is consistent with the Comprehensive Plan and future planning goals and objectives of Person County. It is reasonable and in the public interest as it will provide clear and concise regulations in the Ordinance Regulating Automobile Graveyards and Junkyards in Person County.

Section 4.1.10 in the Goal and Objectives of the Land Use Plan states: "Continue to evaluate and regulate offensive land uses that create unsightly conditions and adversely affect adjacent property values. In particular, pursue vigorous enforcement of the Person County Junkyard Ordinance."

When asked about the penalties, Ms. Oakley stated it was her understanding that the intent of the current ordinance was to apply to commercial properties; she said that as she reviewed two current cases with the County Attorney, the current Ordinance gives authority to apply criminal or civil penalties. Ms. Oakley noted as the intent was to apply criminal penalties solely to commercial properties and civil penalties to apply only residential. Ms. Oakley stated the proposed changes to the ordinance are to clarify the intent more clearly. She added the current ordinance does not prohibit junkyards on residential property. Ms. Oakley said that the Planning Department treats each parcel on an individual basis noting junkyards complaints are violation complaint driven.

Commissioner Puryear noted the Board, in the past, has changed rules for good intent, but often has unintended consequences. Ms. Oakley said she felt there would be more unintended consequences if the current ordinance was not amended. As written, Ms. Oakley stated the current ordinance would apply to commercial properties. She said she has seven open junkyards cases that are residential that she is working with the citizens to clean up property but she has no enforcement mechanism as the ordinance is currently written. Ms. Oakley said if the ordinance was not amended, staff would only look at commercial properties only; she has one violation currently.

Ms. Oakley noted the commercial junkyard definition is proposed to be amended to state if there is a vehicle abandoned for a period of 90 days or more, staff would look for unlicensed, unregistered vehicles that have been abandoned. If the cars are being worked on, they are not considered a junkyard or an automobile graveyard.

Commissioner Jeffers asked Ms. Oakley how the proposed amendments would affect existing business to which Ms. Oakley responded the text amendments as well as the current ordinance, applies to commercial properties, in particular automobile repair shops, but the residential properties are not covered in the current ordinance.

Ms. Oakley stated the State of NC no longer has business licenses which was a way to clearly distinguish business from residential. She said the first step was for staff to work with individuals with the goal being to clean up the property or to screen the property if the individual was not actively working on the vehicle(s). If active work is being done on the vehicle, staff would not pursue any type of violation enforcement. She added it would be on a case by case basis.

Commissioner Jeffers asked Ms. Oakley how many current businesses would be affected to which Ms. Oakley noted she did not know all the business but she had one that she was actively working with at this time.

Chairman Kendrick confirmed that a business or residential appeal would come before the Board of Commissioners and asked Ms. Oakley to address the term chronic violator. Ms. Oakley stated NC General Statute specifically addresses chronic violators.

There were no individuals appearing before the Board to speak in favor of or in opposition to the Request by the Person County Planning Staff to Amend the Ordinance Regulating Automobile Graveyards and Junkyards regarding Commercial and Residential Junkyards.

A **motion** was made by Commissioner Jeffers and **carried 5-0** to close the public hearing for a Text Amendment Request by the Person County Planning Staff to Amend the Ordinance Regulating Automobile Graveyards and Junkyards regarding Commercial and Residential Junkyards.

CONSIDERATION TO GRANT OR DENY TEXT AMENDMENT REQUEST BY THE PERSON COUNTY PLANNING STAFF TO AMEND THE ORDINANCE REGULATING AUTOMOBILE GRAVEYARDS AND JUNKYARDS REGARDING COMMERCIAL AND RESIDENTIAL JUNKYARDS:

Chairman Kendrick stated his appreciation of the ordinance noting over the course of the last few years, several situations were resolved. He added his opposition to government affecting individual's property rights noting he has not seen any overreach by county government.

Commissioner Puryear stated opposition to the proposed text amendment noting his concern of overreach and the unintended consequences. He added he had calls from businesses concerning the proposed text amendments.

Commissioner Jeffers stated his understanding of property values and how the community looks but noted his concerns on how the proposed text amendments may affect current businesses. He added that if the Board tabled action to a night meeting, it may allow individuals/businesses more opportunity to be heard.

Commission Clayton noted that no businesses were present to speak at the public hearing. Chairman Kendrick asked his fellow commissioners to touch base with commercial businesses.

A **motion** was made by Commissioner Jeffers and **carried 5-0** to table action on this item until the Board's next regular scheduled meeting on April 9, 2018.

INFORMAL COMMENTS:

There were no comments from the public.

DISCUSSION/ADJUSTMENT/APPROVAL OF CONSENT AGENDA:

A **motion** was made by Commissioner Jeffers and **carried 5-0** to approve the Consent Agenda with the following items:

A. Approval of Minutes of February 26, 2018,
B. Budget Amendment #13,
C. Updated Lease Agreement with Bushy Fork Grange, and
D. Tax Adjustments for March 2018
    a. Tax Releases
    b. NC Vehicle Tax System pending refunds

NEW BUSINESS:

VOLUNTEER FIRE DEPARTMENT FUNDING:

County Manager, Heidi York led the discussion related to the proposed options for FY19 funding for Volunteer Fire Departments (VFDs). She recalled at the Board's Annual Retreat held on February 5, 2018, the Board focused on two funding scenarios and staff was directed to bring this discussion back to the Board in March.

Ms. York stated the first funding scenario proposed by Vice Chairman Powell was to increase the VFDs to a $1M base line of annual operating funds with the additional revenue to be sourced through a proposed new quarter-cent sales tax which would be dependent upon voter approval of the ballot referendum at the May 8, 2018 primary election. The second funding proposal by Commissioner Jeffers shifts all VFD funding to a newly created Fire Tax setting an annual funding amount at $1M which equates to a 49% increase in funding.

Ms. York said the Fire Chiefs issued a proposal to provide a distribution formula for each VFD which increased funding by 76% requiring $512,000 in new revenue to fulfill; current funding of VFDs is $669,885 from the General Fund. If setting a fire tax for the $669,885, the fire tax would be at 1.82cents or to set the fire tax rate at 2.72cents for $1M funding level. Compared to the median price of a home in the County at $115,000, Ms. York said the property tax bill would increase $31.28 for a fire tax rate at 2.72cents.

Commissioner Jeffers, as commissioner representative on the Fire Chiefs committee, noted he took the proposal to the Fire Chiefs for the $1M base line to which there was agreement to sign contracts and work with the County. He added the Fire Chiefs would like to retain the staggered 2% increase as was done for the City of Roxboro for fire protection services. Commissioner Jeffers advocated for the full $1M funding to be set as a fire tax, in lieu of appropriating any funds from the General Fund.

Commissioner Jeffers highlighted that having no fire department coverage could increase property owner's insurance by approximately $100. Ms. York noted there are pockets within the county where property owners are not within the six mile radius to any fire department meaning they are already paying a higher premium.

Commissioner Puryear noted as many residents value the service of VFDs, they do not want a tax increase. He asked the County Manager to create a fire tax of 1.82cents for the current funding level of $669,885, what could the property tax rate be decreased to for a flat funding level to VFDS and no increase in the property tax bill. Ms. York stated the current property tax rate of .70cents per $100 valuation could decrease by 1.51cents, making the new property tax rate at .6849cents per $100 valuation. Ms. York added the funding source of the additional funding to fulfill the $1M baseline would have to be identified.

Ms. York noted that the value of one penny, on this date, on the fire tax generates $368,444. She further noted the numbers will adjust slightly as the value of one penny on the tax rate has increased from the retreat date to this date.

Commissioner Puryear noted a consensus among the Board that there was a need for more funding for the VFDs and encouraged a bipartisan agreement to reach the $1M baseline and to find the additional funds in the budget. He said he had made a promise to the citizens of the county for the last 12 years to not support a tax increase. He encouraged the Board to agree to a flat funding/fire tax causing no increase to the property tax owners.

Vice Chairman Powell stated his intent to fund the VFDs at the $1M baseline and presented the idea of the Board matching funds from the VFDs community fundraisers for a period of time.

Ms. York clarified that the value of one penny for a fire tax rate generates less than the revenue that one penny on the tax rate generates because the City of Roxboro is not included in the fire tax. She noted the $330,000 shortfall was more like $447,000 that she would have to identify from the General Fund to reach the $1M baseline. Ms. York said she would review the one-penny rates and send that information to the Board. She indicated the proposal to set a fire tax and a recurring appropriation from the General Fund would not be a true fire tax but a hybrid funding of the two sources of funding.

Commissioner Jeffers advocated for the full funding to be set as a fire tax, as requested by the VFDs. He also shared his concerns using the General Fund noting the upcoming budget needs of county departments, which including public safety (EMS, Sheriff), local schools and community college.

Chairman Kendrick reminded the group of the quarter-cent sales tax referendum on the May ballot. He said by cutting the recycling center (nice to have but not a need to have) the Board could have over $300,000. He also stated renegotiation of the landfill to allow 1000-2000 tons per day of waste, the County could increase revenue from $600,000 to $1.19M-$2.1M.

A **motion** was made by Commissioner Puryear to direct the Manager to increase funding for the local Volunteer Fire Departments (VFDs) up to $1M in scope using the current VFDs budget appropriation of $669,885 to set a fire tax at 1.82 cents and to identify the shortfall (approximate $440,000 for a fire tax or $330,000 from General Fund) in her proposed budget as well as to reduce the property tax rate by 1.51cents.

A **substitute motion** was made by Commissioner Jeffers and **failed 2-3** to set a Fire Tax at 2.72cents. Commissioners Jeffers and Clayton voted in favor of the substitute motion and Chairman Kendrick, Vice Chairman Powell and Commissioner Puryear voted the substitute motion down.

The **original motion** made by Commissioner Puryear **carried 4-1.** Commissioner Clayton cast the lone dissenting vote. Commissioner Jeffers stated his support of the VFDs but he noted he did not support cutting services; he expressed his desire to persuade in a bipartisan effort to find other ways to fund during the budget process.

PERSON COUNTY JUVENILE CRIME PREVENTION COUNCIL FUNDING RECOMMENDATION FOR FY2018-2019:

Each year, funding is made available through the North Carolina Department of Public Safety / Division of Juvenile Justice to Person County and its Juvenile Crime Prevention Council (JCPC) to be utilized to address the needs of youth at-risk for delinquency as well as adjudicated undisciplined and delinquent youth in Person County. The funding comes in the form of a county allocation. All 100 counties in the State of North Carolina are allocated funds based on the population of youth in the county between the ages of 10 and 17.

Martha Pickett, JCPC Chair presented the County Funding Plan for FY19 in which the county was requested to match the state funds in the amount of $52,533 representing a 20% match. Ms. Picket said this was an increase of $222 over the current fiscal year funding. She noted funding was taken from the Administration budget and put into the program budget.

Ms. Pickett stated appreciation to Vice Chairman Powell for attending the JCPC meetings She also pointed out that on December 1, 2019, the law is changing for individuals that are 16 and 17 years old; they will be considered juveniles in the system so there will be an impact on the Sheriff's budget due to not being able to house these individuals in the jail. Ms. Pickett noted these juveniles will have to be transported to another location costing the county $122 per day per person.

A **motion** was made by Commissioner Jeffers and **carried 5-0** to approve the Person County Funding Plan as recommended by the Juvenile Crime Prevention Council.

Person County
NC DPS - Community Programs - County Funding Plan

Available Funds: $ $123,213 Local Match: $ $52,713 Rate: 20%

DPS JCPC funds must be committed with a Program Agreement submitted in NC Allies and electronically signed by authorized officials.

#	Program Provider	DPS-JCPC Funding	LOCAL FUNDING County Cash Match	LOCAL FUNDING Local Cash Match	LOCAL FUNDING Local In-Kind	OTHER State/ Federal	OTHER Funds	Total	% Non DPS-JCPC Program Revenues
1	YES Community Service	$50,138	$10,028		$2,650			$62,816	20%
2	Roots & Wings Parenting,Skill Building, Teen Court Programs	$61,408	$12,282					$73,690	17%
3	Sherrif's Great Camp	$6,667	$1,333		$26,420			$34,420	81%
4	Administration Funding	$5,000						$5,000	
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
	TOTALS:	$123,213	$23,643		$29,070			$175,926	30%

The above plan was derived through a planning process by the Person County Juvenile Crime Prevention Council and represents the County's Plan for use of these funds in FY 2018-2019.

Amount of Unallocated Funds _____

Amount of funds reverted back to DPS _____

Discretionary Funds added _____

check type ☐ initial plan ☐ update ☐ final

-----DPS Use Only-----

Reviewed by_____ Area Consultant _____ Date

Reviewed by_____ Program Assistant _____ Date

Verified by_____ Designated State Office Staff _____ Date

Martha Pickett 3/19/18
Chairperson, Juvenile Crime Prevention Council (Date)

Gary Allen 3/19/18
Chairperson, Board of County Commissioners or County Finance Officer (Date)

ver 03/04/2016

MENTAL HEALTH FUNDING UPDATE:

Assistant County Manager, Sybil Tate stated Commissioner Jeffers requested an update on how the Cardinal Innovations refunded monies that were not spent in FY16 for mental health services. The total amount of the refund was $38,196. Ms. Tate reminded the Board voted, at its October 16, 2017 meeting, to fund the following projects with these additional funds:

- Mental Health pilot in jails- $20,000
- 40 Naloxone kits and training for first responders- $3,500
- Safe room at the hospital - $5,000
- Drug Court - $9,696

Sheriff Dewey Jones provided an update on the Jail Pilot Program:

<u>Sheriff's jail pilot</u>

1. Contracted a psychiatrist to visit the jail for 3 hours a week until the end of June.
2. Contracted a nurse to be available 7 days a week.
3. Contracted a peer-support specialist for 16 hours a week until the end of June.
4. Below are the outcomes that the Peer Support Specialist will track for the pilot program:
    - Peer support specialist will help screen and identify if there is a mental health or substance abuse issue
        - % of individuals in jail who are screened for mental health issues by peer support specialist
        - % of individuals screened who have mental health issues
    - Peer support specialist will coordinate with family members to have inmates' medication brought to the jail.
        - Cost of medication, if supplied by Person County
    - Peer support specialist will continue to be in contact with individuals post-release to ensure that they are utilizing services.
        - Number of individuals served by peer support specialist in jail and post-release
        - Recidivism rate for individuals served by peer support specialist
    - Peer support specialist will divert eligible individuals to detox
        - Number of individuals diverted to detox
        - Number of nights in jail for individuals diverted to detox vs. regular inmates
        - Amount of detox medication costs saved
    - Peer support specialist will coordinate with DSS
        - Number of individuals served who are also engaged with DSS services

- Peer support specialist will help with coordination and collaboration between agencies providing services to defendants
    - Number of community outreach presentations
    - Number of organizations in referral network

Ms. Tate provided a further update on the following initiatives:

Naloxone kits and training

All EMS, VFD's, Sheriff and Police Department first responders have access to Naloxone and have been trained to administer it. EMS reports that first responders used Narcan 30 times thus far in FY18. The first and only use of the new kits occurred within less than one month of the training and distribution with one life saved.. EMS has additional Naloxone supplies available to replace those that have been used.

Hospital Safe Room

An MOU with the hospital has been completed and the location for a "safer" room has been identified. Hospital staff has researched equipment and is gathering purchasing and installation quotes. Installation should be complete by the end of April.

Drug Court

Drug Court is on target to spend the additional funds. Below are Drug Court's outcome measures thus far in FY18:

- Individuals served: 37
- Individuals terminated as unsuccessful: 12
- Individuals neutrally terminated: 2
- Individual who transferred to another drug court by moving out of county: 1
- Number of drug tests given: 808
- Number of positive tests: 62 (8% of drug tests come back positive)
- Individuals graduated: 7

Ms. Tate introduced Mr. Ric Bruton, Cardinal Innovations representative, noting Person County has received an additional $30,343 refund from Cardinal for FY17, for discussion and options on how to use those funds. Mr. Bruton answered questions from the Board on the regulatory requirements for the County to comply with state statutes for the unspent maintenance of effort mental health funding returned to the County. Mr. Bruton stated the Board has the authority to make the local decision for the control of the funds to be appropriated. He recommended the County to allocate to programs that support mental health, substance abuse and intellectual developmental disabilities. He offered his assistance for recommendations how to allocate these funds by extending/expanding core programs, offering a community-wide training, an evidence-based program addressing trauma.

Mr. Bruton said Person County allocates around $325,000 maintenance of effort funding pursuant to state statute 122.C.115 to support and help Medicaid and state funded programs. Mr. Bruton said the returned unspent funds were not appropriated in the right programs noting they have adjusted the budget so that there will likely be no funding left unspent. Mr. Bruton noted services not reimbursable through Medicaid/Medicare that the unspent funds could be used for included housing, transportation, employment, psych services, training, indigent care, meds and labs.

Commissioner Jeffers advocated for the community-wide training as well as the elementary after school program (Boys & Girls Club) he has mentioned before. He also noted the opioid crisis issue in Person County.

Commissioner Clayton reiterated that the County did not have staff to administer programming for the unspent return funds with the local level decision to be made by the Board; he suggested creating a committee of the departmental partners to review the needs of the county for the best use of the funds.

Vice Chairman Powell, a member of the Cardinal Governance Board, a newly organized board for a 20-county catchment area said the Board will follow the general statute requirements.

Chairman Kendrick suggested utilizing some of the funding for more housing for the children that have to be transported out of county due to the lack thereof.

Commissioner Jeffers asked the Sheriff about training for law enforcement officer as they encounter people with mental health issues to which the Sheriff said the 40-hour training was beneficial but caused coverage issues for those taking the training.

County Attorney, Ron Aycock confirmed with Mr. Bruton that the local governing board has complete discretion in use of the unspent, returned funding so long as, in their opinion, it is devoted to the purposes outlined. Mr. Aycock asked Mr. Bruton to send to the County the specific state statute for the regulatory requirements.

It was the consensus of the Board for staff to bring recommendations back to the Board.

REQUEST FOR APPROVAL OF NEW AUDIT FIRM'S PROPOSAL FOR AUDITING SERVICES OF PERSON COUNTY'S ANNUAL FINANCIAL STATEMENTS:

Finance Director, Amy Wehrenberg presented to the Board for consideration the bid tabulation and recommendation on the audit firm to perform audit services for Person County's annual reporting requirements for fiscal year periods ending 2018, 2019 and 2020. Ms. Wehrenberg noted a Request for Proposal was released on February 15, 2018, and four audit firms responded, including the County's current auditor. After thorough analysis of each proposal, Ms. Wehrenberg determined that Elliott Davis, PLLC, from Raleigh, NC, presented the best responsive bid. Their estimate to perform the audit for Person County for fiscal year ending 2018 is $9,000 less than our current auditor's bid ($3,000 over lowest bid). Ms. Wehrenberg further noted that over the three year period, the total cost reduction from our current auditor's bid is $38,345. Ms. Wehrenberg stated other variables that were in their favor over the other bid responses include (1) their close proximity to Person County, (2) the fact that they are a larger firm which potentially offers additional audit staffing resources, (3) high recommendations from one of the counties they are currently serving, and (4) their overall ability to submit financial reports to the Local Government Commission prior to November 30th compared to the other bidders.

Ms. Wehrenberg said the current auditor, who the County has retained for the last 20 years, has had some staffing resource issues. She added the County's audit report had some late submittals to the Local Government Commission which was due on October 31st. Ms. Wehrenberg stated the late submittals were due to the additional requirements and that few counties met the deadline. She added that the late submittals did not render any monetary penalties.

Ms. Wehrenberg requested the Board to approve the audit firm's three year proposal as recommended, and approve execution of first year's contract for reporting year 2017-18.

A **motion** was made by Commissioner Clayton and **carried 5-0** to approve the Finance Director's recommendation of Elliott Davis, PLLC with their audit firm's three year proposal and approve execution of first year's contract for reporting year 2017-18.

Person County's RFP-Audit Services

Bid Comparison Summary

RFP RESPONSE HIGHLIGHTS	MAULDIN & JENKINS	W GREENE CO CPA	ELLIOTT DAVIS	WINSTON, WILLIAMS, CREECH, EVANS & CO., LLP
COST (NOT TO EXCEED)				
FY 2017-18	$54,000	$57,000	$57,000	$66,000
FY 2018-19	$54,000	$57,000	$58,150	$69,300
FY 2019-20	$55,500	$57,000	$59,300	$72,765
THREE (3) YEAR COST	$163,500	$171,000	$174,450	$208,065
AVG. YEARLY COST FOR THREE (3) YEARS	$54,500	$57,000	$58,150	$69,355
AFIR	Yes-Will provide this service as part of the audit cost	Yes-Will provide this service as part of the audit cost	Yes-Will provide this service as part of the audit cost	FY 18; $1,500 FY 19; $1,575 FY20; $1,655
TRAVEL COSTS	Included in base estimate	No charges for travel	$3,000 included in base estimate	No charges for travel
TOTAL THREE (3) YEAR COST-INCLUDING AFIR & TRAVEL	$163,500	$171,000	$174,450	$212,795
COST OF MAJOR FEDERAL PROGRAMS	$2K-$3K per program over anticipated four	Not listed	$2,500 per program over anticipated three	$1,000-$1100 ea over four in Single Audit $1000-$1100 ea over 4 major programs
CAAT (Computer Assisted Audit Techniques)	YES	YES	YES-ACTIVE DATA SOFTWARE	YES-PPC's SMART Practice Aids
DATA EXTRACTION	YES	YES	YES-ACTIVE DATA SOFTWARE	YES
FAMILIAR WITH SOFTWARE SYSTEMS	YES	YES	YES, MAJORITY OF CLIENTS USE MUNIS	YES
PARTNER(S) IN CHARGE OF ENGAGEMENT (TIME ON SITE)	ON SITE 100% OF THE DURATION OF THE AUDIT	ON SITE 100% OF THE DURATION OF THE AUDIT	ON SITE 6% OF THE DURATION OF THE AUDIT	NO MENTION; PARTNER DOESN'T TYPICALLY COME ON-SITE, DELEGATES TO A MANAGER
AUDIT TEAM (% TIME BREAKDOWN)	EACH AUDIT TEAM MEMBER WOULD SPEND APPROX. 60% OF THEIR TIME ON THE AUDIT	EACH AUDIT TEAM MEMBER WOULD SPEND APPROX. 33% OF THEIR TIME ON THE AUDIT	SHAREHOLDERS 10% MANAGERS 24% SR STAFF 33% STAFF 33%	PARTNER 6% MANAGER 67% STAFF ACCT 27%
CFE (CERTIFIED FRAUD EXAMINER) ON STAFF/ON SITE	PARTNER IN CHARGE-ON SITE 100% OF THE DURATION OF THE AUDIT	PARTNER IN CHARGE-ON SITE 100% OF THE DURATION OF THE AUDIT	SENIOR OR MANAGER IN CHARGE-ON SITE 100% OF THE DURATION OF THE AUDIT	NO MENTION
LIABILITY INSURANCE	$1 MILLION/CLAIM $5 MILL/AGG.	$1 MILLION/CLAIM $2 MILL/AGG.	$1 MILLION/CLAIM $2 MILL/AGG.	$1 MILLION/CLAIM $2 MILL/AGG.
LOCATIONS	ATLANTA, GA	WHITEVILLE & CAROLINA BEACH	RALEIGH & CHARLOTTE	OXFORD
YEARS IN BUSINESS/FORMED	1918	2013; LESS THAN SIX (6) YEARS	1920	1985
SIZE OF STAFF	22 PARTNERS, DIRECTORS & MGRS DEDICATED TO GOV'T CLIENTS	1 PARTNER 3 STAFF MEMBERS	15 SHAREHOLDERS; 39 MGRS; 149 STAFF...FOR OUR AUDIT, THEY WILL UTILIZE 1 PARTNER; 1 SR MGR; 1 MGR; 3 STAFF MEMBERS	16 EMPLOYEES--3 PARTNERS, 3 CPAS & 10 STAFF ACCTS 1 PARTNER 2 MANAGERS 2 STAFF ACCOUNTANTS
OTHER COUNTIES CURRENTLY SERVING	ORANGE COUNTY; 2016	ROBESON COUNTY; 2014 SAMPSON COUNTY; 2017	WAKE COUNTY; 2014 CABARRUS COUNTY; 2017	**PERSON COUNTY**; 1997 GRANVILLE COUNTY; 1989 WARREN COUNTY; 2003 FRANKLIN COUNTY; 2007
DATES OF NC COUNTY CAFR SUBMITTALS TO LGC	ORANGE COUNTY FY 2017; Dec 12, 2017 FY 2016; Feb 27, 2017	ROBESON COUNTY FY 2015; Dec 30, 2015 FY 2014; Dec 30, 2014 SAMPSON COUNTY FY 2017; Nov 20, 2017	WAKE COUNTY FY 2017; Nov 29, 2017 FY 2016; Dec 7, 2016 FY 2015; Nov 13, 2015 FY 2014; Nov 25, 2014 CABARRUS COUNTY FY 2017; Nov 14, 2017	**PERSON COUNTY** FY 2017; Dec 21, 2017 FY 2016; Dec 22, 2016 FY 2015; Dec 22, 2015 GRANVILLE COUNTY FY 2017; Jan 29, 2018 FY 2016; Dec 28, 2016 FY 2015; Jan 22, 2016 WARREN COUNTY FY 2017; Jan 23, 2018 FY 2016; Dec 28, 2016 FY 2015; Dec 8, 2015 FRANKLIN COUNTY FY 2017; Jan 29, 2018 FY 2016; Dec 20, 2016 FY 2015; Jan 25, 2016
OVERALL REFERENCE RESPONSES	Satisfactory	Satisfactory	Satisfactory	Not required since we can attest to our own experience
RECOMMENDED (BEST RESPONSE)	Firm is long distance away; late submittals; fairly new presence in NC--only one County; several grammatical errors in proposal	Smallest firm; concern on lack of resources; late submittals	**RECOMMENDED:** Large firm; offers to dedicate more staff to audit; short distance; competitive offer; best able to meet report deadlines compared to other bidders	Highest bid; smaller firm; lack of resources; late submittals

LGC-205 (Rev. 2018)

CONTRACT TO AUDIT ACCOUNTS

Of Person County
Primary Government Unit

N/A
Discretely Presented Component Unit (DPCU) if applicable

On this 12 day of March, 2018,

Auditor: Elliott Davis, PLLC Auditor Mailing Address: 5410 Trinity Road, Suite 320

Raleigh, NC 27607 Hereinafter referred to as The Auditor

and Board of County Commissioners (Governing Board(s)) of Person County (Primary Government)

and N/A (Discretely Presented Component Unit): hereinafter referred to as the Governmental Unit(s), agree as follows:

1. The Auditor shall audit all statements and disclosures required by accounting principles generally accepted in the United States of America (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2017, and ending June 30, 2018, . The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with auditing standards generally accepted in the United States of America. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards,* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board). **County and Multi-County Health Departments:** The Office of State Auditor will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on Eligibility Determination as required by Office of the State Auditor (OSA) and in accordance with the instructions and timeline provided by OSA.

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's Auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the SLGFD staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract. **If the audit firm received a peer review rating other than pass,** the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

   If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the SLGFD within four months of fiscal year end. Audit report is due on: 10/31/18 If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC.** (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoices shall be sent via upload through the current portal address: https://nctreasurerslgfd.leapfile.net. Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date shall be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Government shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. (**Note: Fees listed on Fees page.**). This does not include fees for any Pre-Issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item #12).

10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall submit to the SLGFD either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to the SLGFD simultaneously with the

Governmental Unit's audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the fiscal year end.

12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit shall not be billed for the pre-issuance review. The pre-issuance review shall be performed **prior** to the completed audit being submitted to the SLGFD. The pre-issuance review report shall accompany the audit report upon submission to the SLGFD.

13. The Auditor shall electronically submit the report of audit to the SLGFD as a text-based PDF file when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. **Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit report Reissuance form.** These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If the SLGFD determines that corrections need to be made to the Governmental Unit's financial statements, those corrections shall be provided within three days of notification unless another deadline is agreed to by the SLGFD.

    If the OSA designates certain programs to be audited as major programs, as discussed in item #2, a turnaround document and a representation letter addressed to the OSA shall be submitted to the SLGFD.

    The SLGFD's process for submitting contracts, audit reports and invoices is subject to change. Auditors shall use the submission process in effect at the time of submission. The most current instructions will be found on our website: https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

15. If an approved contract needs to be amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload the amended contract is https://nctreasurerslgfd.leapfile.net. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit shall be attached to the contract, and by reference here becomes part of the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #23 of this contract. Engagement letters containing indemnification clauses shall not be accepted by the SLGFD.

17. Special provisions should be limited. Please list any special provisions in an attachment.

18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

19. The contract shall be executed, pre-audited, physically signed by all parties including Governmental Unit and the Auditor and then submitted in PDF format to the Secretary of the LGC. The current portal address to upload the contractual documents is https://nctreasurerslgfd.leapfile.net. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of November 2017. These instructions are subject to change. Please check the NC Treasurer's web site at https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx for the most recent instructions.

20. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. **The audit should not be started before the contract is approved.**

21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

22. **E-Verify.** Auditor **shall comply** with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor **shall require** such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

23. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16 for clarification).

SIGNATURE PAGES FOLLOW FEES PAGE

Contract to Audit Accounts (cont.) Person County
Primary Government Unit
N/A
Discretely Presented Component Unit (DPCU) if applicable

FEES – PRIMARY GOVERNMENT

AUDIT: $ 50,500

WRITING FINANCIAL STATEMENTS: $ 6,500

ALL OTHER NON-ATTEST SERVICES: $

For all non-attest services the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is $ 42,750
**** NA if there is to be no interim billing**

FEES – DPCU (IF APPLICABLE)

AUDIT: $ N/A

WRITING FINANCIAL STATEMENTS: $

ALL OTHER NON-ATTEST SERVICES: $

For all non-attest services the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is $ N/A
**** NA if there is to be no interim billing**

Contract to Audit Accounts (cont.) Person County

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

Audit Firm Signature:

Elliott Davis, PLLC

Name of Audit Firm

By Thomas J. McNeish

Authorized Audit firm representative name: Type or print

Signature of authorized audit firm representative

Date 3/12/18

tom.mcneish@elliottdavis.com

Email Address of Audit Firm

Governmental Unit Signatures:

Person County

Name of Primary Government

By Tracey L. Kendrick

Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date 3/19/2018

By

Chair of Audit Committee - Type or print name

**

Signature of Audit Committee Chairperson

Date

*** If Governmental Unit has no audit committee, mark this section "N/A"*

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 or by the School Budget and Fiscal Control Act.

By Amy Wehrenberg

Primary Government Unit Finance Officer:

Type or print name

Primary Government Finance Officer Signature

Date 3-19-18

*(Pre-audit Certificate **must be dated**.)*

amyw@personcounty.net

Email Address of Finance Officer

Date Primary Government Governing Body Approved Audit Contract - G.S. 159-34(a)

3-19-18

*****Please provide us the most current email addresses available as we use this information to update our contact database*****

Contract to Audit Accounts (cont.) Person County

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

**** This page to only be completed by Discretely Presented Component Units If Applicable ****

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

DPCU Governmental Unit Signatures:

Name of Discreetly Presented Component Unit

By_____

DPCU Board Chairperson: Type or print name and title

Signature of Chairperson of DPCU governing board

Date_____

By_____

Chair of Audit Committee - Type or print name

_____**

Signature of Audit Committee Chairperson

Date_____

*** If Governmental Unit has no audit committee, mark this section "N/A"*

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 or by the School Budget and Fiscal Control Act.

By_____

DPCU Finance Officer:

Type or print name

DPCU Finance Officer Signature

Date_____

(Pre-audit Certificate must be dated.)

Email Address of Finance Officer

Date DPCU Governing Body Approved Audit Contract - G.S. 159-34(a)

*****Please provide us the most current email addresses available as we use this information to update our contact database*****

Contract to Audit Accounts (cont.) Person County

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

Steps to Completing the Audit Contract

1. Complete the header information – If a DPCU is subject to the audit requirements found in the Local Government Budget and Fiscal Control Act and a separate report is being issued for that DPCU, a separate audit contract for the DPCU is required. If a separate report is not being issued for the DPCU – it is being included in the Primary Government's audit – the DPCU shall be named with the Primary Government on the audit contract for the Primary Government. The Board Chairperson of the DPCU shall sign the audit contract in addition to the elected leader of the Primary Government.
2. Item No. 1 – Complete the period covered by the audit
3. Item No. 6 – Fill in the audit due date. For Governmental Unit (s), the contract due date can be no later than 4 months after the end of the fiscal year, even though amended contracts may not be required until a later date.
4. Item No. 8 – If the process for invoice approval instructions changed, the Auditor should make sure he and his administrative staff are familiar with the current process. Instructions for each process can be found at the following link. https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx
5. Item No. 9 –Please note that the new fee section has been moved to page 5.
6. Item No. 16 – Has the engagement letter been attached to the contract that is being submitted to SLGFD?
   a. Do the terms and fees specified in the engagement letter agree with the Audit contract? *"In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence."*
   b. Does the engagement letter contain an indemnification clause? **The audit contract shall not be approved if there is an indemnification clause – refer to LGC Memo # 986.**
7. Complete the fee section for BOTH the Primary Government and the DPCU (if applicable) on the fees page; please note:
   - The cap on interim payments is 75% of the current audit fee for services rendered if the contracted fee amount is a fixed amount. If any part of the fee is variable, interim payments are limited to 75% of the prior year's total audit fee. If the contract fee is partially variable, we shall compare the authorized interim payment on the contract to 75% of last year's actual approved total audit fee amount according to our records. There is a report of audit fees paid by each governmental unit on our web site: https://www.nctreasurer.com/slg/lfm/audit_acct/Pages/default.aspx select "audit fees"

     Please call or email Lorna Hodge at 919-814-4299 lorna.hodge@nctreasurer.com if you have any questions about the fees on this list.
   - For variable fees for services, are the hourly rates or other rates clearly stated in detail? If issued separately in an addendum, has the separate page been acknowledged in writing by the Governmental Unit?

- For fees for services that are a combination of fixed and variable fees, are the services to be provided for the fixed portion of the fee clearly stated? Are the hourly rates or other rates clearly stated for the variable portion of the fee? (Note: See previous bullet point regarding variable fees.)

- If there is to be no interim billing, please indicate N/A instead of leaving the line blank.

8. Signature Area – There are now 2 Signature Pages: one for the Primary Government and one for the DPCU. Please only send the page(s) that are applicable to your Unit of Government and do not include the instructions pages. Make sure all signatures have been obtained, and properly dated. **The contract shall be approved by Governing Boards pursuant to G.S. 159-34(a).** If this contract includes the audit for a DPCU that is a Public Authority that falls under the Local Government Budget and Fiscal Control Act, it shall be named in this contract and the Board Chairperson of the DPCU also shall sign the contract in the area indicated. If the DPCU is filing a separate audit, a separate audit contract is required for that DPCU.

9. Please place the date the Primary Government's Governing Board and the DPCU's Governing Board (if applicable) approved the audit contract in the space provided.

   a. Please make sure that you provide email addresses for the audit firm and finance officer as these will be used to communicate official approval of the contract.

   b. Has the pre-audit certificate for the Primary Government (and the DPCU if applicable) been signed and dated by the appropriate party?

   c. Has the name and title of the Mayor or Chairperson of the Unit's Governing Board and the DPCU's Chairperson (if applicable) been typed or printed on the contract and has he/she signed in the correct area directly under the Auditor's signature?

10. If the Auditor is performing an audit under the yellow book or single audit rules, has year-end bookkeeping assistance been limited to those areas permitted under the revised GAO Independence Standards? Although not required, we encourage Governmental Units and Auditors to disclose the nature of these services in the contract or an engagement letter. Fees for these services should be shown in the space indicated on the fees page.

11. Has the most recently issued peer review report for the audit firm been included with the contract? This is required if the audit firm has received a new peer review report that has not yet been forwarded to us. The audit firm is only required to send the most current Peer Review report to us once – not multiple times.

12. After all the signatures have been obtained and the contract is complete, please convert the contract and all other supporting documentation to PDF. When submitting for approval send the documents as one PDF file to include the Audit contract, any applicable addendums, the engagement letter and Peer Review Report. Submit these documents using the most current submission process which can be obtained at the NC Treasurer's web site

    https://www.nctreasurer.com/slg/Audit%20Forms%20and%20Resources/Instructions%20for%20Contract%20Submission.pdf

13. If an audit cannot be completed by the due date, the Auditor or Governmental Unit shall file an Amended Contract form (Amended LGC-205). This form shall be signed by the Governmental Unit representative and the Auditor. The explanation for the delay in completing the audit is part of this contract amendment form and shall be provided. The parties that signed the original audit contract shall sign the amended contract form as well. If the signing representatives are unable to sign the amended contract, please include an explanation for this in the submitted amended contract form.

PLANNING BOARD, BOARD OF ADJUSTMENT AND REGION K AGING ADVISORY COUNCIL:

Clerk to the Board, Brenda Reaves requested Board action on the following boards, as deemed appropriate:

Planning Board

3-Year Term: 1 position available

1) Tabitha George requested appointment

A **motion** was made by Commissioner Jeffers and **carried 5-0** to appoint Tabitha George to the Planning Board for a 3-year term.

Board of Adjustment

Unspecified Term: 1 position to serve as an alternate

1) Andrew "Andy" Withers requested appointment

Ms. Reaves stated that Commissioner Jeffers asked staff to look into a complaint he received related to a member of the Board of Adjustment (BOA) not attending the meetings. Planning Director, Lori Oakley confirmed that since she became the Planning Director in April 2017, Ms. Felicia Swann has not attended any BOA meetings. Ms. Reaves noted that the BOA meets monthly, as needed, based on any requests that come before the BOA; the BOA has not had monthly meetings. The Clerk presented information related to Ms. Swann's BOA meeting attendance. The Board of Commissioners has the authority to rescind Ms. Swann's appointment due to excessive absenteeism and to appoint another citizen to serve in that position. Should the Board rescind Ms. Swann's appointment due to excessive absenteeism, Ms. Reaves recommended the appointment of Mr. Withers to serve out the unexpired term of Ms. Swann to June 30, 2019. Should the Board decide to leave Ms. Swann's appointment in place, Ms. Reaves recommended Mr. Withers to be appointed to serve as an alternate on the BOA.

Commissioner Clayton asked the County Attorney, Ron Aycock in the case where a BOA member has to recuse themself, how does that affect the quorum. Mr. Aycock stated that in order to have quorum, a quorum must be present at the beginning of the meeting. If a member discloses a conflict, that recusal does not affect the existence of a quorum. Mr. Aycock said the current BOA local rules requires a quorum of four of the five members to be in attendance. If then, one of the four declares a conflict, the meeting could still continue. Mr. Aycock recommended an alternate on the BOA, in that case, they could step in, if needed.

A **motion** was made by Commissioner Jeffers to rescind Felicia Swann's appointment on the BOA due to excessive absenteeism and to appoint Andrew "Andy" Withers to fulfill the unexpired term to June 30, 2019. Chairman Kendrick suggested moving Felicia Swann to the alternate position in lieu of rescinding her appointment. Commissioner Jeffers offered an **amended motion** that **carried 5-0** to move Felicia Swann to the alternate position with an unspecified terms and to appoint Andrew "Andy" Withers to fulfill the unexpired term to June 30, 2019 on the Board of Adjustment.

Regional K Aging Advisory Council
3-Year Term: 3 positions available

Ms. Jillian Hardin, Director, Area Agency on Aging with Kerr –Tar Regional Council of Governments recruited and requested the following citizens be considered for appointment to represent Person County, each for a 3-year term starting immediately. The terms would expire on December 31, 2020.

Ms. Ethel Girvin of 2555 Dink Ashley Rd, Timberlake
Mr. Don Shotwell of 81 Cavel-Chub Rd, Roxboro
Ms. Louise Wright-Oliver of PO BO 1921, Roxboro

A **motion** was made by Commissioner Jeffers and **carried 5-0** to appoint Ethel Girvin of 2555 Dink Ashley Rd, Timberlake, Don Shotwell of 81 Cavel-Chub Rd, Roxboro, and Louise Wright-Oliver of PO BO 1921, Roxboro to the Regional K Aging Advisory Council, each for a term expiring on December 31, 2020.

CALL FOR A PUBLIC HEARING RELATED TO THE COUNTY'S INTENT TO SELL THE PERSON COUNTY HOME HEALTH AND HOSPICE AGENCY:

County Attorney, Ron Aycock stated the Board has previously decided to explore the feasibility of selling the County's Medicare-Certified Home Health and Hospice Agency operations. Mr. Aycock said that NC law in Chapter 131E provides for a detailed procedure to sell such assets with a substantial amount of opportunities for public input. The first step is for the Board to set its public hearing with the required public notice. Mr. Aycock noted that prior to the adoption of a Resolution Declaring Its Intent to Sell the Person County Home Health and Hospice Agency, the legal process required a public hearing with sufficient notice and that at least five (5) prospective purchasers be solicited.

Mr. Aycock requested the Board to Call for a Public Hearing to be held at the Board's next regular scheduled meeting, on April 9, 2018 at 7:00pm and to authorize staff to issue publication of public notice for this process to go forward.

A **motion** was made by Vice Chairman Powell and **carried 5-0** to Call for a Public Hearing to be held on April 9, 2018 at 7:00pm for public input related to the County's Intent to Sell the Person County Home Health and Hospice Agency.

CHAIRMAN'S REPORT:

Chairman Kendrick reported that Hall's Way won an award in the "Best Adaptive Reuse Project" category for excellence in downtown revitalization at the NC Main Street Awards Ceremony.

Chairman Kendrick announced the First Lieutenant Guy J. Winstead Highway dedication ceremony would be held on April 17, 2018 at 3:00pm at the Person County Museum of History (in the case of bad weather, in the County Office Building Auditorium.). He commended Vice Chairman Powell on his diligent work with the state of NC and the family to bring this project to fruition.

MANAGER'S REPORT:

County Manager, Heidi York reported she had met with a quarter of the departments reviewing the upcoming budget requests identifying needs as well as to increase efficiency.

Ms. York stated the Economic Development Commission would be meeting on March 27, 2018 at 4:00pm in the S-100 room at Piedmont Community College.

COMMISSIONER REPORT/COMMENTS:

Commissioner Puryear noted the honor and privilege it was to be invited by the White House Administration, along with other NC Commissioners, to increase transparency and dialogue. He added it was a pleasure to meet the Vice President of the United States and other distinct individuals.

Vice Chairman Powell commented the trip to the White House was a rare opportunity and worth the effort. He said his take-away was the contacts gained related to infrastructure and the opioid crisis.

Commissioner Clayton commented the trip to the White House was worthwhile noting he stressed the Person County economic resources during a panel discussion, and afterwards he spoke with Mr. Kluttz of the Dept. of Commerce and Mr. Doug Little with the Dept. of Energy. Commissioner Clayton stated at the Legislative Conference, he found out that the regulations of the waters of the US have been pushed back some.

Commissioner Jeffers said he attended the NACo Legislative Conference in Washington, DC and met with the Governmental Relations staff for the President discussing infrastructure cost-sharing. He added he set up a meeting with congressional staff and two senators to promote the County's economic resources which was affected by the bad weather. He said that meeting would be rescheduled; however he and Commissioner Clayton had breakfast with Congressman Walker to promote the County economic project, and they spoke with Senators Tillis and Burr who gave them a contact for the rescheduled meeting.

ADJOURNMENT:

A **motion** was made by Commissioner Jeffers and **carried 5-0** to adjourn the meeting at 11:07am.

Brenda B. Reaves	Tracey L. Kendrick
Clerk to the Board	Chairman