



TOWN OF CORNELIUS

Cornelius Town Hall

BOARD OF COMMISSIONERS

February 19, 2018

Agenda

PRE-MEETING - 5:45 PM

- Art Center Update
- Closed Session - Economic Development Project

TOWN BOARD - 7:00 PM

1. CALL TO ORDER
2. DETERMINATION OF QUORUM
3. APPROVAL OF AGENDA
4. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE
5. MAYOR/COMMISSIONERS/MANAGER REPORTS
6. CITIZEN CONCERNS/COMMENTS
7. PUBLIC HEARING AND CONSIDERATION OF APPROVAL
 - A. Land Development Code Update 2018
8. CONSIDERATION OF APPROVAL
 - A. PARC Commissioner Appointment
 - B. Easement Agreement for Water Transmission Main Project
9. CONSENT AGENDA
 - A. Approve Minutes - Regular Meeting
 - B. Approve Minutes - Closed Session
 - C. FY 2018 Audit Contract
 - D. Tax Refunds
10. COMMISSIONER CONCERNS
11. ADJOURNMENT

Please note that to speak during **CITIZENS CONCERNS/COMMENTS** or **PUBLIC COMMENT**, please use the signup sheet provided before the Board meeting and list your name, address and topic. Each speaker will be allowed 3 minutes to speak. A "hard stop" will occur after 3 minutes for each speaker. Any information displayed must be submitted to the Town Clerk within 48 hours prior meeting.

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 19, 2018

To: Mayor and Board of Commissioners

From: Anthony Roberts, Town Manager

Action Requested:

Hear an art center update from CAC members.

Manager's Recommendation:

Hear presentation.

ATTACHMENTS:

Name:	Description:	Type:
No Attachments Available		

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 19, 2018

To: Mayor and Board of Commissioners

From: Anthony Roberts, Town Manager

Action Requested:

Closed Session to discuss a potential economic development project.

Manager's Recommendation:

Hold a Closed Session.

ATTACHMENTS:

Name:	Description:	Type:
No Attachments Available		

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 19, 2018

To: Mayor and Board of Commissioners
From: Wayne Herron, AICP
Director of Planning

Action Requested:


Conduct public hearing and consider adoption of comprehensive Land Development Code update as published online at <https://www.cornelius.org/proposedldc>.

Staff introduced the final draft at the January 2nd Board Meeting. Over the last month, staff has reached out to key stakeholders to see if there may be any final comments. The only item to add is regarding an update to the street landscape buffer. LDCAB has continued to study this issue up until January of this year and has submitted a final draft for consideration and inclusion in this Code Update. The Planning Board unanimously recommended the new street landscape buffer. Staff has attached a summary sheet from the Planning Board and will provide a detailed summary of the LDCAB recommendation during the public hearing.

Manager's Recommendation:

Approve an Ordinance amending the Land Development Code.

ATTACHMENTS:

Name:	Description:	Type:
 ORD-TA_01-18_Code_Update.docx	ORD TA 01-18 LDC Update	Ordinance
 CURRENT_CORNELIUS_STREET_LANDSCAPE.docx	Draft Street Landscape Amendment	Backup Material

**AN ORDINANCE TO AMEND THE TOWN OF CORNELIUS
LAND DEVELOPMENT CODE**

WHEREAS, the Town Board of Commissioners adopted the Land Development Code on October 7, 1996 and as amended through August 21, 2017; and,

WHEREAS, the Land Development Code regulates the classification and use of property within its zoning jurisdiction, including its extra-territorial jurisdiction; and,

WHEREAS, the Board of Commissioners has seen the need to revise and update said ordinance; and,

WHEREAS, proper statutory notice of public hearing on the issue of amending the Cornelius Land Development Code has been provided through advertisement in a newspaper of general circulation in the Town; and,

WHEREAS, the Planning Board of the Town of Cornelius has recommended that the Town Board of Commissioners amend the Cornelius Land Development Code; and

WHEREAS, a public hearing on the amendment has been held by the Town Board of Commissioners on February 19, 2018.

NOW, THEREFORE, BE IT ORDAINED by the Board of Commissioners of the Town of Cornelius, North Carolina that the previous Land Development Code, as amended, shall be rescinded and shall be replaced by the Land Development Code attached hereto and incorporated herein by reference to be effective on adoption and to apply within the corporate limits of the Town and within the extraterritorial jurisdiction of the Town.

Adopted this 19th day of February, 2018.

Woody T. Washam, Jr., Mayor

ATTEST:

APPROVED AS TO FORM:

Lori A. Harrell, Town Clerk

Town Attorney

CURRENT CORNELIUS STREET LANDSCAPE

- 10' in width
- 4' wall must be constructed
- Shrubbery at 20/100 linear feet

PROPOSED STREET LANDSCAPE IN FRONT OF PARKING AREAS

- 15' wide
- Wall requirement will remain, but only if the wall is within an elevation of 2 feet below grade to 2 feet above grade. Wall will be in addition to landscaping requirement.
- Deciduous: min. 3 inch caliper
 - 4 per 100 feet for overstory trees
 - 5 per 100 feet for mixture of overstory/understory/ornamental
 - 6 per 100 feet for understory/ornamental
- Evergreen tree: 2 per 100 feet
- Shrubbery: 20 per 100 feet

PROPOSED STREET LANDSCAPE NON-PARKING AREAS (IN FRONT OF BUILDINGS)

- Continue shrubbery: 20 per 100 feet
- Deciduous: min. 3 inch caliper
 - 1 per 100 feet for overstory trees
 - 1.5 per 100 feet for mixture of overstory/understory/ornamental
 - 2 per 100 feet for understory/ornamental

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 19, 2018

To: Mayor and Board of Commissioners

From: Troy Fitzsimmons, PARC Director

Action Requested:

Consider appointing Andrew Heywood to fill the unexpired term of Seat 7 on the PARC Commission. The current term expires January 2020. Mr. Heywood was recommended unanimously by the PARC Commission at their February 1, 2018, meeting.

Manager's Recommendation:

Recommend approval.

ATTACHMENTS:

Name:	Description:	Type:
 AHeywood.Application.pdf	Andrew Heywood Application	Backup Material

From: noreply@civicplus.com
Sent: Thursday, August 24, 2017 6:09 PM
To: Lori Harrell
Subject: Online Form Submittal: Committee Appointment Form

Committee Appointment Form

Contact Information

First Name	Andrew
Last Name	Heywood
Residence Address	16606 Mizzen Ct. Cornelius NC 28031
Mailing Address (if different from above)	<i>Field not completed.</i>
Contact Number	6172220153
Description	Cell
Email Address	AHeywood21@yahoo.com
I Live:	Inside the Town of Cornelius
I Am Interested In Serving On The Following Board(s)	Architectural Review Board, Crime Initiative Committee, PARC Commission, Planning Board

Please list qualifications and/or reasons why you would like to serve.

My wife and I recently moved to Cornelius this past December, and we immediately fell in love with the town, people, and all the area has to offer. The combination of these key elements has made us decide to put down some roots here, which led me to start reading any publication I could get my hands on about the greater Lake Norman region. Being a transplant (I am originally from Boston and my wife is from San Francisco) it didn't take me long to realize I wanted to get involved. So I began talking to my neighbors and people around town to find out how I could do my part to make Cornelius the best it can be. What I hope to bring to any board I have or will ever serve on is a new, fresh, and open minded perspective with the goal of proactively supporting positive changes to our community, and beyond. In the past I have served on various planning and review boards, from my days at Babson College to most recently in my current career in the Clinical Research field.

Beyond board and representative experience I bring an energetic, and spirited dedication to everything I pursue. To that end I approach all projects and commitments with the same passion I did sports, which is something I participated in from the day I could walk through college, which is yet another reason I was initially drawn to this website and found the link for the PARC commission. I recently turned 37 and was desperate to find a sports league to join around town, so I started my search on this very website. I am not sure if there is the option to serve on multiple boards, but this would naturally be something I would be excited and honored to do. In order of preference I would be happy to defer to where the powers that be felt I could best help, or simply where the need is the greatest. To me, I feel as though my professional experience would best align with the Planning Board, however my past athletic/social side would be a better fit for the PARC commission. In an ideal world I would serve on both. :) Please do let me know if you have any questions at all, as I am very interested in getting involved and truly feel that I can make a difference, help the town, and meet some more great people along the way! Thanks so much for your consideration, Andrew Heywood

Additional Information
(*optional)

Field not completed.

Date

08/24/17

Signature

A Heywood

Note:

You may fax this form to the Town Clerk at 704-896-2462 or mail to PO Box 399, Cornelius, NC 28031

Email not displaying correctly? [View it in your browser.](#)

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 19, 2018

To: Mayor and Board of Commissioners

From: Troy Fitzsimmons, PARC Director

Action Requested:

Consider approving an easement agreement for Charlotte Water in order to construct a 24" water main through the Antiquity Greenway parcel owned by the Town of Cornelius(Parcel # 00751145).

Manager's Recommendation:

Recommend approval.

ATTACHMENTS:

Name:	Description:	Type:
Final Easement Agreement - Parcel #1.pdf	City of Charlotte Easement Agreement	Backup Material
Parcel 1 Plat - Town of Cornelius - Davidson Water Main.pdf	Easement Area Plat	Backup Material

EASEMENT AGREEMENT

NC Excise Tax _____

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

PROJECT NAME: Davidson 24" Water Main
Phase II

PROJECT NO: 456-12-066

PARCEL NO.: 1

A Portion of Tax Lot Number: 00751145 Property Address: 21341 Old Canal Street

Brief Description for the Index: See Attached Map.

THIS GRANT OF EASEMENT is made this _____ day of _____, 2018 by and between Town of Cornelius, a municipal corporation, (hereinafter referred to as GRANTOR) and the CITY OF CHARLOTTE, a municipal corporation, 600 East Fourth Street, Charlotte, North Carolina 28202, Mecklenburg County, North Carolina (hereinafter referred to as GRANTEE).

The designation GRANTOR and GRANTEE, as used herein, shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine, or neuter as required by context.

WITNESSETH:

WHEREAS, said Grantor owns a certain tract of land ("Tract") in or near the City of Charlotte, County of Mecklenburg, North Carolina, the same being the land conveyed to Grantor, by deed recorded in Book 30502, Page 781 in the office of the Register of Deeds of Mecklenburg County; and

NOW THEREFORE said GRANTOR for good and valuable consideration to be paid by the City of Charlotte, the GRANTOR, has bargained and sold, and by these presents does bargain, sell, and convey to said GRANTEE and its successors a non-exclusive, perpetual easement (the "Permanent Easement"), for the purpose of laying, constructing, and maintaining water line(s)/meter(s) in connection with the above-referenced public project and described as follows:

THAT PORTION of land so labeled on the map attached hereto and incorporated herein by reference, said map having been prepared by or for the City of Charlotte.

And, a Temporary Construction Easement, if applicable as noted below:

____ In addition, if so indicated here, said GRANTOR, for good and valuable consideration, receipt of which is acknowledged, has granted, and by these presents does grant to said GRANTEE and its successors a Temporary Construction Easement (“TCE”) for the purpose of laying and constructing the public project referenced above. This shall include, but not be limited to, the removal of trees, shrubs, and landscaping, as well as making modification of the topography, which are necessary for the construction of the project. Said TCE is located in that certain portion of the Tract in or near the City of Charlotte, County of Mecklenburg and State of North Carolina, and described as follows:

THAT PORTION of the Tract labeled “Temporary Construction Easement” or “TCE” on the map attached hereto as Exhibit A and incorporated herein by reference, said map having been prepared by or for the City of Charlotte.

The TCE granted in the immediately preceding paragraph, if any, shall take effect upon the beginning of this project’s construction on the above named parcel, and shall have a duration of 2 year(s); and the parties hereto further covenant and agree that upon the expiration of the TCE as herein provided, the GRANTEE or its Contractor shall have no further obligations to maintain or rights to enter upon the TCE described herein.

GRANTOR understands and agrees that the consideration amount covers and includes all improvements located within the easement area or areas unless stated otherwise.

GRANTEE shall have such right of ingress, egress, and regress over and upon any lands of the GRANTOR adjacent to or in the vicinity of the Permanent Easement as may be necessary for the purposes of locating, laying, constructing, reconstructing, inspecting, operating, extending, maintaining, and otherwise keeping open and in good repair the sanitary sewer line(s), water line(s), or meter(s) for which the Permanent Easement is granted. If adequate access is not provided by established means of approach, the GRANTOR shall be compensated for any damage resulting at any time from the exercise of the right of ingress, egress, and regress hereby granted. In the event of disagreement at any time as to the amount of any such damage, one arbitrator shall be selected by the GRANTOR, one by the GRANTEE, and a third, if necessary, by the two so selected, and that the decision in writing of two of said arbitrators shall be final and binding upon the parties hereto.

Except for the greenway trail improvements referenced below, it is understood that the GRANTOR shall erect no permanent structure of any kind over or across this Permanent Easement. In addition, no permanent structure of any kind shall be erected over or across the TCE for so long as such TCE remains in effect. For purposes of this document, permanent structure includes, but is not limited to: buildings, tennis courts, and swimming pools. Neither may water be ponded or impounded over or across said Permanent Easement or TCE (for so long as such TCE remains in effect).

It is further understood that the Permanent Easement(s) granted herein may be utilized for intermittent construction activities, of the above referenced public project.

GRANTOR understands that this property is being acquired for a construction project of the GRANTEE and agrees that construction may begin on said property upon execution of this Agreement. It is further agreed that commencement of construction on said property prior to receiving compensation shall not be deemed as trespass and GRANTOR shall waive claim of trespass on said property.

GRANTOR expressly reserves the right to construct a greenway trail and customary related improvements over or across the Permanent Easement and TCE.

GRANTOR reserves the right to grant additional easements through the Permanent Easement or TCE so long as the use of such easements does not interfere with the easements herein granted.

All installations by GRANTEE in the Permanent Easement shall be underground, except for: (1) valve boxes and their covers (2) above-ground pipes associated with blow-off valves.

If any of the GRANTOR'S property (or any improvements thereon) is damaged or disturbed by GRANTEE during the GRANTEE'S work on the property, GRANTEE agrees to promptly restore the GRANTOR's property and/or the improvements as nearly as reasonably possible to the condition that existed immediately prior to the commencement of the GRANTEE'S work. GRANTEE shall use its reasonable best efforts to schedule its activities so as not to interfere in any manner with the GRANTOR'S use and operation of its property.

GRANTEE shall indemnify GRANTOR against any claims brought against GRANTOR for injury to persons or damage to property to the extent caused by GRANTEE'S negligent construction or operation of GRANTEE'S facilities.

GRANTOR, his heirs and assigns, hereby covenants to and with the GRANTEE that GRANTOR is the owner of the hereinabove-described property, and that GRANTOR has the right to convey these temporary and/or permanent easements.

TO HAVE AND TO HOLD the land hereinbefore described unto the GRANTEE, its successors and assigns, for the aforesaid uses and purposes and none other; subject to all rights-of-way, easements and restrictions of record and matters that would be revealed by a current and accurate survey.

IN WITNESS WHEREOF, the GRANTOR has caused this instrument to be signed in its municipal name by one of its duly authorized personal by authority of its Directors, the day and year first above written.

Town of Cornelius

By: _____

Print Name and Title

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of _____ County, State of _____, do hereby certify that _____ (the "Signatory"), _____ of **Town of Cornelius**, a North Carolina municipality, personally appeared before me this day and by authority duly given, acknowledged the due execution of the foregoing instrument on behalf of the town.

I certify that the Signatory personally appeared before me this day, and
(check one of the following)
_____(I have personal knowledge of the identity of the Signatory); **or**
_____(I have seen satisfactory evidence of the Signatory’s identity, by a current state or federal identification with the Signatory’s photograph in the form of:
(check one of the following)
____ a driver's license *or*
____ in the form of _____); **or**
____(a credible witness has sworn to the identity of the Signatory).

The Signatory acknowledged to me that he/she voluntarily signed the foregoing instrument for the purpose stated and in the capacity indicated.



Witness my hand and official stamp or seal this _____ day of _____, 20__.

Notary Public
Print Name: _____
[Note: Notary Public must sign exactly as on notary seal]

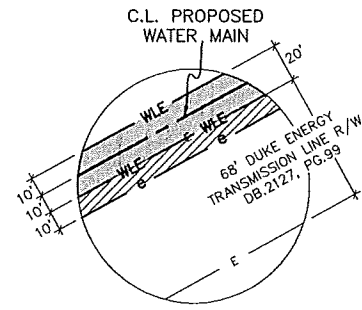
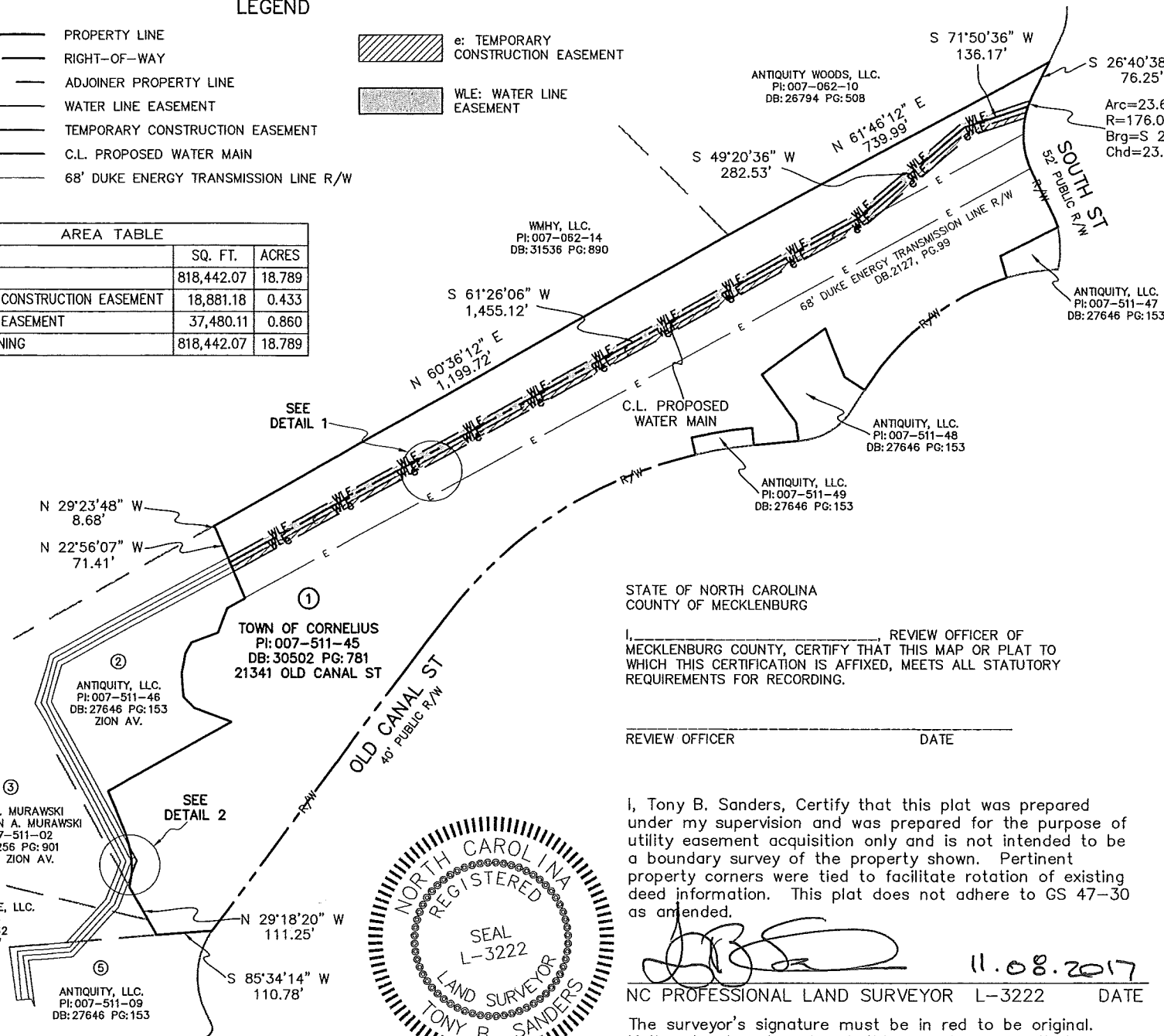
My Commission Expires: _____

☞ [NOTARY SEAL] **(MUST BE FULLY LEGIBLE)**

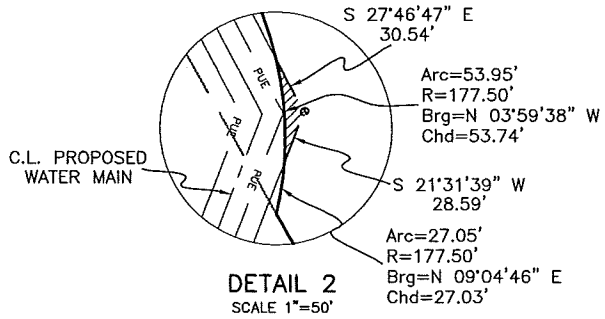
LEGEND

- PROPERTY LINE
— R/W — RIGHT-OF-WAY
— ADJOINER PROPERTY LINE
— WLE — WATER LINE EASEMENT
— e — TEMPORARY CONSTRUCTION EASEMENT
— C.L. PROPOSED WATER MAIN
— E — 68' DUKE ENERGY TRANSMISSION LINE R/W
-  e: TEMPORARY CONSTRUCTION EASEMENT
 WLE: WATER LINE EASEMENT

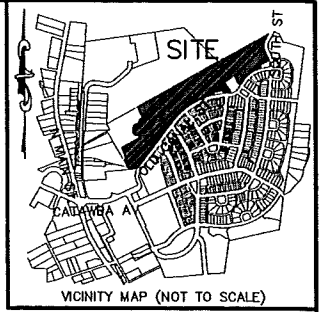
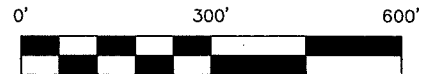
AREA TABLE		
	SQ. FT.	ACRES
TOTAL AREA	818,442.07	18.789
TEMPORARY CONSTRUCTION EASEMENT	18,881.18	0.433
WATER LINE EASEMENT	37,480.11	0.860
AREA REMAINING	818,442.07	18.789



DETAIL 1
SCALE 1"=50'



DETAIL 2
SCALE 1"=50'




NC GRID NAD 83

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

I, _____, REVIEW OFFICER OF
MECKLENBURG COUNTY, CERTIFY THAT THIS MAP OR PLAT TO
WHICH THIS CERTIFICATION IS AFFIXED, MEETS ALL STATUTORY
REQUIREMENTS FOR RECORDING.

REVIEW OFFICER _____ DATE _____

I, Tony B. Sanders, Certify that this plat was prepared
under my supervision and was prepared for the purpose of
utility easement acquisition only and is not intended to be
a boundary survey of the property shown. Pertinent
property corners were tied to facilitate rotation of existing
deed information. This plat does not adhere to GS 47-30
as amended.

 11.08.2017

NC PROFESSIONAL LAND SURVEYOR L-3222 DATE

The surveyor's signature must be in red to be original.
If the signature is not red, this map is a copy that
may be presumed to contain unauthorized alterations.



BY WILLIS, NEW ALIGN.	
DATE 11-08-2017	REVISION 1
456-12-066 N/A Job No. File No.	
Scales 1" = 300'	
PLAN PROFILE Hor. N/A Vert. N/A	
As Built Date	
S&MC, INC. WILLIS ENG. F.CASTRO J. STOWE Surveyed By Designed By Drawn By Project-Engr	
DAVIDSON 24" WATER MAIN PHASE II CORNELIUS, NC	
PROPERTY OF: 1 TOWN OF CORNELIUS 21341 OLD CANAL ST CORNELIUS, NC.	
5/17/2017 Sheet 1 OF 1 Date	

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 19, 2018

To: Mayor and Board of Commissioners

From: Lori Harrell, Town Clerk




Action Requested:

Approve the minutes of the Jan. 20th, Feb. 2nd Special Meetings and Feb. 5th Regular Meeting.

Manager's Recommendation:

Approve minutes

ATTACHMENTS:

Name:	Description:	Type:
 01-20-18_Special_Meeting_draft.docx	Jan. 20th Special Meeting Minutes	Backup Material
 02-05-18_Regular_meeting_draft.docx	Feb. 5th Regular Meeting Minutes	Backup Material
 02-02-18_Special_Meeting_draft.docx	Feb. 2nd Special Meeting Minutes	Backup Material



BOARD OF COMMISSIONERS

January 20, 2018
MINUTES

SPECIAL MEETING – 8:30AM

1. CALL TO ORDER

Mayor Washam called the meeting to order at 8:47AM.

2. DETERMINATION OF QUORUM

All commissioners were present for the meeting.

3. PRESENTATION

A. Bond Projects Update

Manager Roberts gave an update on the Phase I Bonds and identified which projects have been completed and those that have been delayed for various reasons.

The sale of bonds for streets and parks in Phase II should be easier as most of the projects have already begun; however, the LGC is not comfortable with selling the bonds for the Art Center. He stated that the Board will need to decide on splitting the bond sale apart or push the entire sale back. If the bond sale is split apart there will be additional costs associated with it.

Manager Roberts outlined the Phase II bond projects and stated that the Cornelius Arts Center (CAC) Board will be giving an update on the art center progress and will ask for additional funding during the February 19th pre-meeting. He explained that there is \$4M in Phase II bonds for the art center; however, that will not cover the cost of construction so the Board will need to decide how committed they are to the project. Commissioner Naas questioned what exactly the CAC Board was trying to sell. Commissioner Gilroy expressed his concerns on how much of the cost should be placed on Cornelius citizens when the art center received the lowest percentage on the Bond Referendum. So he believes the bulk of the cost should be carried by the private sector.

Manager Roberts then outlined the transportation and park projects that could be considered for a future bond referendum in 2018. The potential betterment projects for transportation equaled \$28M and the potential park projects equaled \$26M. He recommended the Board consider a \$20M bond referendum in November, 2018. The Board consensus was to move forward with the future bond referendum prioritized around roads and potential parks. Commissioner Naas stated that the Pennies for Progress program would be the perfect opportunity to assist in funding the road betterment projects. Manager Roberts stated that he would have something put together for discussion at the budget retreat in March.

Mayor Washam stated that the Transportation Advisory Board members needs to be formulated and suggested that each commissioner submit a list of citizens they believed had an interest in serving. Commissioner Miltich suggested that the list give a brief description of the nominees, their expertise and interest. Mayor Washam suggested the list be compiled before the February 5th meeting so that a discussion and decision could be made. He reminded the Board that February 5th is the first 2018 Coffee Chat that will be held at Harvey's at 8:30AM.

4. ADJOURNMENT

There being no further business to discuss, Commissioner Miltich made a motion to adjourn at 11:32PM. Commissioner Bilodeau seconded the motion and it passed unanimously, 5-0.

Approved this 5th day of March, 2018.

ATTEST:

Woody Washam, Jr., Mayor

Lori A. Harrell, Town Clerk



BOARD OF COMMISSIONERS

February 5, 2018
MINUTES

PRE-MEETING – 5:45PM

❖ 2018 Summer Day Camp Expansion

PARC Director, Troy Fitzsimmons gave an updated presentation on expanding the Summer Day Camp program and generating enough revenue to cover the full cost associated with a new full time employee (FTE).

Commissioner Gilroy made a motion to approve the Summer Day Camp expansion and FTE position. Commissioner Ross seconded the motion and it passed unanimously, 5-0.

❖ TAB Appointment Discussion

Manager Roberts explained that the nominees were listed in order of how the Board voted for each nominee. The Board discussed the results and agreed to appoint John McAlpine, Dave Vieser, Joy Dean, Lou Raymond, Mariel Carr, and John Eberle as the six citizens to serve on the TAB.

REGULAR MEETING – 7:00PM

1. CALL TO ORDER

Mayor Washam called the meeting to order at 7:03PM.

2. DETERMINATION OF QUORUM

All of the commissioners were present for the meeting.

3. APPROVAL OF AGENDA

Commissioner Miltich made a motion to approve the agenda as presented. Commissioner Ross seconded the motion and it passed unanimously, 5-0.

4. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE

Jack Salzman led the pledge after a moment of silence was observed.

5. MAYORAL PROCLAMATIONS

A. Black History Month

Mayor Washam invited those present from the Smithville Coalition to join him at the podium and presented them with a copy of the executed Proclamation declaring the month of February as Black History Month.

6. MAYOR/COMMISSIONERS/MANAGER REPORTS

Commissioner Naas reported on the following:

- Attended the Smithville Coalition meeting on Jan. 29th
- In contact with U.S. Rep. Alma Adams regarding legislation needed to restore represented government to CRTPO

- Attended a meeting with Rhythm Engineering and the Adaptive Signaling Agreement is almost complete
- Attended the first I-77 Advisory Committee which is tasked with reviewing options for either cancelling or modifying the I-77 Toll contract; the next scheduled meeting is Feb. 14th and then Feb. 22nd; the meetings are open to the public but public comments will not be heard

Commissioner Miltich reported on the following:

- Attended a community discussion on Jan. 18th regarding community development incentives available for workforce housing
- Attended the Planning Session on Jan. 20th at the Peninsula
- Attended the LDCAB meeting on Jan. 22nd
- Attended the Caldwell Station community meeting on Jan. 23rd
- Attended the CRTPO meeting on Jan. 29th
- Attended the Smithville Coalition meeting on Jan. 29th
- Attended the Catawba North Neighborhood group meeting on Jan. 29th
- Attended the PARC Sponsors Appreciation reception on Jan. 31st
- Attended the Pre-development meeting on Feb. 2nd
- Attended the Big Day at the Lake 2018 kickoff on Feb. 2nd
- Attended the Town Board special meeting on Feb. 2nd
- Attended the Connect Cornelius meeting on Feb. 5th
- Attended the NCDOT elected officials update on Hwy. 73 widening and Exit 25 improvement projects on Feb. 5th
- The next Cornelius Conversation will be held on Feb. 13th at Town Hall in Room 204

Commissioner Ross reported on the following:

- Chamber events – meeting at the Chamber on tax cuts on Feb. 13th; Lunch and Learn discussion on sexual harassment in the workplace will be held at CPCC, Huntersville on Feb. 15th; Business Afterhours will be held at the Ada Jenkins Center on Feb. 15th; the Leadership Conference will be held on Mar. 7th

Commissioner Bilodeau reported on the following:

- Participated (via phone) in the ASC meeting held on Jan. 17th
- Attended a meeting with Mayor Washam, staff and Holly's Hope for an update on the non-profit's dog rescue efforts
- Volunteered at the Armor Street Theatre on Jan. 27th for the showing of Snow White
- Attended the PARC Commission meeting on Feb. 1st
- Attended the Homegrown Reception on Feb. 2nd at the Oak Street Mill
- VLN – the Soccer Series Friendly's event was held on Jan. 27th and 28th where 113 teams from 3 states participated

Mayor Washam reported on the following:

- EDC – Cornelius has 8 active projects; Commerce Station Management is scheduled to meet; local job postings are now available on the Lake Norman EDC website

- Attended the Caldwell Station community meeting on Jan. 23rd as a guest speaker with Huntersville's Mayor Aneralla
- Attended the first MTC meeting as Mayor of Cornelius and nominated as the vice chairman
- Attended the Smithville Coalition meeting on Jan. 29th
- Attended the Catawba North Neighborhood group meeting on Jan. 29th
- Attended the Big Day at the Lake 2018 kickoff where \$50K was raised for the event
- Attended the PARC Sponsors Appreciation reception held at D9
- Attended the Warrior Jace fundraiser concert given by Heaven's Reign Quartet where \$9K was raised for the Thompson family
- Connecting Cornelius was held at Harvey's at 8:30AM and approximately 100 people attended; this event will be held on the 1st Monday of each month; a night time event will also be held quarterly for those who are unable to attend the morning events

7. CITIZEN CONCERNS/COMMENTS

Lorri Taylor with Ground 40 Outreach gave an overview on what the ministry is doing in the community. The outreach ministry helps transition men from halfway houses, jails, prisons and treatment centers.

Beverly Peyton – 21310 Catawba Avenue business owner thanked the Board for hosting the coffee chat in the morning. She expressed her concerns with the lack of courtesy drivers are showing pedestrians trying to cross Catawba Avenue at Meridian Street.

Jessica Boye, a HPC member gave an overview of events the HPC has been working on throughout to expand the Black History month celebration (*Exhibit Book 30*)

8. PUBLIC HEARING AND CONSIDERATION OF APPROVAL

A. REZ 10-17 DB Holdings Amendment

Mayor Washam called for a motion to open the public hearing for rezoning case REZ 10-17 DB Holdings amendment. *The public notice is attached hereto.*

Commissioner Miltich made a motion to open the public hearing. Commissioner Ross seconded the motion and it passed unanimously, 5-0.

Planning Director, Wayne Herron gave the staff presentation on the 2nd public hearing for DB Holdings. He explained that the rezoning request combines two parcels located on Statesville Road in an effort to expand the automotive services approved for REZ 10-16 located at 18837 Statesville Road. The Planning Board and staff recommend approval with 6 conditions, of which the applicant has agreed to.

Charlie Caputo, representing the applicant gave an overview of the site and the proposed added landscaping.

Mayor Washam invited the public to speak. There being no comments, he called for a motion to close the public hearing.

Commissioner Ross made a motion to close the public hearing. Commissioner Miltich seconded the motion and it passed unanimously, 5-0.

Commissioner Ross made a motion to approve Ordinance #2018-00675 to amend the zoning map to incorporate REZ 10-17 with 6 staff conditions. Commissioner Miltich seconded the motion and it passed unanimously, 5-0.

Ordinance #2018-00675 is hereby made part of the minutes by reference.

Commissioner Ross made a motion to approve Resolution #2018-00881 declaring REZ 10-17 is consistent with the Town's Land Use Plan and reasonable in the public's interest. Commissioner Miltich seconded the motion and it passed unanimously, 5-0.

Resolution #2018-00881 is hereby made part of the minutes by reference.

B. REZ 12-17 Grace Covenant Church Addition

Mayor Washam called for a motion to open a the public hearing on rezoning case REZ 12-17 Grace Covenant Church addition. The public notice is attached hereto.

Commissioner Miltich made a motion to open the public hearing. Commissioner Ross seconded the motion and it passed unanimously, 5-0.

Planning Director, Wayne Herron gave the staff presentation on the 2nd public hearing for REZ 12-17 Grace Covenant Church addition. He explained that the proposed request is to add a Church Family Life Center to the back of the existing church that will feature a gym, additional classrooms and office space and allow the operations of the church to be located on the same property. The Planning Board and staff recommend approval with 3 conditions, of which the applicant has agreed to.

Attorney Susan Irvin, representing the applicant added no additional comments but was present to address any questions from the public or Board.

Mayor Washam invited the public to speak. There being no public comment, he called for a motion to close the public hearing.

Commissioner Miltich made a motion to close the public hearing. Commissioner Ross seconded the motion and it passed unanimously, 5-0.

Commissioner Miltich made a motion to approve Ordinance #2018-00676 to amend the zoning map to incorporate REZ 12-17 with 3 staff conditions. Commissioner Gilroy seconded the motion and it passed unanimously, 5-0.

Ordinance #2018-00676 is hereby made part of the minutes by reference.

Commissioner Miltich made a motion to approve Resolution #2018-00882 declaring REZ 12-17 is consistent with the Town's Land Use Plan and reasonable in the public's interest. Commissioner Ross seconded the motion and it passed unanimously, 5-0.

Resolution #2018-00882 is hereby made part of the minutes by reference.

9. CONSIDERATION OF APPROVAL

A. Capital Project Ordinance Amendment

Finance Director, Julie Niswonger explained that the Capital Project Ordinance amendment is to recognize a NCDOT supplemental grant of \$1,011,537 for the Caldwell Station Creek Greenway project.

Commissioner Miltich made a motion to approve Ordinance #2018-00677 amending the Capital Project Ordinance for Caldwell Station Creek Greenway. Commissioner Ross seconded the motion and it passed unanimously, 5-0.

Ordinance #2018-00677 is hereby made part of the minutes by reference.

B. FY2018 Operating Budget Amendment

Finance Director, Julie Niswonger explained that the FY2018 Operating Budget Ordinance is to allocate \$400,000 to fund the Town's OPEB and LEOSA accounts; to recognize the Christmas tree profit of \$12,155; and citizen donations of \$5,513 to purchase PD vests and carriers.

Commissioner Miltich made a motion to approve Ordinance #2018-00678 amending the FY2018 Operating Budget allocating funds for OPEB and LEOSA investments, Christmas tree sales profits, and citizen donations for the purchase of PD vests and carriers. Commissioner Ross seconded the motion and it passed unanimously, 5-0.

Ordinance #2018-00678 is hereby made part of the minutes by reference.

C. REZ 11-17 Vanderbilt Children's College Conditions

Manager Roberts explained that the Conditions agreed to on the night of the public hearing for REZ 11-17 have been revised according to the Board's approval of January 2nd. Attorney Wolter reminded the Board that an Ordinance must pass by 2/3 vote during the first reading and did not; therefore, the second reading should be considered and can pass by the majority of the Board.

Commissioner Ross made a motion to approve Ordinance #2018-00674A with revised and agreed upon conditions to amending the zoning map. Commissioner Gilroy seconded the motion and it passed, 3-2 (Commissioners Bilodeau and Naas, opposed).

Ordinance #2018-00674A is hereby made part of the minutes by reference.

10. CONSENT AGENDA

- A. Approve Minutes – Regular Meeting (Jan. 2nd & 16th) (Approved 5-0)
- B. Approve Minutes – Closed Session (Dec. 4th) (Approved 5-0)

Commissioner Bilodeau made a motion to approve the Consent Agenda as presented. Commissioner Ross seconded the motion and it passed unanimously, 5-0.

11. COMMISSIONER CONCERNS

- A. Crosswalk at the DDI
Commissioner Ross informed staff that the crosswalk signals on both ends of the DDI were not functioning.
- B. Traffic Signal at Catawba Avenue/Smith Circle
Commissioner Gilroy complained that the signal is not operating correctly.
- C. Coyote Concerns
Commissioner Miltich asked what citizens should do if they see a coyote. Manager Roberts stated that NC Wildlife typically advises people to leave them be unless they are harming a person.
- D. I-77 Advisory Committee
Commissioner Naas reiterated that the group is not tasked with debating the merits of the Toll project and encouraged the Board to accurately educate those who may have that perception.

12. ADJOURNMENT

There being no further business to discuss, Commissioner Gilroy made a motion to adjourn at 8:30PM. Commissioner Miltich seconded the motion and it passed unanimously, 5-0.

Approved this 19th day of February, 2018.

ATTEST:

Woody Washam, Jr., Mayor

Lori A. Harrell, Town Clerk



BOARD OF COMMISSIONERS

February 2, 2018
MINUTES

SPECIAL MEETING – 2:00PM

1. CALL TO ORDER

Mayor Washam called the meeting to order at 2:04PM.

2. DETERMINATION OF QUORUM

All commissioners were present for the meeting.

3. CLOSED SESSION

A. Real Estate Acquisition Matter and Consult with Town Attorney Under Attorney-Client Privilege

Mayor Washam called for a motion to go into Closed Session to discuss a real estate acquisition matter and consult with the town attorney.

Commissioner Ross made a motion to go into Closed Session at 2:04PM.

Commissioner Bilodeau seconded the motion and it passed unanimously, 5-0.

Upon return to the Special Meeting, Commissioner Miltich made a motion to move forward with the Southeast Quadrant design for the intersection of Catawba Avenue and Hwy. 21 without the proposed northern connector road. Commissioner Naas seconded the motion and it passed unanimously, 5-0

4. ADJOURNMENT

There being no further business to discuss, Commissioner Miltich made a motion to adjourn at 3:51PM. Commissioner Gilroy seconded the motion and it passed unanimously, 5-0.

Approved this 19th day of February, 2018.

ATTEST:

Woody Washam, Jr., Mayor

Lori A. Harrell, Town Clerk

REQUEST FOR BOARD ACTION

 [Print](#)

Date of Meeting: February 19, 2018

To: Mayor and Board of Commissioners

From: Lori Harrell, Town Clerk

Action Requested:




Approve the minutes for Closed Session for:

- Dec. 18, 2017
- Jan. 16, 2018
- Feb. 2, 2018

Manager's Recommendation:

Approve minutes.

ATTACHMENTS:

Name:	Description:	Type:
 12-18-17_Closed_Session_draft.docx	Dec. 18, 2017	Backup Material
 01-16-18_Closed_Session_draft.docx	Jan. 16, 2018	Backup Material
 02-02-18_Special_Meeting_Closed_Session_draft.docx	Feb. 2, 2018	Backup Material

REQUEST FOR BOARD ACTION

 **Print**

Date of Meeting: February 19, 2018

To: Mayor and Board of Commissioners

From: Julie Niswonger, Finance Director

Action Requested:



Approve a contract with Martin Starnes & Associates to audit the Town of Cornelius FY18 financial statements.

Staff has negotiated with Martin Starnes & Associates, the firm that has prepared our audit the previous eight years, to audit the current year financial statements. We have agreed upon a fee of \$31,550, an increase of 4.60% from FY17. This \$31,550 contract price includes \$1,500 in fees associated with single audit additional procedures applicable to Powell Bill and grant funds. Also additional disclosures and required supplementary information related to funding OPEB and LEOSSA liabilities have impacted the fee from previous years audits. Staff will investigate bidding this service in FY19.

Manager's Recommendation:

Approve audit contract

ATTACHMENTS:

Name:	Description:	Type:
 Town_of_Cornelius_-_2018_Audit_Contract.pdf	TOC 2018 Audit Contract	Cover Memo
 Town_of_Cornelius_-_2018_Single_Audit_Engagement_Letter.pdf	TOC 2018 Single Audit Engagement Letter	Cover Memo

CONTRACT TO AUDIT ACCOUNTS

Of Town of Cornelius, NC
Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

On this 12th day of February, 2018,

Auditor: Martin Starnes & Associates, CPAs, P.A. Auditor Mailing Address: _____

730 13th Avenue Dr. SE, Hickory, NC 28602 Hereinafter referred to as The Auditor

and Board of Commissioners (Governing Board(s)) of Town of Cornelius, NC
 (Primary Government)

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

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 (OSA) 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 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 unqualified opinion being rendered. If during the process of conducting the audit the Auditor determines that it will not be possible to render an unqualified 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.

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

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 October 31, 2018. 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: <http://nctreasurer.slgfd.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 <http://nctreasurer.slgfd.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 <http://nctreasurer.slgfd.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

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

FEES – PRIMARY GOVERNMENTAUDIT: \$ See fee section of engagement letterWRITING FINANCIAL STATEMENTS: \$ See fee section of engagement letterALL OTHER NON-ATTEST SERVICES: \$ N/A

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 \$ 23,662.50

** NA if there is to be no interim billing

FEES – DPCU (IF APPLICABLE)AUDIT: \$ N/AWRITING FINANCIAL STATEMENTS: \$ N/AALL OTHER NON-ATTEST SERVICES: \$ N/A

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.)

Town of Cornelius, NC

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:

Martin Starnes & Associates, CPAs, P.A.

Name of Audit Firm

By Amber Y. McGhinnis, Senior Audit Manager

Authorized Audit firm representative name: Type or print



Signature of authorized audit firm representative

Date February 12, 2018

amcghinnis@martinstarnes.com

Email Address of Audit Firm

Governmental Unit Signatures:

Town of Cornelius, NC

Name of Primary Government

By Woody Washam, Jr., Mayor

Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date

By N/A

Chair of Audit Committee - Type or print name

N/A

**

Signature of Audit Committee Chairperson

Date

N/A

*** 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 Julie Niswonger, Finance Director

Primary Government Unit Finance Officer:

Type or print name

Primary Government Finance Officer Signature

Date

(Pre-audit Certificate must be dated.)

jniswonger@cornelius.org

Email Address of Finance Officer

Date Primary Government 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.)

Town of Cornelius, NC

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:

N/A

Name of Discretely Presented Component Unit

By N/A

DPCU Board Chairperson: Type or print name and title

Signature of Chairperson of DPCU governing board

Date N/A

By N/A

Chair of Audit Committee - Type or print name

N/A

**

Signature of Audit Committee Chairperson

Date N/A

*** 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 N/A

DPCU Finance Officer:

Type or print name

N/A

DPCU Finance Officer Signature

Date N/A

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

N/A

Email Address of Finance Officer

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

N/A

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

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?

Primary Government Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

- 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 combine and 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.



Koonce, Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

SYSTEM REVIEW REPORT

To the Partners of Martin Starnes & Associates, CPAs, P.A.
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 Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2014. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2014, 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*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of *pass*.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 21, 2015

Raleigh

4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

Durham

3511 Shannon Road
Suite 100
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro

10 Sanford Road
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

February 12, 2018

Julie Niswonger
Town of Cornelius
21445 Catawba Avenue
Cornelius, NC 28031

You have requested that we audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cornelius, NC, as of June 30, 2018, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Town of Cornelius' basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and State award programs for the period ended June 30, 2018. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and State award programs.

Accounting principles generally accepted in the United States of America require that certain supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Law Enforcement Officers' Special Separation Allowance schedules
- Other Post-Employment Benefits' schedules
- Local Government Employees' Retirement System's schedules

Supplementary information other than RSI will accompany the Town of Cornelius' basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual fund financial statements
- Budgetary schedules
- Other schedules
- Schedule of Expenditures of Federal and State Awards

Schedule of Expenditures of Federal and State Awards

We will subject the Schedule of Expenditures of Federal and State Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the Schedule of Expenditures of Federal and State Awards is presented fairly in all material respects in relation to the financial statements as a whole.

The following additional information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

- Introductory section
- Statistical tables

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of Expenditures of Federal and State Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and the direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Town of Cornelius' basic financial statements. Our report will be addressed to the governing body of the Town of Cornelius. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the Town of Cornelius' major federal and state award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; the Uniform Guidance, and the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such an opinion on major federal and state award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal and state award programs. Our procedures will consist of determining major federal and State programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

Also, as required by the Uniform Guidance and the State Single Audit Implementation Act, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal and state award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and state award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal and state awards received and expended during the period and the federal and State programs under which they were received, including federal awards and funding increments received prior to December 26, 2014 (if any), and those received in accordance with the Uniform Guidance (generally received after December 26, 2014);
4. For maintaining records that adequately identify the source and application of funds for federal and state funded activities;
5. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act;
6. For the design, implementation, and maintenance of internal control over federal and state awards;

7. For establishing and maintaining effective internal control over federal and state awards that provides reasonable assurance that the nonfederal and nonstate entity is managing federal and state awards in compliance with federal and state statutes, regulations, and the terms and conditions of the federal and state awards;
8. For identifying and ensuring that the entity complies with federal and state statutes, regulations, and the terms and conditions of federal and state award programs and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations and the terms and conditions of federal and state award programs;
9. For disclosing accurately, currently and completely the financial results of each federal and state award in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
16. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal and state award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
20. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above (including the Schedule of Expenditures of Federal and State Awards), you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents. If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Fees

Marcie Spivey is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are as follows:

Fixed:

Audit	\$ 26,200
Single Audit Fees	1,500
Financial Statement Drafting	3,850
Other Non-Attest Services	-
	<u>\$ 31,550</u>

Our invoices for these fees will be rendered in four installments as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the Town of Cornelius' personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

Our fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fees for such services range from \$75-\$300 per hour.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or State agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

We will perform the following nonattest services:

- Draft of financial statements and footnotes
- Draft of Schedule of Expenditures of Federal and State Awards
- GASB 34 conversion entries
- Preparation of Data Collection Form

With respect to the nonattest services we perform as listed above, the Town of Cornelius' management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major federal and state award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth the understanding of the Town of Cornelius.

Acknowledged and agreed on behalf of the Town of Cornelius by:

Name: _____

Title: _____

Date: _____

REQUEST FOR BOARD ACTION

 **Print**

Date of Meeting: February 19, 2018

To: Mayor and Board of Commissioners

From: Julie Niswonger, Finance Director




Action Requested:

Please find the attached three lists of proposed refunds based upon the information received from the County Assessor. The lists are necessary as a result of value adjustments as performed by the Mecklenburg County Assessor and/or Board of Equalization and Review and corrections as determined by the Mecklenburg County Assessor. Those refunds total = \$753.66(tax) + \$19.52 (interest) = \$773.18. The refunds range in value from \$17.00 to \$337.73. As required by Statute, please approve refunds. There are no Board member refunds in this group.

Manager's Recommendation:

Approve tax refunds.

ATTACHMENTS:

Name:	Description:	Type:
 22018T1_Cornelius_Misc_no_Interest_BPP_01-18-2017.pdf	County List #1	Cover Memo
 22018T2_Cornelius_BER_No_Interest_1_3_2018_to_BOCC.pdf	County List #2	Cover Memo
 22018T3_Cornelius_with_Interest_1-3-2018_to_BOCC.pdf	County List #3	Cover Memo

CORNELIUS Refunds

Bill Number	Adj.#	Adj. Reason	Recipient Name	Refund Amount (\$)
0008117350-2017-2017-0000-00	566566	Duplication	BOLTON, CHRISTOPHER ALLEN	62.97
0007817196-2017-2017-0000-00	566549	Over Assessment	COMER, SHIRLEY ANN	17.00
				79.97

Bill Number	Adjustment #	Adjustment Reason	Recipient Name	Refund Amount (\$)
0008085857-2015-2015-0000-01	566213	Sold/Traded	MILLER, FRANCIS	17.75
				17.75

Bill Number	Parcel #	Adj #	Adj Reason	Recipient	Refund Amount (\$)	Interest	Total
0008109636-2017-2017-0000-00	00110151	566401	BER Decision	CRLDC LLC .	327.97	9.76	337.73
0008109639-2017-2017-0000-00	00110154	566421	BER Decision	CRLDC LLC .	327.97	9.76	337.73
					655.94	19.52	675.46