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BOARD OF COMMISSIONERS MEETING AGENDA

Town of Swansboro

Monday, June 14, 2021

Board Members

John Davis, Mayor | Frank Tursi, Mayor Pro Tem | Pat Turner, Commissioner
Harry PJ Pugliese, Commissioner | Larry Philpott, Commissioner | Laurent Meilleur, Commissioner

Zoom Link: First Meeting of the month: https://us02web.zoom.us/j/82680161743
Second Meeting of the month: https://us02web.zoom.us/j/86147603054

I. Call to Order/Opening Prayer/Pledge

Mayor John Davis

II. Public Comment

Citizens have an opportunity to address the Board for no more than three minutes per speaker regarding items listed on the agenda. There is a second opportunity at the end of the agenda for the public to address the Board on items not listed on the agenda.

III. Adoption of Agenda and Consent Items

Board of Commissioners

The Town Clerk respectfully submits to the Board, the Regular Agenda and the below consent items, which are considered to be of general agreement and little or no controversy. These items may be voted on as a single group without Board discussion "or" if so desired, the Board may request to remove any item(s) from the consent agenda and placed for consideration separately.

Consent Items:

a. Meeting Minutes

February 8, 2021 Closed Session Minutes
February 22, 2021 Closed Session Minutes
April 26, 2021 Closed Session Minutes
April 12, 2021 Regular Meeting Minutes
April 26, 2021 Regular Meeting Minutes

{Note: All Closed Session minutes are sealed upon adoption unless otherwise stated within the motion or as required by state statues.}

b. Contract

FY 20/21 Audit Contract – The Town is required to have an annual audit performed. Current Auditor Gregory T. Redman provides a proposed fee of $12, 500 to audit the fiscal year ending June 30, 2021.

c. Resolutions/Proclamations

Resolution 2021-R6 for Bank Financing of Vehicles & Software – Proposals for the financing of vehicles and software approved in FY 20/21 were received May 2021. After reviewing the proposals, it was decided to accept the offer from BB&T which included a 5-year term, and an interest rate of 1.84%. Resolution 2021-R6 authorizes the Town Manager to file the formal application with BB&T Governmental Finance to secure funds for the purchase of the following capital assets not to exceed $134,830.

Streets-Public Works/Service Truck - $25,630
Fire Department/Chief's Vehicle - $28,000
Police Department/Detective Vehicle - $19,200
Finance Department/Financial Software - $62,000

IV. Appointments/Recognitions/Presentations

a. Swansboro High School Recognitions — Mayor John Davis

b. Police Officer Recognitions — Chief Ken Jackson

c. Board Appointments — Paula Webb, Asst. Manager/Clerk

In December, multiple appointments/re-appointments were submitted for review, however appointments/re-appointments to the Board of Adjustment were not made at that time. All member's terms either expired in June 2020 or expire in June 2021 and re-appointments will need to be made. All current members desire to be re-appointed.

Karen Hansack Jeff Conaway Ralph Kohlmann
Michael Favata Tom Cariker – ETJ

There is one in-town (alternate) seat and one ETJ (alternate) seat vacancy on the BOA. There are no applications on file for this Board.

Action Needed: 1) Re-appoint in-town members desiring re-appointment; and 2) Approve Resolution 2021-R7 recommending that the Onslow County Board of Commissioner re-appoint ETJ member Tom Cariker.

V. Public Hearing – None Scheduled

VI. Business Non-Consent

VII. Items Moved from Consent

VIII. Public Comment

Citizens have an opportunity to address the Board for no more than five minutes regarding items not listed on the Agenda.

IX. Manager's Comments

Chris Seaberg
Town Manager

X. Board Comments

Board of Commissioners

XI. Closed Session

Board of Commissioners

Action Needed: Motion to enter closed session pursuant to NCGS 143-318.11 (a) (3) to consult with the Town Attorney on Legal Matters

XII. Adjournment

Board of Commissioners

Town of Swansboro
Board of Commissioners
April 12, 2021 Regular Meeting/Budget Workshop

In attendance: Mayor John Davis, Mayor Pro Tem Frank Tursi, Commissioner Pat Turner, Commissioner Harry PJ Pugliese, Commissioner Larry Philpott, and Commissioner Laurent Meilleur. It was noted that the Board had returned to remote meetings through the ZOOM platform as allowed by NCGS 166A-19. Governor Cooper had declared a state of emergency due to the COVID-19 Pandemic in March 2020 and it remained in effect.

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Call to Order/Opening Prayer

The meeting was called to order at 5:30 pm. Mayor Davis gave the invocation.

FY 21/22 Budget Introduction/Workshop

Manager Seaberg introduced a draft FY 21/22 Budget for discussion. The power point presentation would be added to the minutes.

Accomplishments for FY 20/12 included:

- COVID-19 Responses
- Multi-Year Debris Collection and Removal Contract
- Multi-Year Debris Monitoring Contract
- Wayfinding Sign Installation – expected by fiscal year end FY 20/21
- Ward Shore Repairs and Improvements
- Sidewalk Project – project began last week by NCDOT
- Emmerton School Recovery Grant
- Additional Parking Lot Construction at Municipal Park
- Moore Street Dock Replacement (Hurricane Florence)
- Swansboro ADA Transition Plan - introduction
- Hurricane/Tropical Storm Isaias
- NC DCM Public Access Grant – Bicentennial Park Boardwalk Extension Project
- Section 319 NPS Pollution Control Grant Project – Walnut St. Outfall Retrofit Project (NC Coastal Federation)
- Southeastern NC Regional Hazard Mitigation Plan
- NC DCM Resilient Coastal Communities Program Grant
- Adoption of new 160D Regulations – expected in May 2021
- Adoption of Flood Maps and Regulations

American Recue Plan Act of 2021 (ARP) - (H.B. 1319)

- Cities/Town were to receive more than $1.3 billion in two separate distributions
- Two Groups
    - Group 1 – entitled cities under the CDBG program

    - Group 2 – all other non-entitled cities (Swansboro)
- First payment estimate - $490,000   due June 15, 2021
- Second payment estimate – due 12 months later $490,000

Some suggested uses for the funds might be:
- Respond to the COVID-19 emergency and address its economic effects
- Provide premium pay to essential employees or grants to their employers
- Provide governmental services affected by revenue reduction resulting from COVID-19
- Make investments in water, sewer, and broadband infrastructure

Manager Seaberg noted that funding guidance was ever-changing, and more details were expected from the US Treasury Department.

Tax Increase Per Cent
As reported every year, a 1¢ tax increase based on the current tax collection rate of 99% would provide $52,421. However, based on Board comments, no tax increase was proposed for FY 21/22.

FY 20/21 End of the Year Projections
General Fund (*as of March 31, 2021*)

Projected Revenues	$4,286,869	
Projected Expenditures	$4,546,776	
Excess Expenditures over Revenues	(-259,907)	Currently relies on General Fund

With confidence, Manager Seaberg believed that some, if not all, of the estimated $259,907 shortfall could be covered with the ARP funds due to COVID19 and not taken from the General Fund.

Planner Technician Position
Manager Seaberg discussed a recommendation to hire a fulltime Planner Tech in FY 21/22. With certainty that the FY 20/21 Budget would support it, he would like permission to hire the position beginning June 2021 to train and assist with planning duties while Town Planner Jennifer Ansell was out of maternity leave July – September.

Stormwater Enterprise Fund (*as of March 31, 2021*)

Projected Revenues	$134,838
Projected Expenditures	$134,838

<u>Solid Waste Enterprise Fund</u> (*as of March 31, 2021*)

Projected Revenues	$393,309
Projected Expenditures	$393,309

Departmental FY 20/21 Projections

Department	Annual Budget	Projected FY 20/21	Difference	Increase/(Decrease)
GOVERNING BODY	14,098	13,593	(505)	
ADMIN SERVICES	429,255	429,563	308	PLANNING TECH-1 MONTH
FINANCE	300,825	300,187	(638)	
LEGAL	42,000	42,000	-	
PUBLIC BUILDINGS	353,752	353,401	(351)	
FIRE	909,443	883,502	(25,941)	Personnel
PERMITTING	223,915	190,837	(33,078)	Personnel
POLICE	1,050,862	990,702	(60,160)	Personnel
PUBLIC WORKS-STREETS	296,916	291,756	(5,160)	
POWELL BILL-STREETS	90,318	90,318	-	
PARKS & RECREATION	291,304	264,621	(26,683)	
CHURCH STREET DOCK	8,230	8,153	(77)	
EMERGENCY MANAGEMENT	169,212	166,740	(2,472)	
FESTIVALS & EVENTS	95,451	11,255	(84,197)	Events canceled due to COVID-1
NON DEPARTMENTAL	510,206	510,149	(58)	
TOTAL PROJECTION FY 20/21	**$ 4,785,787**	**$ 4,546,776**	**$ (239,011)**	

Permit Fees *(as of March 21, 2021)*

Projected Revenues	$210,259
Projected Expenditures	$190,837
Excess of Revenues over Expenditures	$ 19,422

FY 21/22 Highlights

Not included in the draft FY 21/22 Budget was a 1.6% CPI increase that GFL submitted earlier today. Highlights of the draft FY 21/22 Budget were:

- NCLM reported NO increase for medical and vision and a 2% decrease for dental
- A Pay & Classification Study prepared by former Interim Manager Jon Barlow for $2500 versus $12,000 by MAPS Group – the study did include the 2% COLA for FY 20/21 and the mid-year Merit Increases the Board approved for all but the Manager and Assistant Manager (those evaluations had not been finalized when the Study was submitted)
- A Board Stipend Increase Recommendation
- COLA/Pay & Classification Study Options
- Website Improvements Options
- Use of Fund Balance of $450K to balance FY 21/22 draft

In reviewing the Pay Study, Commissioner Philpott suggested that two job descriptions be reviewed. The Recreation Programs Supervisor position had been called to serve as

Interim Director on several occasions since the position was created and he believed it warranted a higher pay grade. In addition, the Parks Maintenance Technician position should have the same pay grade as the Public Works Maintenance since that position was now supervised under Public Works.

Mayor Pro Tem Tursi understood that the cost to implement the Study recommendations was $55k for salaries; he asked that the benefit costs also be provided for a truer figure.

In discussion of the Pay Study, Commissioner Meilleur shared concerns that a 2% across the board increase did not reward high achieving personnel. Commissioner Turner saw some inconsistencies in the job descriptions. For example, the Program Supervisor required a college degree, but the Finance Clerk did not, yet both were a Grade 12. Staff was asked to add the Pay Grade by each employee/position.

Board Stipends
The same jurisdictions were used to study monthly stipends for the Board. The current stipend was $150 for the Mayor and $100 for Commissioners. Staff recommended that the Board consider an increase to $500 for the Mayor and $300 for Commissioners. Although, all were appreciative of the recommendation, the increase was declined by all knowing it relied on the proposed $450K use of General Fund.

Website Improvement Options
Three companies had given quotes to make improvements to the town website. Gov Office was the current provider and had been used for many years. VC3 and Find The Locals had higher quotes because the current site content would have to be obtained and created. Board members were not satisfied with the quality by Gov Office and discussed the cost options of VC3 and Find the Locals. Staff was asked to further investigate what the $4800/year for 3 years entailed with VC3. If a longer contract was agreed to, would it reduce the yearly cost?

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	GOVOffice	VC3	Find the Locals
All device types friendly	☑	☑	☑
Update Pictures	☑	☑	☑
Social Media Feeds on Website	☑	☑	☑
Content Management by Town personnel	☑	☑	☑
Hosting	☑	☑	☑
Agenda & Minutes Management	☑	☑	☑
One Time Cost	$0	$9,995	$12,000.00
Yearly Cost/Contract term (includes webhosting)	$1,973/year for 3 years	$4,800/year for 2 years	$900/year for 1 year
Cost after contract term (includes webhosting)	Rebuild: $2,193/yr./3 yrs. No rebuild: $810/yr./3 yrs. Unlimited technical support	3% annual increase $4,944/$5,093/$5,246 Unlimited technical support	$900/year for 1 year (Possible increases) Includes 12 hours/year technical support, over 12 hours = $75/hour

Public Comments

Citizens were offered an opportunity to address the Board regarding items not listed on the agenda. No comments were offered. Mayor Davis asked Manager Seaberg to make contact with Jaclyn Strader who was on the ZOOM meeting earlier but had dropped off the meeting.

Adjournment

On a motion by Commissioner Turner, seconded by Commissioner Philpott, the meeting adjourned at 7:25pm.

Town of Swansboro
Board of Commissioners
April 26, 2021 Regular Meeting

In attendance: Mayor John Davis, Mayor Pro Tem Frank Tursi, Commissioner Pat Turner, Commissioner Harry PJ Pugliese, Commissioner Larry Philpott, and Commissioner Laurent Meilleur. It was noted that the Board had returned to remote meetings through the ZOOM platform as allowed by NCGS 166A-19. Governor Cooper had declared a state of emergency due to the COVID-19 Pandemic in March 2020 and it remained in effect.

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<u>Call to Order/Opening Prayer</u>

The meeting was called to order at 5:30 pm. Mayor Davis gave the invocation. Mayor Davis noted that he would like to bring attention to the fact that better resources needed to be used by staff when preparing proposing ordinance amendments and advertising such. An ordinance amendment would be discussed later in the meeting that he believed local developer, John Freshwater could have assisted in its preparation. The Town had many local resources that could help improve the culture in which we work.

<u>Public Comment</u>

Citizens were offered an opportunity to address the Board regarding items listed on the agenda. No comments were given.

<u>Adoption of Agenda</u>

Mayor Davis asked for Agenda changes as follows:

Add discussion/re-consideration on July 4th fireworks with upcoming changes in COVID 19 restrictions.

Add a Closed Session under NCGS 143-318.11 (a) (3) for contract review/advise Manager and Legal.

That the salary/benefits for the proposed Planner Tech be removed from Budget Amendment 2021-7 for discussion.

Remove all proclamations except National Boating Week.

Move One Harbor Church Lease Extension to Consent along with the Ordinance 2021-O2 Amendment for Mobile Ice Cream Vendors. Mayor Pro Tem Tursi noted that Ordinances should not be approved under consent – they needed their own official vote. Commissioner Meilleur also believed the lease amendment for One Harbor Church also needed discussion.

On a motion by Commissioner Philpott, seconded by Commissioner Turner, the Agenda was amended as mentioned above, except those items noted by Mayor Pro Tem

Tursi and Commissioner Meilleur), and Consent Items below were unanimously approved.

Meeting Minutes – 2/15/21 Special Meeting
3/22/21 Regular Meeting

Tax Refunds – Refunds totaling $425.91.

Ad Valorem Tax

Hunnings John & Chasity	$131.73	Listed & paid in Carteret County. Moved boat there 1/1/2020

Vehicle Tax

Hidalgo, Edson	$4.17	Tag Surrender
Phelps, Linda Mitchell & Rodney William	$11.74	Tag Surrender
Phelps, Rodney William	$8.35	Tag Surrender
Crosby-Woods, Demetrias Monche	$30.53	Tag Surrender
Farren, Erica Dorothy	$69.35	Military
Guzman, Florentino Amadeo & Castro, Isabel Michelle	$170.04	Military

ONWASA Administrative Services Agreement - The Administrative Services Agreement with ONWASA for operation of the satellite office was renewed for FY 21/22 for the same terms ($35,000) as had been in previous years.

Proclamations

Mayor Davis read and acknowledged National Safe Boating Week - May 22-28. Carl Rauschenberg thanked the Town for acknowledgement and reiterated the safe boating tips listed in the proclamation.

Public Hearings

Special Use Permit - The Blazin' Bird Restaurant - Chase Hanford had made application for a special use to utilize the property at 632 W. Corbett Ave, the former Seaside Coney Island, as a restaurant. Though the property was previously used as a restaurant, "Restaurants (including take-out only establishments)" now required a special use in the B-2 General Business zoning district. Because the property had been vacant due to damage from Hurricane Florence in September 2018, the use had been discontinued for more than 180 days, and a special use was required. At their April 6, 2021, regular meeting, the Planning Board voted unanimously to recommend approval of the special use application. There were no additional conditions suggested.

Mayor Davis asked if the staff had any concerns with the proposed special use. Planner Ansell indicated that the request was not a change of use, and ordinance requirements were met. There was a slight change to the parking plan based on comments from NCDOT, they did not want to see any additional parking in the front of the building so additional parking would be in the rear of the building off Hokum Lane. Planner Ansell confirmed that because Mr. Hanford was not making improvements more than 50% of the value no additional code requirements had to be implemented. Mr. Hanford also provided a private appraisal because Onslow County had the building valued at $0.

In response to Mayor Pro Tem Tursi' inquiry on whether the Planning Board discussed any concerns with the proximity to the residential area, Planner Ansell stated there was none, and that the business would be closing at 9:00pm most nights except game nights. Parking would be at the rear of the building off Hokum Lane and the speed limit 20 mph. Outdoor seating would be located to the right side looking at the building from NC24 with privacy fencing according to the site plan.

Commissioner Philpott inquired whether any improvements would be made to the sign and roof as they were tin and had some rust. Mr. Hanford indicated that he planned to paint the existing areas that had rust. Further improvement may be made in the future depending on the budget.

All persons providing testimony were sworn in and the public hearing was opened at 6:07 pm. No comments were provided, and the hearing was closed.

Staff notes in the agenda included:

- Regarding sidewalk construction and redevelopment of property; this was not a change in use, there was no significant or major renovation planned, so sidewalks were not required.

- Mr. Hanford was not the property owner, but the property owner had signed the affidavit on the Special Use permit application allowing Mr. Hanford to submit the application on his behalf.

- Regarding minimum parking requirements; per the site plan, 8 new parking spaces would be added, bringing the total to 20. Seventeen spaces were required including the outdoor patio seating. NCDOT would not allow the addition of any spaces in the front of the building along NC Hwy 24.

- The speed limit on Lisk Drive was 20 mph. Hokum Lane dead-ended into the Bank of America parking lot which connected to Park Lane, which was also 20 mph.

- Regarding traffic impact - Justin Lins, Engineering Specialist II with NCDOT, estimated the number of trips per day would not exceed 190. Per the 2019 NCDOT Annual Average Daily Traffic (AADT) map, this section of NC Hwy 24 saw an average of 27,500 trips per day.

- No additional lighting was proposed.

- Regarding regulations for landscaping; no additional requirements existed. Repairs/improvements would not change the use or alter the existing building.

- Regarding the trash containment area; the site plan provided the required dumpster.

- Regarding Building Design and Compatibility; the building was presently listed with a value of $0.00 per Onslow County. The improvements proposed to the structure would not exceed 50% of the building value based the private appraisal received from Suzanne H. Nelson, MAI, with Realty Services of Eastern Carolina, Inc., and the cost breakdown received from the applicant.

In granting the special use permit, the Board reviewed **§ 152.210 PROCEDURE FOR SPECIAL USE PERMITS** below and gave due regard to the nature and state of all adjacent structures and uses, and the districts within which the proposed use was to be located. The Board considered whether it was necessary or appropriate to affix conditions for the purposes of protecting neighboring properties and/or the public interest assuring that the use was harmonious with the area, ensuring that the use was consistent with the spirit of the ordinance. No conditions were provided.

§ 152.210 PROCEDURE FOR SPECIAL USE PERMITS.
A) Special use permits may be issued by the Administrator, after approval by the Board of Commissioners, for the uses as designated in the table of regulations for special uses. Applications shall include all the requirements pertaining to it as specified in this section. A hearing shall be held, and all interested persons shall be permitted to offer relevant comments. The Town Board of Commissioners shall consider the application and may approve or deny the requested special use permit.

B) In granting a special use permit, the Board of Commissioners shall give due regard to the nature and state of all adjacent structures and uses, and the districts within which the proposed use is to be located, and shall make written findings of fact concerning the existence or absence of the following criteria:

1) The special use is allowed pursuant to § 152.210 and meets all the required conditions and specifications, including without limitation, those set out in § 152.211. The use, "Restaurants (including take-out only establishments)" was allowed as a special use in the B-2 zoning district. There were no specific criteria for the use under Section 152.211.

2) *The special use will not materially endanger the public health or safety if located where proposed and developed according to the plan as submitted and approved.* The proposed business did not directly abut any residential properties; however, it was just south of Lisk Drive and Hokum Lane in the Russell Park neighborhood which was predominantly single-family residential. The business proposal offered to operate from 11:00 am to 9:00 pm on Mondays and Wednesday through Sunday. The applicant did request to remain open on NFL, college football and college basketball gamedays, and for playoff games until the game concluded.

3) *The special use will not substantially injure the value of adjoining or abutting property, OR the special use is a public necessity*. An analysis from Suzanne H. Nelson, MAI, with Realty Services of Eastern Carolina, Inc., indicated no known substantially injure the value of adjoining or abutting property would occur from what was proposed.

4) *The location and character of the special use, if developed according to the plan as submitted and approved, will be in harmony with the area in which it is located. The special use shall demonstrate conformance to the Land Use Plan or other plan in effect at the time and address impacts of the project as required by G.S. §160A-382(b).* The CAMA Land Use Plan Update (2019) identified this property as Coastal Traditional Neighborhood (CTN), with the portion of the property fronting on NC Highway 24 as Gateway Corridor. The CTN land use designation was described as a walkable, compact, residential district laid out based on traditional neighborhood development patterns. It generally surrounded the Traditional Town Center and contained single and two-family residential with small-scale multi-family and neighborhood commercial. The Gateway Corridor (GC) land use designation was intended to enhance the function and appearance of the NC 24 corridor, as well as other main entranceways to the town. Generally, the GC area encompassed properties that were directly adjacent to, visible from, and interact with NC 24.

5) *Upon the issuance of any special use permit, the Board of Commissioners shall consider whether it is necessary or appropriate to affix conditions thereto for the purposes of protecting neighboring properties and/or the public interest assuring that the use is harmonious with the area and ensuring that the use is consistent with the spirit of the ordinance and shall affix to such permit such reasonable and appropriate conditions as it finds are necessary for any of those purposes. If any conditions affixed to any special use permit or any part thereof is held invalid by any competent authority, then said special use permit shall be void.* No conditions were applied.

Based on the above mentioned findings, a motion was made by Commissioner Pugliese, seconded by Commissioner Turner to approve the Special Use Permit by unanimous vote.

UDO Text Amendment - Chapters § 152.225 - 152.227/Residential Cluster Development Regulations – At its March 2, 2021, regular meeting, the Planning Board voted to recommend the proposed rework of the Residential Cluster Development Regulations to strengthen the requirements for the protection of vulnerable areas such as designated wetlands and the floodway. The proposed amendments require identification of any 401 or 404 wetlands on preliminary plats, prohibited any required open space from being made up of 401 or 404 wetlands, and required such 401 or 404 wetlands be deeded to the Town.

Mayor Davis believed the amendment to be potentially controversial and recommended it be held until the Board could meet in person. In conversation with John Freshwater today, who had developed such a development, he was not aware of the proposed amendment. He believed community input was needed and incentives put in place to encourage developers to provide the dedications proposed. Specifically, the addition of (E) *Areas identified on the Preliminary Plat as 401 wetlands, 404 wetlands, floodway, or if located within 30 feet of the normal water level along a coastal shoreline shall be reserved and dedicated to the Town. This designation shall be recorded on the face of the Preliminary and Final Plats and a deed recorded conveying the area to the Town for preservation. No structure, impervious surface or other development shall occur in this area other than that which is permitted by the State or other regulatory agency*.

Planner Ansell noted that the amendment proposed was an optional process and was recommended by the Carolina Wetlands Association. The proposal came about following the Swangate Subdivision approval when issues arose related to the open space provided was the 404 wetlands area.

Commissioner Meilleur stated that the Planning Board vote was 4/0 for approval. Planner Ansell shared that on March 15, the area of dedication was discussed and recommended to be identified (wetlands and costal shoreline areas) during preliminary plat review process and then dedicated at final plat. There was no public present at the Planning board meeting.

Mayor Pro Tem Tursi clarified that section (E) did nothing but require wetlands be recorded on the plat. He further stated that Mayor Davis had terribly misjudged and opened discussion with negative perception, which was uncalled for and not his place to do. Commissioner Meilleur agreed adding that Mayor Davis was promoting his own position. Robert's Rule of Order provide that the Mayor's role was hold a middle ground and to run the meeting, not to interject his opinion. Planner Ansell offered that the 30-foot buffer could not be built upon without a variance from CAMA.

Commissioner Philpott noted that the key point was that the amendment provided an option to the developer. Such amendments were also suggested by the Land Use Plan and the Board of Commissioners had charged the Planning Board to consider those recommendations. Mayor Pro Tem Tursi added that the LUP Steering Committee had made suggestions that preservation of retaining open space was important, and it had been listed as a major policy goal of the Land Use Plan. Commissioner Turner agreed with Mayor Pro Tem Tursi.

Mayor Davis reiterated that he felt the proposed language would not incentivize a developer to develop in the cluster form, nor were local professionals engaged in the conversation/development of the amendments.

The public hearing was opened at 6:35pm. There were no comments at this time, the hearing would need to remain open for 24-hours and the vote would take place at the next meeting.

Business Non-Consent

One Harbor Church Lease Extension – The current lease with One Harbor Church (OHC) was last amended March 9, 2020. That amendment included a subsidized monthly rate of $1,029.76 through December 31, 2020. The amendment also included the same rate on a month-to-month basis starting January 1, 2021.

Construction of OHC's new facility had been delayed due to COVID-19 therefore staff had discussed the following proposed amendments to the lease agreement.

• Appropriate Consumer Price Index increases for the 2019 and 2020 calendar years be added to the monthly lease rate

• Subsidies of the rental rate ends October 2021
• Starting November 2021, the monthly rate be $3,142.83
• The lease be on a month-to-month basis starting January 2022
• One Harbor Church representatives expected the need for facilities lease through the end of Fiscal Year 2021-2022 (June 2022) and maybe further
• A December 2021 CPI increase would increase the lease rate

On a motion by Commissioner Philpott, seconded by Commissioner Turner Resolution 2021-R3 adopting the amended Lease Amendment with OHC according to the terms as described, and authorizing the Town Manager to execute, at the appropriate time, any instruments necessary to consummate the lease agreements was unanimously approved.

Text Amendment to Town Code Chapter 112: Mobile Ice Cream Vending Regulations – Text amendments to Chapter 112 were introduced that would better clarify the approval process for mobile ice cream vendors. The amendments would 1) authorize the Town Manager to make changes to rates for mobile ice cream vendors, 2) provide terminology improvements, 3) required a criminal record check on the business owner/applicant and each proposed driver of any mobile ice cream vending vehicle, and 4) remove the applicant's cost for the public hearing.

Commissioner Meilleur asked what happened if the criminal records check was negative and wondered if the language needed to read differently. Chief Jackson shared that if a criminal record check revealed a criminal history of a driver, then the owner of the business may not be able to run the business and/or be required to use different drivers. Mayor Davis inquired whether the Manager had the authority to decide on allowing the driver based on the type of criminal record. Chief Jackson confirmed. Attorney Parson was fine with the ordinance as written, indicating that there needed to be some flexibility based on the offense discovered, however, the same process should be applicable for such vendors.

Mayor Pro Tem Tursi asked if other such vendors were required to do a criminal records check. Manager Seaberg clarified that like vendors were regulated by different agencies – mobile ice cream trucks was regulated by USDA. Food Trucks were regulated through the Health Department. It should also be noted that the customer base for ice cream trucks was children and the criminal records check helped protect against predators. Attorney Parson agreed and offered that the same logic should apply to all like vendors. When the Town continued its discussion on whether to allow food trucks, the same language should be applied (if allowed).

Commissioner Turner inquired whether ice cream trucks were allowed to park at the soccer park or setup on private property. She also offered it might be best to hold on ordinance adoption until future discussion was held on whether to allow food trucks. Planner Ansell shared that a designated route was required by ordinance, setting up on private property was not allowed – doing so would then define them as an itinerant merchant, which was not allowed.

Mayor Pro Tem Tursi noted that such vendors could operate at the park if for a non-profit event. He too believed all such vendors should follow the same process. Planner Ansell confirmed and added that such vendors were not allowed within 100 foot of a school zone or in the business district.

Mayor Davis indicated that the Town did not do background checks on local businesses – he asked if the law allowed such and if not, was the Town empowered to require such from other vendors. Attorney Parson was not confident the law allowed the Town to regulate brick and mortar business to such degree. He asked Director Stanley of Parks and Recreation if background checks were conducted on program vendors/festival vendors. She stated that background checks were done for program vendors but not for festival/event vendors. He was not aware of any law preventing the Town from regulating food vendors though.

Commissioner Philpott agreed it might be best to hold on adoption until the Board had further discussion on food trucks. He did understand the need to protect the community from predators, but more research was needed.

Commissioner Pugliese agreed to wait but did believe ice cream trucks and food trucks were different – ice cream routes were geared to draw children, food trucks were looking for high traffic areas, ball parks.

On a motion by Mayor Pro Tem Tursi, seconded by Commissioner Philpott, Ordinance 2021-O2 was tabled for further research and discussion when the Board returned to in-person meetings by unanimous vote.

Planning Technician - At the April 12th Board Meeting, the Town Manager shared the need to hire a Planning Technician prior to the Town Planner's maternity leave in July 2021. The position would be funded through Admin Services and Permitting. To cover salaries/benefits for the month of June 2021, $6,248.18 would need to be appropriated.

Mayor Davis indicated that funding the position now created a fulltime position as presented. Commissioner Turner believed it could be a temporary position with an expiration date. Manager Seaberg noted that he had not intended for the position to be temporary – he was under the impression that the Board saw the need for a fulltime position. Commissioner Philpott understood the need but was not prepared without knowing more about the FY 21/22 Budget. He would support contracting the position out during the maternity leave. Commissioner Turner agreed. Commissioner Pugliese agreed. Manager Seaberg was directed to obtain a contract price.

Budget Ordinance Amendment #2021-7 (as amended above) – Multiple departments required amending for FY 20/21. The source for the below amendments was to be appropriated from Fund Balance.

Public Works/Streets - NCDOT required Wayfinding Signs be installed on breakaway poles. Requested $7,000 be appropriated to purchase 13 breakaway poles.

Parks & Recreation - The NC Coastal Federation was awarded funds for asphalt removal and permeable parking at Ward Shore Park. The total project cost was $118,302. A partnership with NC Coastal Federation provided assurance of at least a $40,000 reimbursement towards the overall project. Project costs overran by $10,000. Requested $50,000 be appropriated for project costs.

On a motion by Commissioner Philpott, seconded by Mayor Pro Tem Tursi, Budget Ordinance Amendment 2021-7 (as amended) was unanimously approved.

Financial Report – March 2021 – Finance Director Johnson reviewed details from the monthly financial report, *attached herein*.

Mayor Davis asked if he understood correctly that the Town was over $400,000 in the green (positive) with current expenditures. Director Johnson confirmed but did note that approximately $259,000 was projected to be needed by year end – June 30, 2021.

Meetings Moving Forward – Following discussion on near future COVID 19 restrictions being lifted, Board members agreed to return to in-person meetings in June 2021 if such restrictions were lifted.

Future Agenda Items – A memo detailing proposed upcoming agenda items was reviewed and an opportunity for the Board to introduce any new items was given.

Commissioner Philpott encouraged staff to arrange JOED Director, Mark Sutherland to attend a future meeting to discuss Economic Development Committee and provide an overview of the Strategic Plan.

Board members were eager to see the draft budget updates. A Special Budget Meeting (remotely) was set for Thursday, May 13, 2021, at 5:30pm.

Downtown Event Discussion (May – October) – In a press release last week Governor Roy Cooper had indicated he would be slowly loosening COVID19 restrictions by June 1, 2021. Mayor Davis believed the Town should re-consider allowing some of the events that had been cancelled through July 4th, specifically, the July 4th fireworks. He shared that the fireworks vendors had agreed to accept a non-refundable $500 deposit – the event could be held on July 2nd or 5th with the final total cost being $10,000 on an inquiry from the Board. The Laser Light Show (cost $14,000) partnerships had not materialized.

Commissioner Philpott asked the total loss if fireworks had to be cancelled. According to Mayor Davis, only the $500 non-refundable deposit would be lost. Director Stanley believed the details could be worked out if the Governor loosened the restrictions as suggested.

Commissioner Meilleur thought it odd to support $10,000 for fireworks but not support a fulltime Planning Technician. The July 4th Fireworks would also have additional fees for staffing.

Mayor Pro Tem Tursi asked if there would be an additional $10,000 for fireworks at Mullet Festival. The Mullet Festival fell within the FY 21/22 Budget. The vendor agreement though included a quote for $10,000 for each event - July 2 and Mullet Festival, otherwise it would be $15,000 each event. Mayor Pro Tem did not have strong feelings either way but did not feel July 5th was a good night.

Commissioner Turner and Pugliese indicated support if restrictions lifted.

Manager Seaberg clarified that a site visit to the island was still needed to assure any clean up needed was doable prior to the event.

In addition, Mayor Davis noted that the Tams were already scheduled (by contract) to provide music downtown on July 4th. It was noted that street closures would be needed both nights. No objections were heard, and confirmation would be discussed with Chief Jackson. Believing there was a consensus, staff would proceed with fireworks for July 2nd and the July 4th Tams music as discussed.

Public Comments
Citizens were offered an opportunity to address the Board regarding items not listed on the agenda.

David Drafton, owners of a mobile ice cream truck entered the meeting late and inquired if the ordinance amendment was approved. Mayor Davis shared that the amendment was tabled, that the current ordinance stood until further notice. Mr. Drafton asked if that meant his application was not considered. Staff was unaware that Mr. Drafton had applied. Such required a public hearing by ordinance. Mayor Pro Tem Tursi was perplexed that the Commissioners had to vote to approve a mobile ice cream truck. It was clarified that removing the action by the Board was part of the amendment. Manager Seaberg would meet with Mr. Drafton and Chief Jackson to determine an expedited process and if a hearing could be scheduled.

Manager's Comments
Manager Seaberg gave highlights from the Manager's Brief provided in the agenda packet.

Staff was pursuing a 319 Grant project to map the stormwater system – if awarded there would be a $34,000 match by the Town, the total project $85,000. Mayor Tem Tursi offered that the Town typically provided in-kind services to offset the match. Board members agreed to proceed.

As part of the NC DCM Resilient Coastal Communities Program (RCCP) Grant, development of a Community Action Team was needed. Manager Seaberg recommended the following: the Manager, Planner, Flood Appeals Chair, Planning Chair, Board of Adjustment Chair, and two representatives from the elected Board.

The Wayfinding Signs are under production. Staff is researching decorative style poles that would be crashworthy signs, a requirement of NCDOT.

Regarding the NC State Historic Preservation Office Florence and Michael (ESHPF) Hurricane Disaster Relief Grant for the Emmerton School, the contract was still pending.

The Dockwalk Phase 2 CAMA Grant contract has been received and signed. An easement was required from adjacent property owner Randy Swanson.

The Ward Shore Living Shoreline Project was complete.

NCDOT reported at $97,000 cost overage in installing the sidewalk along NC24. The Town had provided $116,000 towards that project.

The Downtown Traffic Movement Plan had been provided to the Board. Manager Seaberg shared concerns on the number of signs recommended for the historic district. Although Mayor Davis favored the number of signs to better educate the public on the new traffic movement, Commissioner Philpott noted that the wayfinding signs would also be added and would help with education and direct to the public. Commissioner Meilleur suggested leaving the sign recommendations to the traffic engineer expert. Board members also favored decorative crosswalks for historic district instead of white paint across the road. It did not seem likely that the traffic movement changes would be implemented by the end of May.

Regarding the Emergency Operations Center, the structural engineer was finalizing the report and Manager Seaberg hoped to provide the report in May.

Board Comments

Commissioner Philpott complemented the Manager and Staff on their efforts to make progress on the number of projects the town had going on during hurricanes and the pandemic.

Mayor Pro Tem Tursi complemented the Public Works team for their work at Ward Shore. It had been a long, drawn-out project.

Mayor Davis shared that Ms. Voit, a wheelchair bound individual had complimented the Town on the recent sidewalk installation along NC24.

A brief recess was taken from 8:40pm – 8:42pm.

Closed Session

On a motion by Commissioner Philpott, seconded by Commissioner Turner, the Board entered closed session pursuant to NCGS 143-318.11 (a) (3) to consult with the attorney by unanimous vote.

During closed session, a motion was made and seconded to return to open session. No action was taken.

Adjournment

On a motion by Commissioner Turner, seconded by Commissioner Meilleur, the meeting adjourned at 9:00pm.

Board of Commissioners Meeting
Agenda Item Submittal

Item To Be Considered: **Audit Contract-Gregory T. Redman, CPA**

Board Meeting Date: **June 14, 2021**

Prepared By: **Sonia Johnson, Finance Director**

Overview:

The Town is required to have an annual audit performed. This is a proposed contract for services with Gregory T. Redman to prepare the Town's financial statements and perform the audit for FY 20/21. The proposed fee to audit this fiscal year ended June 30, 2021 is $12,500.

Background Attachment(s):

1. Audit Contract with Gregory T. Redman, CPA for the period July 1, 2020 thru June 30, 2021

Recommended Action:

Motion to approve the following:

- Audit Contract with Gregory T. Redman, CPA for the period July 1, 2020 thru June 30, 2021

Reviewed By:

Town Manager		**Finance Director**	6/7/2021
Town Clerk	6/9/2021	**Town Attorney**	

Date Action Approved by Board: ____________ **Action if different from Recommended:**

CONTRACT TO AUDIT ACCOUNTS

The	Governing Board Town Council
of	Primary Government Unit (or charter holder) Town of Swansboro, North Carolina
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Gregory T. Redman, CPA
	Auditor Address 410 Dowd Street, Tarboro, NC 27886

Hereinafter referred to as Auditor

	Fiscal Year Ending	Audit Report Due Date
for	06/30/21	10/31/21

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). 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 GAAS. 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 requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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).

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

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

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she 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 the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) 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 U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

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 LGC Staff within four months of fiscal year end. 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 GAAS include a review of the Governmental Unit's (Units') 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/her 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 (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit- related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) 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 invoice marked 'approved 'with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs 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. 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 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, 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 LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. 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(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) 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 upon completion.

13. 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(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final 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 LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). 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(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. 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 modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). 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 to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this 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 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

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

19. 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 primary 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.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. 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.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. 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.

26. 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.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). 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. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
b) the status of the prior year audit findings;
c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern.

30. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

31. 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).

32. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit

33. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

34. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Governmental Auditing Standards,2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: ☑Auditor ☐Governmental Unit ☐Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	***Title and Unit / Company:***	***Email Address:***
Sonia Johnson	Finance Director	sjohnson@ci.swansboro.nc.us

OR Not Applicable ☐ *(Identification of SKE Individual not applicable for GAAS-only audit or audits with FYEs prior to June 30, 2020.)*

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. 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 billings for the last annual audit of the unit submitted to the Secretary of the LGC. Should the 75% cap provided below conflict with the cap calculated by LGC Staff based on the billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

Primary Government Unit	Town of Swansboro, North Carolina
Audit Fee	$ 12,500.00
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	$
Writing Financial Statements	$
All Other Non-Attest Services	$
75% Cap for Interim Invoice Approval *(not applicable to hospital contracts)*	$ 9,375.00

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit Fee	$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	$
Writing Financial Statements	$
All Other Non-Attest Services	$
75% Cap for Interim Invoice Approval *(not applicable to hospital contracts)*	$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Gregory T. Redman, CPA	
Authorized Firm Representative (typed or printed)* Gregory T. Redman	Signature*
Date* 05/12/21	Email Address* greg@redman-cpa.com

GOVERNMENTAL UNIT

Governmental Unit* Town of Swansboro, North Carolina	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)*	Signature*
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

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.

Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Date of Pre-Audit Certificate*	Email Address*

Board of Commissioners Meeting
Agenda Item Submittal

Item To Be Considered: **Resolution for Bank Financing of Vehicles & Software**

Board Meeting Date: **June 14, 2021**

Prepared By: **Sonia Johnson, Finance Director**

Overview: Proposals for the financing of vehicles and software approved in FY 20/21 were received May 2021. After reviewing the proposals, it was decided to accept the offer from BB&T which included a 5-year term, and an interest rate of 1.84%. Prior to closing, BB&T requires that the attached resolution be adopted by the Governing Board.

Action Needed: Motion to approve Resolution 2021-R6, authorizing the Town Manager to file the formal application with BB&T Governmental Finance to secure funds for the purchase of the following capital assets not to exceed $134,830.

Streets-Public Works/Service Truck - $25,630
Fire Department/Chief's Vehicle - $28,000
Police Department/Detective Vehicle - $19,200
Finance Department/Financial Software - $62,000

Background Attachment(s): Resolution #2021-R6

Reviewed By:

Town Manager		**Finance Director**	6/7/2021
Town Clerk	6/9/2021	**Town Attorney**	

Date Action Approved by Board: __________ **Action if different from Recommended:**

<u>Resolution Approving Financing Terms</u>

WHEREAS: The Town of Swansboro, NC ("Borrower") has previously determined to undertake a project for the financing of vehicles & equipment (the "Project"), and the Finance Officer has now presented a proposal for the financing of such Project.

BE IT THEREFORE RESOLVED, as follows:

1. The Borrower hereby determines to finance the Project through Truist Bank ("Lender") in accordance with the proposal dated May 17, 2021. The amount financed shall not exceed $134,830.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.84%, and the financing term shall not exceed 5 years from closing.

2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Borrower are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.

3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Borrower officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

4. The Borrower shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Borrower hereby designates its obligations to make principal and interest payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The Borrower intends that the adoption of this resolution will be a declaration of the Borrower's official intent to reimburse expenditures for the Project that are to be financed from the proceeds of the Lender financing described above. The Borrower intends that funds that have been advanced, or that may be advanced, from the Borrower's general fund or any other Borrower fund related to the Project, for project costs may be reimbursed from the financing proceeds.

6. All prior actions of Borrower officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Approved this________ day of__________________, 2021

By: ________________________________ By: ________________________________

Title: ______________________________ Title: ______________________________

SEAL

Board of Commissioners Meeting
Agenda Item Submittal

Item To Be Considered: **Board of Adjustment Appointments**

Board Meeting Date: **June 14, 2021**

Prepared By: **Jennifer Ansell, Planner**

Overview: In December, multiple appointments/re-appointments were submitted for review, however appointments/re-appointments to the Board of Adjustment were not made at that time.

All member's terms either expired in June 2020 or expire in June 2021 and re-appointments will need to be made. All current members desire to be re-appointed.

There is also one in-town (alternate) seat and one ETJ (alternate) seat vacancy. There are no applications on file for this Board. Vacancies area provided on the website and announced from time to time through Town social media outlets.

Action to Consider:

1) Consider re-appointments to the Board of Adjustment; and
2) Motion to adopt Resolution 2021-R7 making a recommendation to the Onslow County Board of Commissioners that Tom Cariker be re-appointed as an ETJ member to the Board of Adjustment.

Background Attachments:
NCGS 160D-302 and 160D-307 (Boards of Adjustment and ETJ Representation)
Tom Cariker Citizen Participation Application

Reviewed By:

Town Manager		**Finance Director**	
Town Clerk	6/9/2021	**Town Attorney**	

Date Action Approved by Board: ____________ **Action if different from Recommended:**

TOWN OF SWANSBORO
Resolution 2021-R7
Nomination to Serve as Extraterritorial Representative

WHEREAS, NCGS 160D-307 provides that the County Board of Commissioners is the appointing authority for extraterritorial representatives on municipal boards of adjustment; and

WHEREAS, the Swansboro Board of Commissioners desires to recommend that the following resident of its extraterritorial jurisdiction be considered for appointment to a planning-related board; and

NOW THEREFORE BE IT RESOLVED that the Town of Swansboro Board of Commissioners respectfully requests the following extraterritorial resident be appointed by the Onslow County Board of Commissioners to the board indicated:

Municipal Board	Nominee	Address	Term Expiration
Board of Adjustment	Tom Cariker	421 Salt Creek Drive	06/2021

Adopted this 14th day of June 2021.

Town of Swansboro Board of Commissioners

____
John Davis, Mayor

ATTEST:

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Paula W. Webb, Assistant Manager/Town Clerk