

**Town of Boonville**  
**March 1, 2016 Regular Meeting Minutes**  
**Harvey E. Smith Municipal Building**

The following were in attendance at the 3/1 regular meeting: Mayor Rusty Hunter, Commissioners Devin Carter, Bonnie Lasky, William Paul Baity, and Tony Reece. Also in attendance were Interim Town Administrator Sarah Harris, Police Chief Farron Jester, Finance Officer/Town Clerk Kim Wells, and Public Works Director Jeff Jones.

- I. Call to Order and Welcome:** Mayor Hunter called the 3/1 meeting to order at 7:00 p.m.
- II. Conflict of Interest Issues and Approval of Agenda:** Mayor Hunter asked that Disposition of Town Police Car be added to the agenda as item IV, G. Commissioner Lasky motioned to approve the agenda as amended. Commissioner Baity seconded, and the motion passed unanimously.
- III. Adoption of minutes – 2/2 regular session, 2/2 and 2/16 closed session, 2/16 recessed:** Commissioner Baity motioned to approve the minutes. Commissioner Reece seconded, and the motion passed unanimously.
- IV. Public Comments:** There were no public comments.
- V. Town Business:**
  - A. Presentation by Marty Driver, Mountain Valley Hospice & Palliative Care:** Ms. Driver introduced herself and gave a presentation on the services provided by Mountain Valley Hospice & Palliative Care including plans for the new SECU Hospice Home of Yadkin.
  - B. Approval of Cannon & Company Contract:** Finance Officer/Town Clerk Wells presented the annual fiscal year audit contract from Cannon & Company. Discussion followed. Commissioner Lasky motioned to approve the Cannon & Company contract. Commissioner Baity seconded, and the motion passed unanimously.
  - C. Phone System for Town Hall:** Finance Officer/Town Clerk Wells presented quotes from local phone companies. Discussion followed. Commissioner Lasky motioned to purchase the digital phone system from Yadtel Telecom for an amount not to exceed \$3,300. Commissioner Reece seconded, and the motion passed unanimously.
  - D. Approval of new members for Parks and Recreation Committee:** Topic was tabled until the April 2016 meeting.
  - E. Appointment of Deputy Finance Officer:** Mayor Hunter stated that as outlined in the job description, the Interim Town Administrator would serve as the Deputy Finance Officer. Commissioner Lasky motioned to appoint Sarah Harris as the Deputy Finance Officer. Commissioner Baity seconded, and the motion passed unanimously.
  - F. Appointment of a Commissioner to TAC:** Since he already serves as the Town Board's representative to the Piedmont Triad Regional Council (PTRC), Commissioner Baity volunteered to serve as the Town Board's representative on the Transportation Advisory Committee (TAC). These meetings occur on the same day.
  - G. Disposition of Town Police Car:** Police Chief Jester reported that the car previously used by the police chief has serious mechanical issues. He suggested that the Board members consider selling the car on GovDeals. Finance Officer Wells presented a drafted Resolution #2016-6, Declaring Certain Property to be Surplus and Authorizing the Disposition of Said Property by Internet Auction or Private Sale for the 2003 Ford Crown Victoria. Commissioner Baity motioned to approve the aforementioned resolution. Commissioner Lasky seconded, and the motion passed unanimously.
- VI. Reports and announcements:**
  - A. Mayor's report:** Mayor Hunter reviewed dates for the first budget workshop. The consensus of the Board members was to conduct the first budget workshop on April 5, 2016, at 5:30 p.m.
  - B. Interim Town Administrator's report:** Interim Town Administrator Harris reminded everyone that employee appraisals are due on April 1. She reported that the Parks and Recreation Committee has chosen not to apply for the PARTF grant this year. A master plan needs to be developed before the application is submitted. Regarding zoning subjects, the Town has received a permit application for a vape shop. An employee of Future Hair Design inquired about setting up a cooker on the street to prepare and sell food. Because there would be Yadkin County Health Department regulations to follow, Ms. Harris indicated she would follow up with the person who




had inquired. Interim Town Administrator Harris stated that she planned to have a draft of the downtown layout from the Streetscape Program by June or July.

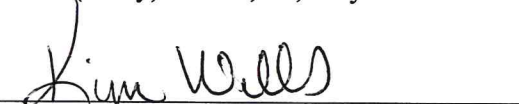
- C. **Finance Officer's report:** Finance Officer Wells reported that Town Hall and the Police Department had moved telephone and Internet services from CenturyLink to Time Warner Cable. This change will save the town approximately \$1,200 to \$1,500 per year. At this time Time Warner will not install cable to the sewer plant because of the creek. The town has received information that the alcohol average distribution will be made in May 2016 although there are no details on how much the town will receive. Ms. Wells reported that she had updated some financial forms for the upcoming loan. She reviewed the Budget vs. Actual summary and asked for instructions on how to prepare next month's budget amendment to fund the Interim Town Administrator position. It was the consensus of the Board members to use the budgeted wages from the vacant Public Works Department position.
- D. **Public Works Director's report:** Public Works Director Jones reported on the vehicle repairs performed during the last snowstorm. He reviewed the account Detroit Salt had set up for the town. He informed the Board members of an electrical overload issue at the sewer plant that would need to be corrected before the sewer plant upgrade. The estimated cost is \$52,000. Mr. Jones reported that a Parkdale official had contacted him about adding a sewer meter to measure the amount of discharge going back into the sewer system. Mr. Jones will follow up and make them aware that they would be required to do a pre-treatment. Mr. Jones reported that the underground oil tank located behind Town Hall might be able to be removed by the Public Works Department. However, he will ensure this is correct before making plans to remove the tank.
- E. **Police Chief's report:** Police Chief Jester reported that with the new RMS system, the Police Department could add names of residents and help identify them in the case of health emergencies. Names, addresses, photos, descriptions, and family contact information, etc., can be stored. He asked the Board members and meeting attendees to help get the word out to the community that this option is now available. Police Chief Jester announced that it was his one-year anniversary with Boonville.
- F. **Zoning Officer's report:** The Zoning Officer's report was covered in the Interim Town Administrator's report.
- G. **Departmental Commissioner's Reports:** There were no addition items to report.
- H. **Committee reports as needed:** Tom Bastable, President of the BBDDA, reported that the upcoming Communitywide Yard Sale will be held on May 6-7 and the Boonville Bash and Bash Dash will be held on May 14. He informed the attendees of a free tax preparation service being provided at the library.

**VII. Closed Session per NCGS 143-318.11(a)(6):** Commissioner Lasky motioned to go in to closed session per NCGS 143-318.11(a)(6). Commissioner Baity seconded and the motion passed unanimously.

Mayor Hunter reported that with the recent, vacant commissioner's seat, he was moving Commissioner Carter to Streets and Sidewalks as well as Powell Bill oversight.

**VIII. Recess/Adjourn:** Commissioner Lasky motioned to recess until April 5, 2016, at 5:30 p.m. Commissioner Carter seconded, and the motion passed unanimously. The meeting ended at 8:14p.m.

  
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Russell (Rusty) Hunter, IV, Mayor

  
\_\_\_\_\_  
Kim Wells, Finance Officer/Town Clerk



**RESOLUTION DECLARING CERTAIN PROPERTY TO BE SURPLUS AND  
AUTHORIZING THE DISPOSITION OF SAID PROPERTY BY INTERNET  
AUCTION OR PRIVATE SALE**

**WHEREAS**, G.S. 160a-267 & 270(c), allow the Town to sell personal property by private negotiation and at electronic auction upon adoption of a resolution or order authorizing the appropriate official to dispose of the property; and

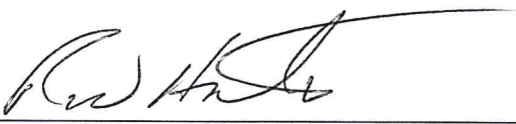
**WHEREAS**, the Town Board of the Town of Boonville, North Carolina, has determined that the Town owns certain personal property that is no longer needed or usable by the Town; and

**WHEREAS**, the property is described below:

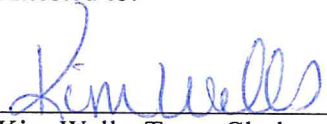
2003 Ford Crown Vic Police Car	<b>VIN/SERIAL#</b> 2FAFP71WX3X110227
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**NOW, THEREFORE, BE IT RESOLVED** by the Boonville Town Board that the Finance Officer/Town Clerk is authorized to sell by private negotiation or at electronic auction @ [www.GovDeals.com](http://www.GovDeals.com) at the earliest convenience the surplus property described above as per the terms and conditions as specified in the GovDeals Service contract approved by this Council and in accordance with G.S. 160A-267 or 270(c). The terms of the sale shall be net cash. The Finance Officer/Town Clerk is directed to publish at least once not less than ten (10) days before the date of the sale or auction, a copy of this resolution or a notice summarizing its content as required by North Carolina General Statute 160A-267 & 270(c).

Adopted on this the 2<sup>nd</sup> day of February 5, 2016.

  
\_\_\_\_\_  
Russell (Rusty) Hunter, IV, Mayor

Attested to:

  
\_\_\_\_\_  
Kim Wells, Town Clerk



## CONTRACT TO AUDIT ACCOUNTS

Of Town of Boonville  
Primary Governmental Unit  
N/A

Discretely Presented Component Unit (DPCU) if applicable

On this 1st day of February, 2016,

Auditor: Cannon and Company, LLP Auditor Mailing Address: 2160 Country Club Road

Winston-Salem, NC 27104 Hereinafter referred to as The Auditor

and Town Council (Governing Board(s)) of Town of Boonville  
 (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 generally accepted accounting principles (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, 2015, and ending June 30, 2016. 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 will 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 generally accepted auditing standards. 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 Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated workpapers 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/or workpapers 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 CPA Board).

County and Multi-County Health Departments: The Office of State Auditor will designate certain programs that have eligibility requirements to be considered major programs in accordance with OMB Circular A-133 for the State of North Carolina. The LGC will notify the auditor and the County and Multi-Health Department of these programs. A County or a Multi-County Health Department may be selected to audit any of these programs as major.

3. If an entity is determined to be a component of another government as defined by the group audit standards - the entity's auditor will 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. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government*



Governmental Unit

N/A

Discretely Presented Component Units (DPCU) if applicable

*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 (See Item 22). **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 State and Local Government Finance Division (SLGFD) within four months of fiscal year end. Audit report is due on: October 31, 2016. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay must 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 will 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 must 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 must be submitted by email in PDF format to the Secretary of the LGC for approval. The invoices must 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 will 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 Governmental Unit 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 signature pages.**)
10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall include documentation either in the notes to the audited financial statements or as a separate report submitted to the SLGFD along with the audit report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the SLGFD simultaneously with the Governmental Unit's audited financial statements unless otherwise specified in the bond documents.



Governmental Unit

N/A

Discretely Presented Component Units (DPCU) if applicable

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 client 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 accounting period.
12. If the audit firm is required by the NC CPA Board or the Secretary of the LGC to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Governmental Unit will not be billed for the pre-issuance review. The pre-issuance review must be performed **prior** to the completed audit being submitted to the LGC. The pre-issuance report must accompany the audit report upon submission to the LGC.
13. The Auditor shall electronically submit the report of audit to the LGC 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 must be sent to the Secretary of the LGC. 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 other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If it is determined by the LGC that corrections need to be made to the Governmental Unit's financial statements, they should be provided within three days of notification unless another time frame is agreed to by the LGC.

If the OSA designates certain programs to be audited as major programs, as discussed in item #2, agreed-upon procedures report, a turnaround document and a representation letter addressed to the OSA shall be submitted to the LGC.

The LGC's process for submitting contracts, audit reports and invoices is subject to change. Auditors should 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/sl原因/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 and/or compensation as may be agreed upon by the Governing Board and the Auditor
15. If an approved contract needs to be varied or changed for any reason, the change must 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 needs to be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract, and then must be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload your amended contract is <http://nctreasurer.sl原因.leapfile.net>. No change shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.
16. Whenever the Auditor uses an engagement letter with the Governmental Unit, Item #17 is to be completed by referencing the engagement letter and attaching a copy of the engagement letter to the contract to incorporate the engagement letter into the contract. In case of conflict between the terms of the engagement letter and the terms of

Governmental Unit

N/A

Discretely Presented Component Units (DPCU) if applicable

this contract, the terms of this contract will control. Engagement letter terms are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #22 of this contract. Engagement letters containing indemnification clauses will not be approved by the LGC.

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

See engagement letter.

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 must be named along with the parent government on this audit contract. Signatures from the DPCU Board chairman and finance officer also must be included on this contract.
19. The contract must be executed, pre-audited, physically signed by all parties including Governmental Unit and Auditor signatures and submitted in PDF format to the Secretary of the LGC. The current portal address to upload your 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 October 2015. These instructions are subject to change. Please check the NC Treasurer's web site at [www.nctreasurer.com](http://www.nctreasurer.com) for the most recent instructions.
20. The contract is not valid until it is approved by the LGC Secretary. 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***



Contract to Audit Accounts (cont.) Town of Boonville

Governmental Unit

N/A

Discretely Presented Component Units (DPCU) if applicable

Town of Boonville - FEES

Year-end bookkeeping assistance – [For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards] N/A

Audit \$80.00 per hour

Preparation of the annual financial Statements N/A

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 \$ 4,650

**\*\* NA if there is to be no interim billing**

*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:**

Cannon and Company, LLP

Name of Audit Firm

By Richard J. Tamer

Authorized Audit firm representative name: Type or print

Signature of authorized audit firm representative

Date 2-5-16

rtamer@cannon.pro

Email Address of Audit Firm

**Governmental Unit Signatures:**

Town of Boonville

Name of Primary Government

By Rusty Hunter, 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

\*\*

Signature of Audit Committee Chairperson

Date \_\_\_\_\_

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

Town of Boonville

**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. Additionally, the following date is the date this audit contract was approved by the governing body.

By Kim Wells

**Primary Governmental Unit Finance Officer:**

Type or print name

**Primary Government Finance Officer Signature**

Date \_\_\_\_\_

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

boonvillefo@embarqmail.com

**Email Address of Finance Officer**

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