Town of Boonville
February 2, 2019 Emergency Meeting Minutes
Harvey E. Smith Municipal Building

The following were in attendance at the 2/2/19 emergency meeting: Mayor Vaughn Benton, Commissioners William Paul Baity, Wayne Cook, Justin Phillips and Tony Reece. Also in attendance was Town Attorney James Freeman, Town Administrator Sarah Harris, Finance Officer/Town Clerk Kim Wells, and Interim Police Chief Bryan Rutledge.

Mayor Benton called the 2/2/19 emergency meeting to order at 10:03 a.m.

Commissioner Reece motioned to go into closed session per NCGS 143-318.11(a)(3). Commissioner Phillips seconded, and the motion passed unanimously.

Commissioner Cook motioned to adjourn. Commissioner Reece seconded, and the motion passed unanimously. The meeting adjourned at 12:21p.m.

Vaughn Benton

R. Devaughn (Vaughn) Benton, Mayor

Kim Wells

Kim Wells, Finance Officer/Town Clerk

Town of Boonville
February 5, 2019, Regular Meeting Minutes
Harvey E. Smith Municipal Building

The following were in attendance at the 2/5/19 regular meeting: Mayor Vaughn Benton, Commissioners William Paul Baity, and Tony Reece. Also in attendance were Attorney James Freeman, Town Administrator Sarah Harris, Finance Officer/Town Clerk Kim Wells, Public Works Director Jeff Jones and Interim Police Chief Bryan Rutledge. Commissioner Justin Phillips was absent.

I. **Call to Order and Welcome:** Mayor Benton called the 2/5/19 meeting to order at 7:00 p.m.

II. **Conflict of Interest Issues and Approval of Agenda:** Discussion followed. Commissioner Baity suggested amending the agenda as follows: IV – add 12/4/19 minutes as discussed (motion made 1/8/19 was done in error), VII. B. – vacant Commissioner Seat, to now include Commissioner Cook, and VII. F. add search for new Police Chief. Commissioner Baity motioned to approve the agenda as amended. Commissioner Reece seconded, and the motion passed unanimously.

III. **Pledge of Allegiance and Prayer:** Mayor Benton led the Pledge of Allegiance and the prayer.

IV. **Adoption of minutes: 1/8 regular session, 1/8 closed session, 2/2 emergency meeting, 2/2 emergency meeting closed session, 12/4 regular session:** Commissioner Baity motioned to adopt the 1/8 regular session, 1/8 closed session, 2/2 emergency meeting, 2/2 emergency meeting closed session minutes and 12/4 regular session as presented and to amend the 1/8/19 minutes, both as discussed. Commissioner Reece seconded, and the motion passed unanimously.

V. **Public Comments:** Ellen Reece, 402 N. Carolina Ave., stated that she should would be approaching the board at the next meeting with figures regarding the cost of the library.

VI. **Old Town Business:**

A. **Update on Water and Sewer Projects:** Public Works Director Jones gave an update on the water project. He informed the Board that Attorney Freeman was working on a closing for the land purchase. Mr. Jones referenced a conference call he and Mayor Benton had with the engineer. He stated that the engineer would like to make a presentation at the Budget Workshop or the next Board meeting on the options the town has to move forward on the sewer plant upgrade.

B. **Vacant Seat of Commissioner Carter and Cook:** Mayor Benton stated that before the Board accepted Commissioner Cooks resignation letter, he would like to speak to him. Discussion followed. Commissioner Baity suggested the Board take applications to see if anyone was interested in the vacant seat of Commissioner Carter. He stated the appointment would run until the next election, which would be in 2020. The Board instructed Town Administrator Harris to draft something up using other local town's forms as an example and to have the Mayor to approve it before giving it to the public.

C. **Administrative/Disconnect Fee:** Discussion followed. The topic was tabled until the Budget Workshop.

D. **Park:** Town Administrator Harris informed the Board that if they wanted to pursue the selling of the park, they would have to do an appraisal of the parcels. She stated the estimated cost of the service would be $400. Discussion followed. Commissioner Baity motioned to proceed with appraisal from Cornerstone Appraisal for up to $500. Commissioner Reece seconded and the motion passed unanimously.

E. **Intersection of 601/67:** Town Administrator Harris informed the Board that some of the decorative lighting owned by the town would have to be moved back up to 3 feet but that it would still fall in the D.O.T. right away. Ms. Harris mentioned the potential moving of the Town Sign and Kiosk. She stated that D.O.T. wanted to send a representative to a meeting to see what options the Board wanted before they could give us price quotes for the intersection upgrades.

VIII. **New Town Business:**

A. **Library Presentation:** Angie Walker and Kristin Johnson, employees of the Boonville Library, gave a presentation on the services the Library offers. They spoke of the Northwestern Regional Library system and what it does for the community. The ladies referenced numbers of attendees in the programs and stated that last year the door count of the library was an estimated 14,000.

B. **2019 Audit Contract with Cannon& Company:** Finance Officer/Town Clerk referenced the proposed contract with Cannon & Company. She compared the cost to prior years and recommended the Board stay with Cannon & Company for the upcoming year. Commissioner

Baity motioned to accept proposal from Cannon & Company for auditing. Commissioner Reece seconded and the motion passed unanimously.

C. **Waste Management Contract:** Town Administrator Harris stated that with the Waste Management contract ending soon, she needed guidance on what direction the Board wanted her to pursue. She stated that if we stay with Waste Management that the representative could set the rates but if we search else ware, the recycling rates will be a lot more than what we could get with Waste Management. Discussion followed on the Town going back to trash pickup. Consensus was to ask Waste Management for tiers with different rates.

D. **Proposed Budget Amendments dated February 5, 2019:** Finance Officer/Town Clerk Wells reviewed the proposed budget amendments. She asked the Board to consider the proposed, with the following corrections – General Fund Revenues add line title Beginning Fund Balance Powell in the amount of 10,050 & change Beginning Fund Balance from 15,360 to 5,310. Commissioner Baity motioned to approve the amended proposed budget amendments. Commissioner Reece seconded, and the motion passed unanimously.

E. **Wireless Internet for Police Department:** Interim Police Chief Rutledge presented estimates that Commissioner Cook had requested. He stated the cost with AT&T would be $113.37 monthly for 3 cars compared to $170 per month with Verizon. Mr. Rutledge stated this plan with AT&T was specific to 1st responders. Discussion followed on the transition from Verizon to AT&T. The consensus was to make Steve Hutchens the contact person for the account.

F. **Search for new Police Chief:** Commissioner Baity suggested forming a committee for the Police Chief search. Discussion followed. Commissioner Reece motioned to form a committee for Police Chief, with ~~Vaughn Benton as Mayor~~, William Paul Baity and Tony Reece as Commissioners. Commissioner Baity seconded and the motion passed unanimously. (Motion was amended on 2/19/19 to remove the mayor from the committee)

IX. Reports and announcements:

A. **Mayor's report:** Mayor Benton thanked the representatives of the Library and stated that the new Board will continue to support the Library and Education.

B. **Town Administrator's report**: Town Administrator Harris reviewed the Budget vs. Actual, stating that Water/Sewer Revenues were low because Parkdale was not utilizing water. She reported that the B.B.D.D.A. and the STEERING Committee recommends growing the Boonville Bash into the Yadkin Valley Melon Festival, which will be on August 3. She stated this will be a themed event that will hopefully attract more visitors into the area.

C. **Finance Officer's report:** Finance Officer Wells had nothing to report.

D. **Public Works Director's report:** Public Works Director Jones reported that the department was busy working on 2 projects. He stated that they would be doing valve maintenance the week of the Board meeting.

E. **Police Chief's report:** Interim Police Chief Rutledge had nothing to report.

F. **Departmental Commissioner's Reports**: Commissioner Baity expressed concern that Administration would not be with a Commissioner. He stated that he would like to volunteer to be over it until the Board could find a replacement. Mayor Benton stated that Commissioner Baity would be over Administration temporarily and that Commissioner Phillips has been given Streets/Sidewalks.

G. **Committee reports as needed:** Debbie Cooper, BBDDA, spoke on the committees ongoing membership renewal and facade improvement grant opportunities. She stated the members was working hard on the Melon Festival and that they met the 3rd Wednesday of the month. Mrs. Cooper stated that administrative and town support is always needed for the committee.

Discussion followed on the Mayor Protem position. Commissioner Reece motioned to make William Paul Baity Mayor Protem. Commissioner Baity seconded, and the motion passed unanimously.

Discussion followed on Commissioner Cook. Commissioner Baity motioned to accept Commissioner Wayne Cook's resignation letter. Commissioner Reece seconded and the motion passed unanimously.

X. Closed Session per NCGS 143-318.11(a) (3, &6): Commissioner Baity motioned to go into closed session per NCGS 143-318.11(a) (3, & 6). Commissioner Reece seconded, and the motion passed unanimously at 8:06 p.m.

Commissioner Baity motioned to accept Jarod Marion's resignation as of 1/22/19 and pay out the 16 hours of vacation. Commissioner Reece seconded, and the motion passed unanimously.

Town Administrator Harris read her letter of resignation and thanked the Town for the opportunity and support she has had from the Commissioners and the Community. She stated her last day with the town would be on March 1, 2019.

Discussion followed on the date of the first budget workshop.

XI. Adjourn: Commissioner Baity motioned to recess until 2/19/19 at 2:00. Commissioner Reece seconded, and the motioned passed unanimously. The meeting adjourned at 9:05 p.m.

Vaughn Benton

R. Devaughn (Vaughn) Benton, Mayor

Kim Wells

Kim Wells, Finance Officer/Town Clerk

Boonville

Sarah Harris <townadmin@boonvillenc.com>

ppraisal quotes

APPRAISAL SERVICES CORNERSTONE <cornerstone@yadtel.net> Wed, Jan 16, 2019 at 5:59 PM
To: townadmin@boonvillenc.com

The fee for the 3 parcels would be $400. I can have them back within two weeks of the date of assignment

Thanks
Ricky Roberts
Cornerstone Appraisal

cannon&company LLP
Certified Public Accountants

January 15, 2019

The Honorable Mayor and the Town Council
Town of Boonville, North Carolina

We are pleased to confirm our understanding of the services we are to provide Town of Boonville, North Carolina for the year ended June 30, 2019. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Town of Boonville, North Carolina as of and for the year ended June 30, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Boonville, North Carolina's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town of Boonville, North Carolina's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.
2) Budgetary Comparison Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Boonville, North Carolina's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

1) Individual fund statements and schedules
2) Schedule of expenditures of federal awards

2160 Country Club Road / Winston-Salem, NC 27104 / 336-725-0635 / Fax 336-725-0630
219 Moore Road / P.O. Box 330 / King, NC 27021 / 336-983-5985 / Fax 336-983-5935

www.cannonandcompanyllp.com

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on –

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major program and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Honorable Mayor and Town Council of the Town of Boonville. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will require such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Test of controls may be performed to test the effective of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing an detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issue pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Town of Boonville, North Carolina's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Town of Boonville's major programs. The purpose of these procedures will be to express an opinion on the Town of Boonville's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of the Town of Boonville in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and state awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegation of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in auditing findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review during audit fieldwork.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal and state awards no later than the date the schedule of expenditures of federal and state awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the North Carolina Local Government Commission; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Cannon & Company, L.L.P. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the North Carolina Local Government Commission or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Cannon & Company, L.L.P.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the North Carolina Local Government Commission or the NC Department of Environmental Quality. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in approximately October 2019 and to issue our reports no later than October 31, 2019. Richard J. Tamer is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rate of $82.00 plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Interest of fifteen percent annum will be added to any balance unpaid at the end of the month following the month billed. In accordance with our firm policies, work may be suspended if your account becomes significantly past due and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Our records retention policy requires us to return all original records and documents that you have given to us at the conclusion of the engagement. Your records are the primary records for your operations and comprise the backup and support for your financial reports. Our records and files are our property and are not a substitute for your own records. Our firm destroys our engagement files and workpapers after a period of seven years. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention dates.

In the interest of facilitating our services to Town of Boonville, North Carolina, we may communicate by facsimile transmission or send electronic mail over the internet. Such communications may include information that is confidential to Town of Boonville, North Carolina. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use reasonable efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement.

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis. If we receive a summons or subpoena requesting that we produce documents from this engagement or testify about this engagement, we will notify you prior to responding to it if we are legally permitted to do so. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you appropriate to protect information from discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inactions or failure as consent to comply with the request.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We appreciate the opportunity to be of service to Town of Boonville, North Carolina and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Cannon & Company, L.L.P.

RESPONSE:

This letter correctly sets forth the understanding of Town of Boonville, North Carolina.

Management signature: ______________________________

Title: ______________________________

Date: ______________________________

Governance signature: ______________________________

Title: ______________________________

Date: ______________________________

The	Governing Board Town Council
of	Primary Government Unit Town of Boonville, North Carolina
and	Discretely Presented Component Unit (DPCU) (if applicable)

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

and	Auditor Name Cannon and Company, LLP
	Auditor Address 2160 Country Club Road, Winston-Salem, NC 27104

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/19	Audit Report Due Date 10/31/19 *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).

County and Multi-County Health Departments: The Office of State Auditor will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on eligibility determination as required by OSA and in accordance with the instructions and timeline provided by OSA.

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

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the 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*, 2011 revisions, 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. 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. 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 Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC, 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 12).

10. 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.

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(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.

12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(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.

13. The Auditor shall submit the report of audit in PDF format to LGC Staff 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.

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

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

15. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools). 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.

16. 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 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 26 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

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

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

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

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

21. 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.

22. 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.

23. 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.

24. 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.

FEES FOR AUDIT SERVICES

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

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, 9, and 12 for details on other allowable and excluded fees.

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 below. 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. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year audit fee on file with the LGC, the LGC calculation prevails.

20 NCAC 03 .0505: All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law.

PRIMARY GOVERNMENT FEES

Primary Government Unit	Town of Boonville, North Carolina
Audit	$ 82 per hour
Writing Financial Statements	$ N/A
All Other Non-Attest Services	$ N/A
75% Cap for Interim Invoice Approval	$ 4,935.00

DPCU FEES (if applicable)

Discretely Presented Component Unit	
Audit	$
Writing Financial Statements	$
All Other Non-Attest Services	$
75% Cap for Interim Invoice Approval	$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm Cannon and Company, LLP	
Authorized Firm Representative (typed or printed) Richard J. Tamer	Signature
Date 01/15/19	Email Address rtamer@cannon.pro

GOVERNMENTAL UNIT

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

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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) Kim Wells	Signature
Date of Pre-Audit Certificate	Email Address boonvillefo@embarqmail.com

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU	
Date DPCU Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)	Signature
Date	Email Address

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

DPCU – PRE-AUDIT CERTIFICATE
(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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.

DPCU Finance Officer (typed or printed)	Signature
Date of Pre-Audit Certificate	Email Address

Remember to print this form, and obtain all required signatures prior to submission.

PRINT

CONTRACT

This Agreement made and entered into on this the 30th day of MAY, 2012, by and between the Town of Boonville, North Carolina, hereinafter referred to as "Town" and Waste Management of Carolinas, Inc., a North Carolina corporation, hereinafter referred to as "Contractor".

W I T N E S E T H:

WHEREAS, the Town is desirous of securing the services of the Contractor to provide for the collection and disposal of Municipal Solid Waste and recycling services to the Town and residents within the Service Area; and

WHEREAS, the Contractor desires to provide those services for the Town;

NOW, THEREFORE, it is hereby agreed as follows:

1. **DEFINITIONS:**

1.1 **APPROVED CONTAINERS** - An approved container shall be a Contractor provided Roll Out Cart Receptacle with two wheels and a properly designed axle and fittings, and a top lid that is to remain closed except when loading refuse, with a body consisting of ninety-six (96) gallons in capacity, constructed of heavy duty plastic and having the strength to store normal household garbage and refuse and equipped with proper attachments for hydraulic loading into the Contractor's collection vehicle by the hydraulic lifts affixed to such vehicle body. Bags, as described in Section 1.2, are also approved containers when the Cart is full and periodic excess volume is generated and such bags are placed adjacent to or on top of the Cart.

1.2 **BAGS** - Plastic sacks designed to store and enclose Refuse with sufficient wall strength to maintain physical integrity when lifted by top. Total weight of a bag with contents shall not exceed forty (40) pounds.

1.3 **BULKY WASTE** - Large items of solid waste such as furniture, white goods, mattresses, and other oversize wastes whose large size precludes or complicates their handling by normal solid waste collection, processing, or disposal methods.

1.4 **COLLECTION** - The act of removing solid waste (or materials that have been separated for the purpose of recycling) to a transfer station, processing facility, or disposal facility.

1.5 **COMMERCIAL ENTITIES** - Stores, offices, restaurants, warehouses, and other non-manufacturing activities which use front load containers and collection service.

1.6 CONSTRUCTION AND DEMOLITION WASTE - Solid waste resulting solely from construction, remodeling, repair, or demolition operations on buildings, or other structures, but does not include inert debris, land-clearing debris, yard debris, or used asphalt, asphalt mixed with dirt, sand, gravel, rock, concrete, or similar nonhazardous material.

1.7 GARBAGE - All putrescible waste, including animal offal and carcasses of less than ten (10) pounds in weight except those slaughtered for human consumption; every accumulation of waste (animal, vegetable and/or other matter) that results from the preparation, processing, consumption, dealing in, handling, packing, canning, storage, transportation, decay or decomposition of meats, fish, fowl, birds, fruits, grains or other animal or vegetable matter, including, but by no way of limitation, used tin cans and other food containers; and all putrescible or decomposable waste animal or vegetable matter which is likely to attract flies or rodent, but excluding sewage and human waste.

1.8 HAZARDOUS WASTE - Any chemical, compound, mixture, substance or article which is designated by the United States Environmental Protection Agency or appropriate agency of the State to be "hazardous" as that term is defined by or pursuant to Federal or State law or regulations.

1.9 LANDFILL - A disposal facility or part of a disposal facility where waste is placed in or on land and that is not a land treatment facility, a surface impoundment, an injection well, a hazardous waste long-term storage facility or a surface storage facility.

1.10 LIGHT COMMERCIAL ENTITY – A small business entity which utilizes a residential roll out cart receptacle for the collection of its waste.

1.11 MUNICIPAL SOLID WASTE - Solid waste resulting from the operation of residential, commercial, industrial, governmental, or institutional establishments that would normally be collected, processed, and disposed of through a public or private solid waste management service. Municipal solid waste does not include hazardous waste, sludge, or solid waste from mining or agricultural operations.

1.12 PERSON - Any individual, corporation, Contractor, association, partnership, unit of government, state agency, federal agency, or other legal entity.

1.13 RECYCLABLES - Newspapers and inserts, HDPE and PET plastic containers # 1-7, aluminum, bimetal, and ferrous beverage and food cans, and clear, green, and brown glass jars and bottles, foil and pie tins, aerosol cans, steel cans, chipboard, flattened corrugated cardboard (OCC), brown paper bags, paperboard, junk mail, magazines, paper cardboard, dairy and juice containers and telephone books all of which have been separated from the waste at the point of collection. Additional materials may be added to the definition of Recyclables upon mutual agreement of the parties.

1.14 REFUSE - This term shall refer to Garbage and Rubbish generated at a Residential Unit unless the context otherwise requires.

1.15 RESIDENTIAL UNIT - A dwelling within the Service Area as hereinafter defined, occupied by a person or group of persons. A Residential Unit shall be deemed occupied when water services, either public or private, are being supplied thereto. Each unit of an apartment or condominium dwelling consisting of four (4) or less living units, whether single or multi-level construction, shall be treated as a Residential Unit. On any one collection day, the Contractor will collect from each Residential Unit (and Town-approved small business) all garbage in approved containers.

1.16 RUBBISH/TRASH - All waste materials not included in the definition of Bulky Waste, Construction Debris, Garbage, Hazardous Waste, Yard Waste or Stable matter.

1.17 SANITARY LANDFILL - A facility for disposal of solid waste on land in a sanitary manner in accordance with the laws and regulations concerning sanitary landfills adopted by the State of North Carolina.

1.18 SERVICE AREA - All Residential Units, Light Commercial Entities, and Commercial Entities in the Town.

1.19 SOLID WASTE DISPOSAL SITE - A location at which solid waste is disposed of by incineration, sanitary landfill, or other approved method.

1.20 TRANSFER STATION - A site at which solid waste is concentrated for transport to a processing facility or disposal site. A transfer station may be fixed or mobile.

1.21 WHITE GOODS - Inoperative and discarded refrigerators, ranges, water heaters, freezers, and other similar domestic and commercial large appliances.

1.22 YARD DEBRIS - Solid waste consisting solely of vegetative matter resulting from landscaping maintenance.

2. TERM

The term of this Agreement shall begin July 1, 2012, ("Commencement Date") and continue through June 30, 2017. The Agreement may be extended for additional terms of two (2) years each, upon the mutual agreement of the parties expressed in writing prior to the expiration of the then current term.

3. **SERVICE**

The services to be provided by the Contractor shall be for once per week curbside collection of residential household and Light Commercial garbage (MSW) and for every other week curbside pickup of Recyclable Materials from all Residential Units and Light Commercial Entities in the Town. The Contractor will provide each Residential Unit and Town-approved business one (1) ninety-six (96) gallon Roll Out Cart for the storage and collection of MSW and one (1) ninety-six (96) gallon Roll Out Cart for the storage and collection of Recyclable Materials. Additional Roll Out Carts for Residential Units and Light Commercial Entities will be by mutual agreement of the parties hereto, however the charge shall be on a per Cart basis as herein described. Should a location generate on a continuing basis more volume than the capacity of one (1) Cart will accommodate, the Contractor will provide an additional Cart for servicing at the then current per Cart rate.

Contractor shall make every effort to avoid damaging private property, the Town's streets, turn around areas and/or cul de sacs. In the event Contractor is notified of a claim for damage, such claim shall be promptly investigated and responded to in an appropriate manner.

The initial number of customers shall be 477 Residential Units and 33 Light Commercial Entities. A joint house count shall be conducted by Contractor and the Town within one year of the Commencement Date to confirm the number of customers. Additional joint house counts may be conducted by the parties every other year to ensure accurate billing at the request of either party.

The Recyclable Materials will be placed in the Carts unsorted. When improper materials are placed in the Cart by the customer, the Contractor shall collect the proper material and leave the improper materials in the container with an explanatory note. All other educational literature to be supplied to residences, such as instructions or continuing education on the recycling program will be supplied by the Town.

The Contractor shall be responsible for sorting, handling, processing, storage, and marketing of the Recyclable Materials. Non-contaminated Recyclable Materials shall not be disposed of in a landfill or other disposal facility without the express permission of the Town. Should the market for a Recyclable Material covered by the terms of this Agreement collapse and render the product worthless (i.e. - local recycling processors will not accept the material without charge), the collection of such recyclable material shall be suspended until the markets improve unless the Town is willing to reimburse Contractor for marketing the materials at a negative value.

The Contractor shall maintain records on the weight of Recyclable Materials collected by type. The Contractor also shall maintain records on the set out rate (percentage of eligible households which put out a container on each collection day), and shall furnish an accurate estimate of the participation rate (percentage of eligible households which set out a container at least once per month). These records shall be furnished to the Town on a monthly basis. Monthly and year-to-date information shall be included in each report.

Backdoor service will be provided to residents who are determined by the Town to live in a residence in which no individual is physically capable of taking recyclables or garbage to the curb. Contractor shall not charge Town more for back door service than for curb service as long as the number of Residents receiving back door service does not exceed five percent (5%) of the total number of customers serviced under the Contract. The Town and Contractor shall cooperate to ensure the appropriate medical documents are current and maintained in good order.

The services described herein do not include the collection and disposal of any increased volume resulting from a flood, hurricane or similar or different acts of God over which the Contractor has no control. In the event of such a flood, hurricane or other acts of God, Contractor and the Town shall negotiate the payment to be made to Contractor for additional services, if the Contractor and Town agree that the increased volume is to be handled by the Contractor. Further, if the Town and Contractor reach such agreement, the Town shall grant the Contractor variances in routes and schedules as deemed necessary by the Contractor.

Contractor shall discontinue collection service at any location set forth in a written notice sent to Contractor by the Town. Upon further notification by the Town, the Contractor shall resume collection on the next regularly scheduled collection day. The Town shall indemnify, and hold Contractor harmless from any claims, suits, damages, liabilities or expenses resulting from the Contractor's discontinuing service at any location at the direction of the Town. All other service additions and deletions shall be adjusted on a quarterly basis.

Contractor also shall provide front-end collection services to large commercial businesses in accordance with the list of businesses provided by the Town to the Contractor. The quantity and size of container, as well as the frequency of collection may be adjusted according to specific need. Throughout the term of this contract, the Contractor will respond to varying requirements and adjust the service accordingly. Contractor shall not be required to collect industrial, special, or hazardous wastes from any businesses in the Town.

All large and small businesses and residences will have container capacity to prevent overflow conditions and if in the opinion of the Contractor such businesses and residences do not have sufficient container capacity, then a large bulk container will be provided by Contractor or additional plastic carts will be provided by the Contractor in order to allow proper collection and such businesses or residences will be charged the standard rate as hereinafter set out in this contract for the additional containers.

4. NEWLY DEVELOPED AND ANNEXED AREAS

The Contractor will, within thirty (30) days or less of notification by the Town, provide solid waste collection services of the same frequency and quality required by the Contractor to newly developed and annexed areas. As new homes are constructed and occupied in the Town, the Contractor shall, after proper notification by the Town, provide solid waste services as required by the Contract on the next scheduled day of collection following notification. The Contractor shall be responsible for notifying the Town of all locations being serviced which do not appear on the billing register.

5. POINT OF CONTACT

All dealings, contacts, etc., between the Contractor and the Town shall be directed by the Contractor to the Mayor or the designee of the Mayor.

6. HOURS AND DAYS OF OPERATION

Under normal conditions, the collection day for the Town will occur on Tuesdays for Solid Waste and Mondays every other week for single stream recycling. Collection shall not begin prior to 7:00 a.m. without the approval of the Town. Exceptions to collection hours shall be effected only upon the mutual agreement of the Town and Contractor, or when Contractor reasonably determines an exception is necessary in order to complete collection on an existing collection route due to unusual circumstances. The Contractor may elect to observe the following holidays:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

The Contractor may decide to observe a holiday by suspending and delaying the pickup day. Contractor shall provide Town with written notice at least ten days in advance of the alternate pick-up days during holiday weeks. Contractor shall not make a permanent change to the day of collection without first discussing the change with the Town.

7. APPROVED CONTAINERS

Garbage and Recyclable Materials generated for collection shall be stored in Approved Containers as described herein in Section 1.1. The Contractor shall not be required to collect such materials unless they are in Approved Containers. Only approved plastic bags may be used to supplement the capacity of the Roll Out Carts on those occasions when excess waste is generated as herein described.

8. EXTRAORDINARY WASTE MATERIALS

Hazardous Wastes, body wastes, abandoned vehicles, vehicle parts, Construction Debris, Bulky Waste, Yard Waste, Large equipment and their parts and dead animals will not be collected by the Contractor under the terms of this Contract.

9. OFFICE AND TELEPHONE CONTACT

The Contractor shall maintain an office and service facilities through which it may be contacted without charge by telephone. The office shall be equipped with sufficient telephones and shall have responsible personnel in charge from 8:00 a.m. until 5:00 p.m., Monday through Friday.

10. COMPENSATION

As compensation for this service, the Town shall pay to the Contractor the sum of Ten and 95/100 Dollars ($10.95) per Residential Unit per month for MSW and Recyclable Materials collection. Light Commercial Entities may choose between two levels of service. The Town shall pay to the Contractor the monthly sum of Fifteen and No/100 Dollars ($15.00) per Light Commercial Entity Unit for the weekly collection of MSW only (no Recyclable Materials). The Town shall pay to the Contractor the monthly sum of Twenty and No/100 Dollars ($20.00) per Light Commercial Entity Unit for the weekly collection of MSW and the every other week collection of Recyclable Materials. The cost of disposal is included in these rates. Contractor also shall be paid the monthly sum of Seventy and No/100 Dollars ($70.00) for the weekly collection of each 8 cubic yard commercial dumpster from Town designated commercial entities with front load containers.

The Compensation payable by the Town to the Company shall be annually adjusted by the same percentage as the Consumer Price Index for Urban Wage Earners and Clerical Workers for All Items - U.S. city average, (published by the Bureau of Labor Statistics, U.S. Department of Labor, 1982-84 = 100 ("C.P.I.")) shall have increased or decreased during the preceding twelve months. In the event the U.S. Department of Labor, Bureau of Labor Statistics ceases to publish the C.P.I., the parties hereto agree to substitute another equally authoritative measure of change in the purchasing power of the U.S. dollar as may be then available so as to carry out the intent of this provision. The initial rate adjustment shall take effect on the first anniversary date of the Commencement Date (July 1, 2013), and rate adjustments for succeeding contract years shall take effect on the successive anniversary dates of the Commencement Date (July 1) during each succeeding year throughout the term hereof. Monthly payments due by the Town to the Company shall be adjusted to compensate for such annual rate increases.

In addition, a flat rate fuel surcharge of two percent (2%) shall be applied to the base rates set forth above as adjusted during the term of the Agreement.

Contractor shall be entitled to an increase in compensation to offset any increase in disposal or landfill fees should the Contractor pay such fees. Documentation of such increases shall be submitted to the Town at its request. The Contractor also shall be entitled to an increase in its service rate to offset any increased costs associated with longer haul distance if the Town designates an alternate transfer station or landfill for disposal. In addition, in the event Contractor becomes liable for or is required to collect and/or pay any governmental tax or surcharge upon collection or disposal of such garbage and solid waste, such tax or surcharge shall be the responsibility of the Town to be paid along with Contractor's normal monthly compensation.

The Contractor shall bill the Town for service rendered within ten (10) days following the end of the month in which services are rendered and the Town shall pay Contractor on or before the 25th day following the end of such month.

11. **INDEMNITY**

Contractor shall indemnify and save harmless the Town, its officers, agents, servants, and employees, from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses, and attorney's fees to the extent resulting from a willful or negligent act or omission of the Contractor, its officers, agents, servants, and employees in the performance of this Agreement; provided, however, that the Contractor shall not be liable for any suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorneys' fees arising out of the award of this Agreement or for a willful or negligent act or omission of the Town, its officers, agents, servants and employees.

12. **DISPOSAL**

All waste collected by Contractor shall be disposed of by Contractor at the Yadkin County Landfill in Yadkin County, North Carolina. Disposal charges applicable to Residential and Light Commercial garbage and yard waste, which is the subject matter of this Contract, is included within the compensation to the Contractor.

13. **INSURANCE**

During the Term of this Contract, Contractor shall maintain in full force and effect the following minimum insurance:

Coverage	Limits of Liability
Workmen's Compensation	Statutory
Employer's Liability	$ 500,000.00
Bodily Injury Liability except Automobile	$ 1,000,000.00 each occurrence $ 2,000,000.00 aggregate
Property Damage Liability	$ 1,000,000.00 each occurrence

except automobile	$ 1,000,000.00 aggregate
Automobile Bodily Injury Liability	$ 1,000,000.00 each person $ 2,000,000.00 each occurrence
Automobile Property Damage Liability	$ 1,000,000.00 each occurrence
Excess Umbrella Liability	$ 5,000,000.00 each occurrence

The Contractor shall provide proof of existence of said policies to the Town prior to the effective date of the Agreement and annually thereafter. The Town shall be included as an additional insured on the comprehensive general liability and automobile liability policies.

14. LOCATION OF COLLECTION

Approved Containers shall be placed in a location that is readily accessible to the Contractor and its equipment, not to exceed five (5) feet from the curb or edge of the traveled portion of road or street. The Town will aid the Contractor in resolving problems of Cart location for servicing.

15. SERVICE INQUIRIES

All complaints shall be made directly to the Contractor. The Contractor shall give all complaints prompt and courteous attention. In the case of an alleged missed schedule collection, the Contractor shall investigate and if such allegations are verified, shall arrange for collection within twenty-four (24) hours of the time the complaint was received.

16. NOTIFICATION OF CUSTOMERS

Contractor shall notify all customers about the "scheduled day of service".

17. CONTRACTOR'S PERSONNEL

17.1 The Contractor shall assign a qualified person to be in charge of its performance of this Contract.

17.2 The Contractor's collection employees shall wear a uniform and shirt bearing the Contractor's name and the name of the individual employee.

17.3 Each employee shall, at all times, carry a valid drivers license for the type of vehicle he is driving.

17.4 The Contractor shall provide operating and safety training for all personnel.

17.5 No person shall be denied employment by the Contractor for reasons of age, race, sex, creed, or religion or national origin.

18. FORCE MAJEURE.

From and after the Date of this Agreement, a Contractor's performance hereunder may be suspended and its obligations hereunder excused in the event and during the period that such performance is prevented by a cause or causes beyond the reasonable control of the Contractor. Such causes may include, by way of example and not limitations, acts of God, acts of war, riot, fire, explosion, accident, flood or sabotage; lack of adequate fuel, power or raw materials, judicial administrative or governmental laws, regulations, requirements, rules, orders or actions; injunctions or restraining orders; the failure of any governmental body to issue, grant, or the suspension or revocation or modification of any license, permit or other authorization necessary for the services envisioned by this Agreement; national defense requirements; labor strike, lockout or injunction.

19. PERMITS, LICENSES AND TAXES

The Contractor shall obtain at its own expense all permits and licenses required by law or ordinance and maintain same in full force and effect. The Contractor shall promptly pay all taxes required by local, state and federal laws.

20. TERMINATION

Except as otherwise provided herein, if either party breaches this Agreement or defaults in the performance of any of the covenants or conditions contained herein for fifteen (15) days after the other party has given the party breaching or defaulting written notice of such breach or default, unless a longer period of time is required to cure such breach or default and the party breaching or defaulting shall have commenced to cure such breach or default within said period and pursues diligently to the completion thereof, the other party may: (a) terminate this Agreement as of any date which the said other party may select provided said date is at least thirty (30) days after the fifteen (15) days in which to cure or commence curing; (b) cure the breach or default at the expense of the breaching or defaulting party; and/or (c) have recourse to any other right or remedy to which it may be entitled by law, including, but not limited to, the right for all damage or loss suffered as a result of such termination. In the event either party waives default by the other party, such waiver shall not be construed or determined to be a continuing waiver of the same or any subsequent breach or default.

21. EXCLUSIVE CONTRACT

The Contractor shall have the sole and exclusive right to provide residential, small commercial business, and large business solid waste collection services for and on behalf of the Town, excluding services related to hazardous, special or industrial wastes.

22. NOTICE

A letter addressed and sent by certified United States Mail to either party at the business address specified shall be sufficient notice whenever required for any purpose in this Contract. Also, the address designated at this address may be changed from time to time by written notice sent by Certified U.S. Mail as provided herein.

Town:	Mayor Town of Boonville P.O. Box 326 110 Carolina Avenue North Boonville, NC 27011
Contractor:	Waste Management of the Piedmont 625 Smith Road Mt. Airy, North Carolina 27030 Attn: District Manager
with a copy to:	Group General Counsel Waste Management Southern Area 1000 Parkwood Circle, Suite 700 Atlanta, Georgia 30339

24. MODIFICATION

This Contract constitutes the entire contract and understanding between the parties hereto, and it shall not be considered modified, altered, changed or amended in any respect unless in writing and signed by the parties hereto.

25. COMPLIANCE WITH LAWS

The Contractor shall conduct operations under this Contract in compliance with all applicable laws, provided, however, that the terms of this Contract shall govern the obligations of the Contractor where conflicting ordinances exists.

26. LAW TO GOVERN

This Contract shall be governed by the laws of the State of North Carolina both as to interpretation and performance.

This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

IN WITNESS WHEREOF, this Agreement has been executed in duplicate original on the day and in the year first above mentioned.

THE TOWN OF BOONVILLE,
NORTH CAROLINA

Kim Wells
Witness

BY: K. Scott Whitaker
ITS: Mayor

THIS INSTRUMENT HAS BEEN PREAUDITED IN THE MANNER REQUIRED BY THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT.

THIS THE 18th DAY OF May, 2012

BY: Kim Wells
KIM WELLS, FINANCE OFFICE
TOWN OF BOONVILLE

WASTE MANAGEMENT OF CAROLINAS, INC.

Witness
Public Sector Manager

BY:
ITS: (Vice) President

Proposed Budget Amendments - February 5, 2019

By Kim Wells, Finance Officer

Powell Fund Bal

10,050 ~~10,500~~

		Account Number	Description	Current Budget $	Amendment	Ending Budget $	
General Fund							
	Revenues						
		100 - 400 - 40001 -	30002 Taxes Adv - 2nd Prior Year	1,250	500	1,750	Projected for Year End
		100 - 406 - 40006 -	33500 Miscellaneous Revenue	800	1,000	1,800	Includes PD calendar sales & 700+ from metal sales
		100 - 422 - 40022 -	39910 Beginning Fund Balance	(2,555.00)	~~15,360~~	~~12,805.00~~	To balance budget
				5310	16,860	2755	
	Expenses						
	Governing Body	100 - 410 - 50400 -	40012 Printing and Postage	50	25	75	Projected for Year End
	Administration	100 - 420 - 50400 -	40254 Group Insurnace	11,000	560	11,560	Projected for Year End
	Police	100 - 510 - 50400 -	40016 M & R Equipment	500	2,000	2,500	Request made by B. Rutledge
		100 - 510 - 50400 -	40057 Miscellaneous Expense	200	500	700	Ratify the calendar sales (consensus from prior board funds be put here)
	Streets	100 - 560 - 50400 -	40254 Group Insurnace	4,500	6,710	11,210	Projected for Year End (need to add 1/4 J Jones expense)
	Powell Bill	100 - 570 - 50400 -	40074 Capital Outlay	40,000	10,000	50,000	Adj to actual
		100 - 570 - 50400 -	41116 Snow Removal	1,500	50	1,550	Adj to actual
	Sanitation	100 - 580 - 50400 -	40033 Supplies & Materials	200	100	300	Projected for Year End
					16,860		
Enterprise Fund							
	Revenues						
		300 - 406 - 40006 -	33503 Insurance Proceeds	2,000	5,700	7,700	Adj to actual
		300 - 422 - 40022 -	39910 Beginning Fund Balance	19,146.00	(4,610)	14,536.00	To balance budget
					1,090		
	Expenses						
	Water	300 - 810 - 50400 -	40014 Travel	-	40	40	Adj to actual
		300 - 810 - 50400 -	40254 Group Insurnace	24,100	(5,739)	18,361	Move expense to General Fund
		300 - 810 - 50400 -	40335 Supplies - Chemicals	4,000	3,000	7,000	Projected for Year End
	Sewer	300 - 820 - 50400 -	40053 Dues and Subscriptions	3,610	140	3,750	Adj to actual
		300 - 820 - 50400 -	40114 Schooling & Training	200	50	250	Adj to actual
		300 - 820 - 50400 -	40254 Group Insurnace	22,000	(2,600)	19,400	Move expense to General Fund
	Sewer Plant	300 - 830 - 50400 -	40057 Miscellaneous Expense	200	500	700	Projected for Year End
					1,090		

Powell

FIRSTNET™
Built with AT&T

AT&T Spring Business Jason Simkowitz 1831 Hendersonville Rd Suite 130 Asheville, NC 28803 jason.simkowitz@springbusiness.com 828-279-5256	**Town of Liberty** Bryan Rutledge Chief of Police 108 Carolina Ave North Boonville, NC 27011 bryan.rutledge@boonvillenc.com 336-258-0170 Boonville Crossroads of the Yadkin Valley

EQUIPMENT:

TYPE OF EQUIPMENT	EQUIPMENT DESCRIPTION	QUANTITY	UNIT COST	ACTIVATION CREDIT	TOTAL
Mifi Device	Netgear Nighthawk Mifi	3	$0.99	$150.00	$2.97
					$0.00
					$0.00
					$0.00
					$0.00
				$150.00	$2.97

ACTIVATION CREDITS: *One time Activation Credit for new lines of service. Credit will post to the billing account within 3-4 billing cycles.

EQUIPMENT SUB-TOTAL	**$2.97**

VOICE & DATA SERVICES:

RATE PLAN	PLAN DESCRIPTION	QUANTITY	MONTHLY COST	MONTHLY TOTAL
Data Plan: FirstNet Unlimited	Monthly Recurring Cost: Unlimited Data with FirstNet Priority and Preemption.	3	$ 36.80	$ 110.40
Smartphone Plan: FirstNet Unlimited Standard	Monthly Recurring Cost: Unlimited voice minutes, unlimited data, unlimited text messaging with FirstNet Priority and Preemption.	0	$ 39.99	$ -
Basic Phone Plan: FirstNet Voice and Text	Monthly Recurring Cost: Feature to allow push to talk, situational awareness, and full department	0	$ 22.99	$ -
Enhanced Push to Talk: Interoperability for Smartphones	Monthly Recurring Cost: Feature to allow push to talk, situational awareness, and full department	0	$ 2.00	$ -
SERVICES TOTAL (Monthly Recurring Cost)				$ 110.40
EQUIPMENT TOTAL				$2.97
GRAND TOTAL (MRC, One time Equipment Charge)				$ 113.37

Plan Includes:
Unlimited Data With No Data Cap

Waived Activation and Upgrade Fees

Priority/Preemption on the Network