

TOWN OF RICHLANDS Town Board Meeting May 11, 2021 6:00 PM AGENDA

- I. Meeting Called to Order by Mayor McKinley Smith
- II. Pledge of Allegiance
- **III.** Invocation
- IV. Adoption of the Agenda
- V. Adoption of the Minutes
 - 1. April 2021 Meeting Minutes

VI. Public Hearings

1. Public Hearing - Zoning Text Amendment

VII. Old Business

VIII.New Business

- 1. Fiscal Year 2021-2022 Budget Presentation
- 2. Sylvester Farms Development Easements
- 3. Zoning Text Amendment (Ordinance 2021-01)
- 4. ONWASA Administrative Services Agreement
- 5. FY 20-21 Audit Contract
- 6. Schedule Public Hearings

IX. Administrator Notes and Updates

1. Administrator Notes and Updates

X. Police Report

- 1. April 2021 Police Report
- XI. Public Comment

XII. Board Member Concerns and Committee Updates

XIII.Personnel

XIV. Closed Session

XV. Adjourn



Agenda Item V. - 1. April 2021 Meeting Minutes

Description:

Review:

Attached are the minutes for the April 13, 2021 Regular Meeting of the Richlands Board of Aldermen and the April 27, 2021 Budget Workshop.

Action Needed:

Adopt the Minutes.

ATTACHMENTS:

Description

- □ April 13, 2021 Meeting Minutes
- April 27, 2021 Budget Workshop Minutes

Town of Richlands

North Carolina

Office of the Town Clerk (910) 324-3301 (910) 324-2324 fax townclerk@richlandsnc.gov Mailing Address: P.O. Box 245 Richlands. N.C. 28574



The Richlands Board of Aldermen met in regular session on Tuesday, April 13, 2021, at 6:00 pm in the board room at the Richlands Town Hall. Present for the meeting were:

Mayor McKinley Smith Alderman Kent Painter Alderman Kandy Koonce

Alderman Marilyn Bunce Alderman Paul Conner Alderman Tom Brown

Also present were: Gregg Whitehead, Town Administrator Keith Fountain, Town Attorney Johnathan Jarman, Public Works Director

Doreen Putney, Town Clerk Chief William A. Horne, Police Department

There were no citizen present.

I. <u>MEETING CALLED TO ORDER</u>:

Mayor McKinley D. Smith called the meeting to order at 6:00 pm.

II. <u>PLEDGE OF ALLEGIANCE</u>: Alderman Marilyn Bunce

III. <u>INVOCATION</u>: Mayor McKinley D. Smith

IV. <u>ADOPTION OF AGENDA</u>:

Gregg Whitehead, Town Administrator, presented the agenda to the Board.

A **motion** was made by Alderman Kandy Koonce, seconded by Alderman Kent Painter to adopt the agenda as presented. The motion was unanimously carried.

V. <u>APPROVAL OF MINUTES (March 09, 2021)</u>:

A **motion** was made by Alderman Kent Painter, seconded by Alderman Kandy Koonce to approve the regular board meeting minutes of March 09, 2021. The motion was unanimously carried.

VI. <u>PUBLIC HEARING</u>: None

VII. <u>OLD BUSINESS</u>: None

VIII. <u>NEW BUSINESS</u>:

1. <u>RVFD Activity Update:</u>

Mr. David Fites, Captain and Vice President of the Richlands Volunteer Fire Department gave an update to the Board on current activities and future plans for the RVFD. He provided call lists from 2016 to 2019 to the Board as well as their 2020 Edition of Standard of Coverage.

2. Solid Waste Contract Bid Review:

The Board was presented with two qualifying bids for the solid waste & recycling collection for the town, GFL Environmental and Tons of Trash. GFL's bid is for \$9.50 per cart and they will also buy back our existing carts at \$60.00 per cart. Tons of Trash's bid was \$11.00 per cart. We currently pay \$11.24 per cart and provide the carts. With the new contract, they will have to provide all garbage and recycling carts to the residents.

After discussion a **motion** was made by Alderman Kent Painter seconded by Alderman Paul Conner to approve the GFL Environmental bid and authorize the Town Administrator and the Town Attorney to negotiate and approve a final 5 year contract. The motion was unanimously carried.

3. <u>Schedule Public Hearing (Zoning Text Amendment, Off-Premise Signs)</u>:

Mr. Whitehead reported there is new language for our off-premise sign zoning text and request for the Board to schedule a public hearing to receive public input concerning a proposed zoning text amendment to the off-premise sign regulations.

After further discussion, a **motion** was made by Alderman Tom Brown, seconded by Alderman Kandy Koonce to schedule a public hearing for May 11, 2021 at 6:00 PM to receive public input on the Zoning Text Amendment for Off-Premise Signs. The motion was unanimously carried.

IX. <u>ADMINISTRATOR NOTES AND UPDATES</u>:

The Town Administrator, Gregg Whitehead, presented a copy of notes and updates to the Board which are incorporated by reference and hereby made part of these minutes. Mr. Whitehead also reported on the following:

Mr. Whitehead asked the Board for a motion to schedule a budget workshop for the last week of April.

A **motion** was made by Alderman Paul Conner, seconded by Alderman Marilyn Bunce to schedule the Budget Workshop for Tuesday, April 27, 2021 at 9:00 AM. The motion was unanimously carried.

X. <u>POLICE REPORT</u>:

Chief William A. Horne presented the Police Activity Log for the month of March 2021, which are incorporated by reference and hereby made part of these minutes. Chief Horne also reported on the following:

- Attended a task force event in Holly Ridge. Also completing highly local events. We have 6000 points for GHSP.
- Completed paperwork and submitted the order for new body cameras. Could take up to 10 weeks to receive. Found that the cameras will integrate with our radios and activate upon emergency button activation.
- Wrapping up our in-service training.
- Received new desks.
- State launched new citation software BRAZOS. Currently working out the bugs. The old e-citation software will no longer work effective 4/20/21.
- Chief will be attending the NC Chiefs of Police Association annual conference May 9-13, 2021 in Cherokee, NC

XI. <u>PUBLIC COMMENT</u>: None

XII. BOARD MEMBER CONCERNS and COMMITTEE UPDATES:

<u>Alderman Marilyn Bunce</u>: Since the Public Safety Committee tabled the issue of making Trenton Street a one-way street, Alderman Bunce requested for NO PARKING on the street side during certain times of the day. Mr. Whitehead stated that he would look into the issue and bring back to the Board.

<u>Alderman Paul Conner</u>: Also expressed concerns with the same issue on Hargett Street due to a narrow street and people parking along both sides of the street and cars exceeding the speed limit. Hargett St. belongs to DOT, so Mr. Whitehead would need to contact them to gather information concerning the issue. Attorney Keith Fountain stated that there may already be an ordinance or statues on impeding traffic and they will look into it.

XIII. <u>PERSONNEL:</u> None

XIV. <u>CLOSED SESSION</u>: None

XV. <u>ADJOURN</u>:

With no further business, a **motion** was made by Alderman Paul Conner, seconded by Alderman Kandy Koonce to adjourn the meeting at 6:41 pm. The motion was unanimously carried.

Respectfully Submitted,

Attest: Doreen Putney, Town Clerk Mayor McKinley D. Smith

Town of Richlands

Office of the Town Clerk (910) 324-3301 (910) 324-2324 fax richlandsclerk@embargmail.com North Carolina



Mailing Address: P.O. Box 245 Richlands. N.C. 28574

TOWN OF RICHLANDS BOARD OF ALDERMEN BUDGET WORKSHOP TUESDAY, APRIL 27, 2021

The Richlands' Board of Aldermen met on Tuesday, April 27, 2021 at 9:00 am for FY 21/22 Budget Workshop which was held in the Board Room of the Richlands Town Hall. Present for the workshop were:

Mayor McKinley Smith Alderman Marilyn Bunce Alderman Paul Conner Alderman Kent Painter Alderman Kandy Koonce Town Administrator, Gregg Whitehead Town Clerk, Doreen Putney Public Works Director, Johnathan Jarman Police Chief William A. Horne Alderman Tom Brown

Also in attendance was David Fites, Captain and Vice President with the Richlands Volunteer Fire Department.

WORKSHOP CALLED TO ORDER:

The Budget Workshop was called to order by Mayor McKinley Smith at 9:00 am.

INVOCATION: Mayor McKinley Smith

INTRODUCTION, EXPECTATIONS & BUDGET OVERVIEW:

Mayor McKinley Smith requested for Town Administrator, Gregg Whitehead, to proceed with the presentation of the proposed budget for FY 2021/2022.

Gregg Whitehead, Town Administrator, presented a proposed budget for FY 2021/2022 to the Board.

PROPOSED BUDGET HIGHLIGHTS FOR FY 21/22

Mr. Whitehead gave a brief overview of the proposed FY 2021/2022 budget as follows:

The property values for Richlands have experienced an increase of \$4,685,000 or 2.9% over 2020 values. The net increase without a tax rate change is \$18,740.

- The total budget is \$1,549,200 which represents a 45.56% increase over the 2020 FY budget. The total increase is \$81,600.00.
- > No tax increase is proposed at this time, with the property tax rate remaining at \$.40.
- > The garbage collection fee is to remain at \$17.00/month/cart.
- > ZERO fund balance is appropriated at this time.
- ▶ Health care costs are anticipated to increase by .9% percent, less than 1%.
- A 4% cost of living increase is proposed for some full-time employees, including myself. I am proposing specific raises for three employees with long tenure to the town. This action will represent a \$42,040 increase in salaries. However, \$7,500 in additional personnel costs are incurred by the Local Retirement Contribution rate increases.
- \$7,000.00 is allocated to cover the amount required by the 2020 annexation agreement with Sylvester Farms Development.
- The Richlands Volunteer Fire Department contribution is being increased by an additional \$10,000 for a total FY contribution of \$40,000.
- ▶ \$66,630 in non-capital and capital outlay purchases are included in the budget.
- Revenue trends indicate an increase in both property tax and sales tax revenues for FY 21/22.
- State retirement (ORBIT) rates have increased to 11.93% for general employees and 12% for law enforcement.

Mr. Whithead also reported on the following:

- Next year will be a revaluation year. Mr. Whitehead recommend not to raise taxes this year and to wait until the revaluation process is complete.
- The town's tax rate was the highest in 2003 at \$.45. We are now at \$.40.
- Every penny in increase property tax would equal to approximately \$16,079.
- We did extremely well with sales tax revenues this year. We were concerned with sales tax revenues tanking due to COVIS-19, however, with everyone reverting to online sales our sales tax revenues have increased.
- We have more revenue in the budget than we originally predicted.
- In the FY 21/22 proposed budget, we will have \$4,100 of funds that we have not spent and are not in the budget yet, therefore, it is not yet balanced. The Board can decide what to do with those funds.
- Property tax revenues account for 41.96% of our revenue.
- Sales tax is the next highest revenue at 24.92%.
- Garbage collection would be the third highest at 11.76%.
- State collected revenues at 8.92%.
- Public Works Department and Public Safety Department are both at 35% for total expenditures.
- Administration accounts for 18% of total expenditures.

DEPARTMENT NEEDS & ISSUES:

Administration Department's total request is \$3,000.00:

Mr. Whitehead reported on the following for Administration:

• \$3,000 is allocated to purchase a new desk for the front office.

• Department budget is \$24,100 more than FY 20-21.

Governing Body's total request is \$4,100.00:

Mr. Whitehead reported on the following for Governing Body:

- \$2,000 is allocated to RDR to fund the façade grant program.
- \$2,100 is allocated to purchase 6 Chromebooks to replace the defunct tablets.

Public Safety Department's total request is \$37,400.00:

Mr. Whitehead reported on the following for the Public Safety/Police Department:

- \$1,300 is allocated for non-capital purchases including 8 tactical flashlights.
- \$36,100 is allocated for a new patrol vehicle (Dodge Charger V-8) and portable radar sign.
 - Portable RADAR traffic sign, \$2,800
 - Streamlight tactical flashlights, \$856.00
 - (3) Toughbook docking stations \$285.00
 - Jump starter box, \$150.00

Chief Horne stated that the 2008 Dodge Charger is currently parked due to needing extensive repairs. It currently has 130,000 miles. The book value is \$4,000. Will look at listing it on GovDeals in fall.

Public Works Department's total request is \$14,000.00:

Mr. Whitehead reported on the following for the Public Works/Streets Department:

- \$14,000 is allocated to purchase a new zero-turn mower and utility trailer.
 - The Xmark mower, \$11,500.00.
 - A utility trailer to haul the mower, \$2,500.00.

Mr. Jarman stated that next year he is looking at a new flatbed, \$45.000.

Public Buildings and Grounds's total request \$9,200.00:

Mr. Whitehead reported on the following for Public Buildings:

- \$6,900 is allocated for the replacement of the floor in the foyer/lobby and both bathrooms.
- \$2,300 is allocated to install two additional keyless locks at town hall and install a 4' emblem/seal in the board room.

MISCELLANEOUS DISCUSSION AND REVIEW:

- Mr. Whitehead reported that \$5,000 is in the budget to comply with the ADA requirements and have a plan drawn up.
- Alderman Marilyn Bunce inquired about an electronic sign. Mr. Whitehead stated that it is listed in the capital improvement plan over the next five years.

- Electronic sign is scheduled for FY 22/23.
- Flatbed truck is also scheduled for FY 22/23.
- Street improvements is scheduled for FY 23/24 if possible.
- We still have two more years for payments on the 2012 Street Improvement Project.
- Mr. Whitehead stated that the fire department contribution will increase by \$10,000 to \$40,000.

Mr. David Fites, Captain with the RVFD reported the new building is on hold right now due to the drastic increase in building materials.

Mr. Whitehead reported on the American Rescue Plan that was signed into law by President Biden on March 11, 2021. It allocates \$1.9 trillion to COVID 19 relief and economic recovery. Cities and towns will receive \$1.3 billion. The town is expected to receive \$500,000 in ARP funds. Funds will be allocated on a two-year cycle with the first allocation expected sometime in May 2021 and the second allocation a year later. Any unused funds must be returned to the US Treasury. We still do not know the rules on how the funds can be allocated.

FY 2021/2022 Schedule of Fees:

- Everything is the same as last year's fee schedule.

ADJOURN:

There being no further business, **a motion** was made by Alderman Tom Brown, seconded by Alderman Paul Conner to adjourn the workshop at 11:30 am. The motion was unanimously carried.

Respectfully Submitted,

Attest: Doreen Putney, Town Clerk Mayor McKinley Smith



Agenda Item VI. - 1. Public Hearing - Zoning Text Amendment

Description:

Public Hearing - Zoning Text Amendment.

Review:

The Board needs to hold a public hearing in order to receive public comment concerning a request to amend Section 153.192, Paragraph A – Miscellaneous Requirements of the Richlands Zoning Ordinance, to correct inconsistent language and to provide clearer regulations regarding the permitted location and number of off-premise signs.

Action Needed:

Hold the public hearing.



Agenda Item VIII. - 1. Fiscal Year 2021-2022 Budget Presentation

Description:

Presentation of the Proposed Fiscal Year 2021-2022 Budget.

Review:

I will be submitting for your review the proposed budget for FY 2021-2022. Once submitted, the Board will need to schedule a public hearing on the proposed budget and adopt the budget ordinance prior to July 1, 2021.

Action Needed:

Receive the proposed budget.



Agenda Item VIII. - 2. Sylvester Farms Development Easements

Description:

Sylvester Farms Development Easements.

Review:

Sylvester Farms Development is seeking approval of four maps with minor easements. The easements will facilitate the construction of the utilities, including storm water facilities for Phase 1 and Phase 2 of the development. Mr. Ely Perry will be available to provide a more detailed explanation of the map requests.

Action Needed:

Approve the maps if desired.

ATTACHMENTS:

Description

- D Phase 1 Easement Map
- D Phase 2 Easement Map
- Lot 10 Easement Map
- Lot 13 Easement Map











Agenda Item VIII. - 3. Zoning Text Amendment (Ordinance 2021-01)

Description:

Zoning Text Amendment (Ordinance 2021-01).

Review:

Now that the Board has held the required public hearing, the Board may deliberate and vote on the zoning text amendment (Ordinance 2021-01) to amend Section 153.192, Paragraph A – Miscellaneous Requirements, to correct inconsistent language and to provide clearer regulations regarding the permitted location and number of off-premise signs. The attached red line document and draft ordinance shows the existing and amended text to the regulations regarding off-premise signs. With the amended language the Tractor Supply store will be able to have an off-premise sign located at the stormwater pond site adjacent to the proposed store location and across from Nathaniel Drive.

The attached ordinance and Plan Consistency Statement will need to be adopted in order to officially amend the zoning text. The Planning Board has reviewed the request and unanimously recommended approval.

Action Needed:

Approve the ordinance and plan consistency statement if desired.

ATTACHMENTS:

Description

- D Off-Premise Sign Text Changes
- D Ordinance 2021-01
- D Phase 2 Map
- D Plan Consistency Statement (Ordinance 2021-01)

§ 153.192 MISCELLANEOUS REQUIREMENTS.

(1) No off-premise sign may be located within 1,000 feet of any other off-premise sign. No off-premises signs may be located within 1,000 feet of any residential district unless all the following requirements are met:

(2) Said off-premise sign is to be located no less than 600 feet from a residential district.

(3) Said off-premise sign is advertising a non-residential development that has street frontage on a local street and desires off-premises signage on an arterial street that is within 400 feet of the development.

(4) Said non-residential development may erect one off-premise sign advertising said non-residential development.

(5) Said off-premise sign shall be calculated as part of the overall sign surface area for the development as enumerated in § 153.186 of this chapter.

(6) Said off-premise sign must be located on property owned by the requesting nonresidential development and/or community property owned by a Property Owners Association (POA) that the non-residential development is a member of such as a stormwater facility lot. Said off-premise sign may not be located more than 400 feet from the non-residential development.

(7) Said off-premise sign shall not exceed the size restrictions as enumerated in Section 153.187.

(B) No sign may be located so that it substantially interferes with the view necessary for motorists to proceed safely through intersections or to enter onto or exit from public streets or private roads.

(C) All signs must be constructed and erected in accordance with the Southern Building Code and its related State Building Code amendments.

(D) No sign may be erected on town-maintained or private rights-of-way so that by its location, color, size, shape, nature or message it would tend to obstruct the view of or be confused with official traffic signs or other signs erected by governmental agencies.

(E) Freestanding signs shall be securely fastened to the ground or to some other substantial supportive structure so that there is virtually no danger that either the sign or the supportive structure may be moved by the wind or other forces of nature and cause injury to persons or property.

(F) Outdoor advertising signs shall be located in such a way that they maintain horizontal and vertical clearance of all overhead electrical conductors in accordance with the National Electrical Code; provided that, in no case shall an outdoor advertising sign be erected closer than ten feet horizontally or vertically from any conductor or public utility guy wire.

(G) Whenever an outdoor advertising sign or structure becomes structurally unsafe, the Building Inspector shall give written notice to the owner of the sign, or the owner of the premises on which the sign is located, that such sign shall be made safe or removed within ten days of said notification. Further, whenever an outdoor advertising structure has outlived any useful purpose for which it was intended, it shall be removed forthwith. (Ord. passed 4-9-2013)

ORDINANCE 2021-01

Ordinance Amending Official Richlands Zoning Regulations

Introduced: May 11, 2021 Adopted: May 11, 2021

WHEREAS, the Town of Richlands (hereinafter Town), recognizes some inconsistent language in certain sections of Chapter 153 ZONING of the Richlands Code of Ordinances, specifically those sections pertaining to the regulation of off-premise signs; and

WHEREAS, the proposed Text Amendment has been reviewed and deemed appropriate by the Richlands Planning Board; and

WHEREAS, the Richlands Board of Aldermen has posted the required notice and a public hearing for the proposed Text Amendment was held on May 11, 2021; and

NOW, THEREFORE, BE IT ORDAINED:

SECTION 1. That the Richlands Board of Aldermen amends Title XV, Section 153.192, by repealing Paragraph A of Section 153.192 and replacing it with a new Paragraph A that reads as follows: Ordinances as follows:

(A) (1) No off-premise sign may be located within 1,000 feet of any other off-premise sign. No off-premises signs may be located within 1,000 feet of any residential district unless all the following requirements are met:

(2) Said off-premise sign is to be located no less than 600 feet from a residential district.

(3) Said off-premise sign is advertising a non-residential development that has street frontage on a local street and desires off-premises signage on an arterial street that is within 400 feet of the development.

(4) Said non-residential development may erect one off-premise sign advertising said non-residential development.

(5) Said off-premise sign shall be calculated as part of the overall sign surface area for the development as enumerated in § 153.186 of this chapter.

(6) Said off-premise sign must be located on property owned by the requesting nonresidential development and/or community property owned by a Property Owners Association (POA) that the non-residential development is a member of such as a stormwater facility lot. Said off-premise sign may not be located more than 400 feet from the nonresidential development.

(7) Said off-premise sign shall not exceed the size restrictions as enumerated in Section 153.187.

SECTION 2. All existing ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 3. If any section, subsection, paragraph, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed severable and such holding shall not affect the validity of the remaining portions hereof.

SECTION 4. This ordinance shall be effective immediately upon its adoption.

Adopted at a Regular Board Meeting on May 11, 2021.

McKinley Smith, Mayor

ATTEST:

Approved as to form:

Doreen Putney, Town Clerk

Town Attorney



Revisions

1150 SE MAYNARD ROAD

SUITE 260

CARY, NC 27511

(919) 467–9708 C-0329

21117

Owner: 24 East Development, LLC & Sylvester Farm Investments, LLC 108 W. Franck Street Richlands, NC 28574 (252) 523–5107

Project Phase 2 Sylvester Development Hwy 24 - Richlands NC

Enlarged Site Plan

Date October 14, 2019

Scale 1" = 50'

Sheet

CS - 5

Town of Richlands

Office of the Town Administrator (910) 324-3301 (910) 324-2324 fax NORTH CAROLINA



Mailing Address P.O. Box 245 Richlands. N.C. 28574

April 28, 2021

Land Use Plan Consistency Statement Richlands Planning Board

RE: Text Amendment Regarding Off-Premise Signs.

The Richlands Planning Board finds the action to amend the Town's Zoning Regulations by inserting a new Paragraph A of Section 153.192 of the Richlands Code of Ordinances to be consistent with the 2009 CAMA Land Use Plan. The proposed text amendment replaces inconsistent and confusing language in the paragraph and better clarifies the location and number of off-premise signs allowed in a permitted zoning district.

The 2009 CAMA Land Use Plan encourages commercial and office development to employ low profile signage and subtle outdoor lighting consistent with attractive building appearance and design, and to reduce light pollution. New, as well as replacement, signage and lighting shall be subject to this policy. The proposed text amendment limits commercial off-premise signage where appropriate and therefore is deemed compatible and consistent with the 2009 CAMA Land Use Plan.

The Richlands Planning Board met on April 28, 2021 to review and discuss the proposed zoning text amendment. The Richlands Planning Board unanimously voted to recommend that the proposed zoning text amendment be approved by the Richlands Board of Aldermen.

Sincerely,

Ung

Daniel Gray Chair, Richlands Planning Board



Agenda Item VIII. - 4. ONWASA Administrative Services Agreement

Description:

ONWASA Administrative Services Agreement.

Review:

Attached is the 2021-2022 Administrative Services Agreement between ONWASA and the Town of Richlands and provides for the continuing operation of the satellite office located at town hall. No changes have been made to the Agreement from last year.

Action Needed:

Approve the agreement.

ATTACHMENTS:

Description

D Administrative Services Agreement (2021)

ADMINISTRATIVE SERVICE AGREEMENT

AGREEMENT made this _____ day of _____, 2021, by and between **ONSLOW WATER AND SEWER AUTHORITY** (the "Authority") a body politic and corporate of the State of North Carolina, and the **TOWN of RICHLANDS** (the "TOWN"), a municipal corporation of the State of North Carolina;

WITNESSETH:

WHEREAS, the County of Onslow (the "County") the City of Jacksonville, and the Towns of Swansboro, Richlands, North Topsail Beach and Holly Ridge, acting through their respective governing bodies, pursuant to the provisions of Article 1, Chapter 162A of the General Statutes of North Carolina, organized and incorporated the Authority as a vehicle to assist in providing a satisfactory supply of potable water and sewer collection/treatment for citizens of the member governments of the Authority; and,

WHEREAS, in furtherance of the purposes for which the Authority was created, the County and above referenced municipalities, with the exception of Jacksonville, leased to the Authority their water and sewer systems pursuant to long term Capital Lease Agreements and the Authority pursuant to Water and Sewer Service Agreements having terms concurrent with the Capital Lease Agreements, agreed with each such member government to meet the water and sewer needs of their citizens within the limitations of available supply; and

WHEREAS, the Authority's main offices are on Georgetown Road in the City of Jacksonville; and

WHEREAS, for the convenience of customers of the Authority located in or in the general vicinity of the Town, it was provided in the Water and Sewer Service Agreement with the Town that the Authority shall maintain facilities in the Town for the purpose of the bill payment and telephone communication from customers; and

WHEREAS, pursuant to NCGS 162A-6 the Authority is authorized to enter into agreements with units of government relating to the operation of the Authority's utility systems; and

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties hereto agree as follows;

- 1. The Town will, at its sole cost and expense, perform certain duties on behalf of the Authority, such as collecting payment for services provided by the Authority. The exact functions to be performed by the Town are described on **EXHIBIT A** attached hereto and made a part hereof. The Town shall prominently display ONWASA's name on office doors and in other suitable locations on the exterior of the Town Hall premises as is reasonably necessary to advise the public that Authority administrative services are available at the Town Hall. The Authority shall be responsible for providing the Town with such computer, internet, technical support and supplies as necessary at the discretion of the Authority for the Town to perform its duties under this Agreement.
- 2. The Authority shall pay to the Town for services performed pursuant to this Agreement the sum of \$2,916.67 per month, payable on or before the 10th day of each month; provided, however the Authority may deduct from any monthly payment an amount equal to \$16.83 (35,000/2,080) for each hour in the previous month worked by Authority personnel in performing any administrative services which the Town was obligated to perform pursuant to this agreement.

- 3. This agreement may continue in effect through June 2022. Either party may terminate this agreement as of the end of any month by giving the other party at least 60 days notice in advance of the termination date. The decision to reduce operating hours would be at the discretion of the Authority's Member Governments hosting these satellite offices if Town Facilities are being utilized.
- 4. The Authority agrees on behalf of the Town to bill to any Authority customers any solid waste fees which such customers may also owe the Town. The Authority will collect such fees in the routine course and remit all payments to the Town. The Authority shall not be responsible for bringing any legal action or taking any extraordinary steps to collect amounts due the Town, other than billing for such charges and remitting any collections to the Town. The Town agrees to indemnify and hold harmless the Authority from any and all claims which may be made against the Authority on account of the Authority billing for and collecting sewer and solid waste fees on behalf of the Town.
- 5. The Town and the Authority, in the performance of this Agreement, will be acting in an individual capacity and not as the employee, partner, joint venture, agent or associate of one another, except as may be expressly otherwise provided herein.

IN WITNESS WHEREOF, the parties hereto, acting by and through their duly authorized representatives pursuant to the resolutions of their respective governing bodies, have caused this instrument to be executed as of the day and year first above written.

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Chief Financial Officer

ONSLOW WATER & SEWER AUTHORITY

Ву: ___

(PRINT NAME/TITLE)

(SIGNATURE)

TOWN OF RICHLANDS

By: __

(PRINT NAME/TITLE)

(SIGNATURE)

ATTEST:

ONWASA Clerk to the Board

ATTEST:

Town Clerk

Exhibit A

DUTIES

- Collection of payments from customers
- Post payments to customers' accounts
- Process payments received in drop box
- Balance cash and make bank deposit daily
- Process applications for service at existing properties which includes collecting deposit and associated fees
- Process payments for reconnection of service terminated for non-payment and generate adjustment journal
- Generate service orders for termination of service requested by customer



Agenda Item VIII. - 5. FY 20-21 Audit Contract

Description:

Fiscal Year 2020-2021 Audit Contract.

Review:

Please find attached a contract to the Fiscal Year ending June 30, 2021 by the CPA firm of Williams Scarborough Gray, LLP. The contract amount is \$11,875. **Action Needed:**

Approve the contract.

ATTACHMENTS:

Description

D FY20-21 Audit Contract

CONTRACT TO AUDIT ACCOUNTS

The	Governing Board
	BOARD OF ALDERMAN
of	Primary Government Unit (or charter holder)
	TOWN OF RICHLANDS, NORTH CAROLINA
and	Discretely Presented Component Unit (DPCU) (if applicable)
	N/A

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

Auditor Name		
WILLIAMS	SCARBOROUGH GRAY, LLP	
Auditor Addre	is	
PO BOX 50)3, JACKSONVILLE, NC 28540	

Hereinafter referred to as Auditor

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

Must be within four months of FYE

hereby agree as follows:

LGC-205

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).

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

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

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

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

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

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

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

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

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

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

a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;

b) the status of the prior year audit findings;

c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and

d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

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

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CONTRACT TO AUDIT ACCOUNTS

FEES FOR AUDIT SERVICES

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

Financial statements were prepared by: Auditor Governmental Unit Third Party

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

Name:	Title and Unit / Company:	Email Address:

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

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

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

PRIMARY GOVERNMENT FEES

Primary Government Unit	TOWN OF RICHLANDS, NORTH CAROLINA	
Audit Fee	\$ 9,775.00	
Additional Fees Not Included in Audit Fee:		
Fee per Major Program	\$	
Writing Financial Statements	\$ 2,100.00	
All Other Non-Attest Services	\$	
75% Cap for Interim Invoice Approval (not applicable to hospital contracts)	\$ 8,906.00	

DPCU FEES (if applicable)

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

SIGNATURE PAGE – DPCU (complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

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

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

DPCU – PRE-AUDIT CERTIFICATE

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

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

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

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

PRINT



WILLIAMS · SCARBOROUGH · GRAY, LLP Certified Public Accountants

> Christopher K. Williams, CPA Steven N. Scarborough, CPA W. Randall Gray, CPA

May 3, 2021

To The Honorable Mayor, Boar of Alderman & Town Manager Town of Richlands, North Carolina

We are pleased to confirm our understanding of the services we are to provide the Town of Richlands for the year ended June 30, 2021.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of the Town as of and for the year ended June 30, 2021. Accounting standards generally accepted in the United States of America (GAAS) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town'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 the Town's RSI in accordance with GAAS. 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 U.S. generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Local Government Employees' Retirement System Schedules
- 3) Law Enforcement Officers' Special Separation Allowance Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies the Town'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 GAAS, 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 Schedule
- 2) Other Schedules

824 Gum Branch Rd., Suite K PO Box 5003 Jacksonville, NC 28540

> Phone (910) 455-2196 Fax (910) 455-1943

Other Services

We will also prepare the financial statements of the Town in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement 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.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). 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, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit 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 allegations 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 and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. 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 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.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

The Town has committed to engaging a separate CPA firm to assist with the year-end closing entries in the Town's accounting system and preparation of supporting documentation. Our acceptance of the audit engagement was conditioned on this commitment.

We appreciate the opportunity to be of service to the Town 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 attached copy and return it to us.

Very truly yours,

Williams . Scarborough . Gray, LLP

Williams · Scarborough · Gray, LLP Jacksonville, North Carolina

RESPONSE:

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

Management signature: _____

Title: Town Administrator

Date: _____

Governance signature:

Title: Mayor

Date: _____



Agenda Item VIII. - 6. Schedule Public Hearings

Description:

Schedule Public Hearings for Chapter 160D Updates.

Review:

The Board needs to schedule public hearings in order to receive public comment regarding the state required text amendments to the town's zoning and subdivision ordinances that will enable town compliance with the requirements of General Statute 160D. I recommend that the Board schedule two separate public hearings, one for text amendments to Chapter 152 Subdivisions and one for text amendments to Chapter 153 Zoning of the town's Code of Ordinances.

Action Needed:

Schedule the public hearings.



Agenda Item IX. - 1. Administrator Notes and Updates

Description:

• RDR is scheduled to meet on Wednesday, May 12.

Review: Action Needed:



Agenda Item X. - 1. April 2021 Police Report

Description: Attached is the Police Activity Log for April 2021. **Review: Action Needed:** Receive the Police Report.

ATTACHMENTS:

Description

□ April 2021 Police Activity Log

Activity Log Event Summary (Cumulative Totals)

Richlands Police Department

(04/01/2021 - 04/30/2021)

911 Hang-Up	1	Adminstration Run
Alarm Activation	11	Arrest
Assist Citizen	13	Assist EMS
Assist Fire	3	Assist Other Agency
Assist Other RPD Officer	21	Bank Escort
Business Check	2,061	Business Walk Through
Call for Service	223	Careless & Reckless
Citation	77	Cite & Release
Civil Problem	1	Crash
Domestic Dispute	2	DWLR
Fingerprinting	11	Follow up Investigation
Foot Patrol	2	Found Property/Safe Keeping
Fraud	1	Funeral Escort
Grass Violations	8	Incident Report
Juvenile Problems	2	Letters sent on Ordinance Violation
Lighting Violation	34	Loud Muffler
Narcotic Incident	3	No Insurance
Noise Complaint	1	NOL
Open Container	3	Open Door/Windows
Ordinance Violation	15	Patrol Zone 1
Patrol Zone 2	74	Patrol Zone 3
Patrol Zone 4	69	Patrol Zone 5
Patrol Zone 6	71	Possession of Cocaine
Possession of Drug Paraphernalia	5	Possession of Marijuana
Possession of Meth	1	Property Damage
Pursuit	1	Registration Violation
Residence Check	1	Safe Movement Violation
Seat Belt Initiative Check Point	2	Seatbelt
Selective Traffic Enforcement	56	Special Assignment
Speeding	30	Stoplight/Sign
Supplement to report	14	Suspicious Vehicle/Person/Incident
Task Force Event	17	Transport to Jail
Trespassing	1	Unlock Car

Activity Log Event Summary (Cumulative Totals)

Richlands Police Department

(04/01/2021 - 04/30/2021)

Vehicle Check After Shift	77	Vehicle Check Before Shift	76
Vehicle Searches	7	Vehicle Stop	116
Verbal Warnings	65	Warning Citation	1
Warrant	8	Window Tint Violation	1

Total Number Of Events: 3,599