



TOWN OF RICHLANDS
Town Board Meeting
June 13, 2017
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. May 2017 Meeting Minutes

VI. Public Hearings

1. Conditional Use Request (Richlands Primary School)

VII. Old Business

VIII. New Business

1. FY 17-18 Budget Presentation
2. Audit Contract for Fiscal Year 16-17
3. Conditional Use Request (Richlands Primary School)
4. Subdivision Plan Review (Redco Properties)
5. Lawn Mowing Agreement
6. Venters Park Discussion (Sheryl Brown)
7. ONWASA Administrative Services Agreement

IX. Administrator Notes and Updates

1. Administrator Notes and Updates

X. Police Report

1. May 2017 Police Report

XI. Public Comment

XII. Board Member Concerns

XIII. Personnel

XIV. Closed Session

XV. Adjourn



TOWN OF RICHLANDS

Regular Board Meeting

Agenda Item V. - 1.
May 2017 Meeting Minutes

Description:

Review:

Attached are the minutes for the May 9, 2017 Regular Meeting of the Richlands Board of Aldermen.

Action Needed:

Adopt the Minutes.

ATTACHMENTS:

Description

- ☐ May 9, 2017 Minutes
- ☐ May 23, 2017 Budget Workshop

Town of Richlands

North Carolina

Office of the
Town Clerk
(910) 324-3301
(910) 324-2324 fax
townclerk@richlandscnc.gov

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



The Richlands Board of Aldermen met in regular session on Tuesday, May 09, 2017, at 6:00 pm in the board room at the Richlands Town Hall. Present for the meeting were:

Mayor Pro Tem Tom Brown
Alderman Kandy Koonce
Alderman Kent Painter

Alderman Paul Conner
Alderman Michael Carpenter

Also present were:

Gregg Whitehead, Town Administrator
Chief Ron Lindig, Police Department
Trevor Normile, Duplin Times

Doreen Putney, Town Clerk
Johnathan Jarman, Public Works Director

Kyle Fountain, Attorney, for Keith Fountain, Town Attorney

Absent: Mayor McKinley D. Smith due to illness

There were three (3) citizens present.

I. MEETING CALLED TO ORDER:

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

II. PLEDGE OF ALLEGIANCE: Alderman Paul Conner

III. INVOCATION: Mayor Pro Tem Tom Brown

IV. ADOPTION OF AGENDA:

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

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

V. APPROVAL OF MINUTES (April 11, 2017):

A **motion** was made by Alderman Paul Conner, seconded by Alderman Kandy Koonce to approve the regular board meeting minutes of April 11, 2017. The motion was unanimously carried.

VI. **PUBLIC HEARINGS** None

VII. **OLD BUSINESS:** None

VIII. **NEW BUSINESS:**

1. **Richlands Friends & Family Reunion Request:**

Mr. Whitehead reported that he received a request from Diana King Barnes to hold a friends & family reunion at Venters Park on Sunday, May 28, 2017 from 3:00 pm till 8:00 pm. Ms. Barnes is requesting the use Venters Park to hold the event which will have live music and food. Ms. Diana King Barnes was present to answer any questions from the board.

After a brief discussion, a **motion** was made by Alderman Kandy Koonce, seconded by Alderman Kent Painter to approve Ms. Diana King Barnes' request allowing her to use Venters Park on Sunday May 28th 2017 from 3:00 pm till 8:00 pm for the Richlands Friends & Family Reunion. The motion was unanimously carried.

2. **Waste Industries Contract Amendment & Renewal:**

Mr. Whitehead reported that the town's current contract with Waste Industries expires on June 30, 2017. Mr. Whitehead stated that he has negotiated a four (4) year contract renewal with a 1% annual increase. If the Board approves the renewal contract, the per cart cost that Waste Industries charges the town would increase from \$10.90 to \$11.24. Waste Industries also offered a two (2) year renewal with a 1.5% annual increase.

After a brief discussion, a **motion** was made by Alderman Kent Painter, seconded by Alderman Michael Carpenter to renew the contract with Waste Industries for another four (4) years with a 1% annual increase. The motion was unanimously carried.

3. **Richlands Planning Board & Board of Adjustment Appointments:**

Mr. Whitehead reported that the term for Mr. Jason Pittman currently on the Richlands Planning Board as well as the Zoning Board of Adjustment will expire on June 14, 2017. Mr. Pittman has declined reappointment. The staff has received a Citizen Participation Application from Ms. Marylin Bunce for appointment on the Richlands Planning Board and Zoning Board of Adjustment.

Mr. Whitehead also reported that Ms. Marsha Fuller's term on the Zoning Board of Adjustment will expire on June 14, 2017. Ms. Fuller has expressed her desire to be reappointment to the board for an additional three (3) year term.

A **motion** was made by Alderman Paul Conner, seconded by Alderman Kent Painter to appoint Ms. Marylin Bunce to both the Richlands Planning Board and the Zoning Board of Adjustment

for a three (3) year term, and to reappoint Ms. Marsha Fuller to the Zoning Board of Adjustment for an additional three (3) year term. The motion was unanimously carried.

4. Conditional Use Request (Onslow County School) Schedule Public Hearing:

Mr. Whitehead reported that he received a conditional use request from Onslow County Schools to install seven (7) additional modular classrooms at the Richlands Primary School in order to comply with the recently adopted classroom standards set by the NC General Assembly through House Bill 13. Mr. Whitehead stated that this request requires a public hearing prior to approval.

After a brief discussion, a **motion** was made by Alderman Tom Brown, seconded by Alderman Kandy Koonce to schedule a public hearing for 6:00 pm on Tuesday, June 13, 2017. The motion was unanimously carried.

5. GovDeals Surplus Property Disposal Auction (Resolution 2017-01):

Mr. Whitehead provided Resolution 2017-01 authorizing the town to declare the items listed as surplus property and to sell the listed property by electronic public auction on the GovDeals website. The auction would take place beginning 8:00 am on Tuesday, May 30, 2017 and end beginning at 7:00 pm in 10 minute increments on June 06, 2017.

After a brief discussion, a **motion** was made by Alderman Kandy Koonce, seconded by Alderman Michael Carpenter to approve the GovDeals Surplus Property Resolution 2017-01. The motion was unanimously carried.

IX. ADMINISTRATOR NOTES AND UPDATES:

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

- RDR will be holding their 3rd annual Glow Run on June 2, 2017.
- Mr. Whitehead requested for the Board to schedule a special meeting to hold the fiscal year 2017/2018 budget workshop.

A **motion** was made by Alderman Kandy Koonce, seconded by Alderman Paul Conner to schedule a special meeting on Tuesday, May 23, 2017 beginning at 9:00 am for the purpose of conducting the FY 2017/2018 budget workshop. The motion was unanimously carried.

X. POLICE REPORT:

Chief Ron Lindig presented the Police Activity Log for the month of March, 2017, which is incorporated by reference and hereby made part of these minutes.

XI. PUBLIC COMMENT:

Ms. Erla Forrester of 201 S. Onslow St.: Ms. Forrester stated that it is difficult for some of the elderly citizens in town to get around and expressed her concerns with the lack of public transportation for town residents. She requested for the Board to look into the possibly of acquiring some kind of public transportation for the town.

XII. BOARD MEMBER CONCERNS:

Alderman Kandy Koonce: Requested for the Town Administrator to contact DOT regarding the state owned streets in town and when they are scheduled for repair.

Alderman Michael Carpenter: Requested for Johnathan Jarman to look at the fence gates in Venters Park. He stated that he received a report that they were not latching properly.

XIII. PERSONNEL: None

XIV. CLOSED SESSION: None

XV. ADJOURN:

With no further business, a **motion** was made by Alderman Kandy Koonce, seconded by Alderman Kent Painter to adjourn the meeting a 6:16 pm. The motion was unanimously carried.

Respectfully Submitted,

Attest:
Doreen Putney, Town Clerk

Mayor Pro Tem Tom Brown

Town of Richlands

North Carolina

Office of the
Town Clerk
(910) 324-3301
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TOWN OF RICHLANDS BOARD OF ALDERMEN BUDGET WORKSHOP TUESDAY, MAY 23, 2017

The Richlands' Board of Aldermen met on Tuesday, May 23, 2017 at 9:00 am for FY 17/18 Budget Workshop which was held in the Board Room of the Richlands Town Hall. Present for the workshop were:

Mayor McKinley Smith
Alderman Michael Carpenter
Alderman Tom Brown
Alderman Kent Painter
Alderman Kandy Koonce

Town Administrator, Gregg Whitehead
Town Clerk, Doreen Putney
Public Works Director, Johnathan Jarman
Chief Ron Lindig
Mike McHugh, Jacksonville Daily News

Absent: Alderman Paul Conner

WORKSHOP CALLED TO ORDER:

The Budget Workshop was called to order by Mayor McKinley Smith at 9:07 am.

INTRODUCTION AND EXPECTATIONS:

Mayor Smith expressed his sincere gratitude to the Board and staff for all they have done while he continues to recuperate. Mayor Smith requested for Town Administrator, Gregg Whitehead, to proceed with the presentation of the proposed budget for FY 2017/2018.

Gregg Whitehead, Town Administrator, presented a proposed budget for FY 2017/2018 to the Board. Mr. Whitehead gave a brief introduction on the expectations that will be presented. Mr. Whitehead, welcomed Mike McHugh from the Jacksonville Daily News for being here and thanked the Board for attending. Mr. Whitehead stated that the draft budget is balanced at this time and will allow for each department head to elaborate on their individual requests.

BUDGET OVERVIEW:

Mr. Whitehead proceeded with the budget overview utilizing a power point presentation and gave the following highlights:

- ✚ Property values have trailed off a little bit. The next property valuations will be conducted in 2018.
- ✚ The proposed budget is \$8,490 less than FY 16-17 and amounts to a .63% decrease.
- ✚ Tax rate will remain at the current rate of .38/100 of tax value.
- ✚ Motor vehicle taxes have slightly increased.
- ✚ Total assess tax values in FY 2013-2014 were \$154,722,443 compared to an estimated value for FY 2017-2018 being \$154,560,500.
- ✚ Sales tax revenues are projected to be slightly higher than last year.
- ✚ Total budget for FY 2017-2018 is proposed at \$1,341,510, slightly lower than last year of \$1,350,000. One reason is due to employee changes.
- ✚ We are recommending an increase of garbage collection fees to \$14.90. Will discuss further in the departmental needs & issues section.
- ✚ Developed a revised pay classification scale for all employees. Recommend implementing this plan over the next two years and will help keep the town competitive with other area municipalities. Due to recent employee changes, even with the implementation of the new pay plan, the total payroll is projected to be less than in FY 16/17.
- ✚ Health insurance rates have increased an average of 9% for all age groups. However, health insurance costs will be \$8,200 lower in FY 17/18 due to employee changes.
- ✚ There are no new vehicles proposed in this budget.
- ✚ No fund balance is appropriated in this budget.
- ✚ Our main source of revenue is property tax followed by sales tax collections.
- ✚ Our main expenditures are through the Public Works Department followed by the Public Safety Department.

DEPARTMENT NEEDS & ISSUES:

Administrations Department's total request is \$3,400:

Mr. Whitehead stated that the only thing he is requesting for the Administration Department is to upgrade the town's website. He has budgeted \$3,400 for this purpose. Our current webpage is 6-7 years old. We would stay with the same company, but update the page to new modern web programming and make it more user friendly.

The only other proposed changes would be for the pay scale for this department as well as all the other departments. Mr. Whitehead explained that this has not been addressed since 2006 and that our employees are currently the lowest paid in the county. With this new pay scale, if an employee is currently making more than pay plan, they will only receive a 2% increase. The three biggest changes would be the town clerk/finance officer, police officers and maintenance workers. Mr. Whitehead stated that our staff does more with less than anyone else in the county. Some of our employees have multiple job titles, ie: the town administrator is also the zoning and planning officer. The town clerk is also the finance officer. Our code enforcement officer is also our detective

as well as a police officer. Mr. Whitehead stated that right now we have the best police department, public works department and town clerk/finance position we have ever had.

Governing Body:

Mr. Whitehead reported that this year is an election year and there is \$5,500 budgeted for municipal election fees.

Public Safety Department's total request is \$5,615:

Mr. Whitehead reported that no funds from the Governor's Highway Safety Grant will be received for FY 17/18. No major capital expenses are planned and no changes in the number of personnel have been considered.

Chief Lindig thanked Mr. Whitehead for the proposed pay scale adjustments and thanked the Board for their continued support to his department. Chief Lindig also reported on the following requests:

- ✚ Requesting four (4) more body cameras. They are a vital tool for our officers. According to our policy we currently store information up to 31 days. Some may be kept longer depending on the case. They have been very helpful in cases as well as training the officers.
- ✚ Requesting three (3) refurbished toughbook laptops. Our IT person will install upgrades to them and they will have a 1 year warranty.
- ✚ Requesting an Philips Heartstart AED (Automated External Defibrillator). Our officers will be trained by personnel from the EOC. A written policy has already been developed.
- ✚ Requesting to keep a Narcan Injection on site to be used in case someone is overdosing. Both the AED device and the Narcan can possibly save a life.
- ✚ Requesting ID Badge Printer. This will be utilized by all employees and the Board to provide proper employee identification.
- ✚ The radar sign was requested last year. However, we had difficulties with obtaining permission from DOT to utilize their light poles along HWY 258. I would like to request we take another look at it again this year.

Chief Lindig asked the Board to really consider the proposed pay scale plan that Mr. Whitehead has developed. Our officers are very important to me and I don't want to lose them for someplace else that pays more.

Chief Lindig requested to change the personnel policy concerning holiday pay hours for his officers. The officers are on 12 hour rotating shifts. The current policy accounts for 8 hours of pay with the day off and the officers would need to use 4 hours of their vacation time to account for the 12 hours pay. Chief is requesting to change the policy to allow the officers to receive 8 hours of pay on top of their regular pay, not allowing for the day off and not having them use their 4 hours vacation.

ACTION: Mr. Whitehead will make the changes requested to the personnel policy regarding holiday pay and present at the next regular Board of Alderman Meeting.

Chief reported that we are down one officer due to Officer Johnson recent illness. He recently had complications and was readmitted to Duke Hospital on Sunday. Please keep him in your prayers.

Chief Lindig stated that the department continues to do routine checkpoints. He invited the Board to their department meetings which are held the first Thursday of every month beginning at 5:00 pm.

Mayor Smith commended the department on their quick response times to all incidents within the town. Mayor Smith stated that 45 days ago he had an incident at his home and the officers were there before he could hang up the phone. Chief stated that the officer on duty carries a cell phone with him at all times and can respond between 2-3 minutes on most occasions.

Mayor called for a brief recess at 10:16 am. Mayor Smith had to leave due to a prior commitment.

The workshop was called back to order by Mayor Pro Tem Tom Brown at 10:30 am.

DEPARTMENT NEEDS AND ISSUES CONTINUED:


Public Works' total request is \$10,900:

Mr. Whitehead reported that we have recalculated our garbage carts and our new total is 920. Currently we are being charged for 950. We are also now being charged for recycling when we haven't been in the past years. Between Waste Industries collection fees, disposal tipping fees, cart fees and now recycling fees, the town is losing money. Mr. Whitehead reported that our current per cart fee is \$13.90. He is proposing an increase of \$1.00 to \$14.90 per cart beginning July 01, 2017. We will still remain the lowest cost in the county.

Mr. Whitehead reported that the largest request is for replacement of Christmas decorations along Highway 258 and presented 5 examples of new LED snowflake designs to the Board. The average cost would be \$490/each and he has budgeted \$9,800.

ACTION: After reviewing the examples, the Board decided on staggering the decorations between three designs, the Winterfest, the Presidential and the Diamond.

Mr. Johnathan Jarman, Public Works Director, thanked the Board for all their support throughout the year. He then presented his budget requests to the Board as follows:

-  Requesting a Stihl Cutquik chop saw. We mainly use it to cut concrete. Our current one is about 20 years old.

🚧 Requested for the Board to consider the pay scale changes that Mr. Whitehead is preparing. We had one employee retire earlier this year and another employee will be retiring the end of December. We recently hired a new employee and will be hiring another one sometime in the coming year. Our newest employee is Jacob Vause and he is working out very well. Mr. Jarman also stated that Eric Allen has been a great asset to this town. He has the ability to do simple repairs on vehicles and machinery and has saved the town a lot of money. With this new pay scale, we can keep good employees and in turn will have a good team put together.

Mr. Jarman spoke of two projects that the Board may need to consider in the near future. The first one is repairs needed to storm water pipes in the Trifield Sub Division. After speaking to the town attorney, we technically are not responsible for the repairs. However, it would be difficult to tell the homeowners that they have to fix them. The pipes are being crushed and are leaking creating sink holes in the easements and yards. The estimated cost of repairs are approximately \$128,500 and could go higher. There are a lot of issues in Trifield. We need to tighten our regulations, have engineer oversee the projects and have a firm HOA rules developed. Residents have also installed fencing without obtaining permits and had the posts placed inside the easements which have to be removed. This has helped create some of these issues. Mr. Jarman stated that currently four (4) homes are being affected.

ACTION: Board requested for Gregg Whitehead and Johnathan Jarman to do further research on the who, how and why the storm water drainage was installed this way. They also requested to consult with the town attorney on any legal ramifications.

Mr. Jarman stated that the second project is in Sylvester Heights at the corner of Nan Street to Hardy Avenue. The pipe has collapsed several times. We continue to have issues with this pipe, drainage and the road sinking there. Mr. Jarman found that back in the 1960's a manhole and sewer line ran there to Fay avenue. This line has since been abandoned. Mr. Jarman spoke with ONWASA and since the line was abandoned before they took over, they are not responsible for the repairs. We had an engineer take a look at it and the line would need to be TV'd, jetted, cleaned and filled with flowable fill. Or we could bridge it. Either way the estimated cost would start at \$30,000 and could go up from there depending on what is discovered when they dig it up.

Public Building's total request \$3,615

Mr. Whitehead stated that the parking lot out front and along the side of the building needs to be seal coated and restriped.

Mr. Whitehead is also requesting to replace the lights outside and by the flagpole with new LED lights. They currently are not working and are very expensive to fix.

Mr. Whitehead provided the Board with an update on the bathroom issue at Venter's Park. Mr. Whitehead stated that the Fire Department is working on relocating. If and when they do, we will acquire the building. We can then apply for a PARTF grant and

create bathrooms utilizing the old PD side of the building. If we go ahead and do something now, it will cost us at least \$70,000. We could go ahead and obtain information on an ADA approved port a john with a wash station and if it becomes an issue, we can take it out. Alderman Carpenter stated that some of the business owners are getting aggravated with people constantly coming in their businesses requesting to use their bathrooms. It is now affecting our business owners and tax payers.

ACTION: After further discussion, the Board requested for Mr. Gregg Whitehead to look into getting an ADA compliant port a john and washing station for Venters Park.

Mayor Pro Tem, Tom Brown called for a brief recess at 11:16 am.

The workshop was called back to order at 11: 20 by Mayor Pro Tem, Tom Brown.

BOARD DISCUSSION:

Alderman Kandy Koonce requested to look at when we would be able to complete repairs to some of the streets in town. Mr. Whitehead stated that we currently still have a loan on the last repairs that were made. He stated that the General Assembly has introduced a “Bill” to where towns would be able to use a certain portion of their sales tax funds for infrastructure. We could also look at creating a capital improvement fund and put funds into it each year until we have enough to do the work. Mr. Whitehead stated that he will keep an eye on the House Bill and report any new information back to the Board.

ACTION: Board instructed Mr. Whitehead to proceed with the proposed budget and present it during the next Board of Alderman meeting on June 13, 2017.

MISCELLANEOUS DISCUSSION: None

ADJOURN:

There being no further business, **a motion** was made by Alderman Michael Carpenter, seconded by Alderman Kandy Koonce to adjourn the workshop at 11:30 pm. The motion was unanimously carried.

Respectfully Submitted,

Attest:
Doreen Putney, Town Clerk

Mayor McKinley Smith



TOWN OF RICHLANDS

Regular Board Meeting

Agenda Item VI. - 1.

Conditional Use Request (Richlands Primary School)

Description:

Conditional Use Request (Richlands Primary School)

Review:

The Board needs to hold a public hearing regarding a conditional use request by Onslow County Schools to install seven (7) additional modular classrooms at the Richlands Primary School campus.

Action Needed:

Hold the public hearing.



TOWN OF RICHLANDS
Regular Board Meeting
Agenda Item VIII. - 1.
FY 17-18 Budget Presentation

Description:

Presentation of the Proposed Fiscal Year 17-18 Budget.

Review:

I will be submitting for your review the proposed budget for FY 17-18. Once submitted, the Board will need to schedule a public hearing on the proposed budget and adopt the the budget prior to July 1, 2017.

Action Needed:

Receive the proposed budget.



TOWN OF RICHLANDS
Regular Board Meeting
Agenda Item VIII. - 2.
Audit Contract for Fiscal Year 16-17

Description:

Audit Contract for Fiscal Year 2016-2017.

Review:

Please find attached a contract to audit the Fiscal Year ending June 30, 2017 by the CPA firm of Williams, Scarborough, Smith & Gray. The audit cost is not to exceed \$10,240.

Action Needed:

Approve the contract if desired.

ATTACHMENTS:

Description

▣ FY16-17 Audit Contract

CONTRACT TO AUDIT ACCOUNTSOf TOWN OF RICHLANDS, NORTH CAROLINA

Primary Governmental Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

On this 23RD day of MAY, 2017,Auditor: WILLIAMS SCARBOROUGH SMITH GRAY, LLP Auditor Mailing Address: PO BOX 5003JACKSONVILLE, NC 28540

Hereinafter referred to as The Auditor

and THE BOARD OF ALDERMAN (Governing Board(s)) of TOWN OF RICHLANDS, NORTH CAROLINA
 (Primary Government)
 and N/A : hereinafter referred to as the Governmental Unit(s), agree as follows:
 (Discretely Presented Component Unit)

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning JULY 1, 2016, and ending JUNE 30, 2017. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion will be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
 2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with generally accepted auditing standards. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC CPA Board).
- County and Multi-County Health Departments: The Office of State Auditor will designate certain programs that have eligibility requirements to be considered major programs in accordance with OMB Uniform Guidance for the State of North Carolina. The LGC will notify the auditor and the County and Multi-County Health Department of these programs. A County or a Multi-County Health Department may be selected to audit any of these programs as major.
3. If an entity is determined to be a component of another government as defined by the group audit standards - the entity's auditor will make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
 4. This contract contemplates an unqualified opinion being rendered. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
 5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government*

Primary Governmental Unit

N/A

Discretely Presented Component Units (DPCU) if applicable

Auditing Standards. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract (See Item 22). **If the audit firm received a peer review rating other than pass**, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment..

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the State and Local Government Finance Division (SLGFD) within four months of fiscal year end. Audit report is due on: OCTOBER 31, 2017. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay must be submitted to the secretary of the LGC for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor will make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report must include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC.** (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work must be submitted by email in PDF format to the Secretary of the LGC for approval. The invoices must be sent via upload through the current portal address: <http://nctreasurer.slgfd.leapfile.net> Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date will be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. (Note: **Fees listed on signature pages.**)
10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall include documentation either in the notes to the audited financial statements or as a separate report submitted to the SLGFD along with the audit report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the SLGFD simultaneously with the Governmental Unit's audited financial statements unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the client or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the accounting period.
12. If the audit firm is required by the NC CPA Board or the Secretary of the LGC to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Governmental Unit will not be billed for the pre-issuance review. The pre-issuance review must be performed **prior** to the completed audit being submitted to the LGC. The pre-issuance report must accompany the audit report upon submission to the LGC.
13. The Auditor shall electronically submit the report of audit to the LGC as a text-based PDF file when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If it is determined by the LGC that corrections need to be made to the Governmental Unit's financial statements, they should be provided within three days of notification unless another time frame is agreed to by the LGC.

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

The LGC's process for submitting contracts, audit reports and invoices is subject to change. Auditors should use the submission process in effect at the time of submission. The most current instructions will be found on our website: <https://www.nctreasurer.com/slgl/Pages/Audit-Forms-and-Resources.aspx>
14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor
15. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract needs to be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract, and then must be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload your amended contract is <http://nctreasurer.slglfd.leapfile.net> No change 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 should be attached to the contract, and by reference here becomes part of the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control. 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 #25 of this contract. Engagement letters containing indemnification clauses will not be approved by the LGC.

17. Special provisions should be limited. Please list any special provisions in an attachment.
18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU must be named along with the parent government on this audit contract. Signatures from the DPCU Board chairman and finance officer also must be included on this contract.
19. The contract must be executed, pre-audited, physically signed by all parties including Governmental Unit and Auditor signatures and submitted in PDF format to the Secretary of the LGC. The current portal address to upload your contractual documents is <http://nctreasurer.slgfd.leapfile.net> Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of November 2016. These instructions are subject to change. Please check the NC Treasurer's web site at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx> for the most recent instructions.
20. The contract is not valid until it is approved by the LGC Secretary. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. **The audit should not be started before the contract is approved.**
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
22. **E-Verify.** Auditor **shall comply** with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor **shall require** such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
23. Contractor hereby certifies that Contractor, and all subcontractors, are not on the Iran Final Divestment List ("List") created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.58. Contractor shall not utilize any subcontractor that is identified on the List.
25. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16 for clarification).

SIGNATURE PAGES FOLLOW

Contract to Audit Accounts (cont.) TOWN OF RICHLANDS, NORTH CAROLINA

Primary Governmental Unit

N/A

Discretely Presented Component Units (DPCU) if applicable

TOWN OF RICHLANDS, NORTH CAROLINA - FEES

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

Audit SEE ATTACHED ENGAGEMENT LETTER - \$8,690 (GAAS) OR \$10,240 (YELLOW BOOK)

Preparation of the annual financial Statements SEE ATTACHED ENGAGEMENT LETTER - \$2,010

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$8,025 OR \$9,187

** NA if there is to be no interim billing

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

Audit Firm Signature:

WILLIAMS SCARBOROUGH SMITH GRAY, LLP

Name of Audit Firm

By STEVEN N SCARBOROUGH, CPA

Authorized Audit firm representative name: Type or print

Signature of authorized audit firm representative

Date 05/23/17

SSCARBOROUGH@WSSGCPA.COM

Email Address of Audit Firm

Governmental Unit Signatures:

TOWN OF RICHLANDS

Name of Primary Government

By MAYOR MCKINLEY D. SMITH

Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date

By N/A

Chair of Audit Committee - Type or print name

**

Signature of Audit Committee Chairperson

Date N/A

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

TOWN OF RICHLANDS, NORTH CAROLINA

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

By DOREEN PUTNEY, TOWN CLERK/FINANCE OFFICER

Primary Governmental Unit Finance Officer:

Type or print name

Primary Government Finance Officer Signature

Date

(Pre-audit Certificate must be dated.)

TOWNCLERK@RICHLANDSNC.GOV

Email Address of Finance Officer

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

Contract to Audit Accounts (cont.) TOWN OF RICHLANDS, NORTH CAROLINA
Primary Governmental Unit N/A
Discretely Presented Component Units (DPCU) if applicable

**** This page to only be completed by Discretely Presented Component Units ****

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

Audit N/A

N/A
Preparation of the annual financial Statements
Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$ N/A
**** NA if there is to be no interim billing**

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

DPCU Governmental Unit Signatures:

N/A

Name of Discretely Presented Component Unit

By

DPCU Board Chairperson: Type or print name and title

Signature of Chairperson of DPCU governing board

Date

By N/A

Chair of Audit Committee - Type or print name

Signature of Audit Committee Chairperson

Date

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

N/A

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

By N/A

DPCU Finance Officer:

Type or print name

DPCU Finance Officer Signature

Date

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

Email Address of Finance Officer

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

Steps to Completing the Audit Contract

1. Complete the Header Information – NEW: If a DPCU is subject to the audit requirements as 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 issued for the DPCU and is to be included in the Primary Government's audit, the DPCU must be named with the parent government on this Audit contract. The Board chairman of the DPCU also must sign the Audit contract.
2. Item No. 1 – Complete the period covered by the audit
3. Item No. 6 – Fill in the audit due date. For Governmental Unit (s), the contract due date can be no later than 4 months after the end of the fiscal year, even though amended contracts may not be required until a later date.
4. Item No. 8 – If the process for invoice approval instructions changed, the Auditor should make sure he and his administrative staff are familiar with the current process. Instructions for each process can be found at the following link. <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>
5. Item No. 9 – NEW: Please note that the fee section has been moved to the signature pages, Pages 5 & 6.
6. Item No. 16 – NEW: It is now expected that an engagement letter will be attached to the contract. Has the engagement letter been attached to the contract submitted to the SLGFD?
 - a. Do the terms and fees specified in the engagement letter agree with the Audit contract? *"In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control."*
 - b. Does the engagement letter contain an indemnification clause? **The audit contract will not be approved if there is an indemnification clause – refer to LGC Memo # 986.**
7. Complete the fee section for BOTH the Primary Government and the DPCU (if applicable) on the signature pages, please note:
 - The cap on interim payments is 75% of the current audit fee for services rendered if the contracted fee amount is a fixed amount. If any part of the fee is variable, interim payments are limited to 75% of the prior year's total audit fee. If the contract fee is partially variable, we will compare the authorized interim payment on the contract to 75% of last year's actual approved total audit fee amount according to our records. There is a report of audit fees paid by each governmental unit on our web site: <https://www.nctreasurer.com/slg/Pages/Non-Audit-Services-and-Audit-Fees.aspx> - Auditors and Audit Fees.
Please call or email Darrus Cofield at 919-814-4299 darrus.cofield@nctreasurer.com if you have any questions about the fees on this list.
 - For variable fees for services, are the hourly rates or other rates clearly stated in detail? If issued separately in an addendum, has the separate page been acknowledged in writing by the Governmental Unit?

Discretely Presented Component Units (DPCU) if applicable

- For fees for services that are a combination of fixed and variable fees, are the services to be provided for the fixed portion of the fee clearly stated? Are the hourly rates or other rates clearly stated for the variable portion of the fee? (Note: See previous bullet point regarding variable fees.)
 - If there is to be no interim billing, please indicate N/A instead of leaving the line blank.
8. Signature Area – There are now 2 Signature Pages: one for the Primary Government and one for the DPCU. Send the page(s) that are applicable to your Unit of Government. Make sure all signatures have been obtained, and properly dated. **The contract must be approved by Governing Boards pursuant to G.S. 159-34(a).** NEW - If this contract includes auditing a DPCU that is a Public Authority under the Local Government Budget and Fiscal Control Act it must be named in this Audit contract and the Board chairperson of the DPCU **must also sign** the Audit contract in the area indicated. If the DPCU has a separate Audit, a separate Audit contract is required for the DPCU.
9. Please place the date the Unit's Governing Board and the DPCU's governing Board (if applicable) approved the audit contract in the space provided.
- a. Please make sure that you provide email addresses for the audit firm and finance officer as these will be used to communicate official approval of the contract.
 - b. Has the pre-audit certificate for the Primary Government (and the DPCU if applicable) been signed and dated by the appropriate party?
 - c. Has the name and title of the Mayor or Chairperson of the Unit's Governing Board and the DPCU's Chairperson (if applicable) been typed or printed on the contract and has he/she signed in the correct area directly under the Auditor's signature?
10. If the Auditor is performing an audit under the yellow book or single audit rules, has year-end bookkeeping assistance been limited to those areas permitted under the revised GAO Independence Standards? Although not required, we encourage Governmental Units and Auditors to disclose the nature of these services in the contract or an engagement letter. Fees for these services should be shown in the space indicated on the applicable signature page(s) of the contract.
11. Has the most recently issued peer review report for the audit firm been included with the contract? This is required if the audit firm has received a new peer review report that has not yet been forwarded to us. The audit firm is only required to send the most current Peer Review report to us once – not multiple times.
12. After all the signatures have been obtained and the contract is complete, please convert the contract and all other supporting documentation to be submitted for approval into a PDF file. Peer Review Reports should be submitted in a separate PDF file. These documents should be submitted using the most current submission process which can be obtained at the NC Treasurer's web site – <https://www.nctreasurer.com/slq/Pages/Audit-Forms-and-Resources.aspx>.
13. NEW: If an audit is unable to be completed by the due date, an Amended Contract should be completed and signed by the unit and auditor, using the new "Amended LGC-205" form (Rev. 2015). The written explanation for the delay is now included on the contract itself to complete, and must be signed by the original parties to the contract.



WILLIAMS · SCARBOROUGH · SMITH · GRAY, LLP
Certified Public Accountants

Christopher K. Williams, CPA
Steven N. Scarborough, CPA
Charles S. Smith, CPA
W. Randall Gray, CPA

May 23, 2017

To the Honorable Mayor, Board of Alderman and Town Manager
Town of Richlands
Richlands, North Carolina

We are pleased to confirm our understanding of the services we are to provide the Town of Richlands ("the Town") for the year ended June 30, 2017. We will audit the financial statements of the governmental 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 the Town as of and for the year ended June 30, 2017. 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 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 Town'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) Law Enforcement Officers' Special Separation Allowance Schedules and Notes

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 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) Other Schedules

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

- 1) Introductory Section

2131 S. Glenburnie Rd., Suite 3
PO Box 14008
New Bern, NC 28561-4008

Phone (252) 638-4000
Fax (252) 638-3989

INNOVATIVE · RESPONSIVE · DEDICATED

www.wssgcpa.com

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

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

Audit Objective

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. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Town's financial statements. Our report will be addressed to the Honorable Mayor and Town Council of the Town of Richlands. 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 circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the 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 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. 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. 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. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We have advised you of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets). We have advised you to consult a firm that specializes in engagements specifically designed to detect fraud, if fraud is suspected, to perform, as a separate engagement, extended procedures specifically designed to detect fraud and you have declined to do so at this time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include 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 the financial statements and related matters.

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. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. 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.

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's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

If the Town does not engage another CPA to assist, we will also prepare the financial statements of Town in conformity with U.S. generally accepted accounting principles 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.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, 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 U.S. generally accepted accounting principles.

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) 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.

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 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, 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 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. 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 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.

Engagement Administration, Fees, and Other

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. We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase

the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

The audit documentation for this engagement is the property of Williams · Scarborough · Smith · Gray, LLP 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. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Williams · Scarborough · Smith · Gray, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to North Carolina Local Government Commission or its designee. The North Carolina Local Government Commission or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

We expect to begin our audit on approximately September 1, 2017 and to issue our reports no later than October 31, 2017. Steve Scarborough is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$10,700. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue 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.

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 enclosed copy and return it to us.

Very truly yours,

Williams · Scarborough · Smith · Gray, LLP

Williams · Scarborough · Smith · Gray, LLP
Jacksonville, North Carolina

RESPONSE:

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

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

Attachment 1

This engagement letter is based on the assumption that an audit subject to *Generally Accepted Auditing Standards* (GAAS) will be conducted. This assumption is based on the Town's expectation that it will not expend \$100,000 or more in combined federal and State financial assistance in accordance with G.S. 159, The Local Government Budget and Fiscal Control Act for the fiscal year ending June 30, 2017. If the actual combined federal and State financial assistance expended does exceed \$100,000, the Town will be required to obtain an audit subject to *Government Auditing Standards* (GAGAS or Yellow Book) and an adjustment to the audit fees will be required.

Williams · Scarborough · Smith · Gray, LLP

Williams · Scarborough · Smith · Gray, LLP
Jacksonville, North Carolina

RESPONSE:

We have reviewed and agree with the attachment.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____



TOWN OF RICHLANDS

Regular Board Meeting

Agenda Item VIII. - 3.

Conditional Use Request (Richlands Primary School)

Description:

Conditional Use Request (Richlands Primary School)

Review:

Now that the required public hearing has been held, the Board may deliberate and vote on the conditional use request by Onslow County Schools to place seven (7) additional modular classrooms on the campus of the Richlands Primary School.

Action Needed:

Review the request and act as desired.

ATTACHMENTS:

Description

- ❑ Conditional Use Request (Richlands Primary School)
- ❑ Conditional Use Request Map

**Town of Richlands
Zoning Change & Appeal Form**

APPLICANT: (Please Print)

NAME: Onslow County Schools PHONE NO: 910-346-6212

MAILING ADDRESS: 200 Broadhurst Rd, Jacksonville, NC 28541

ADDRESS OF PROPERTY (if different from mailing address): _____

PROPERTY OWNER (if different from applicant): (Please Print)

NAME: _____ PHONE NO: _____

MAILING ADDRESS: _____

ACTION REQUESTED (Check One):

- | | |
|--|--------------------------|
| <input type="checkbox"/> ZONING ORDINANCE TEXT AMENDMENT | (Required Fee: \$250.00) |
| <input type="checkbox"/> ZONING MAP AMENDMENT | (Required Fee: \$350.00) |
| <input type="checkbox"/> VARIANCE REQUEST | (Required Fee: \$450.00) |
| <input checked="" type="checkbox"/> CONDITIONAL USE PERMIT | (Required Fee: \$250.00) |
| <input type="checkbox"/> APPEAL OF ADMINISTRATIVE DECISION | (Required Fee: \$50.00) |
| <input type="checkbox"/> OTHER _____ | |

DESCRIPTION OF REQUEST:

Placement of seven modular classrooms at
Richlands Primary School located at 7444
Richlands Hwy, Richlands NC 28574

OWNER/APPLICANT STATEMENT: I certify that I am the property owner or truly represent the property owner(s). I understand that each applicant wishing to appeal an administrative decision, requesting a variance or conditional use permit, or requesting a rezoning or other change to the Richlands Zoning Ordinance shall pay a nonrefundable fee to cover the costs of advertising and administration. The fees required are adopted by the Richlands Board of Aldermen and listed in the Fee Schedule for the Town of Richlands. A receipt of this fee shall be issued by the Town. This fee, however, shall not apply to requests originating with any department, board or agency of the Town of Richlands.

SIGNATURE OF APPLICANT: Dusty Oliver DATE: 5-5-17

****OFFICIAL USE ONLY****

ZONING OFFICIAL SIGNATURE: [Signature]

DATE REQUEST RECEIVED: 5-5-2017

HAS APPROPRIATE FEE BEEN COLLECTED IF REQUIRED? YES ☒ NO ☐

PLANNING BOARD / BOARD OF ADJUSTMENT ACTION: APPROVE (☐) DENY (☐)

SIGNATURE OF ZONING BOARD CHAIR: [Signature] DATE: 6/5/17



Richlands Primary

Proposed Mobile Classroom

Site



TOWN OF RICHLANDS

Regular Board Meeting

Agenda Item VIII. - 4.

Subdivision Plan Review (Redco Properties)

Description:

Subdivision Plan Review (Redco Properties).

Review:

Redco Properties, LLC (Bojangles restaurant site) is seeking to subdivide out a .47 acre tract from the Bojangles property as well as create a 20 foot sanitary sewer easement. Due to the creation of the sanitary sewer easement the proposed subdivision will require Board approval. The proposed subdivision meets all requirements of the Richlands Subdivision and the subdivision plan has been reviewed and approved by the Richlands Planning Board.

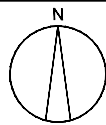
Action Needed:

Review the subdivision and act as desired.

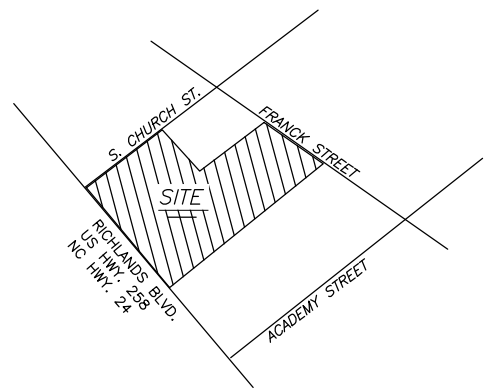
ATTACHMENTS:

Description

- ▣ Redco Properties Subdivision Plan



TOWN OF RICHLANDS



VICINITY MAP
NOT TO SCALE

FLOOD CERTIFICATE

The area represented by this plat is not located in a flood hazard boundary according to FEMA Map Number 3720443200J, dated November 03, 2005.

TOWN OF RICHLANDS ZONING

ZONE: C-2
MINIMUM BUILDING SETBACK LINES (MBL)
FRONT SETBACK: 25'
SIDE SETBACK: 10'
REAR SETBACK: 20'

AREA CHART

TRACT "1"
2.30 ACRES ±
100261 SQ. FT. ±

TRACT "2"
0.47 ACRES ±
20585 SQ. FT. ±

TOTAL AREA SURVEYED
2.77 ACRES ±
120846 SQ. FT. ±
EXCLUDING R/W's
BY COMPUTER

CERTIFICATE OF APPROVAL FOR REORDING

I hereby certify that the subdivision plat shown hereon has been found to comply with the subdivision regulations of the Town of Richlands, North Carolina, and that this plat has been approved for recording in the office of the Register of Deeds of Onslow County.

Date _____

Town Administrator,
Town of Richlands, North Carolina

Filed for registration on the _____ day

of _____, 2017 at _____ o'clock in

Book No. _____, Page _____.

Register of Deeds, Onslow County

State of North Carolina

I, _____, Review Officer of Onslow County, certify that the map or plat to which this certification is affixed meets all statutory requirements for recording.

Review Officer

Date _____

I, Stephen M. Barrow, certify that this map was drawn under my supervision from an actual GPS (or GNSS) survey made under my supervision and the following information was used to perform the survey:

Class of survey: Class A
Positional accuracy: 0.017(m) RMS
Type of GPS (or GNSS) field procedure: RTK
Date(s) of survey: April 2017
Datum/Epoch: NAD_83(2001)
Geoid model: GEOID12A

Combined grid factor: 0.99989142
Units: US Survey Feet

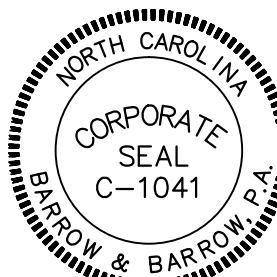
Horizontal positions are referenced to NAD83\NSRS (2001)

I certify: That the survey creates a subdivision of land within the area of a county or municipality that has an ordinance that regulates parcels of land.

NORTH CAROLINA GREENE COUNTY

I, Stephen M. Barrow, certify that this plat was drawn under my supervision from an actual survey made under my supervision (deed description recorded in (Deed Book 4473, Page 824); that the boundaries not surveyed are clearly indicated as drawn from information found in (Deed Book 4473, Page 824); that the ratio of precision as calculated is 1: 10000±; that this plat was prepared in accordance with G.S. 47-30 as amended. Witness my original signature, registration number and seal this 04th day of April 2017.

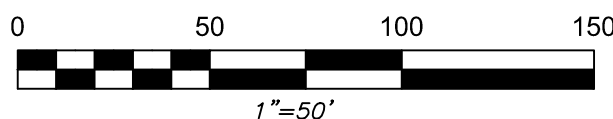
Stephen M. Barrow, PLS Registration Number: L-2997



DRAWN BY: smb SURVEYED BY: dwb/cs REVISIONS

DATE: 04/04/2017 ARCHIVE: dvd-2017-1

DWG. NO.: redco17034_div-1.dwg



SOURCE OF TITLE:

SOURCE OF TITLE: DEED BOOK 4473, PAGE 824
TAX PARCEL NUMBER: 018104
REFERENCE: PLAT BOOK 71, PAGE 189
OWNER: REDCO PROPERTIES, LLC

BARROW & BARROW, PA
Professional Land Surveying
115 HERITAGE CROSSING SNOW HILL, NC 28580
PHONE: (252)747-5790 FAX: (252)747-5111
www.barrowandbarrow.com

MONUMENTATION

NIP - NEW IRON PIPE
NPK - P K NAIL SET
EIS - EXISTING IRON STAKE
EIP - EXISTING IRON PIPE
CP - CALCULATED POINT
ECM - EXISTING CONCRETE MONUMENT
EA - EXISTING ANGLE IRON
ERRS - EXISTING RAILROAD SPIKE
CC - CONTROL CORNER
ZZ - NOT TO SCALE

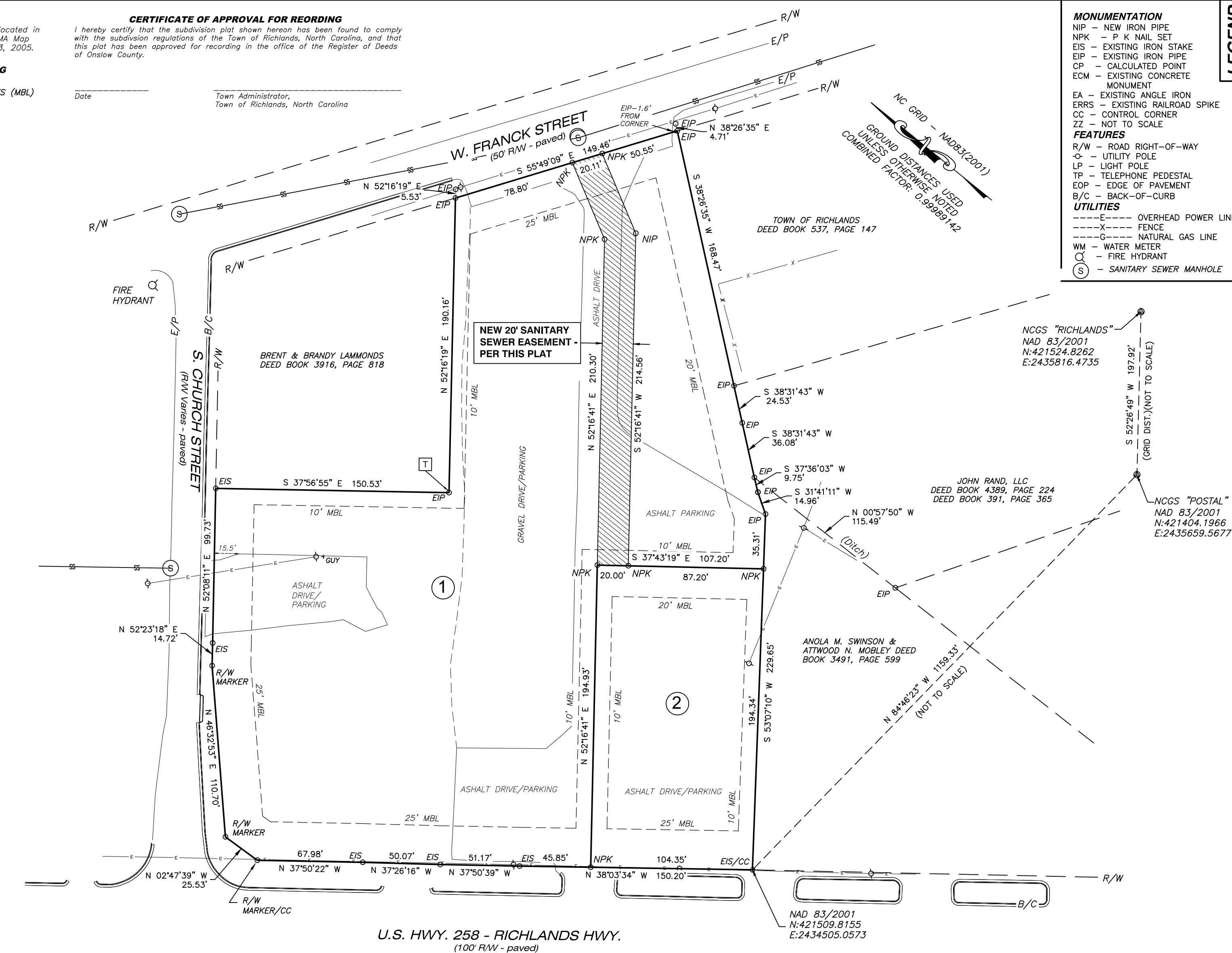
FEATURES

R/W - ROAD RIGHT-OF-WAY
LP - LIGHT POLE
TP - TELEPHONE PEDESTAL
EOP - EDGE OF PAVEMENT
B/C - BACK-OF-CURB

UTILITIES

---E--- OVERHEAD POWER LINES
---X--- FENCE
---G--- NATURAL GAS LINE
WM - WATER METER
FH - FIRE HYDRANT
S - SANITARY SEWER MANHOLE

LEGEND



SUBDIVISION OF PROPERTY
AND
SANITARY SEWER EASEMENT FOR
REDCO PROPERTIES, LLC
TOWN OF RICHLANDS, ONSLOW COUNTY, NORTH CAROLINA

April 7, 2017



TOWN OF RICHLANDS
Regular Board Meeting
Agenda Item VIII. - 5.
Lawn Mowing Agreement

Description:

Lawn Mowing Agreement (Nuisance Abatement)

Review:

The attached lawn care agreement between the Town of Richlands and Pittman's Lawn Care is a renewable agreement that provides abatement services for vegetative nuisance violations. The abatement rates will remain until the either party terminates the agreement.

Action Needed:

Approve the agreement if desired.

ATTACHMENTS:

Description

- ▣ Pittman Lawn Maintenance Agreement

TOWN OF RICHLANDS

NUISANCE ABATEMENT AGREEMENT FOR LAWN MOWING

This AGREEMENT made and entered into this 7th day of June, 2017 by and between Pittman's Lawn Care, hereinafter called "Contractor," and the Town of Richlands, a municipal corporation located in Onslow County, North Carolina, hereinafter called "Town".

1. Description of Services:

The Town of Richlands receives and responds to complaints regarding overgrown grasses, weeds or vegetation which exceed 8 inches in height on average. These properties are privately owned and are occupied or unoccupied lots within the town limits that are in violation of the town's Ordinances.

In Order to alleviate said nuisance, the Town from time to time has a need for service of mowing and trimming of grass and weeds over 8 inches in height, edging of curb and sidewalks, cleaning fence lines and trimming of small trees and hedges at property(s) owned by private individuals but in violation of ordinance(s).

2. Requested Services:

The Town desires for a contractor to supply mowing services for properties which fail to be mowed by the property owner after a notice of violation. Abatement requests will be on a per site authorization basis from the Town.

3. Contractor Responsibilities:

- A) Have the equipment, personnel and skills needed for cutting residential and commercial properties consisting of grass/weed heights in excess of 8 inches in height.
- B) Be able to handle services from time to time of cutting extremely long grass/weeds that may require bush hogging.
- C) Be able to complete a large number of mowing jobs in a timely manner on a per call basis.
- D) Remove all trash and debris in the mowing area and properly disposed of said items.
- E) Mow vegetation in and around structures (example: swing set, walks, trees, fences) to a neat appearance.
- F) Be capable of getting equipment through fence openings of a minimum of 30 inches to mow rear yards.
- G) Be capable of mowing ungraded lots or steep slopes.
- H) Clear sidewalks, alley ways or adjacent public right of ways of clippings following mowing.
- I) To complete all jobs within 5 days of notification (weather permitting).
- J) Provide a detailed description of the location (address and/or parcel number), dates and time work was performed.

3. Response:

Direct access to the Contractor shall be available by telephone during normal business hours for the purpose of responding to the Town's direction to abate.

The Town shall inform the Contractor at the time a response is requested as to any condition or circumstance known to the Town which may require special equipment or handling.

Response time for all direction to abate shall not exceed (5) five days, from the time of request (weather permitting).

Contractor shall inform the town for any reason unable to respond to a direction to abate, or unable to respond within the required time.

In the event the Contractor fails to arrive in the time prescribed, the town may secure the services of an alternate contractor. If an alternate contractor is requested and the initial contractor subsequently responds, the initial contractor will not be reimbursed for the response.

4. Rates, Payment and Collection

Rates applying to nuisance abatements shall not exceed the rates listed in this Agreement. These rates may be modified upon mutual written agreement of the parties.

Abatement Rates:

- A) Labor Rate \$45.00 per hour
- B) Equipment \$50.00 per hour
- C) Quarter acre rate \$45.00 (Labor & Equipment)
- D) Half acre rate \$45.00 (Labor & Equipment)
- E) Acre rate \$50.00 (Labor & Equipment)
- F) Properties which require more than 3 feet in height if it requires bush hogging \$75.00 if one acre or less.

Payment of charges at prescribed rates shall be made by the Town directly to Contractor within 30 days from receipt of billing.

In the event there are extraordinary costs resulting from an abatement, the Contractor may petition the town for extra compensation. Such petition must:

- A. Itemize the services or materials provided;
- B. State the reason why the cost is extraordinary;
- C. State what action Contractor took to minimize the cost; and
- D. Provide any other pertinent information.

The Town will determine whether to allow additional compensation, and if so, the appropriate amount.

Payments will be made upon submittal of separate invoices on a per lot/property basis. Invoices must be received by the Town for payment to be processed. Invoices must be addressed to:

Town of Richlands
PO Box 245
Richlands, NC 28574
Attn: Mrs. Doreen Putney, Town Clerk

Payments are made upon submitting an invoice and will be paid within Thirty (30) days from the date the invoice is submitted.

5. Insurance, Hold Harmless

The Contractor must list the Town as an additional insured on all policies and must be able to provide the Town with Insurance Certificates; any Notices of Cancellation on or before the Effective Date and thereafter during the Agreement Term, Contractor shall provide the Town with current certificates of insurance, executed by a duly authorized representative of each insurer, as evidence of all insurance policies required. Contractor shall be solely responsible for any injuries related to the services performed through this agreement.

At all times during this agreement, Contractor shall provide and maintain comprehensive general liability insurance coverage and workers compensation that is acceptable to the Town for the term of the agreement in the amount of \$1,000,000 per occurrence and \$2,000,000 in aggregate.

Services hereunder shall be performed as an independent contractor and not as an agent of the Town. Contractor shall defend and hold harmless the Town for all claims of bodily injury or property damage which may arise from any act or omission under this agreement, including but not limited to the costs, expenses, attorney fees and judgments or settlements of claims.

6. Sub-Contract and Assignment

Contractor shall not:

1. sub-contract any of the work under this agreement; or
2. Assign any rights acquired hereunder without obtaining prior written approval from the Town.

7. Agreement Duration:

The agreement shall become effective on the date the agreement has been signed by every party hereto and shall continue in force until terminated. The term of this agreement shall renew each year from the date of execution and shall automatically

renew each year. The agreement may be opened to negotiate any part of this agreement with consent of both Town and Contractor. The Contractor acknowledges that no work has been or will be performed under this Contract until this Contract is fully executed and effective.

The Town of Richlands may, by written notice, and at any time, terminate this agreement if, in the judgment of the Town, the contractor has failed to comply with the terms of the agreement. In the event of such termination, the contractor shall be entitled to payment for work performed through the date notice is delivered to Contractor. No sums shall be owed to the contractor for work performed after such notice is delivered.

Contractor acknowledges that this agreement is contingent upon sufficient budget allotments, and is subject, by written notice to Contractor, to restriction or cancellation if budget adjustments are deemed necessary by the Town Board. In the event the contract is terminated due to such budget restructuring, Contractor shall be entitled to payment for work performed through the date notice is delivered to Contractor.

The Town of Richlands cannot guarantee that any work will be forthcoming to the contractor as a result of these ordinances violations, nor will it guarantee a certain level or amount of work as these are "as needed" activities. The town reserves the right to withhold payment on all unauthorized work.

CONTRACTOR

Pittman's Lawn Care

Business Name

Dana Pittman

Authorized Representative

Owner

Title

June 7 2017

Date

Town of Richlands

Authorized Representative

Title

Date



TOWN OF RICHLANDS

Regular Board Meeting

Agenda Item VIII. - 6.

Venters Park Discussion (Sheryl Brown)

Description:

Venters Park Discussion (Sheryl Brown)

Review:

Mrs. Sheryl Brown, 118 Elizabeth Street, wishes to address the Board in order to discuss needs and concerns regarding Venters Park in Downtown Richlands.

Action Needed:

No action required.



TOWN OF RICHLANDS

Regular Board Meeting

Agenda Item VIII. - 7.

ONWASA Administrative Services Agreement

Description:

ONWASA Administrative Services Agreement

Review:

Attached is the 2017-2018 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 Agreement from last year.

Action Needed:

Approve the agreement.

ATTACHMENTS:

Description

- ▣ ONWASA Administrative Services Agreement

ADMINISTRATIVE SERVICE AGREEMENT

AGREEMENT made this ____ day of _____, 2017, 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 the 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 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 2018. 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 venturer, 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.

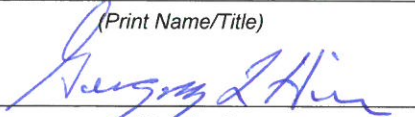

Finance Officer

ONSLOW WATER & SEWER AUTHORITY

TOWN OF _____

By: Gregory Hines

(Print Name/Title)

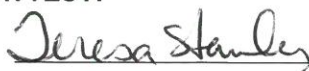

(Signature)

By: _____

(Print Name/Title)

(Signature)

ATTEST:


ONWASA Clerk to the Board



ATTEST:

Town Clerk

[SEAL]

Exhibit A

DUTIES

- Collection of payments from customers
- Post payments to customer accounts
- Process payments received in drop box
- Balance cash and make bank deposit daily
- Process applications for service at existing properties which includes verifying customer's credit score and 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



TOWN OF RICHLANDS

Regular Board Meeting

Agenda Item IX. - 1.

Administrator Notes and Updates

Description:

- The next regularly scheduled meeting of Revive Downtown Richlands is Wednesday, June 15, 6:30 PM at town hall.
- The electronic auction for surplus property has been held and all items except the old computers and telephone system were sold.

Review:

Action Needed:



TOWN OF RICHLANDS
Regular Board Meeting

Agenda Item X. - 1.

May 2017 Police Report

Description:

Attached is the Police Activity Log for May2017.

Review:

Action Needed:

Receive the Police Report.

ATTACHMENTS:

Description

▣ May 2017 Police Activity Log

Activity Log Event Summary (Cumulative Totals)

Richlands Police Department

(05/01/2017 - 05/31/2017)

<No Event Type Specified>	1	911 Hang-Up	1
Accident	11	Adminstration Run	54
Alarm Activation	10	Animal Complaint	7
Arrest	8	Assist EMS	11
Assist Highway Patrol	1	Assist Motorist	2
Assist Other Department	4	Assist Other RPD Officer	82
Background Investigations	9	Bank Deposit Escort	22
Bomb Threat	1	Breaking and Entering	2
Breathalyzer Examinations	2	Business Check	4,425
Call for Service	492	Careless & Reckless	4
Citation	171	Cite & Release	5
Civil Problem	3	Communicating A Threat	1
County Assist	3	Credit Card Fraud	1
Domestic	4	Drivers License Check Point	2
Drunk Assist	1	DWLR	6
Expired State Inspection	1	Expired Tags	9
Fictitious Tags	1	Field Interviews	1
Fingerprinting	9	Fire Calls	4
Follow up Investigation	29	Follow up on Ordinance Violations	37
Fraudulent Documents	1	FTO Training	1
Funeral Escort	4	Grass Clippings in street	2
Grass Violations	34	Headlights/Taillights/License Plate Lights Out	33
Incident Report	26	Juvenile Problems	3
Larceny	3	Left door Knockers for Ordinance Violations	2
Letters sent on Ordinance Violation	28	License Pick-Up	7
Lost or Stolen Property	2	Mileage	2
Miscellaneous Citations	2	Narcotic Investigation	1
No Insurance	7	Noise Complaint	7
NOL	10	Obtaining Property By False Pretense	1
Open Container	1	Open Door/Windows	6
Operational Reports	30	Ordanance Violation	5
Other Drivers License Violations	2	Other Registration Violations	2
Parking Tickets	1	Patrol Zone 1	75

Activity Log Event Summary (Cumulative Totals)

Richlands Police Department

(05/01/2017 - 05/31/2017)

Patrol Zone 2	79	Patrol Zone 3	83
Patrol Zone 4	77	Patrol Zone 5	86
Patrol Zone 6	76	Possession of Drug Paraphernalia	1
Possession of Marijuana	1	Property Damage	4
Request Assistance	5	Resist, Obstruct/Delay Officer	1
Revoked License Plate	10	Safe Movement Violation	1
Seat Belt Initiative Check Point	1	Seatbelt	35
Special Assignment/Meeting	13	Speeding	104
Standby	1	Stoplight/Sign	24
Suicide Threats	1	Supplement to report	15
Suspicious Person	5	Suspicious Vehicle	1
Tag Lights	4	Town Cut Grass	3
Traffic Control	251	Traffic Education	80
Transport to Jail	1	Unlock Car	10
Vehicle Check After Shift	91	Vehicle Check Before Shift	93
Vehicle Plate/Tag Pick-up	1	Vehicle Stop	226
Verbal Warnings	84	Warrant	2
Welfare Check	5		

Total Number Of Events: 7,210