

**TOWN OF MCADENVILLE COUNCIL AGENDA
TUESDAY, JUNE 13, 2023 @ 6:00 PM
163 MAIN STREET, MCADENVILLE NC**

- 1. CALL TO ORDER, PLEDGE OF ALLEGIANCE & INVOCATION**
- 2. ADJUSTMENT & APPROVAL OF JUNE AGENDA:** Items will only be added or removed upon approval of the Mayor and Town Council.
- 3. CONSENT AGENDA:** The items of the “Consent Agenda” are adopted on a single motion and vote, unless the Mayor or Council wishes to withdraw an item for separate vote and/or discussion:
 - a) **Approval of Minutes:** Regular Meeting of May 9, 2023, and Special Meeting / Budget Workshop of May 15, 2023.
 - b) **Contract to Audit Accounts:** Butler & Stowe has submitted their Contract to Audit Accounts for the Town of McAdenville for the year ending June 30, 2023, in the amount of \$26,250.00. Audit prep cost is \$21,650 and writing the Financial Statement is \$4,600. This is an increase of 5% from the previous year’s contract.
 - c) **Carolina Thread Trail Implementation Grant:** The CTT has awarded the Town of McAdenville a \$150,000 grant for use in the construction of the town’s portion of the River Link Trail along Riverside Drive. The release of funds is contingent upon McAdenville receiving additional funding to fully support construction of the project. The grant agreement is included for Council consideration.
 - d) **McAdenville Woman’s Club Lease Agreement:** The McAdenville Woman’s Club is interested in leasing two rooms (362.5 sq ft) in the lower level of the Fire Station for the purpose of storage. The lease agreement will be for three years beginning July 1, 2023. The MWC has agreed to the terms set forth in the lease agreement prepared by Attorney Chris Whelchel and included for Council’s consideration.
- 4. BUDGET PRESENTATION – FY2023-2024:** Staff will present a slide presentation on the estimated revenue and expenditures for the General and Water/Sewer funds highlighting changes from the previous budget year and planned CIP projects.
- 5. PUBLIC HEARING FOR PROPOSED 2023-2024 BUDGET:** This is the required public hearing on the proposed budget for the fiscal year beginning July 1, 2023. All persons requesting to speak on items in the proposed budget must register with the Town Clerk.
- 6. ADOPTION OF BUDGET ORDINANCE FOR FISCAL YEAR 2023-2024:** The total Proposed Budget for the Town of McAdenville for Fiscal Year 2023-2024 is \$2,244,545 with no change to the current ad valorem tax rate of .39 cents per \$100 assessed valuation. Proposed revisions to the Water & Sewer Rates and Fee Schedule are included as part of the FY2023-24 Proposed Budget. The recommended rate increase for water & sewer services is 2% to continue funding planned capital improvements in the utility system.

- 7. INTERLOCAL AGREEMENT FOR FIRE SERVICE:** The contract renewal for Fire Service has been received from the Town of Cramerton. The interlocal agreement is for three years beginning July 1, 2023, in the amount of \$68,500/year. This is an increase of 5.39% from the previous contract. The fire station lease agreement will be for a term concurrent to the Fire Protection contract and has been updated to exclude use of the 362.5 sq ft of the building being leased to the McAdenville Woman's Club. Council approval of both the interlocal agreement and lease contract are recommended.
- 8. POLICE DEPARTMENT REPORT:** Chief Adams, CPD, will report on police activity for the month of May and address any concerns of Council.
- 9. GREENWAY SIGNAGE:** Final review of greenway signage design and consideration of Gaston Printing & Signs quote in the amount of \$75,453.29. Quote includes 1 monument sign, 1 kiosk sign, and up to 20 way finding signs for placement along the trail.
- 10. OPPORTUNITY FOR PUBLIC COMMENT:** This is an opportunity for members of the public to present items of interest to the Mayor and Council. This is not a time to respond or take action. Any necessary action will be taken under advisement. Speakers are asked to stand, state their name and address for the record and limit comments to no more than five minutes.
- 11. COUNCIL GENERAL DISCUSSION:** This is an opportunity for the Mayor and Council to ask questions for clarification, provide information to staff, or place an item on a future agenda.

ADJOURN

TOWN OF MCADENVILLE MINUTES MAY 9, 2023

The McAdenville Town Council met in regular session on Tuesday, May 9, 2023, at 6:00 PM in the Council Chambers of Town Hall located at 163 Main Street, McAdenville N.C.

PRESENT:

Mayor Jim Robinette and Mayor Pro-Tem Reid Washam; Council Members: Carrie Bailey, Greg Richardson, and Joe Rankin. Also in attendance: Attorney Chris Whelchel, Police Sergeant Berry, and Town Administrator/Clerk Lesley Dellinger. Council member Jay McCosh was absent.

CALL TO ORDER:

Mayor Robinette called the meeting to order at 6:00 PM and led in the Pledge of Allegiance. Pastor Walt Griggs, McAdenville Baptist Church, opened the meeting with prayer.

ADJUSTMENT & APPROVAL OF AGENDA:

The May Agenda was unanimously approved by motion of Carrie Bailey, second by Greg Richardson with the following changes: Addition of item 3(e) – Adoption of Local Water Supply Plan, and item 3(f) – Setting Public Hearing for FY2023-24 Budget.

CONSENT AGENDA:

The items of the Consent Agenda were unanimously approved by motion of Mayor Pro-Tem Washam, second by Joe Rankin and unanimous vote:

- a) **Approval of Minutes:** Council approved the regular meeting minutes of April 11, 2023, and special meeting/budget work session minutes of April 17, 2023.
- b) **Amend Meeting Schedule:** A special meeting to work on the fiscal year 2023-24 budget was set for Monday, May 15, 2023, from 5:00-6:30 PM in the Town Hall conference room located at 163 Main Street.
- c) **Planning Board Appointment:** Council approved the three (3) year term renewal of May 2023 to May 2026 for Sara Gilbert-Kay and Andy Westmoreland to the McAdenville Planning Board / Board of Adjustment.
- d) **Budget Amendment for FY2022-2023:** Ordinance No 2023-001 authorizing amendments to the Budget for Fiscal Year beginning July 1, 2022, was approved by Council. The amendments will result in no increase or decrease in the net appropriations of the General Fund.
- e) **Adoption of Local Water Supply Plan:** Resolution No 2023-003 approving the 2022 LWSP submittal for McAdenville PWSID 01-36-045 to the Department of Environmental Quality, Division of Water Resources was approved by Council.

- f) **Public Hearing on the FY2023-24 Budget:** The public hearing on the proposed Fiscal Year 2023-2024 municipal budget for the Town of McAdenville was set for Tuesday, June 13, 2023 @ 6:00 PM in the Council Chambers of Town Hall.

ARMSTRONG FORD DAM REMOVAL:

Greg Richardson provided the Council with information on the Armstrong Ford Dam Feasibility Study funded by the Catawba River Health Committee partners. The study supports the partial removal of the old DMV dam on the South Fork River that parallels the Armstrong Ford Road bridge in Belmont. The removal of the dam would improve the flow of the South Fork River, support existing wildlife, allow recreational passage through the area, and help with flood mitigation. Greg stated that the water levels in McAdenville could be lowered 1 to 1 ½ feet which may negatively impact the canoe/kayak launch site at the greenway, but the overall benefit toward future flood levels is worth it. The projected cost is \$8 million for removal of a portion of the dam, but there is currently lots of money available in Raleigh for flood mitigation projects. Cramerton and members of the Catawba River Health Committee plan to go to Raleigh to solicit money for the project if they can get unanimous support for the project from the municipalities that will be impacted. Greg added that a resolution of support for the project is being drafted for consideration at a future meeting.

NCDOT APPROVAL FOR TRUCK ROUTE & WEIGHT RESTRICTIONS:

Mayor Pro-Tem Reid Washam provided an update on the progress being made regarding truck traffic mitigation efforts related to the expansion of the Oaks Commerce Business Park located off Hickory Grove Road. Reid has been working with Blake Guffey, NCDOT District 1 Supervisor, on truck route designation around McAdenville and weight restrictions for HWY 7/Main Street. The Town's request has been approved and the NCDOT is requiring resolutions; one from McAdenville supporting the weight restrictions on NC7/Main St, and a joint resolution between McAdenville, Belmont, and Cramerton designating a truck route along HWY 7 to I-85 Exit 26, Belmont Abbey College. Reid stated that the alternate route north on Hickory Grove Road to Woodlawn is not allowed due to the narrow turn radius at the Woodlawn intersection. Chris Whelchel stated that he has been in contact with the NCDOT and is drafting the required resolutions. The language for the truck route must be stated with specificity and he will obtain NCDOT approval of the language prior to presenting the resolutions for Council consideration.

POLICE DEPARTMTNE REPORT:

Sergeant Berry was in attendance for Chief Adams who was detained. Sergeant Berry stated that he would relay Council concerns to Chief Adams who would follow up with the Board. Mayor Pro-Tem Washam stated that he felt increased patrols of the greenway parking lot were needed. He has recently noted broken glass and increased trash in the area. Greg Richardson added that

he often sees vehicles parked in the lot at dusk and it does not appear that the vehicle occupants are using the trail. Mayor Pro-Tem Washam instructed town staff to contact George Altice with Pharr to see if the private streetlights along Lakeview could be turned back on. He feels the lighting may deter people from conducting unwanted activities in the parking lot after dark. Carrie Bailey added that she has seen several posts about street parking where Academy Street dead ends past the Wright Street intersection and asked that the CPD include this area in regular patrols. There is no need for parking in this area to access the trail when it is easily accessible from the Poplar Street parking lot.

STAFF REPORT:

Interlocal Agreement for Installation and Maintenance of Water Infrastructure to benefit Lowell Elementary School – Follow up item from April meeting. Lesley Dellinger has been working with Gaston County on an ARPA funded project to improve the water quality and reliability of the service for Lowell Elementary School. An interlocal agreement between Gaston County, Lowell and McAdenville was approved at the April meeting pending no substantive or material changes were requested by the other parties. Lesley stated that the project coordinator with Gaston County had reached out stating that the project was being placed on hold due to a regulation discovered in the ARPA grant final rule. It appears that projects utilizing ARPA funding may not generate new revenues; and if they do, then the revenues generated must be repaid to the APRA grant pool. Gaston County will need to make modifications to the interlocal agreement to address the revenue stipulation. Since the contact revisions will be substantive, staff requested Council rescind its approval of the Interlocal Agreement for Installation and Maintenance of Water Infrastructure to Benefit Lowell Elementary School. Motion to rescind approval of the interlocal agreement approved at the April meeting was made by Mayor Pro-Tem Washam, seconded by Carrie Bailey and unanimous vote.

Little Library Locations – Photos depicting the desired locations for the Little Libraries sponsored by the McAdenville Woman’s Club were presented for approval. The Academy Street location near the greenway footbridge was approved. The preferred spot near the kayak launch was modified to avoid interference with the future park kiosk. Council instructed staff to relay the approved locations to the club so they could proceed with installation of both Little Library boxes.

Additional Updates – Lesley Dellinger stated she and several Council members met with Chris Etherton of Gaston Printing & Signs earlier that day to discuss signage. Updated renderings of the proposed kiosk and monument sign were presented. Discoveries made regarding the location of the 12” water line location near the South Fork River bridge were discussed along with the reason for the water outage in the north side of town experienced early in the day.

OPPORTUNITY FOR PUBLIC COMMENT:

Mayor Robinette opened the floor to public comment. No comments were presented.

COUNCIL GENERAL DISCUSSION:

No comments were presented.

ADJOURN:

There being no further business to come before the board, the meeting adjourned at 6:55 PM upon motion of Greg Richardson, second by Joe Rankin and unanimous vote.

Jim Robinette, Mayor

Lesley Dellinger, Town Clerk

**MCADENVILLE TOWN COUNCIL
SPECIAL MEETING / BUDGET WORK SESSION
MAY 15, 2023**

The McAdenville Town Council met in Special Session on Monday, May 15, 2023, at 5:00 PM in the Conference Room of McAdenville Town Hall, 163 Main Street. Proper notice was given.

Members Present: Mayor Jim Robinette and Mayor Pro-Tem Reid Washam; Councilmembers: Jay McCosh, Joe Rankin, and Greg Richardson. Staff: Town Administrator/Clerk Lesley Dellinger. Councilmember Carrie Bailey attended remotely. Councilmember Joe Rankin was formally excused from the meeting at 5:55 PM.

Mayor Robinette called the meeting to order at 4:59 PM. He stated the purpose of the meeting was to finalize the proposed FY2023-24 budget.

W&S Fund: Staff reviewed the estimated revenues and expenditures for the water/sewer fund and answered questions from Council. A utility rate increase of 2% was supported unanimously by the board. The final water/sewer budget is estimated at \$794,195.00 which is a reduction of over \$82K from the previous year due to the uncertainty associated with the reduction in staff at the Coats manufacturing facility. Approximately \$161K in fund balance reserves will be used to offset capital improvement costs associated with the Hallie Bentley PRV replacement project.

General Fund: Staff presented estimated revenues at a \$0.39 and \$0.37 tax rate. It was noted that a 1 cent adjustment on the tax rate equals approximately \$15,000. Following discussion by the board, the requested new full-time staff position was adjusted to onboard in January 2024 reducing projected administrative cost by \$54,500. The board recommended 3 to 2 that the municipal tax rate remain at \$0.39 cent to offset the loss in revenue resulting from the \$13 million decrease in personal property valuation. The final general fund expenditures are estimated at \$1,464,350 requiring approximately \$68K in fund balance reserves to balance the budget.

There being no further business to discuss the meeting was adjourned at 6:21 PM by motion of Mayor Pro-Tem Washam, second by Greg Richardson with unanimous vote.

Jim Robinette, Mayor

Lesley Dellinger, Town Clerk

The	Governing Board Town Council
of	Primary Government Unit Town of McAdenville
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

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

and	Auditor Name Butler & Stowe
	Auditor Address Post Office Box 2379, Gastonia, North Carolina 28053-2379

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/23	Date Audit Will Be Submitted to LGC 10/31/23
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Must be within four months of FYE

hereby agree as follows:

- The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.
- At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F (Uniform Guidance)* or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

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

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

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters.

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. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

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

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

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

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

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

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

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

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

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

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

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

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

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

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

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

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

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

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

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

FEEES FOR AUDIT SERVICES

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

Financial statements were prepared by: Auditor Governmental Unit Third Party

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

Name:	Title and Unit / Company:	Email Address:
Lesley Dellinger	Finance Officer	clerk@townofmcadenville.org

OR Not Applicable (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

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

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

Primary Government Unit	Town of McAdenville
Audit Fee	\$ 21,650.00
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$ 4,600.00
All Other Non-Attest Services	\$

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
Audit Fee	\$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Butler & Stowe	
Authorized Firm Representative (typed or printed)* Sheila O. Thornton, CPA	Signature* <i>Sheila O. Thornton</i>
Date* <i>5-31-2023</i>	Email Address* sthornton@butlerstowe.com

GOVERNMENTAL UNIT

Governmental Unit* Town of McAdenville	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed)* Jim Robinette	Signature*
Date	Email Address mayor@townofmcadenville.org

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

Primary Governmental Unit Finance Officer* (typed or printed) Lesley Dellinger	Signature*
Date of Pre-Audit Certificate*	Email Address* clerk@townofmcadenville.org

May 5, 2023

Lesley Dellinger, Town Administrator
Town of McAdenville
163 Main Street
McAdenville, NC 28101

RE: Carolina Thread Trail Grant Agreement 2023-06

Dear Ms. Dellinger,

Please find enclosed the Grant Agreement for your awarded 2023 Implementation Grant from the Carolina Thread Trail. Again, congratulations! We look forward to working with you and your community partners on this exciting project.

Please sign and have notarized where indicated. Once signed, please return the original to me. Once the agreement is fully executed, you will receive a final copy for your files. Please note that the line for "Effective Date" will be filled in by the party who is last to sign the agreement, at the time of execution.

Also enclosed is a form on which to provide your organization's ACH banking information. Please return the completed form along with the signed agreement. The transfer of funds will be through ACH payment once the conditions specified in the agreement are met (Sec. 2. Disbursement of Grant Proceeds).

The Carolina Thread Trail has issued a press release on the award. We encourage the Town to publicize the award through a number of the following communication channels, as applicable: Press releases; e-newsletter or e-alerts; printed newsletters; website articles or posts; social media posts, photograph captions/social posts; email messages; broadcast interviews; newspaper articles; posters, flyers, or direct mail for events or meetings; advertisements, etc.

Please feel free to contact me with any questions at 704.342.3330, Ext. 2216, or bret@carolinathreadtrail.org.

Sincerely,



Bret Baronak
Senior Project Director
Carolina Thread Trail

Enclosures



- CATAWBA -
LANDS CONSERVANCY
 LAND | WATER | FARMS | NATURE



CAROLINA
THREAD TRAIL.

CAROLINA THREAD TRAIL IMPLEMENTATION GRANT AGREEMENT

Grant Number: 2023-06

Grantor: Catawba Lands Conservancy, a non-profit Section 501(3)(c) organization doing business as Carolina Thread Trail

Project Director: Bret Baronak
bret@carolinathreadtrail.org
 (704) 342-3330, ext. 2216
 2400 Park Road, Suite 1
 Charlotte, NC 28203

Grant Recipient: Town of McAdenville

Federal Tax ID Number: 56-0962359 _____

Chief Executive: Lesley Dellinger _____

Primary Contact: Lesley Dellinger, Town Administrator/Clerk
l.dellinger@townofmcadenville.org
 704-824-3190
 163 Main Street
 McAdenville, NC 28101

Award Date: March 21, 2023

Effective Date: _____, 2023

Grant Amount: \$150,000

THIS GRANT AGREEMENT (the "Grant Agreement") is made and entered into, as of the Effective Date by and between the Grantor and the Grant Recipient.

Acceptance of this grant, as evidenced by the authorized signature of this Grant Agreement, signifies that the City of Lowell is a local government entity or non-profit Section 501(c)(3) organization.

- Grant Purpose.** Grant 2023-06 shall be used for construction of the McAdenville River Link Connector, located in McAdenville, North Carolina, as described in the Grant Recipient's Fall 2022 Trail Implementation Grant Program application.

The Grant Recipient understands that uses of grant funds for purposes other than those described above (the "project"), must be authorized in advance in writing by the Grantor.

2. **Disbursement of Grant Proceeds.** The Grantor will send proceeds by ACH payment to the Grant Recipient within thirty (30) days of completion of the following conditions:
 - a. receipt of an executed copy of this Grant Agreement, and
 - b. evidence that all additional funding has been awarded or budgeted to complete the project.
3. **Project Timetable.** The project funded by the grant shall be completed within three (3) years of this grant award. Any requests to extend this time period shall be submitted in writing to the Project Director of the Grantor no less than sixty (60) days prior to the original project completion deadline.
4. **Grant Recipient Responsibilities.** The Grant Recipient is responsible for administering the grant by receiving the grant funds, disbursing funds to project vendors and partners and submitting required grant reports (see below). The Grantor will not be responsible for any agreements between the Grant Recipient and any project vendors. The Grant Recipient will lead the project described in the Grant Purpose.
5. **Remaining and Unused Funds.** Any remaining and unused funds shall be returned to the Grantor within sixty (60) days after either the completion of the project or notification from the Grant Recipient to the Project Director of the Grantor that the project is cancelled or indefinitely postponed.
6. **Reporting Requirements.** If, after one (1) year from receipt of the grant funds, the project is not complete, the Grant Recipient shall submit at that time an interim progress report providing a description of project activities, accomplishments and any setbacks encountered. The report shall also include an updated summary of funds expended, a budget for completion, and a description of actual funding sources, as well as prospective funding sources in the event that any setbacks are of financial nature (see Exhibit A). A final report shall be submitted within sixty (60) days of project completion, but no later than three (3) years of receipt of grant funds, outlining the outcome of the project and a final accounting of funds expended (see Exhibit B). The Grantor reserves the right to conduct an independent evaluation of the progress of the project and all expenditures. The Grant Recipient will cooperate fully by providing information requested.
7. **Project Requirements.** Funding for trail construction must be used on land that has been acquired from willing landowners. Funding from this grant may not be used for any construction related documents or actual trail construction on land that has been acquired through condemnation. If funds are used in an unauthorized manner, all grant funds must be returned to the Grantor.

Funding for land acquisition must be used for properties from willing landowners. Funding from this grant may not be used for any transaction on land that has been acquired through condemnation. If funds are used in an unauthorized manner, all grant funds must be returned to the Grantor.

8. **Post-Implementation Requirements.**
 - a. **Public Access.** All projects supported by grant funding from the Grantor are required to be accessible to the general public. Should, at a future date, the project become permanently unavailable for public access, the Grant Recipient is required to return the full awarded amount of the Carolina Thread Trail Implementation Grant to the Grantor within sixty (60) days of its closure to the public.

- b. **Maintenance.** The Grant Recipient and project partners are responsible for maintaining the project supported by the Carolina Thread Trail Implementation Grant. Should, at a future date, the trail become permanently unavailable for public access due to the project not being properly maintained, the Grant Recipient is required to return the entire awarded amount of the Carolina Thread Trail Implementation Grant to the Grantor within sixty (60) days of its closure to the public.
 - c. **Signage.** The Grant Recipient, when ready to consider branding signage for the funded segment, will coordinate with the Grantor to ensure conformance with the branding standards adopted by the Grantor.
9. **Indemnification.** The Grantor is not responsible for any actions of the Grant Recipient, and furthermore, to the extent permitted by law, the Grant Recipient agrees to indemnify, defend and hold harmless the Grantor and their agents and employees from any liability, loss, cost, injury, damage or other expense that may be incurred by the Grant Recipient or claimed by any third person against it as a result of funding of the project or any action or non-action taken in connection with the project.

*****SIGNATURES ON THE FOLLOWING PAGES*****

IN WITNESS WHEREOF, the parties have executed this Grant Agreement on the date set forth above.

GRANTOR:

CATAWBA LANDS CONSERVANCY,
a North Carolina nonprofit corporation doing business
as **CAROLINA THREAD TRAIL**

By: _____
Name

Title

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that _____ personally appeared before me this day and acknowledged that s/he is _____ of the Catawba Lands Conservancy, a nonprofit corporation doing business as the Carolina Thread Trail, and that s/he, as _____, being authorized to do so, executed the foregoing on behalf of the entity.

Witness my hand and notarial seal this the ____ day of _____, 20____.

Notary Public

My commission expires:

GRANT RECIPIENT:

By: _____
Name

Title

Organization

ATTEST:

STATE OF _____
COUNTY OF _____

I, _____, a Notary Public of the County and State aforesaid, certify that
_____ personally appeared before me this day and acknowledged that s/he
is _____ of the _____, and that s/he, as
_____, being authorized to do so, executed the foregoing on behalf of the entity.

Witness my hand and notarial seal this the ____ day of _____, 20____.

Notary Public

My commission expires:

NORTH CAROLINA

GASTON COUNTY

LEASE AGREEMENT

THIS LEASE AGREEMENT entered into this ____ day of June, 2023, by and between Lessor, the Town of McAdenville, a municipal corporation organized and existing under the laws of the State of North Carolina, hereinafter referred to as "McAdenville," and Lessee, McAdenville Woman's Club, Inc, a non-profit corporation organized and existing under the laws of the State of North Carolina, hereinafter referred to as "MWC";

WITNESSETH:

WHEREAS, MWC has requested that McAdenville lease the portion of the property not being leased to the Town of Cramerton, and which is depicted on Exhibit "A" attached hereto for purposes of storing property owned by MWC.

WHEREAS, the parties have agreed to the terms of said Lease and wish to confirm those terms by executed this Lease Agreement.

NOW, THEREFORE, for and in consideration of the covenants and conditions set forth herein, the parties agree as follows:

1. Term. The initial term of this Lease shall be for a period of three (3) years beginning on the 1st day of July, 2023 and continuing until Midnight on the 30th day of June, 2026.

2. Rental. The rental for the premises shall be in the sum of \$1.00 (One Dollar and no/100) per year, which said amount shall be payable for the first year upon execution of this Lease Agreement and each and every year thereafter on or before the anniversary of the initial payment.

3. Use of Premises. It is understood and agreed that the leased premises shall be used by MWC for storage purposes, but no other purpose or purposes without the prior written consent of McAdenville. The MWC expressly agrees that its use of the leased premises will not interrupt or interfere with the Town of Cramerton's fire station operation and that no common areas exist pursuant to this lease.

4. Utilities. MWC shall be responsible for the payment of a percentage of the utilities comparable to the percentage of the building being leased during the term of this Lease, including electric and trash disposal.

5. Condition of Premises. The premises described above are being leased in an "as is/where is" condition. McAdenville makes no warranties regarding the condition of the premises, including, but not limited to, the utility lines located upon said premises and the heating and air conditioning, plumbing and electrical apparatus. MWC has fully inspected the building and is familiar with its current condition and accepts the same in its current

condition. MWC covenants that it will surrender the premises at the end of the term and any renewal option thereof in as good condition as the same now exists, save and except for nature wear incident to the use and occupancy of the premises as a fire station.

6. Maintenance, Repairs, Improvements and Alterations. MWC agrees to maintain the premises in good repair and in clean and neat condition. Additionally, the MWC will be solely responsible for installing and maintaining, at its sole expense: a) a digital code pad lock to access the exterior door on the lower level of the leased premises (“Exterior Locks”); and, b) a key lock and latch to secure the interior door of the leased premises such that the door could only be accessed from within the interior space leased by the Town of Cramerton (“Interior Lock”). The Exterior Lock digital pad lock code will be shared solely with select MWC members (upon written approval by McAdenville) and The Town of Cramerton’s fire chief. The Interior Lock keys will be maintained solely by the Town of Cramerton’s fire chief.

7. Insurance. During the term of this Lease Agreement, MWC shall, at its sole cost and expense, maintain public liability insurance insuring itself and naming as an insured McAdenville and the Town of Cramerton against any and all liability for injury or damage to persons or property in connection with the use of the leased space described above arising out of or in any way related to the occupancy of the premises by MWC. Liability insurance coverage shall be in the sum of no less than \$1,000,000.00 (One Million Dollars) for personal injury or death for each occurrence. MWC shall also maintain contents and personal property insurance for all equipment, furniture, fixtures and other personal property located on the Leased Premises and belonging to MWC.

MWC shall provide McAdenville with certificates of insurance evidencing continuous coverage of the levels of insurance described above for the duration of this lease agreement. Such certificates of insurance shall be forwarded to the Town Clerk at the beginning of each policy year.

McAdenville shall, at its sole costs and expense, carry and maintain fire and extended insurance coverage the premises and the portion of the premises leased to MWC for loss or damage by fire and wind damage together with other coverage for risks commonly included in “extended coverage policies.”

8. Indemnity. MWC hereby agrees to indemnify and save harmless McAdenville and the Town of Cramerton from and against all claims, judgments, costs, expenses, including reasonable attorney fees, which arise in any manner from or out of this Agreement as a result of the acts or omissions of MWC in its occupancy and use of the demised premises.

9. Remedies Upon Default. In the event either party shall fail or neglect to perform or observe any of the conditions and covenants contained herein, and, in the further event that said party in default has been notified of such default in writing by the other party, and such default has not been cured within sixty (60) days after such written notice, the non-defaulting party may immediately, at its election, terminate this Lease and may, in any manner as it sees fit re-enter upon the Premises and cancel this Lease Agreement. Nothing contained

herein shall be construed to limit or restrict in any manner any of the other rights of either party permitted by or available under the laws of the State of North Carolina.

10. Assignment. MWC shall not assign or sublet any part of the Premises.

11. Construction. This Lease Agreement shall be governed by and construed under the laws of the State of North Carolina.

12. Binding Effect. Subject to the terms and conditions of this Lease Agreement, this Lease shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns. This Agreement constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes all prior agreements, whether written or oral, and no modification shall be binding upon the parties unless evidenced by a writing signed by the parties hereto. Both parties acknowledge and stipulate that this Agreement is the product of mutual negotiation and bargaining and it has been drafted by counsel for both MWC and McAdenville. As such, the Doctrine of Construction against the drafter shall have no application to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed as of the day and year first above written.

LESSOR:

Town of McAdenville

By: _____

ATTEST:

Town Clerk

APPROVED AS TO FORM:

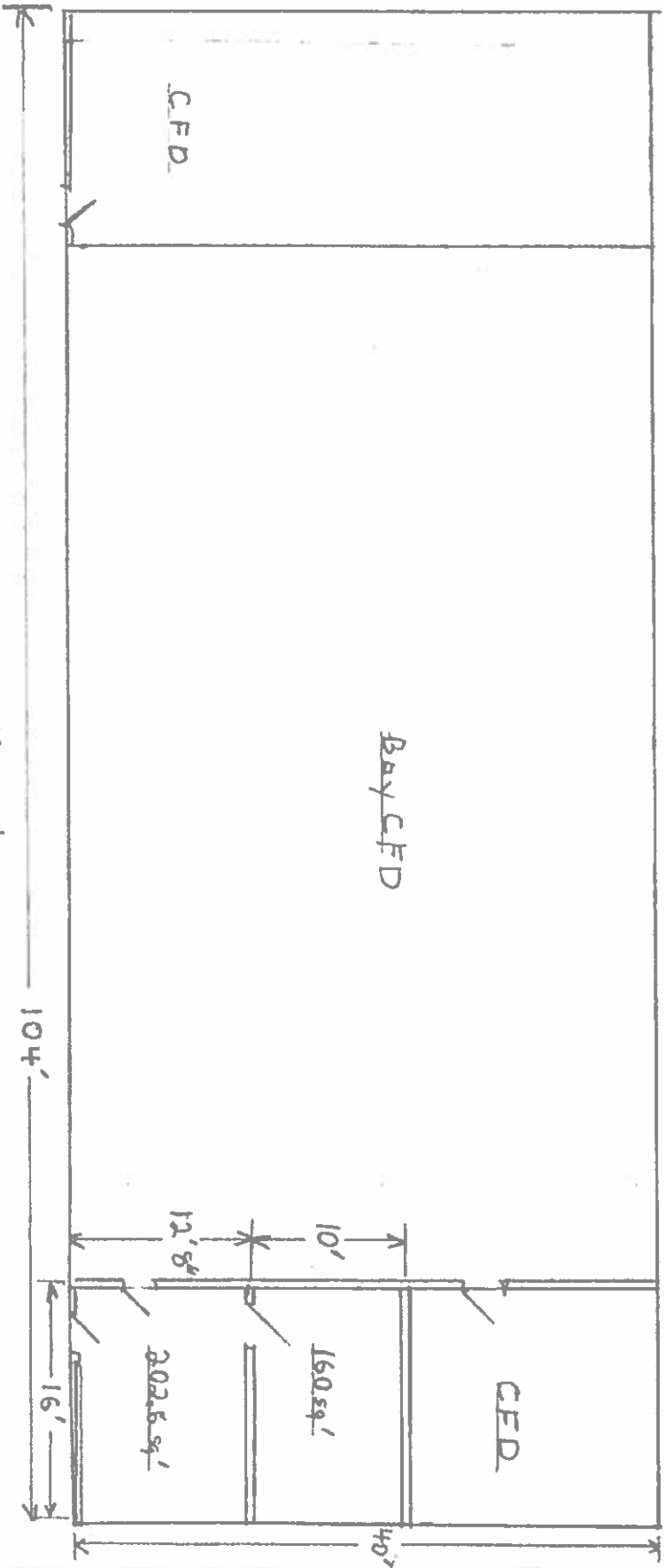
Town Attorney

LESSEE:

McAdenville Woman's Club, Inc

By: Orhly Westmoual
Its: Property Insurance Liaison

EXHIBIT A



144 WESLEYAN DRIVE

**Notice of Public Hearing
Town of McAdenville**

Notice is hereby given that the Proposed Municipal Budget for the Town of McAdenville for the 2023-2024 Fiscal Year has been submitted to the Mayor and Town Council.

A Public Hearing on the Proposed Budget is scheduled for June 13th, 2023, at 6:00 PM in the Council Chambers of the McAdenville Town Hall located at 163 Main Street, McAdenville, NC 28101.

A copy of the Proposed Budget is available for inspection in the office of the Town Clerk, 163 Main Street, McAdenville, NC 28101 or may be viewed online at www.townofmcadenville.org.

Oral and written comments will be received from all interested citizens at that time.

6/1/2023

ORDINANCE 2023-xxx

**ORDINANCE ADOPTING A BUDGET FOR THE
TOWN OF MCADENVILLE, NORTH CAROLINA FOR
THE FISCAL YEAR BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024**

BE IT ORDAINED by the Town Council of the Town of McAdenville, North Carolina meeting in open session this 13th day of June 2023, that the following anticipated revenues and departmental expenditures are hereby appropriated and approved for the operation of the Town of McAdenville and its activities for the Fiscal Year beginning July 1, 2023 and ending June 30, 2024.

SECTION I – GENERAL FUND EXPENDITURES: A total of \$1,450,350 is hereby authorized to be expended from the department accounts of the General Fund as follows:

Governing body	\$ 21,600
Administrative Department	\$ 439,200
Admin Dept – Fire Service	\$ 68,500
Admin Dept – Garbage Service	\$ 100,000
Elections Department	\$ 1,300
Street Const & Maintenance (Powell Bill)	\$ 50,000
Police Department	\$ 304,750
Public Works Department	\$ 140,000
Capital Expenditures	<u>\$ 325,000</u>
TOTAL	\$ 1,450,350

SECTION II – WATER AND SEWER FUND EXPENDITURES: A total of \$794,195 is hereby authorized to be expended from the Water and Sewer Fund as follows:

Water and Sewer Department	<u>\$ 794,195</u>
TOTAL	\$ 794,195

SECTION III – GENERAL FUND REVENUES: The Town Council does estimate that the following revenues will be available during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

Ad Valorem Taxes	\$ 678,000
Tag & Tax	\$ 35,000
Utility Franchise Tax	\$ 270,000
Sales Taxes	\$ 200,000
Powell Bill	\$ 24,000
Alcohol / Beverage Tax	\$ 3,000
Solid Waste Disposal	\$ 500
Interest Income General Fund (GF)	\$ 7,500
Interest Income Powell Bill (PB)	\$ 500
Bldg. and Zoning Fees	\$ 2,000
Grant Funding – CTT	\$ 150,000
Fund Balance Appropriations GF	\$ 53,850
Fund Balance Appropriations PB	<u>\$ 26,000</u>
TOTAL	\$ 1,450,350

SECTION IV – WATER AND SEWER FUND REVENUES: The Town Council does estimate that the following Revenues will be available during the fiscal year beginning July 1, 2023 and ending June 30, 2024:

Charges for Service	\$ 631,750
Interest Income	\$ 1,000
Fund Balance Appropriations W&S	\$ 161,445
Transfer from General Fund (GF)	\$ - 0 -
TOTAL	\$ 794,195

SECTION V – LEVY OF TAXES: There is hereby levied, for Fiscal Year 2023-2024, an Ad Valorem Tax Rate of \$0.39 on each one hundred dollars (\$100.00) valuation of taxable property as listed for taxes as of January 1, 2022. This rate is based on an estimated 99.02% collection rate which was at least the collection rate experienced during the 2022-2023 fiscal year.

There is also hereby levied, for Fiscal Year 2023-2024, a Vehicle tax of \$5.00 per year upon any vehicle resident in the Town of McAdenville.

SECTION VI – FEES SCHEDULE: The Town Council shall adopt a schedule of fees and rates for water and sewer services, as may be amended from time to time as determined appropriate, to provide funding to cover costs for the provision of designated services.

SECTION VII – SPECIAL AUTHORIZATION – FINANCE OFFICER: The finance officer is hereby authorized to reallocate appropriations within departments and among the various line items not organized by departments as deemed necessary.

The Finance Officer shall be authorized to make interdepartmental transfers, within the same fund, not to exceed ten percent (10%) of the appropriated monies for the department whose allocation is reduced. Notification of such transfers shall be made to the Town Council at its next regular meeting following the date of transfer.

Budget Ordinance for Fiscal Year 2023-2024 adopted this 13th day of June 2022.

Jim Robinette
Mayor

Attest:

Lesley Dellinger
Town Administrator/ Clerk

INTERLOCAL AGREEMENT FOR PROVISION OF FIRE SERVICES

THIS AGREEMENT, is entered into as of the ____ day of June, 2023 by and between the Town of Cramerton, a municipal corporation under the laws of the State of North Carolina (hereinafter referred to as "Cramerton") and the Town of McAdenville, a municipal corporation located within Gaston County, organized under the laws of the State of North Carolina (hereinafter referred to as "McAdenville").

WITNESSETH:

WHEREAS, pursuant to the provisions of Article 20 of Chapter 160A of the North Carolina General Statutes, Cramerton and McAdenville wish to enter into this Interlocal Agreement for the Provision of Fire Services which Cramerton will provide to McAdenville and the compensation which McAdenville will pay to Cramerton for such services.

WHEREAS, McAdenville desires Cramerton to provide its necessary fire services within the limits of McAdenville and the Town Board of each has adopted a resolution as required by North Carolina General Statute 160A-461; and

WHEREAS, the parties hereto desire to reduce the terms of this agreement to writing:

NOW, THEREFORE, in consideration of the premises above and pursuant to the terms of this Agreement, Cramerton and McAdenville agree as follows:

1. **Purpose of the Agreement.** The purpose of this Agreement is to specify the fire services which Cramerton, through the Cramerton Fire Department (CFD), will provide within the current corporate limits of McAdenville and future areas annexed by McAdenville, and the boundaries of the fire district for McAdenville as determined by the Gaston County Fire Marshal pursuant to the requirements of the State Fire Marshal and to set forth the financial agreements between Cramerton and McAdenville with respect to the provision of such fire services. This agreement does not intend to specify the manner in which fire services will be provided; all services will be provided in accordance with the CFD's established policies and procedures and North Carolina law, under the control and direction of the CFD.
2. **Independent Contractor Status.** It is agreed between the parties that the CFD is an independent contractor and is not an employee or agent of McAdenville. The officers shall carry out their responsibilities in accordance with all state, local and federal law and as authorized by CFD.
3. **Compensation.** The amount of annual compensation due from McAdenville to Cramerton under this agreement for each fiscal year 2023-2024, 2024-2025, and 2025-2026 will be sixty-eight thousand and five hundred dollars (\$68,500).

In the event of a substantial change in population, an increase in commercial properties, or the construction of multi-family or other high density residential housing within McAdenville, the parties will negotiate in good faith increases to the fire service cost so as to cover the increased costs of fire services required to adequately serve the citizens of McAdenville as a result of the impact from new development. Provided however, the amount of compensation due under this Agreement shall not be annually increased more than five percent (5%) in excess of the above stated compensation.

The parties to this agreement understand and agree that these amounts (hereinafter referred to as "fire service costs" are based on estimated Cramerton operational, personnel and equipment costs for CFD to service the Town of McAdenville 24 hours per day for 365 days per year.

Payment of compensation for Cramerton fire services shall be paid in monthly installments with the first installment due and payable by McAdenville on or by the 5th day of each month commencing with July 2023.

4. **Exclusive Fire Services.** CFD will be the sole provider of fire services for McAdenville. CFD shall have original jurisdiction with respect to all fire matters within the Town of McAdenville and shall be responsible for their direction and control. Subject to the forgoing, CFD personnel shall consult and cooperate in good faith, subject to state and federal law, with the Town Administrator and staff of McAdenville as necessary to provide fire services in a manner acceptable to McAdenville and shall inform its Town Administrator of significant changes or developments affecting the provision of fire services. CFD will send a representative, upon request, to the monthly McAdenville Council Meeting to update the Council on fire department operations in McAdenville
5. **Alternative Fire Services.** Nothing in this agreement shall be construed to prevent the Town of McAdenville from reestablishing a McAdenville Fire Department or otherwise contracting with another entity for the same or similar services on expiration of this Agreement.
6. **Personnel Necessary For the Provision of Fire Services.** All personnel involved in providing fire services within McAdenville shall be either employees or volunteers of Cramerton and shall act under the direction of the CFD Fire Chief, who in turn, is responsible to the Cramerton Town Manager and the Cramerton Town Board. Neither McAdenville, nor its agents, nor its employees, shall have the authority to supervise persons engaged in providing fire services to McAdenville by Cramerton pursuant to this Agreement.
7. **Level and Area of Service.** CFD agrees to provide continuous, twenty-four hour per day fire suppression, education, fire inspection, and protection services to current corporate limits of McAdenville and future areas annexed by McAdenville and the boundaries of the fire district for McAdenville as determined by the Gaston County Fire Marshal, pursuant to the requirements of the State Fire Marshal. CFD shall respond to all fires with adequate apparatus,

equipment, and trained personnel in compliance with the State standards. CFD will maintain a full staff, by volunteers and/or employees, and maintain an adequately equipped fire station, apparatus, and equipment sufficient to provide fire service in McAdenville's fire district with response times consistent with State standards. CFD agrees to maintain adequate mutual aid agreements and response cards with all neighboring fire departments so that McAdenville can receive all needed mutual assistance. CFD will make good faith efforts to have employees and volunteers who respond in McAdenville to be a North Carolina certified firefighter. CFD will provide E-Level medical services.

8. **Hydrant Testing.** CFD will test and inspect fire hydrants owned by McAdenville and located within the McAdenville fire district at least once per year in coordination with McAdenville. CFD will provide McAdenville with its inspection information so McAdenville can make any necessary repairs to its fire hydrants.
9. **Hazard Mitigation Plan.** CFD agrees to participate in all necessary Hazard Mitigation Plan activities on behalf of McAdenville in conjunction with Gaston County.
10. **Real Property.** McAdenville will lease the building located at 144 Wesleyan Drive ("the Property"), McAdenville, North Carolina 28101 for use as a fire station for a term equal to that of this Agreement and any renewal terms, in a form substantially the same as the Lease attached hereto as Exhibit A. Cramerton may not sublease the property without first obtaining prior written approval of McAdenville, which can be withheld in its sole discretion. The property shall be free and clear of all liens and deeds of trust when leased to Cramerton. All conditions of the lease of this building are addressed in Exhibit A.
11. **Personal Property and Equipment.** Any personal property or equipment acquired by Cramerton for use in connection with the services provided hereunder shall be owned solely by Cramerton and shall remain the property of Cramerton after termination of this Agreement.
12. **Term of Agreement.** This Agreement shall be effective beginning at 6:00 am on July 1, 2023 and shall be effective until 5:59 am on July 1, 2026. Unless one party notifies the other in writing of its intent to terminate this agreement at least 90 days prior to expiration of the current term, this Agreement shall continue for an additional 5 year term, through 5:59 am July 1, 2031, provided the parties shall make mutually agreeable adjustments to the levels of service and compensation due as necessary for the additional term to be agreed upon in good faith by both parties.
13. **Amendment of Agreement.** This agreement may be amended at any time by the parties. All amendments must be in writing and approved by the governing boards of both parties before they shall become effective.

14. Entirety of Agreement. No oral agreement shall occur and this written agreement and its written amendments alone shall constitute and represent the basis of the relationship between the parties to this agreement. All attachments to this agreement are incorporated by reference herein as if fully stated. Nothing herein shall affect the terms or performance of the existing mutual aid agreements between the police departments of the two towns.
15. Invalidity. Should any portion of this Agreement be determined to be unlawful or invalid, the parties agree to take all actions necessary to continue with a valid agreement or other actions needed to continue the lawful provision of fire services within McAdenville.

Executed as of the day and year first above written pursuant to authority duly given by the Cramerton Town Board and the McAdenville Town Board.

TOWN OF CRAMERTON

TOWN OF MCADENVILLE

Mayor

Mayor

Town Clerk – Attest

Town Clerk – Attest

Town Attorney

Town Attorney

Seal:

Seal:

EXHIBITS:

Lease Agreement between Town of Cramerton and Town of McAdenville for 144 Wesleyan Drive, McAdenville, North Carolina 28101, Exhibit A

NORTH CAROLINA

GASTON COUNTY

LEASE AGREEMENT

THIS LEASE AGREEMENT entered into this ____ day of June, 2023, by and between Lessor, the Town of McAdenville, a municipal corporation organized and existing under the laws of the State of North Carolina, hereinafter referred to as "McAdenville," and Lessee, the Town of Cramerton, a municipal corporation organized and existing under the laws of the State of North Carolina, hereinafter referred to as "Cramerton";

WITNESSETH:

WHEREAS, Cramerton and McAdenville have entered into an Interlocal Agreement for fire services, which said Agreement is dated the ____ day of _____, 2023, having been duly executed by the authorized representatives of the parties hereto; and

WHEREAS, the above-referenced agreement contains a provision under which McAdenville agrees to lease to Cramerton an agreed upon portion of that certain property located at 144 Wesleyan Drive in McAdenville for use as a fire station during the term of the Interlocal Agreement, together with any renewal terms, which portion of property that is not being leased to the McAdenville Women's Club, Inc. is described on Exhibit "A" attached hereto;

WHEREAS, the parties have agreed to the terms of said Lease and wish to confirm those terms by executed this Lease Agreement.

NOW, THEREFORE, for and in consideration of the covenants and conditions set forth herein, the parties agree as follows:

1. Term. The initial term of this Lease shall be for a period of three (3) years beginning on the 1st day of July, 2023 and continuing until Midnight on the 30th day of June, 2026. It is understood and agreed that this Lease Agreement shall be for a term that is equivalent to the term of the above-referenced Interlocal Agreement for fire services. In the event of the termination of said Interlocal Agreement before the end of the three (3) year term as set forth in said Agreement, this Lease Agreement shall also terminate concurrently with the termination of said Agreement. Additionally, in the event the Interlocal Agreement shall be extended for additional years, this Lease Agreement shall be extended for the same extension period as the Interlocal Agreement.

2. Prior Leases. All prior leases between the parties are hereby null and void and replaced by this Lease Agreement. Provided however that any terms and conditions that continue beyond the term of the June 1, 2020 lease between the parties continue in full force and effect.

3. Rental. The rental for the premises shall be in the sum of \$1.00 (One Dollar and no/100) per year, which said amount shall be payable for the first year upon execution of

this Lease Agreement and each and every year thereafter on or before the anniversary of the initial payment.

4. Use of Premises. It is understood and agreed that the leased premises shall be used by Cramerton as a fire station and for uses reasonably related to the operation of a fire station, but no other purpose or purposes without the written consent of McAdenville.

5. Utilities. Cramerton shall be responsible for the payment of all utilities during the term of this Lease, including but not limited to, water, sewer, electric, gas, telephone and trash disposal.

6. Condition of Premises. The premises described above are being leased in an "as is/where is" condition. McAdenville makes no warranties regarding the condition of the premises, including, but not limited to, the utility lines located upon said premises and the heating and air conditioning, plumbing and electrical apparatus. Cramerton has fully inspected the building and is familiar with its current condition and accepts the same in its current condition. Cramerton covenants that it will surrender the premises at the end of the term and any renewal option thereof in as good condition as the same now exists, save and except for nature wear incident to the use and occupancy of the premises as a fire station.

7. Maintenance, Repairs, Improvements and Alterations. Cramerton agrees to maintain the premises in good repair and in clean and neat condition, including the parking lot and driveway areas, provided, however, that Cramerton's obligation for maintenance and repairs shall not exceed \$1,000.00 per occurrence or need and the aggregate liability for maintenance shall not exceed \$5,000.00 each fiscal year. Building maintenance and repairs exceeding \$1,000.00 shall not be undertaken without first securing the written approval of McAdenville. The premises shall not be structurally altered or changed without the written consent of McAdenville.

8. Insurance. During the term of this Lease Agreement, Cramerton shall, at its sole cost and expense, maintain public liability insurance insuring itself and naming as an insured McAdenville against any and all liability for injury or damage to persons or property in connection with the use of the leased space described above arising out of or in any way related to the occupancy of the Premises by Cramerton. Liability insurance coverage shall be in the sum of no less than \$1,000,000.00 (One Million Dollars) for personal injury or death for each occurrence. Cramerton shall also maintain contents and personal property insurance for all equipment, furniture, fixtures and other personal property located on the Leased Premises and belonging to Cramerton.

Cramerton shall provide McAdenville with certificates of insurance evidencing continuous coverage of the levels of insurance described above for the duration of this lease agreement. Such certificates of insurance shall be forwarded to the Town Clerk at the beginning of each policy year.

McAdenville shall, at its sole costs and expense, carry and maintain fire and extended insurance coverage the premises and the portion of the premises leased to Cramerton for loss

or damage by fire and wind damage together with other coverage for risks commonly included in "extended coverage policies."

9. Indemnity. Cramerton hereby agrees to indemnify and save harmless McAdenville from and against all claims, judgments, costs, expenses, including reasonable attorney fees, which arise in any manner from or out of this Agreement as a result of the acts or omissions of Cramerton in its occupancy and use of the demised premises.

10. Remedies Upon Default. In the event either party shall fail or neglect to perform or observe any of the conditions and covenants contained herein, and, in the further event that said party in default has been notified of such default in writing by the other party, and such default has not been cured within sixty (60) days after such written notice, the non-defaulting party may immediately, at its election, terminate this Lease and may, in any manner as it sees fit re-enter upon the Premises and cancel this Lease Agreement. Nothing contained herein shall be construed to limit or restrict in any manner any of the other rights of either party permitted by or available under the laws of the State of North Carolina.

11. Assignment. Cramerton shall not assign or sublet any part of the Premises.

12. Construction. This Lease Agreement shall be governed by and construed under the laws of the State of North Carolina.

13. Binding Effect. Subject to the terms and conditions of this Lease Agreement, this Lease shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns. This Agreement constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes all prior agreements, whether written or oral, and no modification shall be binding upon the parties unless evidenced by a writing signed by the parties hereto. Both parties acknowledge and stipulate that this Agreement is the product of mutual negotiation and bargaining and it has been drafted by counsel for both Cramerton and McAdenville. As such, the Doctrine of Construction against the drafter shall have no application to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed as of the day and year first above written.

LESSOR:

Town of McAdenville

By: _____

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

LESSEE:

Town of Cramerton

By:_____

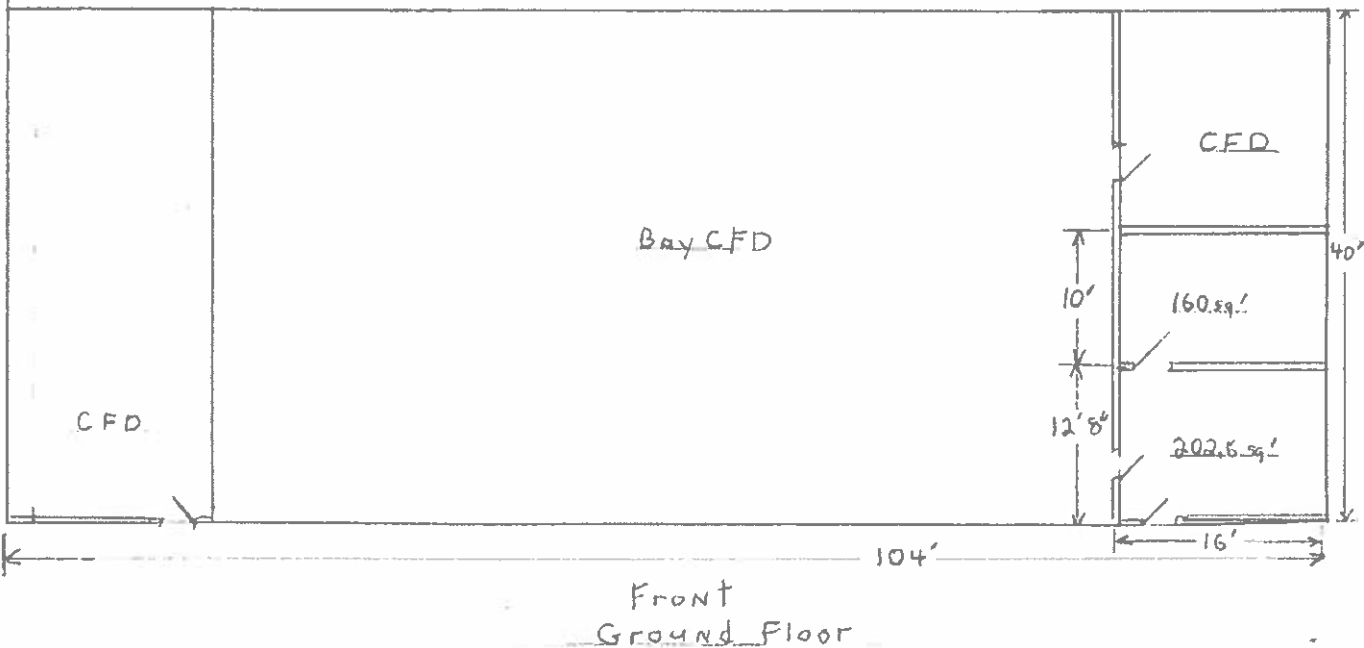
ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

EXHIBIT A



144 WESLEYAN DRIVE



CRAMERTON POLICE DEPARTMENT
MONTHLY REPORT: May, 2023

McADENVILLE CONTRACT

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTALS
ARREST TOTALS	0	0	1	2	2								5
Adult	0	0	1	2	2								5
Juvenile	0	0	0	0	0								0
Felony	0	0	0	1	0								1
Misdemeanor	0	0	1	0	2								3
DWI ARRESTS	0	0	0	0	0								0
CALLS FOR SERVICE	179	130	222	204	194								929
CASE TOTALS	3	3	2	2	6								16
Felony	2	3	0	2	3								10
Misdemeanor	1	0	2	0	2								5
DRUG INVESTIGATIONS	0	2	0	1	0								3
TRAFFIC CITATIONS	29	17	39	29	41								155
License Vios.	8	8	10	5	11								42
Registration Vios.	12	6	15	15	17								65
Restraint Vios.	0	0	1	0	0								1
Speeding Vios.	7	3	10	9	13								42
Sign/Signal Vios.	0	0	1	0	0								1
Other Traffic	2	0	2	0	0								4
TRAFFIC CRASHES	1	4	0	1	0								6
Damage	1	2	0	1	0								4
Injury	0	2	0	0	0								2