

**TOWN OF LONG VIEW
BOARD OF ALDERMEN MEETING
MARCH 11, 2019**

The Town of Long View Board of Aldermen met on Monday, March 11, 2019 at 7:30 p.m. in the Town Council Chambers of the Government Center in Long View, North Carolina.

BOARD MEMBERS PRESENT: The following members of the Board were present: Mayor Marla G. Thompson, Mayor Pro Tem/ Alderman Randall Mays, Alderman David Elder, Alderman Gary Lingerfelt, and Alderman Thurman VanHorn.

BOARD MEMBER NOT PRESENT: The following member of the Board was not present: Alderman Dallas Tester.

STAFF PRESENT: The following members of staff were present: Town Administrator David Draughn, Town Clerk Stephanie Watson, Town Attorney Jimmy Summerlin, Jr., Town Planner Charles Mullis, Public Works Director Chris Eckard, Fire Chief James Brinkley, Police Chief Michael Winters, Major Justin Roberts, and Deputy Fire Chief Garrett Huffman.

OTHERS PRESENT: The following people were present: Kerri Poteat and Chuck Moseley of VEDIC, Billy Rice, Steve Ward, and Phyllis Pennington.

MEETING CALLED TO ORDER: Mayor Marla Thompson called the meeting to order and Alderman Gary Lingerfelt gave the invocation.

APPROVAL OF MINUTES: Mayor Marla Thompson asked for approval of the minutes.

Motion was made by Alderman Randall Mays, seconded by Alderman Thurman VanHorn to approve the February 11, 2019 Regular Meeting Minutes and February 11, 2019 Closed Session Minutes. The vote to approve was unanimous.

AYES: Mayor Pro Tem / Alderman Randall Mays
Alderman David Elder
Alderman Gary Lingerfelt
Alderman Thurman VanHorn

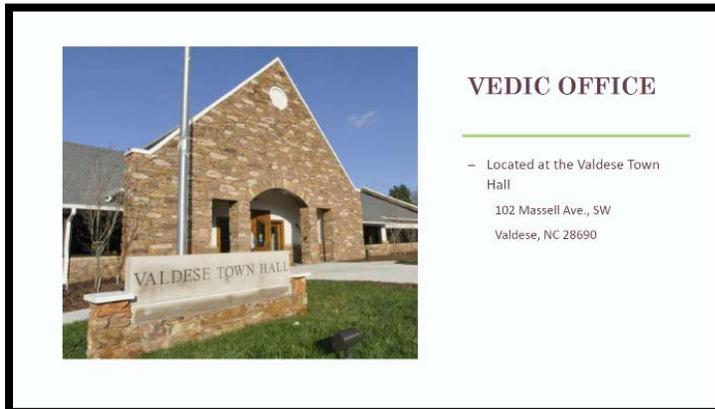
NOES: None

NOT PRESENT: Alderman Dallas Tester

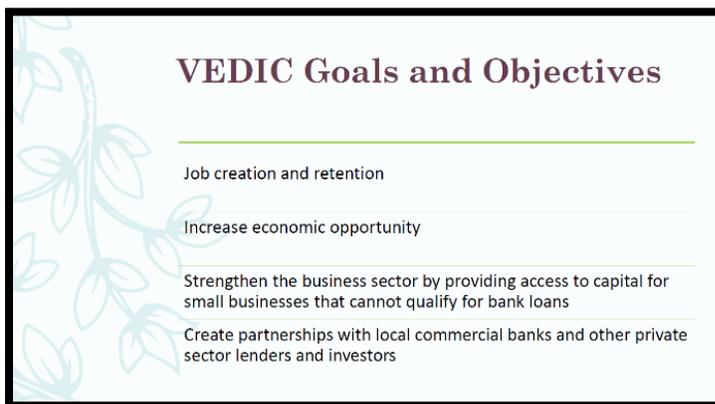
VEDIC PRESENTATION – CHUCK MOSELEY AND KERRI POTEAT, EXECUTIVE DIRECTOR OF VEDIC

Town Administrator David Draughn stated that Kerri Poteat and Chuck Moseley were present to discuss the growing program: Valdese Economic Development Investment Corporation (VEDIC). VEDIC is a small business loan program that was organized in Valdese and they plan to continue to expand in order to help other communities. This will be something that will be discussed during the upcoming budget retreat.

Ms. Kerri Poteat addressed the Board and thanked them for the opportunity to meet with them.



The VEDIC office is located at Valdese Town Hall.



VEDIC Goals and Objectives:

- Job creation and retention
- Increase economic opportunity
- Strengthen the business sector by providing access to capital for small businesses that cannot qualify for bank loans

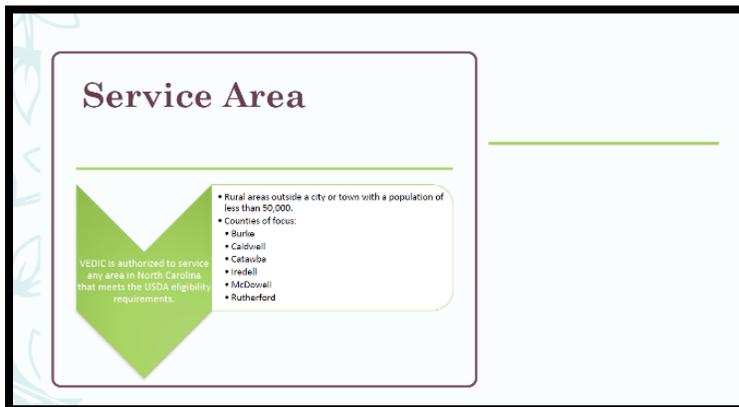
- Being in the banking industry previously, if you don't have at least two years of returns, you are not able to get a business loan. VEDIC will step in and help with the lending process.
- Create partnerships with local commercial banks and other private sector lenders and investors



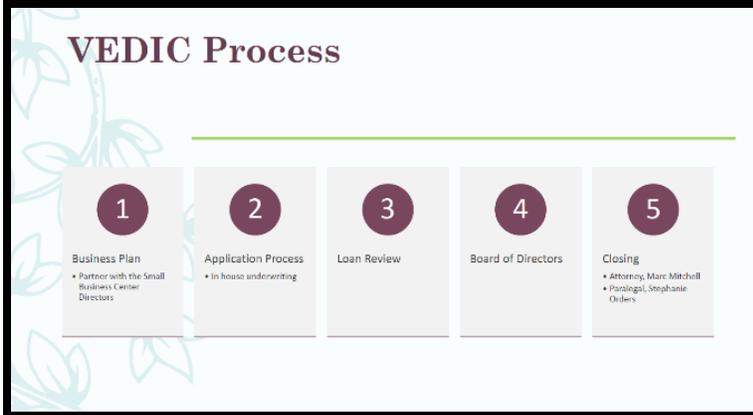
VEDIC Loan Programs:

- Valdese Revolving Loan Program (\$125,000 initial grant)
- Burke Business Loan Program (\$250,000 initial grant)
- Intermediary Relending Program (IRP) *
- Rural Micro Entrepreneur Assistance Program (RMAP) *
- Rural Business Enterprise Grant (RBEG) *

* Indicates USDA funding source



They are technically authorized to service any area in North Carolina as long as the population is 50,000 or less. Counties of focus: Burke, Caldwell, Catawba, Iredell, McDowell, and Rutherford.

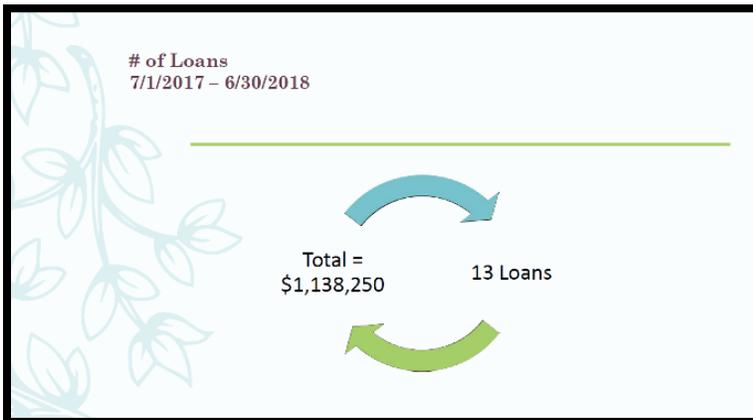


VEDIC requires a loan denial from a bank to show that they are not in competition from other banks. After the loan denial is obtained, VEDIC will meet with the client and let them know that VEDIC requires a business plan. A lot of times, individuals will not make it through the Business Plan because it is an in-depth process. VEDIC does partner with small business centers depending on the county and they help with the business plan to make sure that they are making the right projections and to make sure they are on track.

Once that is completed, Ms. Poteat will help them with the application process so that their packet is in the best shape before it goes before the Loan Review Committee.

The Loan Review Committee is a volunteer committee. They basically underwrite that loan. Once they have a recommendation to have the loan approved, then it is taken to the VEDIC Board of Directors and the Board of Directors officially make an approval or denial of the loan.

There is an attorney in Valdese that does the official closing of all loans.



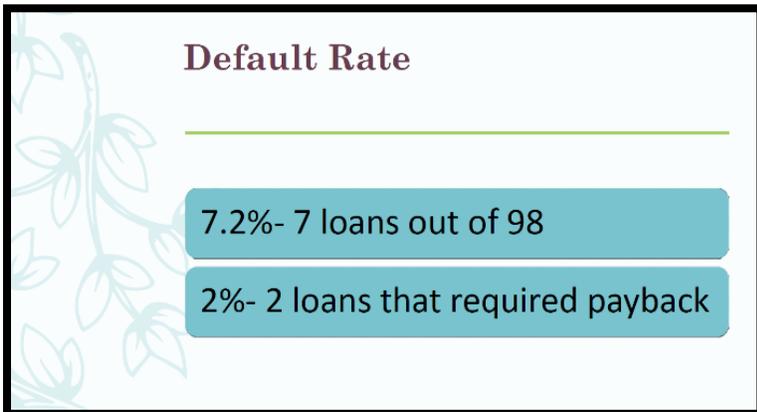
This past year (7/1/2017 – 6/30/2018), VEDIC funded 13 loans for a total of \$1,138,250.



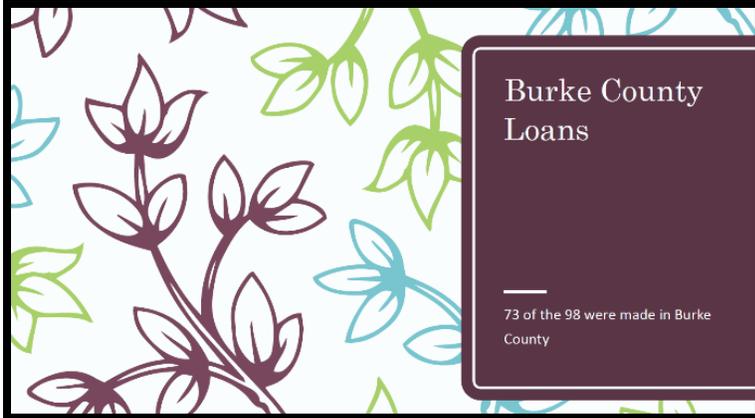
This year (7/1/2018 – Current), VEDIC has funded 7 loans for a totaled of \$772,469.00.



VEDIC has done a total of 98 loans. Total Loan Production is \$5,355,860.81.



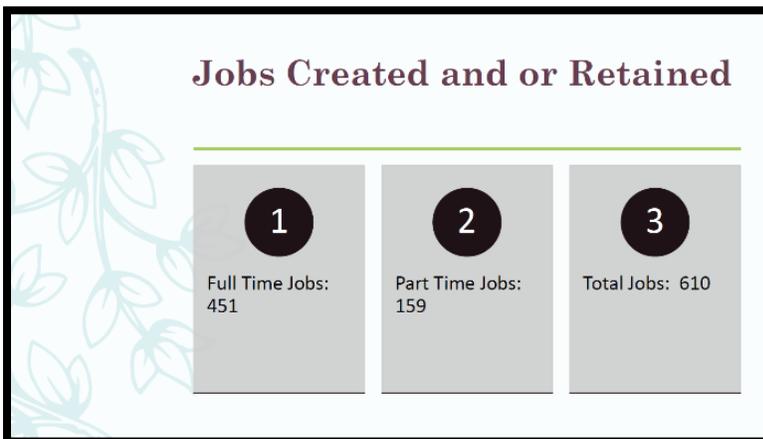
Because VEDIC is taking a risk, the Default Rate is at 7.2% or seven loans out of 98. Two of those loans required payback to USDA. All of those other loans were made with grant funds and did not have to be paid back.



Of the 98 loans, 73 were made within Burke County.



VEDIC has done a total of 36 loans to minorities with Total Loan Production being \$2,019,809.64.



Total jobs created and/or retained equaled 610. Chuck Moseley, VEDIC’s technical assistance, tracks this and takes care of all of the reporting to USDA. Some of the loans may be only for 2 or 3 employees, so having 610 jobs is pretty exciting.



This past May, VEDIC was recognized in the Golden Leaf Newsletter by their president as one of the most successful local small business lending programs through the Town of Valdese.



The original grant fund for the Golden Leaf Loan Fund was \$250,000. Since then, it has revolved to reflect \$616,981.46 in new loan dollars. All of that went to Burke County recipients.

Board Members

- Robert Benfield
- Sheri Bradshaw
- John Branstrom
- Johnnie Carswell
- Seth Eckard
- Rev. Dr. Kevin Frederick
- Kenneth Geathers
- Sharon Jablonski
- Sherry Long
- Rick McClurd
- Scott Mulwee
- Nancy Page
- Christian Ramazzini
- Karen Robinson
- T.R. Robinson
- Tonia Stephenson
- Thomas Winfield

Board of Directors

Executive Board

Chairman - Eddie McGimsey

Vice-Chairman - Forrest Fleming

Secretary - Elizabeth Furr

Treasurer - Johnny Berry

Ms. Poteat spoke briefly about VEDIC's Board of Directors and stated they are wonderful individuals that give of their time and talent. She hoped that VEDIC could have Long View as a partnership/Board Member as well.



2018-2019 Contributors: Burke County, Town of Valdese, City of Morganton, Town of Connelly Springs, Town of Drexel, Town of Glen Alpine, Town of Hidebran, Town of Rhodhiss, Town of Rutherford College, Z. Smith Reynolds Grant, and USDA RMAP Technical Assistance Grant. Long View is the only one missing from the partnership in Burke County and VEDIC would like to extend that partnership with Long View.



Ms. Poteat asked if there were any questions.

Alderman Randall Mays stated that when he looked at the slide on service area, it said it served rural areas outside a city or a town.

Chuck Moseley explained that in this situation, a rural area is any area that is less than 50,000 as identified by the USDA. VEDIC could not go into Charlotte as their population is too large. Loans could be made in Hickory because they fall below that threshold.

When asked by Mr. Draughn to explain the joining process, Ms. Poteat stated that the request to have Long View join has already been presented to VEDIC's Board of Directors. VEDIC would ask that the Board of

Aldermen appoint a member to represent the Town of Long View on VEDIC's Board of Directors. VEDIC is not asking for any funding at this time but to come and learn about what VEDIC does.

Mr. Draughn stated that at that time the Town could advertise to local businesses in Town.

Ms. Poteat stated that they have business packets that can be left at the municipality to give out to new businesses. It could also be posted on the Town's website. The Town's administrative staff could give out the packets and then the business could contact VEDIC.

When Alderman Mays asked if it was strictly for startup businesses or existing businesses, Ms. Poteat stated that it could be for any new business or any business that is looking to expand but can't get their dollars approved through their bank.

Mr. Moseley stated that there have been businesses helped that have been in business for quite a few years.

Mayor Thompson thanked Ms. Poteat and Mr. Moseley for coming and stated that the Board of Aldermen would review the proposal during the upcoming Budget Retreat.

CALL FOR A PUBLIC HEARING ON MONDAY, APRIL 8, 2019 TO DISCUSS A REQUEST TO REZONE THE PROPERTIES AT 1220 19TH STREET SW AND THE VACANT PROPERTY TO ITS IMMEDIATE SOUTH (CATAWBA COUNTY PIN 2792-14-44-5035) – TOWN PLANNER CHARLES MULLIS

The Town of Long View Planning Department received an Application for Rezoning from Ashley Huffman of Bash Investments, LLC to rezone the property at 1220 19th Street SW and the vacant property to its immediate South identified by Catawba County PIN 2792-14-44-5035. The proposal is to rezone the properties from the R-3 (Residential) Zoning District to the ED (Economic Development Zoning District). The Town of Long View Planning Board will have a recommendation on this potential rezoning to the Board of Aldermen next month.

Motion was made by Alderman David Elder, seconded by Alderman Thurman VanHorn to call for a public hearing during the regularly scheduled Board of Aldermen Meeting on Monday, April 8, 2019 in order to receive public input concerning the proposed rezoning of the properties at 1220 19th Street SW and the vacant property to its immediate South (Catawba County PIN 2792-14-44-5035). The vote to approve was unanimous.

- AYES:** Mayor Pro Tem / Alderman Randall Mays
Alderman David Elder
Alderman Gary Lingerfelt
Alderman Thurman VanHorn
- NOES:** None
- NOT PRESENT:** Alderman Dallas Tester

FINANCE REPORT – TOWN ADMINISTRATOR DAVID DRAUGHN

Finance Report

General Fund

Town Administrator David Draughn informed the Board that with 67% of the Budget Year complete as of February 28, 2019, revenues in the General Fund totaled \$3,246,160.81.

Expenditures totaled \$2,580,795.29.

Revenues exceeded expenditures by \$665,365.52.

The Town has received most of its projected revenue for the year.

Utility Fund

In the Utility Fund, revenues totaled \$1,334,425.64.

Expenditures totaled \$1,236,851.22.

Revenues exceeded expenditures by \$97,574.42.

This is with the strain the Town has had this year on the sewer bills to Hickory because of our Infiltration/Inflow issues due to rain. The Town has had over 40 inches of rain since October. Mr. Eckard has been battling the Infiltration/Inflow issues that were discovered. The Town's bills have been high but the Town is still in pretty good shape in spite of that. This will be talked about more during the retreat.

Mr. Draughn wished to thank Public Works Director Chris Eckard and his department for really working hard to find and fix the problems. The North side of Town (North of 2nd Ave) is where the Town is having the biggest problem and this is due to underground springs. He went on to explain where they have found other issues and fixed them. He said that rehab of some of these areas would be a topic for discussion during the upcoming Budget Retreat.

Alderman Randall Mays stated that he wished Mr. Cozart was present so that he could recognize him. Whatever Mr. Cozart has done with the Town's money, the Town's investment earnings have tripled and it is not even the end of the year yet.

Mr. Draughn stated that everything but the Town's operating account has been put into the Capital Management Trust in Raleigh. The Town is getting a decent return for a change. There is approximately \$2.5 million in that Capital Management Trust.

Alderman Mays stated that Mr. Cozart has done well in searching that out for the Town.

Audit Contract

Town Administrator David Draughn presented to the Board next year's Audit Contract from Lowdermilk Church & Co., LLP. This is the third year of the three-year contract. The Town still has to approve the contract every year. The contract amount for the next audit is \$13,950.

Alderman Mays stated that this audit firm has done really well in comparison to past audit firms that the Town has had. They are timely compared to the past.

Alderman David Elder asked what the Town paid them last year.

Mr. Draughn stated that he believed it was approximately \$12,500 last year, so it has gone up a little bit.

Alderman Mays stated that it seems to him that they should negotiate with the Town a little bit instead of going up. The Town, in working with them, has made it easier for them to do their job. It has also made it easier for the financial staff here to do theirs.

Mr. Draughn stated that this amount is a little bit lower than last year because of the CDBG. The CDBG that the Town had this year, required a second audit from the State. It won't need to be done next year.

Alderman Mays stated that he felt that they have done a good job and the Town's staff has not had a problem with them like other firms in the past.

Motion was made by Alderman Randall Mays, seconded by Alderman David Elder to approve the Audit Contract. The vote to approve was unanimous.

- AYES:** Mayor Pro Tem / Alderman Randall Mays
Alderman David Elder
Alderman Gary Lingerfelt
Alderman Thurman VanHorn
- NOES:** None
- NOT PRESENT:** Alderman Dallas Tester

The	Governing Board
	Board of Aldermen
of	Primary Government Unit
	Town of Long View
and	Discretely Presented Component Unit (DPCU) (if applicable)

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

and	Auditor Name
	Lowdermilk Church & Co., LLP
	Auditor Address
	121 North Sterling Street, Morganton, NC 28655

Hereinafter referred to as Auditor

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

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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

County and Multi-County Health Departments: The Office of State Auditor will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on

eligibility determination as required by OSA and in accordance with the instructions and timeline provided by OSA.

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

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

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 12).

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

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

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

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

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

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

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

15. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 26 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

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

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

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

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

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

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

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

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

25. 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.

26. 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).

27. 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/slg/Pages/Audit-Forms-and-Resources.aspx>.

28. 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.

FEEES FOR AUDIT SERVICES

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

Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter, but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8, 9, and 12 for details on other allowable and excluded fees.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year audit fee on file with the LGC, the LGC calculation prevails.

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

PRIMARY GOVERNMENT FEES

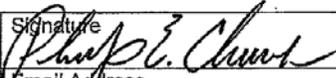
Primary Government Unit	Town of Long View
Audit	\$ 13950
Writing Financial Statements	\$ 4650
All Other Non-Attest Services	\$ -0-
75% Cap for Interim Invoice Approval	\$ 13,950.00

DPCU FEES (if applicable)

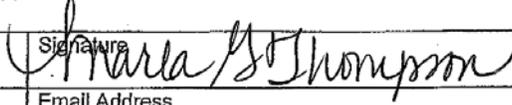
Discretely Presented Component Unit	
Audit	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm Lowdermilk Church & Co., LLP	
Authorized Firm Representative (typed or printed) Phillip E Church	Signature 
Date 1-25-2019	Email Address phil.church@lowdermilkchurchcpa.com

GOVERNMENTAL UNIT

Governmental Unit Town of Long View	
Date Primary Government Unit Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed) Marla Thompson	Signature 
Date 3/11/19	Email Address

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

(Pre-audit certificate not required for charter schools)

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

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

Primary Governmental Unit Finance Officer (typed or printed) James Cozart	Signature
Date of Pre-Audit Certificate	Email Address james.cozart@mail.ci.longview.nc.us

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

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

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

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

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

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

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

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



Lowdermilk Church & Co., L.L.P.
Certified Public Accountants

121 N. Sterling Street
Morganton, North Carolina 28655
Phone: (828) 433-1226
Fax: (828) 433-1230

To the Honorable Mayor and Members of
the Board of Aldermen
Town of Long View
Long View, North Carolina 28602

January 15, 2019

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

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Information.
- 3) Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll.
- 4) Local Government Employees' Retirement System Schedule of the Proportionate Share of Net Pension Liability (Asset) and Schedule of Contributions
- 5) Schedule of Changes in Total OPEB and Other Related Ratios

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Long View'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) Schedule of Expenditures of Federal Awards and State Awards.
- 2) Individual Fund Financial Statements.
- 3) Budgetary Schedules.
- 4) Other Schedules.

Audit Objectives

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

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

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

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

Audit Procedures—General

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

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

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

Audit Procedures—Internal Control

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

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, and the Uniform Guidance.

Audit Procedures—Compliance

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

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

Other Services

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

Management Responsibilities

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

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

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the 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, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal and State awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and State awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and State awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal and State awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and State awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and State awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal and State awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and State awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

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

Engagement Administration, Fees, and Other

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

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

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

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

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

Phillip E. Church is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. To ensure that Lowdermilk Church & Co., L.L.P.'s independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

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 \$18,600. 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 30 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(s). 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 are required to inform you that we charge interest at a rate of 18% per annum on all invoices over 30 days old.

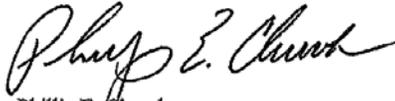
You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence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

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We are providing you with a copy of our 2015 external peer review report which accompanies this letter.

We appreciate the opportunity to be of service to Town of Long View 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,



Phillip E. Church
Partner

RESPONSE:

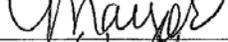
This letter correctly sets forth the understanding of Town of Long View.

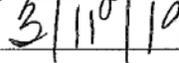
Management signature: _____

Title: _____

Date: _____

Governance signature: 

Title:  _____

Date:  _____



Greensboro, NC | Raleigh, NC | Winston-Salem, NC

Certified Public Accountants and Advisors Since 1947

System Review Report

September 24, 2015

To the Partners of Lowdermilk Church & Co., L.L.P.
and the Peer Review Committee of the North Carolina
Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Lowdermilk Church & Co., L.L.P. (the firm) in effect for the year ended May 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Lowdermilk Church & Co., L.L.P. in effect for the year ended May 31, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Lowdermilk Church & Co., L.L.P. has received a peer review rating of *pass*.

Bernard Robinson & Company, LLP

BERNARD ROBINSON & COMPANY, L.L.P.

Office: 1501 Highwoods Blvd, Suite 300 - Greensboro, NC 27410
Mailing: P.O. Box 19608 - Greensboro, NC 27419-9608
Phone (336) 294-4494 - Fax (336) 294-4495 - www.brccpa.com

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ADMINISTRATOR'S REPORT – TOWN ADMINISTRATOR DAVID DRAUGHN

Festival Discussion

Mayor Thompson stated that during last month's meeting, a proposal was made to end the festival but keep the money budgeted for the festival to be used on updates for the Town. She asked that the Board make a decision.

Alderman Mays stated that it was too late to be preparing for a May festival at this time.

Mayor Thompson stated that it would be too late unless the festival was held later in the year.

Alderman Mays stated that his concern was that they are talking about later in the year. The Town has money budgeted for this year's budget and this fiscal year ends June 30th. He did not know what would be done for next year as far as money.

Mayor Thompson stated that if the Board decides not to do the festival, then each year after that, money would go toward town updates.

Alderman Lingerfelt stated that they had previously discussed not taking it out of the budget. It could be used for improvements to the Town. Let people see more.

Alderman VanHorn stated that the money would be more well spent doing it that way because it is more tangible. It is something the Town sees.

Mr. Draughn stated that if the Board agrees to do that, the committee could meet, possibly add another member, and come back to the Board with a recommendation on what to use those funds for.

Alderman Mays stated that if the Town was not going to do the festival, he would like to see the funds that were budgeted for this year be used. Since the festival is out for this year, he suggested utilizing that money to buy a digital sign to be placed out in front of Town Hall. There are a lot of people asking when meetings are or what the Town's hours are. An electronic message board would be a tremendous asset to the whole town. It would be for everybody. The Town has very nice signage in front of Town hall but it needs to be retrofitted with a message board so the Town can identify with the citizens. It can show: events, hours of operation, emergency contacts, etc.

Mayor Thompson stated that the Town could get pricing on it.

Alderman VanHorn stated that having new signage in front of Town Hall is a great idea and no matter what, it should be a discussion at the upcoming Budget Retreat. He thought it was a good idea to invite another Alderman or someone off of the Planning Board to join the committee.

There was some discussion about how many members of the Board of Aldermen can be on the committee and general meeting laws.

Alderman VanHorn said that the committee could become a beautification committee that would be responsible for coming up with ideas and ways to use that budgeted money going forward.

Motion was made by Alderman Thurman VanHorn, seconded by Alderman Gary Lingerfelt to keep the funds allotted for the May Days Festival but use those funds instead for various beautification projects/improvements throughout the Town. This would be ongoing moving forward. The vote to approve was unanimous.

AYES: Mayor Pro Tem / Alderman Randall Mays
Alderman David Elder
Alderman Gary Lingerfelt
Alderman Thurman VanHorn

NOES: None

NOT PRESENT: Alderman Dallas Tester

ISO Rating

Town Administrator David Draughn informed the Board that he had received information from the North Carolina Department of Insurance regarding the Town's ISO rating. An ISO rating is a fire protection class rating. The Department of Insurance assesses readiness of local fire departments. Long View's Fire Department had this ISO inspection in November and the results were wonderful for the Town. The Town went from a combined 4 (in Town)/9S (in the rural district) rating to a straight Class 3 Rating. That puts the Long View Fire Department in the top 8% of fire departments in the State. Out of 1237 fire departments, less than 100 are rated as a Class 3.

During the inspection, they examined everything in the department: communication systems, facilities, effectiveness, the department itself, training, response time, care of equipment, community activities, fire safety education programs, and fire investigation procedures. This is a credit to our department. Chief Brinkley took this on as a goal to reduce the Town's fire insurance rating. The low rating will help local businesses by lowering their fire insurance costs. The Town will also use this as a tool when speaking with the county about the Town's fire tax. This is a very good thing. He stated that he had worked in numerous towns but he had never worked in a town that had a Class 3 rating until now.

When asked by Alderman Mays what transpired that brought the rural from a Class 9S to a Class 3, Chief Brinkley replied that there were several different things. A Class 9S basically means that you have some form of fire protection. One of the things they looked for is the ability to move water out into a rural area to put out a fire. Right now, the department has to do a hydrant to do a water supply or drop tanks. Before, the department did not carry drop tanks on any apparatuses. Drop tanks were added. The department then performed a water haul and showed that there are mutual aid departments that are coming in and they can form this quick on dispatch.

Mr. Draughn stated that the department does that water haul in front of them with other departments helping.

Chief Brinkley stated that Mr. Draughn is correct and while they are observing during the inspection, they time the department moving water. That is what reduced the rating. That is a homerun for the rural area. There is a lot of undeveloped land out there and businesses will look at those ratings to see what fire protection they will have.

SAVING THE BEST FOR LAST ISO 3

According to ISO, the Fire Protection Class rating, or Fire Suppression Rating Schedule, assesses the readiness of local fire departments. Long View Fire Department recently underwent an ISO inspection in late 2018 and the results are in: We went from a combined Class 4/9S rating to a straight Class 3 Rating.

The rating schedule examines several aspects of a fire department and assigns points based on its capabilities. ISO investigates the communication system used by a department, considering its size, facilities and effectiveness. The fire department itself is studied, including the training required, response times and care of equipment. In addition, the rating takes into account any community activities that affect fire prevention, such as fire safety education programs and fire investigation procedures.

Long View FD is now an ISO Class 3 department as rated by the Fire Suppression Rating Schedule (FSRS). The Class 3 Rating places the Long View Fire Department in the top 8% of fire departments in the State of North Carolina. Out of 1237 Fire Departments in the State of NC, less than 100 are rated as a Class 3, fewer are rated Class 2, and only 12 are rated as Class 1.

The FSRS incorporates nationally accepted standards developed by such organizations as the National Fire Protection Association (NFPA), the Association of Public Communications Officials (APCO), and the American Water Works Association (AWWA). When those organizations update their standards, the ISO evaluation changes as well, allowing the PPC program to provide a useful benchmark that helps fire departments and other public officials measure the effectiveness of their efforts — and plan for improvements.

The program provides an objective, country-wide standard that helps fire departments plan and budget for facilities, equipment, and training. Additionally, by securing lower fire insurance premiums for communities with better public protection, the Public Protection Classification PPC program provides incentives and rewards for communities that choose to improve their firefighting services.

Long View FD received the official report in February and is expected to receive the frameable document in a few weeks. The lower rating should help our businesses by lowering their fire insurance costs.



RATINGS AND INSPECTIONS

Tel 919.647.0000 Fax 919.715.0063

MIKE CAUSEY, INSURANCE COMMISSIONER & STATE FIRE MARSHAL
BRIAN TAYLOR, CHIEF STATE FIRE MARSHAL

For Immediate Release

Contact: Marla Sink
(919) 807-6017

February 25, 2019

Fire District Receives New Rating After Inspection

State Officials Award New District Rating

RALEIGH - North Carolina Insurance Commissioner and State Fire Marshal Mike Causey announced today that the following Fire Districts completed their routine inspection and received the listed rating, on listed effective dates. The inspection, conducted by officials with the Department of Insurance Office of State Fire Marshal (OSFM), is required on a regular basis as part of the North Carolina Response Rating System (NCRRS). Among other things, the routine inspections look for proper staffing levels, sufficient equipment, proper maintenance of equipment, communications capabilities and availability of a water source.

District	Type	Rating	Effective
=====	=====	=====	=====
Longview	Municipal	3	06/01/2019
Longview Rural	Rural	3	06/01/2019

The NCRRS rating system ranges from one (highest) to 10 (not recognized as a certified fire department by the state), with most rural departments falling into the 9S category. While lower ratings do not necessarily indicate poor service, a higher rating does suggest that a department is overall better equipped to respond to fires in its district. Higher ratings can also significantly lower homeowners insurance rates in that fire district.

"I'd like to congratulate Chief Brinkley for the department's performance and for the hard work of all the department members," said Commissioner Causey. "The citizens in the Town of these districts should rest easy knowing they have a fine group of firefighters protecting them and their property in case of an emergency."

State law requires OSFM officials to inspect departments serving districts of 100,000 people or less, which makes up all but twelve of the state's fire districts.

-NCDOI-

Election Information

Town Administrator David Draughn informed the Board that he had included in their agenda, this year's election calendar for their review.



catawba county
elections

2019 Election Calendar

Date	Time*	Agenda
Municipal Candidate Filing		
Jul 5	Noon	Filing BEGINS for Municipal Offices
Jul 19	Noon	Filing ENDS for Municipal Offices
School Board Candidate Filing		
Aug 16	Noon	Filing BEGINS for Municipal School Boards
Sep 6	Noon	Filing ENDS for Newton-Conover School Board
Sep 6	5pm	Filing ENDS for Hickory Public School Board
Hickory Primary (held only if more than 2 candidates file for the same ward seat)		
Sep 6		Absentee-by-Mail BEGINS for Hickory Primary
Sep 18	TBA	One-Stop BEGINS for Hickory Primary
Oct 5	1pm	One-Stop ENDS for Hickory Primary
Oct 8	6:30am-7:30pm	Hickory Primary
Oct 18*	11am	Canvass *This canvass may be moved to Oct 14 th as One-Stop begins on the 16 th
Municipal and School Board Elections		
Oct 4		Absentee-by-Mail BEGINS (unless there is a Hickory Primary)
Oct 16	TBA	One-Stop BEGINS for Municipal Elections
Nov 2	1pm	One-Stop ENDS for Municipal Elections
Nov 5	6:30am-7:30pm	Municipal Elections
Nov 15	11am	Canvass

catawbacountync.gov

Catawba County Government Center

25 Government Drive | PO Box 132 | Newton NC 28658 | 828.464.2424

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2019 Scheduled Election Board Meetings

Date	Time*	Agenda
Feb (TBA)	8:15am	Board Members Oath of Office, Organizational Meeting
Aug 20	8:15am	Appoint Precinct Chief Judges and Judge of Election
Hickory Primary (If required) – These are not officially “Scheduled” until the primary is needed		
Sep 17	8:15am	Approve Absentee Ballot Applications, other business
Sep 24	8:15am	Approve Absentee Ballot Applications, other business
Oct 1	8:15am	Approve Absentee Ballot Applications, other business
Oct 7	5:00pm	Approve Absentee Ballot Applications, other business
Oct 8	4:30pm	Election Returns, other business
Oct 18*	11am	Canvass *This canvass may be moved to Oct 14 th as One-Stop begins on the 16th
Municipal and School Board Elections		
Oct 15	8:15am	Approve Absentee Ballot Applications, other business
Oct 22	8:15am	Approve Absentee Ballot Applications, other business
Oct 29	8:15am	Approve Absentee Ballot Applications, other business
Nov 4	5:00pm	Approve Absentee Ballot Applications, other business
Nov 5	4:30pm	Election Returns, other business
Nov 14	8:15am	Approve Absentee Supplementals, Provisionals, other business
Nov 15	11:00am	Canvass for the Municipal and Schools Elections, other business

* Times may change once newly appointed board members meet in February

Check for schedule updates on the website: www.catawbacountync.gov/elections

2019 ELECTIONS – MUNICIPAL OFFICES

Election Day – Tuesday, November 5, 2019

Filing Period: Noon, July 5, 2019 – Noon, July 19, 2019 NCGS § 163-294.2(c)

CITY/TOWN	OFFICE	INCUMBENTS	FEE
Municipalities with Non-Partisan Plurality-based Elections (Candidate may be elected with less than 50% of the vote)			
Town of BROOKFORD All or Part of Precincts – 4,23	Aldermen (4-year term) 2 Seats	Sue Noblitt Bill McGregor	\$5.00
Town of CATAWBA All or Part of Precinct – 5	Mayor (4-year term) Councilmen (4-year term) 2 Seats	Donald (Duck) Robinson Donald (Donnie) Allen Colleen Anderson	\$5.00
City of CLAREMONT All or Part of Precinct – 6	Councilmen (4-year term) 3 Seats	Lee Miller David B. Morrow M. Dale Sherrill	\$5.00
City of CONOVER All or Part of Precincts – 6,7,8,22,27,28,33	Councilmen (4-year term) 3 Seats	Don Beal Bruce Eckard Kyle Hayman	\$5.00
Town of LONG VIEW Candidate must live in the ward	Aldermen (4-year terms – Elected by Wards)		\$5.00
	Ward # 1 – All or part of Precinct 19	Randall Mays	
	Ward # 3 – All or part of Pcts 17 and 19	Thurman VanHorn	
	Ward # 4 – All or part of Precinct 17	David Elder	
Town of MAIDEN All or Part of Precincts 9,20,32,34	Mayor (2-year term) Councilmen – 3 Seats Two highest vote getters – 4-year term Third vote getter – 2-year term	Robert L. Smyre Max Bumgarner, Jr. Ronnie Williams Marcus Midgett	\$5.00
City of NEWTON All or Part of Precincts: 10,22,25,32,34,40	Mayor (4-year term) Council (4-year term) 3 Seats	Anne Stedman Jody M. Dixon Jerry T. Hodge Tom Rowe	\$5.00
Municipalities with Non-Partisan Majority-based Elections (Candidate is elected by a majority of the vote)			
City of HICKORY All or Part of Precincts: 4,7,11,12,13,14,15,16,17,19,23,24,26, 28,29,30,33,34,35,36,37,38,39, 40 If more than 2 candidates file in any ward, a Hickory Primary will be held Tuesday, October 8, 2019	Aldermen (4-year term) – Candidate must live in the ward <i>Primary Election (if needed) – Voted on by ward voters only</i> <i>General Election – Elected by all city voters</i>		\$12.00
	Ward # 1 – All or part of Precincts 11, 16, 37	Brad Lail	
	Ward # 2 – All or part of Precincts 28, 29, 30, 33, 38, 39	Charlotte Williams (Appt. 3/2018)	
	Ward # 3 – All or part of Precincts 7, 12, 16, 23, 28, 30, 34, 35, 40 (Precinct 40: currently no registered voters in Ward 3)	Danny Seaver	

Terms begin the 1st meeting in December of even-numbered years. Absentee ballots allowed

2019 ELECTIONS – MUNICIPAL SCHOOL BOARDS

Newton-Conover and Hickory Administrative School Units

Election Day – Tuesday, November 5, 2019

NEWTON-CONOVER CITY SCHOOLS

Filing fee - \$5.00

Filing dates: **Noon, August 16, 2019 - Noon, September 6, 2019**

“Starts at noon on the 12th Friday before Election Day. Ends at noon on the 9th Friday before Election Day.”

District Seats	Incumbents
Newton (One Seat) <small>All or part of precincts - 7,8,10,22,25,32,40</small>	Jim Stockner
Conover (Two Seats) <small>All or part of precincts - 6,7,8,25,33</small>	Jeanne Jarrett Mark W. Pennell

HICKORY PUBLIC SCHOOLS

Filing fee - \$5.00

Filing dates: **Noon, August 16, 2019 - 5 pm, September 6, 2019**

“Starts at noon on the 12th Friday before Election Day. Ends at 5 pm on the 9th Friday before Election Day.”

Seats	Incumbents
Ward # 4 (One Seat) <small>All or part of precincts - 12, 13,15,16, & 35</small>	Margaret Pope
Ward # 6 (One Seat) <small>All or part of precincts - 26, 36, 37, & 39</small>	Amy C. Monroe
Member At Large (One Seat) <small>All or part of precincts 4, 11, 12, 13, 14, 15, 16, 17, 19, 26, 35, 36, 37, 38, 39</small>	Bryan D. Graham

4-year terms beginning the 1st meeting in December of even-numbered years.
 Candidates must live in the district for which they file; and, voters may vote only for the district in which they reside.
 School Boards are Non-Partisan Plurality-based Elections. Absentee ballots allowed.

Catawba County Board of Elections – PO Box 132 – 25 Government Dr. – Newton, NC 28658 – 828-464-2424 – www.catawbacountync.gov/elections

OneH2 Information

Town Administrator David Draughn stated that the enclosed are printouts about OneH2. The company is getting a lot of press. The articles talk about what they are, what they do and what grants they are getting. The Town helped them get one of the grants.

OneH2 Receives \$250,000 Grant From The State Of North Carolina

Renovation of OneH2's Headquarters is Underway after the Hydrogen Fuel Company Becomes the Recipient of a State Grant

NEWS PROVIDED BY
OneH2, Inc. →
Feb 28, 2019, 15:34 ET

LONGVIEW, N.C., Feb. 28, 2019 /PRNewswire/ -- OneH2 has received a \$250,000 Economic Development Grant from the North Carolina Department of Commerce and the Town of Long View which will support the renovation of OneH2's headquarters, a 10-acre industrial complex located in Longview, NC. Constructed in 1970, the facility originally housed a three-hundred strong local workforce as a carbide tool manufacturing plant servicing the furniture industry, at one time operated by Bosch GmbH and more recently Whiteside Machine Company. The grant was secured with a commitment to create 21 new local jobs for engineers, technicians, and business professionals for the purpose of renovating the existing factory to accommodate hydrogen equipment production lines.



(PRNewfoto/OneH2, Inc.)

OneH2, which manufactures zero-emission hydrogen fuel along with fuel production, storage and dispensing equipment, plans to make this facility a fuel production hub serving its distributors throughout the Southeast US. Among other factors, this particular facility was selected with the assistance of local utility companies due to its proximity to low transmission cost feedstock necessary for competitive hydrogen fuel production. OneH2 anticipates that the facility will serve as a template for future hubs planned to be built across North America, the UK, and Australia over the coming years, with Pontiac, Michigan, being the next facility in the pipeline. Each OneH2 hub will allow hydrogen to challenge the regional price of gasoline and diesel at the pump, a strategy that OneH2 believes will empower businesses that operate truck fleets to make an affordable change to zero emission fuel.

OneH2 recently reported that it had acquired the PowerTap[®] Hydrogen generator business from Nuvera Fuel Cells, LLC, a wholly owned subsidiary of Cleveland based Hyster-Yale Materials Handling, Inc. (NYSE: HY) The grant will directly assist in facility renovations necessary to put the Nuvera PowerTap[®] hydrogen generator range into long run production.

Wes Pandoff, OneH2 Senior Vice President & Director of Operations commented, "Things are really moving along here at OneH2. Everyone at the company is excited about the progress we've made in such a short amount of time. We'd like to take this opportunity to thank the State of North Carolina for its generous support and encouragement of the hydrogen industry, as well as reaffirm our commitment to the town of Long View."

ABOUT ONEH2, INC.

OneH2, Inc., headquartered in Longview, North Carolina, is a privately held, vertically integrated hydrogen fuel company. OneH2 is emerging as a leader in providing scalable hydrogen fuel systems coupled with cost effective delivered hydrogen fuel for use in industrial vehicle and truck markets. For more information about OneH2, Inc. visit the Company's website at www.oneh2.com.

If you would like more information about this topic, please call Andrew McCoy at (844) 996-6342, ext. 710 or email andrew.mccoy@oneh2.com.

SOURCE OneH2, Inc.

Related Links

OneH2 Acquires Nuvera Powertap Hydrogen Generator Business

Hydrogen Fuel Company OneH2 Acquires All of Nuvera's PowerTap® Assets

NEWS PROVIDED BY

OneH2, Inc. →

Feb 26, 2019, 13:31 ET

LONGVIEW, N.C., Feb. 26, 2019 /PRNewswire/ -- OneH2 has signed a definitive agreement to acquire all hydrogen generation and production assets belonging to Nuvera Fuel Cells, LLC, a wholly owned subsidiary of Hyster-Yale Materials Handling, Inc. This acquisition also provides OneH2 with a limited license to manufacture small scale hydrogen generators, currently sold under the PowerTap® brand.



(PRNewsfoto/OneH2, Inc.)

OneH2, a North Carolina based hydrogen fuel company, has developed a highly scalable solution for hydrogen fuel production and distribution. Through their innovative, delivered hydrogen fuel model, OneH2 provides low-cost installation and rapid deployment of refueling infrastructure to support widespread uptake of hydrogen powered trucks and vehicles. The Nuvera acquisition further strengthens the OneH2 business model by adding agile small-scale hydrogen production technology.

Prior to OneH2, existing hydrogen powered truck sales were generally limited to users who could afford a large capital investment associated with the traditional means of storing and preparing un-compressed hydrogen for on-site refueling. In 2017, through distributors such as OneH2 Southeast, OneH2 introduced a strategy of offering hydrogen powered truck users possessing small to medium-sized fleets the ability to have access to ready to use compressed hydrogen fuel without the need for a large capital investment.

Paul Dawson, President & CEO of OneH2, commented, "I was already very excited about the speed at which our company was growing, and I am confident that this acquisition will engender even swifter growth. The demand for a cleaner, more efficient energy source has surfaced in both the industrial and on-road truck market, and OneH2 is positioning itself to play a leadership role in fulfilling that growing demand."

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If you would like more information about this topic, please call Andrew McCoy at (844) 996-6342, ext. 710 or email andrew.mccoy@oneh2.com.

SOURCE OneH2, Inc.

Related Links

<http://oneh2.com>

Aiming for growth, NC hydrogen fuel firm makes acquisition

CLEANTECH FUEL CELLS

HYDROGEN GENERATOR BUSINESS

ONEH2[®]



OneH2's deal

by Casey Quam, North Carolina Business News Wire – February 28, 2019 .

LONGVIEW – Longview, North Carolina-based hydrogen fuel company OneH2 announced Tuesday it had acquired all of Nuvera Fuel Cells LLC's hydrogen generation and production assets.

The amount of the deal was not disclosed.



OneH2

The acquisition also gives OneH2 a limited license to manufacture small scale hydrogen generators currently sold under the PowerTap brand.

"I was already very excited about the speed at which our company was growing, and I am confident that this acquisition will engender even swifter growth," said OneH2 CEO Paul Dawson in a statement. "The demand for a cleaner, more efficient energy source has surfaced in both the industrial and on-road truck market, and OneH2 is positioning itself to play a leadership role in fulfilling that growing demand."

OneH2 has developed a scalable solution for hydrogen fuel production and distribution, which includes fuel delivery.

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SUBMIT

In 2017, the company started offering hydrogen-powered truck users with small or medium fleets ready-to-use compressed hydrogen fuel without the need for a large capital investment.

The Nuvera acquisition will help OneH2 by adding agile, small-scale hydrogen production technology.

This story is from the North Carolina Business News Wire, a service of UNC-Chapel Hill's School of Media and Journalism

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OTHER BUSINESS

There was no other business.

CLOSED SESSION TO DISCUSS A LEGAL MATTER

Motion was made by Alderman Randall Mays, seconded by Aldermen Thurman VanHorn to go into a closed session at 8:04 p.m. to discuss a property sale. The vote to approve was unanimous.

- AYES:** Mayor Pro Tem / Alderman Randall Mays
Alderman David Elder
Alderman Gary Lingerfelt
Alderman Thurman VanHorn
- NOES:** None
- NOT PRESENT:** Alderman Dallas Tester

Motion was made by Alderman Randall Mays, seconded by Alderman Thurman VanHorn to adjourn the closed session and return to the regular meeting at 8:19 p.m. The vote to approve was unanimous.

- AYES:** Mayor Pro Tem / Alderman Randall Mays
Alderman David Elder
Alderman Gary Lingerfelt
Alderman Thurman VanHorn
- NOES:** None
- NOT PRESENT:** Alderman Dallas Tester

ADJOURNMENT

Comments by Alderman Thurman VanHorn

Alderman VanHorn stated that he would like to give praise to the Fire Department for a getting a good rating. That is something the Chief and the Fire Department as a whole has worked on. That is something to hang your hat on. He hoped for continued improvement from the Fire Department.

Comments by Alderman David Elder

Alderman Elder stated that he agreed with Alderman VanHorn. He did not know about the coverage the Town had before but he is learning a lot and he can see where that is a win/win because of the rating the Town gets and for people who are trying to get fire insurance for those properties. Their premiums are going to be lower. Good job.

Alderman Elder thanked the Fire Department and the Police Chief for helping his wife with a phone scam issue. They rescued her.

Comments by Alderman Randall Mays

Alderman Mays stated that there has been a previous issue with the Department of Transportation (DOT) not taking care of the water runoff into ditches on 19th St/13th Ave. They never have done anything. Now the culvert on the upper side of the Four Seasons Air Conditioning property is stopped up. With as much rain as we have recently had, there is accumulation that is running across

the street. There can be up to three inches of water coming over the street and it is right as you reach the curve in the street. The local DOT administrator has changed. That area is extremely bad.

Alderman Lingerfelt stated that the culvert has been stopped up since he first started with the Town. Their water meter is off to the side and every time it rains, it covers up that meter.

Alderman Mays stated that the Town has even talked to the local state representative and was promised a fix.

Mr. Draughn stated that Public Works Director Chris Eckard now knows the new district engineer. He can talk to him. DOT also has a new website where you can report things. That seems to get more attention because requests through that site go through Raleigh and they are held accountable for it.

Comments by Alderman Gary Lingerfelt

Alderman Lingerfelt stated that it was a very good meeting. He appreciated the Fire Department's work toward helping to get that rating. That does help with insurance. He also thanked the Police Department as if there is anything he needs, they take care of it.

Comments by Mayor Marla Thompson

Mayor Marla Thompson stated that she would like to thank all of the departments for their work. They do a great job and the Board appreciates everything they do.

There being no further business, motion was made by Alderman Thurman VanHorn, seconded by Alderman David Elder to adjourn the meeting at 8:22 p.m. The vote to approve was unanimous.

AYES: Mayor Pro Tem / Alderman Randall Mays
Alderman David Elder
Alderman Gary Lingerfelt
Alderman Thurman VanHorn

NOES: None

NOT PRESENT: Alderman Dallas Tester

Stephanie C. Watson
Town Clerk, CMC, NCCMC

Marla G. Thompson
Mayor

