



# **Boiling Springs Town Council**

Regular Meeting Agenda  
June 06, 2023  
6:30PM



## Town of Boiling Springs

PO Box 1014 | Boiling Springs, NC 28017  
Phone 704-434-2357 | Fax 704-434-2358  
www.BoilingSpringsNC.net

## TOWN COUNCIL

### MEETING AGENDA

June 06, 2023

### ROUTINE BUSINESS

1. Call to Order
2. Adoption of Agenda
3. Public Comment
4. Gardner-Webb Update  
VP Nate Evans will give a GWU update.
5. YMCA Presentation  
YMCA will present on town contributions and operations.

### CONSENT AGENDA

6. Surplus Police Tahoe  
2015 Chevrolet Tahoe Vin#1GNSK3EC4FR660447
7. Surplus Police Copier
8. Cost Allocation Policy
9. Safe Streets 4 All Grant Agreement
10. NC DEQ Water Supply Plan Resolution
11. Minutes of the Special April 25th budget meeting & the regular May 2nd Council meeting.

### REGULAR BUSINESS

12. Review Audit Contract Proposals
13. Consider Sewer Extension Policy
14. Park Master Plan Steering Committee Appointment

### PUBLIC HEARING

15. Consider FY 23-24 Budget



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## TOWN COUNCIL

MEETING AGENDA

June 06, 2023

### REPORTS

#### 16. Manager & Council Comments

### CLOSED SESSION

17. Motion to enter Closed Session Per NCGS 143-318.11(a)(5): To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease).

### ADJOURNMENT



## CONSENT AGENDA OVERVIEW

**Requested Action:** Motion to approve the consent agenda as presented.

## SUMMARY

### Surplus Police Tahoe

- This 2015 Tahoe has 140,000 miles and needs an engine replacement. Staff recommends surplus of the vehicle.

### Surplus Police Copier

- The Police Department has an old, non-functioning copying center that we need to surplus. The Admin copier is being moved over to replace this one and Admin is getting a replacement copier.

### Cost Allocation Policy

- We are required to adopt this policy for ARPA funds. The policy came from the School of Government and has been reviewed by the Finance Director, Manager, and Town Attorney.

### Safe Streets 4 All Grant Agreement

- In 2022, we applied for the [Safe Streets 4 All grant program](#) through the FHWA. We received notification of award in January of 2023 for an [Action Plan Grant](#). This will allow us to contract with a consultant to review our network of streets and sidewalks and have them make recommendations for future improvements to make our roads safer and more pedestrian friendly. This is a reimbursement grant and we have allocated this in the proposed budget for FY 2023-2024. Approval will give the Manager authority to sign the agreement and move forward with the project. The next step is to compile an RFQ for the plan to send to potential firms.

### Water Supply Plan Resolution

- The TOBS 2022 Local Water Supply Plan has been completed and reviewed by NCDEQ. See the attached letter requiring the plan be adopted and a resolution passed by Town Council.
- A Local Water Supply Plan is an assessment of a water system's current and future water needs and its ability to meet those needs. By understanding current and future needs, local governments will be better able to manage water supplies and better prepared to plan for water supply system improvements. North Carolina General Statute G.S. 143-355(l) requires all units of local government that provide or plan to provide public water service to prepare a Local Water Supply Plan. All community water systems that regularly serve 1,000 or more service





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connections or serve more than 3,000 people are also required to prepare a Local Water Supply Plan.

- North Carolina Administrative Code 15A NCAC 02E 0.0600 requires all systems subject to G.S. 143-355(l) to electronically submit an annual water use update based on their water use and system conditions by April 1st of every year for the period of January 1st to December 31st of the prior year.

**Minutes of the April 25<sup>th</sup> and May 2<sup>nd</sup> Meetings**



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 NORTH CAROLINA

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**RESOLUTION FOR ALLOWABLE COSTS AND COST PRINCIPLES FOR  
 EXPENDITURE OF AMERICAN RESCUE PLAN ACT CORONAVIRUS STATE  
 AND LOCAL FISCAL RECOVERY FUNDS BY NORTH CAROLINA LOCAL  
 GOVERNMENTS**

**WHEREAS** the Town of Boiling Springs, has received an allocation of funds from the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF); and

**WHEREAS** the funds may be used for projects within these categories, to the extent authorized by state law.

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet; and

**WHEREAS** the ARP/CSLFRF are subject to the provisions of the federal Uniform Grant Guidance, 2 CFR Sect. 200 (UG), as provided in the [Assistance Listing](#); and

**WHEREAS** the [Compliance and Reporting Guidance for the State and Local Fiscal Recovery Funds](#) provides, in relevant part:

**Allowable Costs/Cost Principles.** As outlined in the Uniform Guidance at 2 CFR Part 200, Subpart E regarding Cost Principles, allowable costs are based on the premise that a recipient is responsible for the effective administration of Federal awards, application of sound management practices, and administration of Federal funds in a manner consistent with the program objectives and terms and conditions of the award. Recipients must implement robust internal controls and effective monitoring to ensure compliance with the Cost Principles, which are important for building trust and accountability.

ARP/CSLFRF Funds may be, but are not required to be, used along with other funding sources for a given project. Note that ARP/CSLFRF Funds may not be used for a non-Federal cost share or match where prohibited by other Federal programs, e.g., funds may not be used for the State share for Medicaid.

Treasury's Interim Final Rule and guidance and the Uniform Guidance outline the types of costs that are allowable, including certain audit costs. For example, per 2 CFR 200.425, a reasonably proportionate share of the costs of audits required by the Single Audit Act Amendments of 1996 are allowable; however, costs for audits that were not performed in accordance with 2 CFR Part 200, Subpart F are not allowable. Please see 2 CFR Part 200, Subpart E regarding the Cost Principles for more information.

- a. Administrative costs: Recipients may use funds for administering the SLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements. Further, costs must be reasonable and allocable as outlined in 2 CFR 200.404 and 2 CFR 200.405. Pursuant to the ARP/CSLFRF Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs. Direct costs are those that are identified specifically as costs of implementing the ARP/CSLFRF program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the ARP/CSLFRF award such as the cost of facilities or administrative functions like a director's office. Each category of cost should be treated consistently in like circumstances as direct or indirect, and recipients may not charge the same administrative costs to both direct and indirect cost categories, or to other programs. If a recipient has a current Negotiated Indirect Costs Rate Agreement (NICRA) established with a Federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the recipient may use its current NICRA. Alternatively,

if the recipient does not have a NICRA, the recipient may elect to use the de minimis rate of 10 percent of the modified total direct costs pursuant to 2 CFR 200.414(f).

- b. Salaries and Expenses: In general, certain employees' wages, salaries, and covered benefits are an eligible use of ARP/CSLFRF award funds; and

**WHEREAS** Subpart E of the UG dictates allowable costs and cost principles for expenditure of ARP/CSLFRF funds; and

**WHEREAS** Subpart E of the UG (specifically, 200.400) states that:

The application of these cost principles is based on the fundamental premises that:

- (a) The non-Federal entity is responsible for the efficient and effective administration of the Federal award through the application of sound management practices.
- (b) The non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.
- (c) The non-Federal entity, in recognition of its own unique combination of staff, facilities, and experience, has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary in order to assure proper and efficient administration of the Federal award.
- (d) The application of these cost principles should require no significant changes in the internal accounting policies and practices of the non-Federal entity. However, the accounting practices of the non-Federal entity must be consistent with these cost principles and support the accumulation of costs as required by the principles, and must provide for adequate documentation to support costs charged to the Federal award.
- (e) In reviewing, negotiating and approving cost allocation plans or indirect cost proposals, the cognizant agency for indirect costs should generally assure that the non-Federal entity is applying these cost accounting principles on a consistent basis during their review and negotiation of indirect cost proposals. Where wide variations exist in the treatment of a given cost item by the non-Federal entity, the reasonableness and equity of such treatments should be fully considered.

- (f) For non-Federal entities that educate and engage students in research, the dual role of students as both trainees and employees (including pre- and post-doctoral staff) contributing to the completion of Federal awards for research must be recognized in the application of these principles.
- (g) The non-Federal entity may not earn or keep any profit resulting from Federal financial assistance, unless explicitly authorized by the terms and conditions of the Federal award;

**BE IT RESOLVED** that the governing board of the Town of Boiling Springs hereby adopts and enacts the following US Cost Principles Policy for the expenditure of ARP/CSLFRF funds.

## **ALLOWABLE COSTS AND COSTS PRINCIPLES POLICY**

### **OVERVIEW**

[Title 2 U.S. Code of Federal Regulations Part 200](#), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly called Uniform Guidance (UG), specifically Subpart E, defines those items of cost that are allowable, and which are unallowable. The tests of allowability under these principles are: (a) the costs must be reasonable; (b) they must be allocable to eligible projects under the Coronavirus State and Local Fiscal Recovery Funds of H.R. 1319 American Rescue Plan Act of 2021 (ARP/CSLFRF); (c) they must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances; and (d) they must conform to any limitations or exclusions set forth in these principles or in the ARP/CSLFRF grant award as to types or amounts of cost items. Unallowable items fall into two categories: expenses which are by their nature unallowable (e.g., alcohol), and unallowable activities (e.g., fund raising).

The Town of Boiling Springs shall adhere to all applicable cost principles governing the use of federal grants. This policy addresses the proper classification of both direct and indirect charges to ARP/CSLFRF funded projects and enacts procedures to ensure that proposed and actual expenditures are consistent with the ARP/CSLFRF grant award terms and all applicable federal regulations in the UG.

Responsibility for following these guidelines lies with the Town Manager and Finance Director, who are charged with the administration and financial oversight of the ARP/CSLFRF. Further, all local government employees and officials who are involved in obligating, administering, expending, or monitoring ARP/CSLFRF grant funded projects should be well versed with the categories of costs that are generally allowable and unallowable. Questions on the allowability of costs should be directed to the Town Manager or Finance Director. As questions on allowability of certain costs may require

interpretation and judgment, local government personnel are encouraged to ask for assistance in making those determinations.

### **GENERAL COST ALLOWABILITY CRITERIA**

All costs expended using ARP/CSLFRF funds must meet the following general criteria:

**1. Be necessary and reasonable for the proper and efficient performance and administration of the grant program.**

A cost must be *necessary* to achieve a project object. When determining whether a cost is necessary, consideration may be given to:

- Whether the cost is needed for the proper and efficient performance of the grant project.
- Whether the cost is identified in the approved project budget or application.
- Whether the cost aligns with identified needs based on results and findings from a needs assessment.
- Whether the cost addresses project goals and objectives and is based on program data.

A cost is *reasonable* if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices. When determining reasonableness of a cost, consideration must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the Town of Boiling Springs or the proper and efficient performance of the federal award.
- The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; federal, state, and other laws and regulations; and terms and conditions of the ARP/CSLFRF award.
- Market prices for comparable goods or services for the geographic area.
- Whether individuals concerned acted with prudence in the circumstances considering their responsibilities to the Town of Boiling Springs, its employees, the public at large, and the federal government.
- Whether the Town of Boiling Springs significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the ARP/CSLFRF award's cost.

2. **Be allocable to the ARP/CSLFRF federal award.** A cost is allocable to the ARP/CSLFRF award if the goods or services involved are chargeable or assignable to the ARP/CSLFRF award in accordance with the relative benefit received. This means that the ARP/CSLFRF grant program derived a benefit in proportion to the funds charged to the program. *For example, if 50 percent of a local government program officer's salary is paid with grant funds, then the local government must document that the program officer spent at least 50 percent of his/her time on the grant program.*

If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized by the ARP/CSLFRF, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required.

3. **Be authorized and not prohibited under state or local laws or regulations.**
4. **Conform to any limitations or exclusions set forth in the principles, federal laws, ARP/CSLFRF award terms, and other governing regulations as to types or amounts of cost items.**
5. **Be consistent with policies, regulations, and procedures that apply uniformly to both the ARP/CSLFRF federal award and other activities of the Town of Boiling Springs.**
6. **Be accorded consistent treatment.** A cost MAY NOT be assigned to a federal award as a direct cost and also be charged to a federal award as an indirect cost. And a cost must be treated consistently for both federal award and non-federal award expenditures.
7. **Be determined in accordance with generally accepted accounting principles (GAAP), unless provided otherwise in the UGG.**
8. **Be net of all applicable credits.** The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to and received by the local government related to the federal

award, they shall be credited to the ARP/CSLFRF award, either as a cost reduction or a cash refund, as appropriate and consistent with the award terms.

**9. Be adequately documented.**

**SELECTED ITEMS OF COST**

The UGG examines the allowability of fifty-five (55) specific cost items (commonly referred to as Selected Items of Cost) at 2 CFR § 200.420-.475.

The Town Manager or Finance Director are responsible for determining cost allowability must be familiar with the Selected Items of Cost. The Town of Boiling Springs must follow the applicable regulations when charging these specific expenditures to the ARP/CSLFRF grant. The Town Manager or Finance Director will check costs against the selected items of cost requirements to ensure the cost is allowable and that all process and documentation requirements are followed. In addition, State laws, the Town of Boiling Springs regulations, and program-specific rules may deem a cost as unallowable, and the Town Manager and Finance Director must follow those non-federal rules as well.

Exhibit A identifies and summarizes the Selected Items of Cost.

**DIRECT AND INDIRECT COSTS**

Allowable and allocable costs must be appropriately classified as direct or indirect charges. It is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost.

*Direct costs* are expenses that are specifically associated with a particular ARP/CSLFRF-eligible project and that can be directly assigned to such activities relatively easily with a high degree of accuracy. Common examples of direct costs include salary and fringe benefits of personnel directly involved in undertaking an eligible project, equipment and supplies for the project, subcontracted service provider, or other materials consumed or expended in the performance of a grant-eligible project.

*Indirect costs* are (1) costs incurred for a common or joint purpose benefitting more than one ARP/CSLFRF-eligible project, and (2) not readily assignable to the project specifically benefited, without effort disproportionate to the results achieved. They are expenses that benefit more than one project or even more than one federal grant. Common examples of indirect costs include utilities, local telephone charges, shared office supplies, administrative or secretarial salaries.

For indirect costs, the Town of Boiling Springs may charge a 10 percent de minimis rate of modified total direct costs (MTDC). According to UGG Section 200.68 MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance the subawards under the award). MTDC EXCLUDES equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000.



## **SPECIAL PROVISIONS FOR STATE AND LOCAL GOVERNMENTS**

There are some special provisions of the UG that apply only to states, local governments, and Indian Tribes.

### **§ 200.444 General costs of government.**

(a) For states, local governments, and Indian Tribes, the general costs of government are unallowable (except as provided in [§ 200.475](#)). Unallowable costs include:

- (1) Salaries and expenses of the Office of the Governor of a [state](#) or the chief executive of a [local government](#) or the chief executive of an [Indian tribe](#);
- (2) Salaries and other expenses of a [state](#) legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction;
- (3) Costs of the judicial branch of a government;
- (4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General as described in [§ 200.435](#)); and
- (5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.

(b) For [Indian tribes](#) and Councils of Governments (COGs) (see definition for *Local government* in [§ 200.1](#) of this part), up to 50% of salaries and expenses directly attributable to managing and operating [Federal programs](#) by the chief executive and his or her staff can be included in the indirect cost calculation without documentation.

### **§ 200.416 COST ALLOCATION PLANS AND INDIRECT COST PROPOSALS.**

(a) For states, local governments and Indian tribes, certain services, such as motor pools, computer centers, purchasing, accounting, etc., are provided to operating agencies on a centralized basis. Since Federal awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service cost allocation plan provides that process.

(b) Individual operating agencies (governmental department or agency), normally charge Federal awards for indirect costs through an indirect cost rate. A separate

indirect cost rate(s) proposal for each operating agency is usually necessary to claim indirect costs under Federal awards. Indirect costs include:

- (1) The indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and
- (2) The costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

(c) The requirements for development and submission of cost allocation plans (for central service costs and public assistance programs) and indirect cost rate proposals are contained in appendices V, VI and VII to this part.

#### **§ 200.417 INTERAGENCY SERVICE.**

The cost of services provided by one agency to another within the governmental unit may include allowable direct costs of the service plus a pro-rated share of indirect costs. A standard indirect cost allowance equal to ten percent of the direct salary and wage cost of providing the service (excluding overtime, shift premiums, and fringe benefits) may be used in lieu of determining the actual indirect costs of the service. These services do not include centralized services included in central service cost allocation plans as described in Appendix V to Part 200.

### **COST ALLOWABILITY REVIEW PROCESS**

#### **PREAPPROVAL COST ALLOWABILITY REVIEW**

Before an ARP/CSLFRF-funded project is authorized, Town Manager or Finance Director must review the proposed cost items within an estimated project budget to determine whether they are allowable and allocable and whether cost items will be charged as direct or indirect expenses. This review will occur concurrently with the review of project eligibility and *before* obligating or expending any ARP/CSLFRF funds.

- Local government personnel must submit proposed ARP/CSLFRF projects to Town Manager or Finance Director for review. In addition to other required information, all proposed project submissions must delineate estimated costs by cost item.
- Along with a general review of project eligibility and conformance with other governing board management directives, if required, Town Manager or Finance Director must review estimated costs for specific allowable cost requirements, budget parameters, indirect rates, fringe benefit rates, and those activities/costs that require pre-approval by the US Treasury.

- If a proposed project includes a request for an unallowable cost, the Town Manager or Finance Director will return the proposal to the requesting party for review and, if practicable, resubmission with corrected cost items.
- Once a proposed project budget is pre-approved by Town Manager or Finance Director, the local government personnel responsible for implementing the project must conform actual obligations and expenditures to the pre-approved project budget.

### **POST-EXPENDITURE COST ALLOWABILITY REVIEW**

Once an expenditure is incurred related to an eligible project, and an invoice or other demand for payment is submitted to the local government, the Town Manager or Finance Director must perform a second review to ensure that actual expenditures comprise allowable costs.

- All invoices or other demands for payment must include a breakdown by cost item. The cost items should mirror those presented in the proposed budget for the project. If an invoice or other demand for payment does not include a breakdown by cost item, the Town Manager or Finance Director will return the invoice to the project manager and/or vendor, contractor, or subrecipient for correction.
- The Town Manager or Finance Director must review the individual cost items listed on the invoice or other demand for payment to determine their allowability and allocability.
- If all cost items are deemed allowable and properly allocable, the Town Manager or Finance Director must proceed through the local government's normal disbursement process.
- If any cost item is deemed unallowable, the Town Manager or Finance Director will notify the project management and/or vendor, contractor, or subrecipient that a portion of the invoice or other demand for payment will not be paid with ARP/CSLFRF funds. The Town Manager or Finance Director may in their discretion, and consistent with this policy, allow an invoice or other demand for payment to be resubmitted with a revised cost allocation. If the local government remains legally obligated by contract or otherwise to pay the disallowed cost item, it must identify other local government funds to cover the disbursement. The Town of Boiling Springs' governing board must approve any allocation of other funds for this purpose.

- The Town Manager or Finance Director must retain appropriate documentation of budgeted cost items per project and actual obligations and expenditures of cost items per project.

### **COST TRANSFERS**

Any costs charged to the ARP/CSLFRF federal award that do not meet the allowable cost criteria must be removed from the award account and charged to an account that does not require adherence to federal UGG or other applicable guidelines.

Failure to adequately follow this policy and related procedures could result in questioned costs, audit findings, potential repayment of disallowed costs and discontinuance of funding.

### **EXHIBIT A**

Selected Items of Cost	Uniform Guidance General Reference	Allowability
Advertising and public relations costs	2 CFR § 200.421	Allowable with restrictions
Advisory councils	2 CFR § 200.422	Allowable with restrictions
Alcoholic beverages	2 CFR § 200.423	Unallowable
Alumni/ae activities	2 CFR § 200.424	Not specifically addressed
Audit services	2 CFR § 200.425	Allowable with restrictions
Bad debts	2 CFR § 200.426	Unallowable
Bonding costs	2 CFR § 200.427	Allowable with restrictions
Collection of improper payments	2 CFR § 200.428	Allowable
Commencement and convocation costs	2 CFR § 200.429	Not specifically addressed

Compensation – personal services	2 CFR § 200.430	Allowable with restrictions; Special conditions apply (e.g., § 200.430(i)(5))
Compensation – fringe benefits	2 CFR § 200.431	Allowable with restrictions
Conferences	2 CFR § 200.432	Allowable with restrictions
Contingency provisions	2 CFR § 200.433	Unallowable with exceptions
Contributions and donations	2 CFR § 200.434	Unallowable (made by non-federal entity); not reimbursable but value may be used as cost sharing or matching (made to non-federal entity)
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435	Allowable with restrictions
Depreciation	2 CFR § 200.436	Allowable with qualifications
Employee health and welfare costs	2 CFR § 200.437	Allowable with restrictions
Entertainment costs	2 CFR § 200.438	Unallowable with exceptions
Equipment and other capital expenditures	2 CFR § 200.439	Allowability based on specific requirement
Exchange rates	2 CFR § 200.440	Allowable with restrictions
Fines, penalties, damages and other settlements	2 CFR § 200.441	Unallowable with exceptions
Fund raising and investment management costs	2 CFR § 200.442	Unallowable with exceptions
Gains and losses on disposition of depreciable assets	2 CFR § 200.443	Allowable with restrictions
General costs of government	2 CFR § 200.444	Unallowable with exceptions
Goods and services for personal use	2 CFR § 200.445	Unallowable (goods/services); allowable

		(housing) with restrictions
Idle facilities and idle capacity	2 CFR § 200.446	Idle facilities - unallowable with exceptions; Idle capacity - allowable with restrictions
Insurance and indemnification	2 CFR § 200.447	Allowable with restrictions
Intellectual property	2 CFR § 200.448	Allowable with restrictions
Interest	2 CFR § 200.449	Allowable with restrictions
Lobbying	2 CFR § 200.450	Unallowable
Losses on other awards or contracts	2 CFR § 200.451	Unallowable (however, they are required to be included in the indirect cost rate base for allocation of indirect costs)
Maintenance and repair costs	2 CFR § 200.452	Allowable with restrictions
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453	Allowable with restrictions
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454	Allowable with restrictions; unallowable for lobbying organizations
Organization costs	2 CFR § 200.455	Unallowable except federal prior approval
Participant support costs	2 CFR § 200.456	Allowable with prior approval of the federal awarding agency
Plant and security costs	2 CFR § 200.457	Allowable; capital expenditures are subject to § 200.439
Pre-award costs	2 CFR § 200.458	Allowable if consistent with other allowabilities and with prior approval of the federal awarding agency
Professional services costs	2 CFR § 200.459	Allowable with restrictions
Proposal costs	2 CFR § 200.460	Allowable with restrictions

Publication and printing costs	2 CFR § 200.461	Allowable with restrictions
Rearrangement and reconversion costs	2 CFR § 200.462	Allowable (ordinary and normal)
Recruiting costs	2 CFR § 200.463	Allowable with restrictions
Relocation costs of employees	2 CFR § 200.464	Allowable with restrictions
Rental costs of real property and equipment	2 CFR § 200.465	Allowable with restrictions
Scholarships and student aid costs	2 CFR § 200.466	Not specifically addressed
Selling and marketing costs	2 CFR § 200.467	Unallowable with exceptions
Specialized service facilities	2 CFR § 200.468	Allowable with restrictions
Student activity costs	2 CFR § 200.469	Unallowable unless specifically provided for in the federal award
Taxes (including Value Added Tax)	2 CFR § 200.470	Allowable with restrictions
Termination costs	2 CFR § 200.471	Allowable with restrictions
Training and education costs	2 CFR § 200.472	Allowable for employee development
Transportation costs	2 CFR § 200.473	Allowable with restrictions
Travel costs	2 CFR § 200.474	Allowable with restrictions
Trustees	2 CFR § 200.475	Not specifically addressed

**1. Award No.**  
693JJ32340274

**2. Effective Date**  
See No. 17 Below

**3. Assistance Listings No.**  
20.939

**4. Award To**  
Town of Boiling Springs  
114 E. College Ave  
Shelby, NC 28152  
704-434-2357

Unique Entity Id.: LHSBGS9Q9D81  
TIN No.: 56-6018025

**5. Sponsoring Office**  
U.S. Department of Transportation  
Federal Highway Administration  
Office of Safety  
1200 New Jersey Avenue, SE  
HSSA-1, Mail Drop E71-117  
Washington, DC 20590

**6. Period of Performance**  
Effective Date of Award –  
15 Months

**7. Total Amount**

Federal Share:	\$160,000
Recipient Share:	\$40,000
Other Federal Funds:	\$0
Other Funds:	\$0
Total:	\$200,000

**8. Type of Agreement**  
Grant

**9. Authority**  
Section 24112 of the Infrastructure Investment and Jobs Act (Pub. L. 117–58, November 15, 2021; also referred to as the “Bipartisan Infrastructure Law” or “BIL”)

**10. Procurement Request No.**  
HSSP230344PR

**11. Federal Funds Obligated**  
\$160,000

**12. Submit Payment Requests To**  
See article 20.

**13. Payment Office**  
See article 20.

**14. Accounting and Appropriations Data**

15X0173E50.0000.055SR10500.5592000000.41010.61006600.0000000000.0000000000

**15. Description of Project**  
Safe Streets and Roads for All – Town of Boiling Springs Comprehensive Safety Action Plan

**RECIPIENT**

**FEDERAL HIGHWAY ADMINISTRATION**

**16. Signature of Person Authorized to Sign**

**17. Signature of Agreement Officer**

\_\_\_\_\_  
Signature Date  
Name: Justin Longino  
Title: Town Manager

\_\_\_\_\_  
Signature Date  
Name:  
Title: Agreement Officer



## U.S. DEPARTMENT OF TRANSPORTATION

### GRANT AGREEMENT UNDER THE FISCAL YEAR 2022 SAFE STREETS AND ROADS FOR ALL GRANT PROGRAM

This agreement is between the [United States Department of Transportation (the “USDOT”)] [Federal Highway Administration (the “FHWA”) and the Town of Boiling Springs, NC (the “Recipient”).

This agreement reflects the selection of the Recipient to receive a Safe Streets and Roads for All (“SS4A”) Grant for the Application to Develop Action Plan.

The parties therefore agree to the following:

#### ARTICLE 1 GENERAL TERMS AND CONDITIONS

##### 1.1 General Terms and Conditions.

- (a) In this agreement, “**General Terms and Conditions**” means the content of the document titled “General Terms and Conditions Under the Fiscal Year 2022 Safe Streets and Roads for All Grant Program,” dated February 8, 2023, which is available at <https://www.transportation.gov/grants/ss4a/grant-agreements>. Articles 7–30 are in the General Terms and Conditions. The General Terms and Conditions are part of this agreement.
- (b) The Recipient states that it has knowledge of the General Terms and Conditions. Recipient also states that it is required to comply with all applicable Federal laws and regulations including, but not limited to, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200); National Environmental Policy Act (NEPA) (42 U.S.C. § 4321 et seq.); and Build America, Buy America Act (BIL, div. G §§ 70901-27).
- (c) The Recipient acknowledges that the General Terms and Conditions impose obligations on the Recipient and that the Recipient’s non-compliance with the General Terms and Conditions may result in remedial action, termination of the SS4A Grant, disallowing costs incurred for the Project, requiring the Recipient to refund to the FHWA the SS4A Grant, and reporting the non-compliance in the Federal-government-wide integrity and performance system.

## ARTICLE 2 APPLICATION, PROJECT, AND AWARD

### 2.1 Application.

Application Title: SS4A Application to Develop Action Plan

Application Date: 9/9/2022

### 2.2 Award Amount.

SS4A Grant Amount: \$160,000

### 2.3 Award Dates.

Period of Performance End Date: See Section 6 on Page 1

### 2.4 Budget Period

Budget Period End Date: See Section 6 on Page 1

### 2.5 Action Plan Grant or Implementation Grant Designation.

Designation: Action Plan

**2.6 Federal Award Identification Number.** The Federal Award Identification Number is listed on page 1, line 1.

## ARTICLE 3 SUMMARY PROJECT INFORMATION

### 3.1 Summary of Project's Statement of Work.

The Town of Boiling Springs desires to improve roadway safety in its jurisdiction, and identify the tools needed to strengthen the community's approach to roadway safety. The Town will utilize SS4A funding to develop an Action Plan, which will serve as the Town's strategy to prevent roadway fatalities and serious injuries in the Town. Boiling Springs is mindful of future economic growth in both the Town and Gardner Webb University, which is located in Town. The Town needs to balance the needs for economic growth, and the resulting increase of motorists and individuals traveling in and around Town, with the safety of motorists and pedestrians. Via its recently adopted 2022-2023 Strategic Plan and Downtown Master Plan, the Town recognizes the need for smart roadway safety development and desires to develop an SS4A Action Plan. The goal is to

develop low-cost, high-impact safety strategies that can improve overall safety in the jurisdiction. The Town will utilize SS4A funds to hire a consultant to perform the work of developing the Action Plan over a 12-month period. The consultant will work with Town leadership, stakeholders, and community members to develop the Action Plan, which will include a safety analysis, assessment of current policies and plans, and a detailed strategy and implementation process that will address the safety concerns of the Town. The planning process will engage a wide variety of public and private stakeholders, including an inclusive community engagement process. The Action Plan will include evidence-based strategies and projects and will seek to adopt innovative strategies to promote safety and equity. The result will be a publicly available Action Plan that will be used by the Town to pursue next-step funding to implement the strategies contained in the Action Plan, including an SS4A Implementation Grant.

**3.2 Project’s Estimated Schedule.**

**ACTION PLAN SCHEDULE**

<b>Milestone</b>	<b>Schedule Date</b>
Planned Draft Action Plan Completion Date:	06/01/2024
Planned Action Plan Completion Date:	09/01/2024
Planned Action Plan Adoption Date:	11/01/2024
Planned SS4A Final Report Date:	01/01/2025

**3.3 Project’s Estimated Costs.**

(a) Eligible Project Costs

<b>Eligible Project Costs</b>	
SS4A Grant Amount:	\$160,000
Other Federal Funds:	\$0
State Funds:	\$0
Local Funds:	\$40,000
In-Kind Match:	\$0
Other Funds:	\$0
<b>Total Eligible Project Cost:</b>	<b>\$200,000</b>

(b) Supplemental Estimated Budget

<b>Cost Element</b>	<b>Federal Share</b>	<b>Non-Federal Share</b>	<b>Total Budget Amount</b>
Direct Labor	\$0.00	\$40,000	\$40,000
Fringe Benefits	\$0.00	\$0.00	\$0.00
Travel	\$5,000	\$0.00	\$5,000
Equipment	\$0.00	\$0.00	\$0.00
Supplies	\$0.00	\$0.00	\$0.00
Contractual/Consultant	\$145,000	\$0.00	\$145,000
Other	\$10,000	\$0.00	\$10,000
Indirect Costs	\$0.00	\$0.00	\$0.00
<b>Total Budget</b>	<b>\$160,000</b>	<b>\$40,000</b>	<b>\$200,000</b>

**ARTICLE 4**

**RECIPIENT INFORMATION**

**4.1 Recipient’s Unique Entity Identifier.**

LHSBGS9Q9D81

**4.2 Recipient Contact(s).**

Justin Longino  
 Town Manager  
 Town of Boiling Springs  
 P.O. Box 1014  
 114 East College Avenue  
 Boiling Springs, NC 28017  
 704-434-2357  
 Justin.Longino@boilingspringsnc.net

**4.3 Recipient Key Personnel.**

<b>Name</b>	<b>Title or Position</b>
Justin Longino	Town Manager
Tracy Holland	Program Support Specialist
Noah Saldo	Town Clerk

#### 4.4 USDOT Project Contact(s).

Jessica Rich  
Safe Streets and Roads for All Program Manager  
Federal Highway Administration  
Office of Safety  
HSSA-1, Mail Stop: E71-117  
1200 New Jersey Avenue, S.E.  
Washington, DC 20590  
615-695-4096  
[Jessica.Rich@dot.gov](mailto:Jessica.Rich@dot.gov)

and

Ashley Cucchiarelli  
Agreement Officer (AO) and Agreement Specialist (AS)  
Federal Highway Administration  
Office of Acquisition and Grants Management  
HCFA-33, Mail Stop E62-310  
1200 New Jersey Avenue, S.E.  
Washington, DC 20590  
(202) 366-5503  
[ashley.cucchiarelli@dot.gov](mailto:ashley.cucchiarelli@dot.gov)

and

John Sullivan  
Agreement Officer's Representative (AOR)  
Division Administrator  
North Carolina Division Office  
310 New Bern Ave, Ste 410  
Raleigh, NC 27601  
(919) 856-4346  
[northcarolina.fhwa@dot.gov](mailto:northcarolina.fhwa@dot.gov)

and

Lorraine Moyle  
North Carolina Division Office Point of Contact  
Discretionary Grant Program Coordinator  
310 New Bern Ave, Ste 410  
Raleigh, NC 27601  
(919) 747-7353  
[Lorraine.moyle@dot.gov](mailto:Lorraine.moyle@dot.gov)

## ARTICLE 5 USDOT ADMINISTRATIVE INFORMATION

### 5.1 Office for Subaward and Contract Authorization.

USDOT Office for Subaward and Contract Authorization: FHWA Office of Acquisition and Grants Management

#### SUBAWARDS AND CONTRACTS APPROVAL

Note: See 2 CFR § 200.331, Subrecipient and contractor determinations, for definitions of subrecipient (who is awarded a subaward) versus contractor (who is awarded a contract).

Note: Recipients with a procurement system deemed approved and accepted by the Government or by the AO are exempt from the requirements of this clause. See 2 CFR 200.317 through 200.327.

Note: This clause is only applicable to Action Plan Grants.

Unless described in the application and funded in the approved award, the Recipient must obtain prior written approval from the AO for the subaward, transfer, or contracting out of any work under this award above the Simplified Acquisition Threshold. This provision does not apply to the acquisition of supplies, material, equipment, or general support services. Approval of each subaward or contract is contingent upon the Recipient's submittal of a written fair and reasonable price determination, and approval by the AO for each proposed contractor/subrecipient. Consent to enter into subawards or contracts will be issued through written notification from the AO or a formal amendment to the Agreement.

The following subawards and contracts are currently approved under the Agreement by the AO. This list does not include supplies, material, equipment, or general support services which are exempt from the pre-approval requirements of this clause.

(Fill in at award or by amendment)

### 5.2 Reimbursement Requests

- (a) The Recipient may request reimbursement of costs incurred in the performance of this agreement if those costs do not exceed the funds available under section 2.2 and are allowable under the applicable cost provisions of 2 C.F.R. Part 200, Subpart E. The Recipient shall not request reimbursement more frequently than monthly.
- (b) The Recipient shall use the DELPHI eInvoicing System to submit requests for reimbursement to the payment office. When requesting reimbursement of costs incurred or credit for cost share incurred, the Recipient shall electronically submit supporting cost detail with the SF 271 (Outlay Report and Request for Reimbursement for Construction Programs) to clearly document all costs incurred.

- (c) The Recipient's supporting cost detail shall include a detailed breakout of all costs incurred, including direct labor, indirect costs, other direct costs, travel, etc., and the Recipient shall identify the Federal share and the Recipient's share of costs. If the Recipient does not provide sufficient detail in a request for reimbursement, the AO may withhold processing that request until the Recipient provides sufficient detail.
- (d) The USDOT shall not reimburse costs unless the Agreement Officer's Representative (the "AOR") reviews and approves the costs to ensure that progress on this agreement is sufficient to substantiate payment.
- (e) The USDOT may waive the requirement that the Recipient use the DELPHI eInvoicing System. The Recipient may obtain waiver request forms on the DELPHI eInvoicing website (<http://www.dot.gov/cfo/delphi-einvoicing-system.html>) or by contacting the AO. A Recipient who seeks a waiver shall explain why they are unable to use or access the Internet to register and enter payment requests and send a waiver request to

Director of the Office of Financial Management  
 US Department of Transportation,  
 Office of Financial Management B-30, Room W93-431  
 1200 New Jersey Avenue SE  
 Washington DC 20590-0001

or

[DOTElectronicInvoicing@dot.gov](mailto:DOTElectronicInvoicing@dot.gov).

If the USDOT grants the Recipient a waiver, the Recipient shall submit SF 271s directly to:

DOT/FAA  
 P.O. Box 268865  
 Oklahoma City, OK 73125-8865  
 Attn: Agreement Specialist

- (f) The requirements set forth in these terms and conditions supersede previous financial invoicing requirements for Recipients.

## ARTICLE 6 SPECIAL GRANT TERMS

- 6.1 SS4A funds must be expended within five years after the grant agreement is executed and DOT obligates the funds, which is the budget period end date in section 10.3 of the Terms and Conditions and section [wherever the date it is in this agreement].

- 6.2** The Recipient acknowledges that the Action Plan will be made publicly available, and the Recipient agrees that it will publish the final Action Plan on a publicly available website.
- 6.3** The Recipient demonstrates compliance with civil rights obligations and nondiscrimination laws, including Titles VI of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), and Section 504 of the Rehabilitation Act, and accompanying regulations. Recipients of Federal transportation funding will also be required to comply fully with regulations and guidance for the ADA, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and all other civil rights requirements.
- 6.4** There are no other special grant requirements for this award.



**ATTACHMENT A  
PERFORMANCE MEASUREMENT INFORMATION**

**Study Area:** Town of Boiling Springs, NC

**Baseline Measurement Date:** 02/2024

**Baseline Report Date:** 04/2024

**Table 1: Performance Measure Table**

<b>Measure</b>	<b>Category and Description</b>	<b>Measurement Frequency</b>
Equity	Percent of Funds to Underserved Communities: Funding amount (of total project amount) benefitting underserved communities, as defined by USDOT	End of period of performance
Costs	Project Costs: Quantification of the cost of each eligible project carried out using the grant	End of period of performance
Lessons Learned and Recommendations	Lessons Learned and Recommendations: Description of lessons learned and any recommendations relating to future projects of strategies to prevent death and serious injury on roads and streets.	End of period of performance

**ATTACHMENT B  
CHANGES FROM APPLICATION**

**INSTRUCTIONS FOR COMPLETING ATTACHMENT B:** Describe all material differences between the scope, schedule, and budget described in the application and the scope, schedule, and budget described in Article 3. The purpose of this attachment B is to document the differences clearly and accurately in scope, schedule, and budget to establish the parties' knowledge and acceptance of those differences. See section 10.1.

**Scope:** No change

**Schedule:** No change

**Budget:** No change

The table below provides a summary comparison of the project budget.

<b>Fund Source</b>	<b>Application</b>		<b>Section 3.3</b>	
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Previously Incurred Costs (Non-Eligible Project Costs)</b>				
Federal Funds				
Non-Federal Funds				
Total Previously Incurred Costs				
<b>Future Eligible Project Costs</b>				
SS4AFunds				
Other Federal Funds				
Non-Federal Funds				
Total Future Eligible Project Costs				
Total Project Costs				

**ATTACHMENT C  
RACIAL EQUITY AND BARRIERS TO OPPORTUNITY**

**1. Efforts to Improve Racial Equity and Reduce Barriers to Opportunity.**

The Recipient states that rows marked with “X” in the following table are accurate:

	A racial equity impact analysis has been completed for the Project. <i>(Identify a report on that analysis or, if no report was produced, describe the analysis and its results in the supporting narrative below.)</i>
X	The Recipient or a project partner has adopted an equity and inclusion program/plan or has otherwise instituted equity-focused policies related to project procurement, material sourcing, construction, inspection, hiring, or other activities designed to ensure racial equity in the overall delivery and implementation of the Project. <i>(Identify the relevant programs, plans, or policies in the supporting narrative below.)</i>
	The Project includes physical-barrier-mitigating land bridges, caps, lids, linear parks, and multimodal mobility investments that either redress past barriers to opportunity or that proactively create new connections and opportunities for underserved communities that are underserved by transportation. <i>(Identify the relevant investments in the supporting narrative below.)</i>
	The Project includes new or improved walking, biking, and rolling access for individuals with disabilities, especially access that reverses the disproportional impacts of crashes on people of color and mitigates neighborhood bifurcation. <i>(Identify the new or improved access in the supporting narrative below.)</i>
	The Project includes new or improved freight access to underserved communities to increase access to goods and job opportunities for those underserved communities. <i>(Identify the new or improved access in the supporting narrative below.)</i>
X	The Recipient has taken other actions related to the Project to improve racial equity and reduce barriers to opportunity, as described in the supporting narrative below.
	The Recipient has not yet taken actions related to the Project to improve racial equity and reduce barriers to opportunity but, before beginning construction of the project, will take relevant actions described in the supporting narrative below
	The Recipient has not taken actions related to the Project to improve racial equity and reduce barriers to opportunity and will not take those actions under this award.

**2. Supporting Narrative.**

The Town has an adopted policy to follow all federal statutes and regulations included within the following:

- i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit

- discrimination on the basis of race, color, or national origin within programs or activities receiving federal financial assistance;
- ii. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability;
  - iii. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability under any program or activity receiving Federal financial assistance;
  - iv. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.), and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
  - v. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities and services provided or made available by state and local governments or instrumentalities or agencies thereto.



THE TOWN OF  
**BOILING SPRINGS**  
 NORTH CAROLINA

**RESOLUTION #R230606.01 FOR APPROVING LOCAL WATER SUPPLY PLAN**

WHEREAS, North Carolina General Statute 143-355 (1) requires that each unit of local government that provides public water service or that plans to provide public water service and each large community water system shall, either individually or together with other units of local government and large community water systems, prepare and submit a Local Water Supply Plan; and

WHEREAS, as required by the statute and in the interests of sound local planning, a Local Water Supply Plan for the Town of Boiling Springs, has been developed and submitted to the Boiling Springs Town Council for approval; and

WHEREAS, the Boiling Springs Town Council finds that the Local Water Supply Plan is in accordance with the provisions of North Carolina General Statute 143-355 (1) and that it will provide appropriate guidance for the future management of water supplies for the Town of Boiling Springs, as well as useful information to the Department of Environmental Quality for the development of a state water supply plan as required by statute;

NOW, THEREFORE, BE IT RESOLVED by the Boiling Springs Town Council of the Town of Boiling Springs that the Local Water Supply Plan entitled, Boiling Springs 2022 DWR :: Local Water Supply Planning, is hereby approved and

BE IT FURTHER RESOLVED that the Boiling Springs Town Council intends that this plan shall be revised to reflect changes in relevant data and projections at least once every five years or as otherwise requested by the Department, in accordance with the statute and sound planning practice.

This the 6<sup>th</sup> day of June 2023.

# Boiling Springs

2022 ▾

The Division of Water Resources (DWR) provides the data contained within this Local Water Supply Plan (LWSP) as a courtesy and service to our customers. DWR staff does not field verify data. Neither DWR, nor any other party involved in the preparation of this LWSP attests that the data is completely free of errors and omissions. Furthermore, data users are cautioned that LWSPs labeled **PROVISIONAL** have yet to be reviewed by DWR staff. Subsequent review may result in significant revision. Questions regarding the accuracy or limitations of usage of this data should be directed to the water system and/or DWR.

## 1. System Information

### Contact Information

Water System Name:	Boiling Springs	PWSID:	01-23-025
Mailing Address:	PO Box 1014 Boiling Springs, NC 28017	Ownership:	Municipality
Contact Person:	Mike Gibert	Title:	Public Works Director
Phone:	704-434-2357	Cell/Mobile:	--
Secondary Contact:	Justin Longino	Phone:	704-434-2357
Mailing Address:	PO Box 1014 Boiling Springs, NC 28017	Cell/Mobile:	--

**Complete**

### Distribution System

Line Type	Size Range (Inches)	Estimated % of lines
Asbestos Cement	6	2.00 %
Cast Iron	6	5.00 %
Ductile Iron	6-16	10.00 %
Polyvinyl Chloride	2-12	83.00 %

What are the estimated total miles of distribution system lines? **43 Miles**  
 How many feet of distribution lines were replaced during 2022? **1,430 Feet**  
 How many feet of new water mains were added during 2022? **0 Feet**  
 How many meters were replaced in 2022? **12**  
 How old are the oldest meters in this system? **20 Year(s)**  
 How many meters for outdoor water use, such as irrigation, are not billed for sewer services? **123**  
 What is this system's finished water storage capacity? **0.2000 Million Gallons**  
 Has water pressure been inadequate in any part of the system since last update? *Line breaks that were repaired quickly should not be included.* **No**

The Town plans to start replacing the oldest water meters in the system starting this year 2023.

### Programs

Does this system have a program to work or flush hydrants? **Yes, Monthly**  
 Does this system have a valve exercise program? **Yes, As Needed**  
 Does this system have a cross-connection program? **Yes**  
 Does this system have a program to replace meters? **Yes**  
 Does this system have a plumbing retrofit program? **Yes**  
 Does this system have an active water conservation public education program? **Yes**  
 Does this system have a leak detection program? **Yes**

**Water Conservation**

What type of rate structure is used? **Increasing Block**

How much reclaimed water does this system use? **0.0000 MGD** For how many connections? **0**

Does this system have an interconnection with another system capable of providing water in an emergency? **Yes**

**2. Water Use Information**

**Service Area**

Sub-Basin(s)	% of Service Population	County(s)	% of Service Population
Broad River (01-1)	100 %	Cleveland	100 %

What was the year-round population served in 2022? **4,769**

Has this system acquired another system since last report? **No**

**Water Use by Type**

Type of Use	Metered Connections	Metered Average Use (MGD)	Non-Metered Connections	Non-Metered Estimated Use (MGD)
Residential	1,784	0.2323	0	0.0000
Commercial	148	0.0420	0	0.0001
Industrial	1	0.0011	0	0.0000
Institutional	47	0.0770	0	0.0000

How much water was used for system processes (backwash, line cleaning, flushing, etc.)? **0.0052 MGD**

System processes = estimated water main flushing, fire department training and usage.  
 Non-metered usage = bulk water purchased.

**Water Sales**

Purchaser	PWSID	Average Daily Sold (MGD)	Days Used	MGD	Contract Expiration	Recurring	Required to comply with water use restrictions?	Pipe Size(s) (Inches)	Use Type
Cleveland County SD	01-23-055	0.0000	0			Yes	Yes	6	Emergency

**3. Water Supply Sources**

**Monthly Withdrawals & Purchases**

	Average Daily Use (MGD)	Max Day Use (MGD)		Average Daily Use (MGD)	Max Day Use (MGD)		Average Daily Use (MGD)	Max Day Use (MGD)
Jan	0.3350	0.4420	May	0.3780	0.5010	Sep	0.4030	0.4990
Feb	0.3490	0.4150	Jun	0.4370	0.5750	Oct	0.3710	0.4800
Mar	0.3160	0.3780	Jul	0.5100	0.7650	Nov	0.3230	0.4220
Apr	0.3690	0.6900	Aug	0.4290	0.5620	Dec	0.3170	0.5370

All water purchased from the City of Shelby. PWS ID # 01-23-010.



**Water Purchases From Other Systems**

Seller	PWSID	Average Daily Purchased (MGD)	Days Used	MGD	Contract Expiration	Recurring	Required to comply with water use restrictions?	Pipe Size(s) (Inches)	Use Type
CLEVELAND COUNTY SD	01-23-055	0.0000	0			Yes	Yes	6	Emergency
SHELBY	01-23-010	0.3800	365	1.0000	2034	Yes	Yes	16	Regu

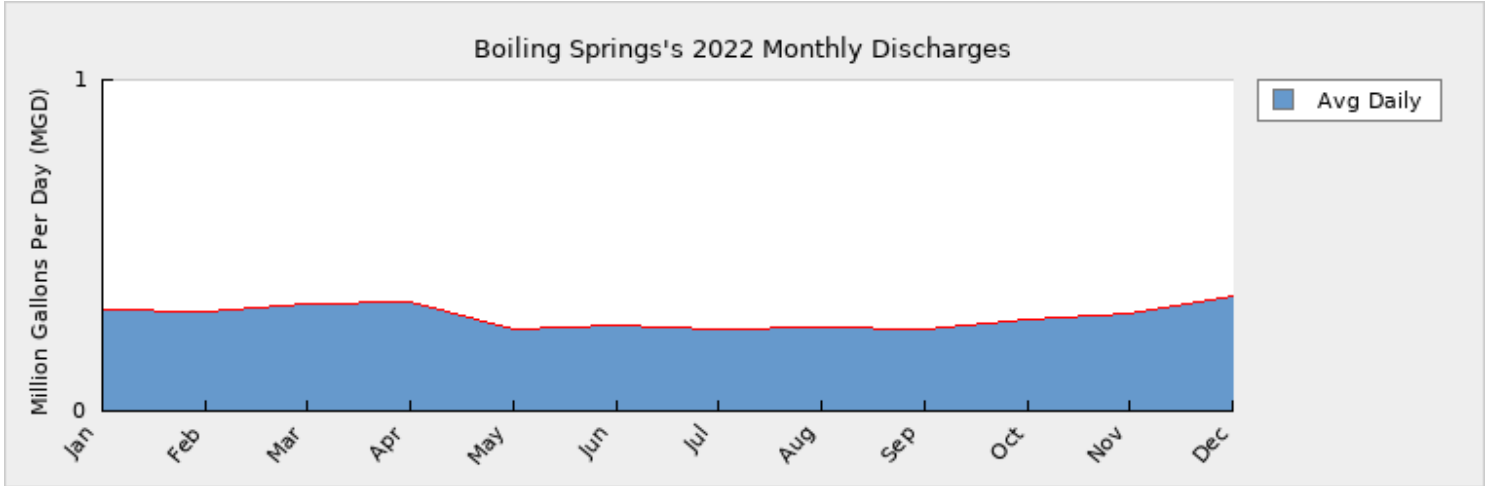
Cleveland County Water installed a new larger 6" receiving interconnect to the Town of Boiling Springs water system. Currently the interconnect is used for emergency use.

Item 5.

### 4. Wastewater Information

#### Monthly Discharges

	Average Daily Discharge (MGD)		Average Daily Discharge (MGD)		Average Daily Discharge (MGD)
Jan	0.3040	May	0.2490	Sep	0.2480
Feb	0.3020	Jun	0.2560	Oct	0.2760
Mar	0.3260	Jul	0.2470	Nov	0.2920
Apr	0.3300	Aug	0.2510	Dec	0.3460



How many sewer connections does this system have? 1,066

How many water service connections with septic systems does this system have? 779

Are there plans to build or expand wastewater treatment facilities in the next 10 years? Yes

The Town W/S CIP recommends plans to upgrade the electric power from 208 volts 3 phase to 480 volts 3 phase and build a new residuals digester in the next 5 years at the wastewater treatment plant.

The average daily discharge includes the wastewater from the Town of Lattimore collection system permit # WQCS00717.

#### Wastewater Permits

Permit Number	Type	Permitted Capacity (MGD)	Design Capacity (MGD)	Average Annual Daily Discharge (MGD)	Maximum Day Discharge (MGD)	Receiving Stream	Receiving Basin
NC0071943	WWTP	0.6000	0.6000	0.2860	1.0000	SANDY RUN CREEK	Broad River (01-1)
WQCS00222	CS	0.0000	0.0000	0.0000		COLLECTION SYSTEM	Broad River (01-1)

#### Wastewater Interconnections

Water System	PWSID	Type	Average Daily Amount		Contract Maximum (MGD)
			MGD	Days Used	
Cleveland County SD	01-23-055	Receiving	0.0170	365	0.0750

The Town of Boiling Springs operates the sewer collection system and treats the wastewater from the Town of Lattimore. The water provider for the Town of Lattimore is Cleveland County Water.

### 5. Planning

#### Projections



	2022	2030	2040	2050	2060	Item 5.
Year-Round Population	4,769	4,800	4,850	4,900	4,950	5,000
Seasonal Population	0	0	0	0	0	0
Residential	0.2323	0.2370	0.2390	0.2410	0.2430	0.2450
Commercial	0.0421	0.0426	0.0431	0.0436	0.0441	0.0446
Industrial	0.0011	0.0013	0.0015	0.0017	0.0019	0.0022
Institutional	0.0770	0.0775	0.0780	0.0785	0.0790	0.0795
System Process	0.0052	0.0053	0.0054	0.0055	0.0056	0.0057
Unaccounted-for	0.0223	0.0225	0.0230	0.0235	0.0240	0.0245

**Demand v/s Percent of Supply**

	2022	2030	2040	2050	2060	2070
Surface Water Supply	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Ground Water Supply	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Purchases	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Future Supplies		0.0000	0.0000	0.0000	0.0000	0.0000
Total Available Supply (MGD)	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Service Area Demand	0.3800	0.3862	0.3900	0.3938	0.3976	0.4015
Sales	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Future Sales		0.0000	0.0000	0.0000	0.0000	0.0000
Total Demand (MGD)	0.3800	0.3862	0.3900	0.3938	0.3976	0.4015
Demand as Percent of Supply	38%	39%	39%	39%	40%	40%



The purpose of the above chart is to show a general indication of how the long-term per capita water demand changes over time. The per capita water demand may actually be different than indicated due to seasonal populations and the accuracy of data submitted. Water systems that have calculated long-term per capita water demand based on a methodology that produces different results may submit their information in the notes field.

Your long-term water demand is 49 gallons per capita per day. What demand management practices do you plan to implement to reduce the per capita water demand (i.e. conduct regular water audits, implement a plumbing retrofit program, employ practices such as rainwater harvesting or reclaimed water)? If these practices are covered elsewhere in your plan, indicate where the practices are discussed here. **No changes**

Are there other demand management practices you will implement to reduce your future supply needs? **The Town of Boiling Springs will work to reduce the per capita water use by continuing our active water conservation public education program, a plumbing retrofit program, a rate structure that encourages water conservation, and a water meter replacement program.**

What supplies other than the ones listed in future supplies are being considered to meet your future supply needs? **The Town of Boiling Springs future per capita demand will be evaluated annually and additional measures will be implemented as needed to ensure that the per capita usage is being maintained or reduced.**

How does the water system intend to implement the demand management and supply planning components above? **With continued technical assistance from engineering and NCRWA. The Town recently recieved funding from an AIA grant \$150,000 for updating the Town Distribution System GIS Mapping, Distribution System Hydraulic Modeling, CIP, and Revenue Modeling.**

**Additional Information**

Has this system participated in regional water supply or water use planning? **No**

What major water supply reports or studies were used for planning?

Please describe any other needs or issues regarding your water supply sources, any water system deficiencies or needed improvements (storage, treatment, etc.) or your ability to meet present and future water needs. Include both quantity and quality considerations, as well as financial, technical, managerial, permitting, and compliance issues:

The Division of Water Resources (DWR) provides the data contained within this Local Water Supply Plan (LWSP) as a courtesy and service to our customers. DWR staff does not field verify data. Neither DWR, nor any other party involved in the preparation of this LWSP attests that the data is completely free of errors and omissions. Furthermore, data users are cautioned that LWSPs labeled **PROVISIONAL** have yet to be reviewed by DWR

staff. Subsequent review may result in significant revision. Questions regarding the accuracy or limitations of usage of this data should be directed to the water system and/or DWR.

Item 5.

**Town of Boiling Springs  
Council  
Regular Meeting Minutes  
May 02, 2023**

**ROUTINE BUSINESS**

Call to Order

Mayor Thomas called the meeting to order at 6:30 p.m.

**PRESENT**

Mayor Daniel Thomas  
Councilmember Caleb Edwards  
Councilmember Marty Thomas  
Mayor Pro-Tem Patrick Litton  
Councilmember Tommy Greene  
Councilmember Tonya Gantt

**STAFF**

Town Manager Justin Longino

Town Clerk Noah Saldo

Program Support Specialist Tracy Holland

Public Works Director Mike Gibert

Police Chief Nathan Phillips

Public Works Supervisor Billy Fields

Wastewater Treatment Plant Supervisor Todd Humphries

Sgt. Johnathan Gantt

## **Adoption of Agenda**

Action: Upon a motion by Councilmember Thomas, Seconded by Councilmember Edwards, it was unanimously voted to pull the Rural Transformation Grant from the consent agenda and place it under the Regular Agenda, include the YMCA presentation after the Gardner-Webb update and approve the remaining agenda as presented.

## **Public Comment**

There was no public comment.

## **Gardner-Webb University Update**

Nate Evans, VP of Advancement, gave an update including the success of Webbstock and the upcoming graduation.

## **YMCA Presentation**

Barbara Fitch provided an update from the YMCA and the upcoming report.

## **CONSENT AGENDA**

Action: Upon a motion by Councilmember Edwards, Seconded by Councilmember Greene, it was unanimously voted to approve the following consent items:

Minutes of the April 4, 2023, Regular Town Council meeting

Resolutions to Accept Funding from DEQ for AIA Grant Funding

Resolution Approving the Water Shortage Response Plan

Surplus of Dodge Charger

Proclamations for Police and Public Works Weeks

## **REGULAR BUSINESS**

### **Rural Transformation Grant**

Town Manager Longino presented the Rural Transformation Grant. The Council was asked to approve a resolution in support of the grant, which would be used to fund the downtown courtyard.

Action: Upon a motion by Councilmember Greene and Seconded by Councilmember Edwards, it was voted 4-1 with Councilmember Thomas in dissent to approve the resolution as presented.

### **System Development Fee Study Presentation**

Eric Medaugh with Gavel & Dorn Engineering presented the System Development Fee Study.

### **Zoning Map Amendment Petition for Parcel 44091 from R15 to R10.**

Mayor Thomas opened the public hearing at 7:06 p.m.

Town Manager Longino presented the proposed rezoning.

Mayor Thomas closed the public hearing at 7:08 p.m.

Action: Upon a Motion made by Councilmember Greene and Seconded by Councilmember Thomas, it was unanimously voted to approve the rezoning as presented as it is consistent with the land use plan and surrounding area.

### **Zoning Text Amendment to Section 8.10 of the Unified Development Ordinance**

Mayor Thomas opened the public hearing at 7:10 p.m.

Town Manager Longino Presented the proposed UDO text amendment:

*These standards shall apply to all nonresidential buildings ~~in the B-1, B-2, and O&CS districts, as well as any other nonresidential building~~ located on NC Highway 150, SR 1003, or SR 1161, that are constructed or altered following the effective date of this ordinance. The alteration of existing buildings shall be subject to the nonconforming architectural features standards of this ordinance.*

Mayor Thomas closed the public hearing at 7:12 p.m.

Action: Upon a Motion made by Councilmember Greene and Seconded by Councilmember Edwards, it was voted 4-1 with Councilmember Litton in dissention to approve the UDO text amendment as presented.

### **Park Master Plan Agreement with Cole, Jenest, & Stone**

Action: Upon a Motion made by Mayor Pro-Tem Litton and Seconded by Councilmember Gantt, it was unanimously voted to approve the Park Master Plan Agreement with Cole, Jenest, & Stone and the budget amendment.

### **2023-2024 Boiling Springs Strategic Plan**

Action: Upon a Motion made by Councilmember Thomas and Seconded by Councilmember Greene, it was unanimously voted to approve the FY23-24 Town strategic plan as presented.

### **Discussion Items**

#### **Regulation of Recreational Vehicles**

Town Manager Longino presented on the concern around RV's in town.

The consensus of Council was to have staff further look into policies to address this issue.

#### **Downtown Parking Lot Closure**

Town Manager presented options for Council to consider as well as the activities in the parking lot over the last month.

Action: Upon a Motion made by Councilmember Greene and Seconded by Mayor Pro-Tem Litton, it was voted 4-1 with Councilmember Thomas voting in dissention to leave the parking lot closed and paint addition parking on street and add signage.

## **Mayor, Council, & Manager Reports**

### **Town Manager Longino:**

- Town Council set a Budget Meeting for May 23 at 6:30 p.m.
- Met with Chamber president
- Municipal Clerk Week
- Legislative breakfast upcoming
- GWU Commencement upcoming
- May 18th land use plan and park public meeting
- May 20th Music on Main

### **Councilmember Gantt:**

- Thanks to Nate and Barbara for their presentations as well as local businesses for their attendance.

### **Councilmember Litton:**

- Raleigh trip
- NCLM COLA and merit survey was released

### **Councilmember Greene:**

- Thanks expressed for the calls and concern following knee surgery
- Good council discussion
- Thanks police and public works

### **Mayor Thomas:**

- Thanked Town Manager and staff for their professionalism and excellence
- Webstock event
- Teachers and schools

- Town and gown relationship with GWU
- Council consistency, streetscape

**Mayor Thomas declared the meeting adjourned at 8:03 p.m.**



**Town of Boiling Springs  
Council  
Special Budget Work Session Meeting Minutes  
April 25, 2023**

**ROUTINE BUSINESS**

**Call to Order**

Mayor Thomas Called the meeting to order at 6:30pm

**PRESENT**

Mayor Daniel Thomas  
Councilmember Caleb Edwards  
Councilmember Marty Thomas  
Mayor Pro-Tem Patrick Litton  
Councilmember Tonya Gantt

**ABSENT**

Councilmember Tommy Greene

**Staff Present:**

Town Manager Justin Longino  
Town Clerk Noah Saldo  
Finance Director Rhonda Allen  
Police Chief Nathan Philips  
Public Works Director Mike Gibert

**Adoption of Agenda**

Action: Upon a motion by Councilmember Edwards and seconded by Councilmember Gantt it was unanimously voted to adopt the agenda as presented.

## **REGULAR BUSINESS**

### **FY 23-24 Budget**

Mayor Thomas introduced the budget item for Council discussion.

Town Manager Longino presented the draft FY 23-24 town budget.

Council discussed their thoughts about the budget.

## **REPORTS**

Town Manager Longino and Council gave closing remarks

Adjourn

Action: Upon a motion by Councilmember Edwards, Seconded by Councilmember Thomas.

It was unanimously voted to adjourn the meeting at 8:02pm.



**AUDIT CONTRACT**

**Options to Proceed:**

- 1. Motion to approve the audit contract with Darrell L. Keller, CPA, PA  
OR
- 2. Motion to approve the audit contract with Misty Watson, CPA

**Staff recommends 1.**

**SUMMARY**

[NCGS 159-34](#) mandates that each unit of local government have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant or by an accountant certified by the Local Government Commission.

Staff sent out an RFP on May 10, 2023 to 5 firms and out to several listservs. We received a contract from Darrell Keller and Associates (our current audit firm), one from Misty Watson, CPA, and one other response that said they would not have the staff to respond.

Many communities, especially those 10,000 population and under, have had difficulty finding firms to conduct their annual audits. With our relationship with DLK and their willingness to still conduct our audit, especially at the same price they have charged for the last 5 years, staff recommends approval to proceed with DLK for our audit. Below is an assessment of the proposals from our Finance Director, Mrs. Rhonda Allen, CPA.

**Auditor Firm Comparison**

	<u>Darrell L. Keller, CPA, PA</u>	<u>Misty D. Watson, CPA, PA</u>
Years experience	35	25
# government audits in 2022	14	5
# CPAs on staff	2	1
# accountants on staff	2-3	1
# days on site	4-6	2
Proposed cost	\$10,500	\$10,200
Proximity to Town Hall	20 miles	84 miles

Historically, it has been a general practice to switch auditing firms every few years. Auditor independence is a major reason for this recommendation. Auditors have been under much stricter standards in recent years, so independence is less of a factor than in previous years.



Getting a fresh perspective is another reason to consider changing auditors. For this, staff reviews the level of experience and staffing of the audit firm. An abbreviated site visit with fewer auditors does not seem to be sufficient time to provide any new insight. Additionally, changing audit firms may result in a lesser-quality audit. There is a learning curve with any new audit and with fewer staff and smaller time commitment, staff has concerns about the audit being completed within standards. This seems even more likely with stricter policies from the [Local Government Commission](#) around the completion and presentation of final audit reports.

It is important to note, as specified in Section 2 of the RFP, that the cost for the audit year ending June 30, 2023, is binding; however, the second and third-year quotes are estimated costs. It is possible that those fees will go up significantly after this year.

Darrell L. Keller, CPA, PA has always provided excellent service. They are professional, knowledgeable, and prompt with answers to questions anyone from the Town has had. They are fairly close to the Town Hall so it is convenient for the staff to come to our office or meetings when needed. They do not skip audit tests to complete the audit by a certain time. They are familiar with our workpapers, processes, and need no time to familiarize themselves with our policies and procedures. Ms. Watson may be able to provide an easier audit for the Finance Director (i.e. less review, less time in the office, etc.), but the Town gets what it pays for from Mr. Keller. It is my recommendation to approve the 2022-2023 audit contract from Darrell L. Keller, CPA, PA.

Rhonda W. Allen, CPA

#### MATERIALS PROVIDED

- Copy of the RFP
- Proposals from both firms



**Town of Boiling Springs  
Request for Proposal (RFP)  
To Provide Audit Services**

**Responses Due: June 2, 2023**

**Town of Boiling Springs Contact information:**

Name: Rhonda W. Allen, CPA

Title: Finance Director, Town of Boiling Springs

Address: P.O. Box 1014, Boiling Springs, NC 28017

Phone: 704-434-2357

Fax: 704-434-2358

Email: [rhonda.allen@boilingspringsnc.net](mailto:rhonda.allen@boilingspringsnc.net)

### **Request for Proposals**

The Town of Boiling Springs, North Carolina (hereinafter called the "Town") invites qualified independent auditors (hereinafter called "auditor") having sufficient governmental accounting and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal.

There is no expressed or implied obligation for the Town to reimburse firms for any expenses incurred in preparing proposals in response to this request.

The specific details shown herein shall be considered minimum unless otherwise shown. The specifications, terms, and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by the Town. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Cleveland County, North Carolina.

### **Type of Audit**

1. The audit shall be performed in accordance with the laws and regulations of the State of North Carolina, which include requirements for the minimum scope of the Town's audit. The audit firm shall comply with generally accepted auditing standards as required by the American Institute of Certified Public Accountants and Government Auditing Standards, issued by the Comptroller General of the United States. The audit firm shall apply auditing procedures necessary to render an opinion as to the basic financial statements, taken as a whole, in conformance with generally accepted accounting principles.
2. The scope of the audit and all fee quotes presented should include all approved and known pronouncements through the date of proposal submission. This includes but is not limited to Governmental Accounting Standards Board statements and Government Auditing Standards. Although some pronouncements will not be in effect until after the first year of the audit, estimates for future years should include pronouncements that will become effective during that contract period. The audit firm will be expected to advise appropriate Town staff on the applicability of accounting and reporting standards as they become effective.
3. The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, each major fund and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules, and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB 34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The auditor shall express an opinion on the budgetary comparison information for the General Fund, the major funds and any annually budgeted special revenue funds. An opinion will not be given on the Management Discussion and Analysis.

The working papers shall be retained and made available upon request for no less than three years from the date of the Audit report.

4. The audit will also include the following:

- a. Pre-planning conference with Finance staff in June where both the auditor and Finance staff discuss their expectations of the audit.
- b. Interim audit work prior to June 30th and/or prior to final close.
- c. Attendance at Town Council meeting in late October for presentation of the financial statements by Manager or Partner of the Audit Staff with comments and potential questions from Council as requested.

5. The audit should encompass all funds and entity-wide activities as reported in the Town's audit report at June 30, 2022 and any additional funds or entity-wide activities that may be added subsequent to that date.

6. If required, the audit firm will issue a management letter to the Town Council after completion of the audit and assist management in implementing recommendations, as is practical. Town staff also request that an informal letter be addressed to the Finance Officer with any efficiency, internal control or accounting improvements that could be made based on the audit staff's observation during their fieldwork. All content must be discussed with the Finance Officer prior to issuance. The audit firm is encouraged to discuss the content while the management letter is in draft form to ensure that all parties fully understand the circumstances that lead to auditor comments.

7. The Town staff may require the auditor's guidance or input on the completion of certain schedules/documents as to proper format and content, so that they can be used in the audit process as well as inclusion in the Towns financial statements. Guidance may be required for new note disclosures, all outstanding and effective authoritative standards and other reporting requirements at June 30 year-end. Cost for providing these services should be included in the auditor's base fee quote and will not be considered extra for additional billings. In cases, however, where services requested would require a more in-depth scope and require work significantly above the original fee quote, such additional fees must be negotiated prior to the commencement of work.

### **Auditor Requirements**

The audit firm is considered to be an independent contractor and will be wholly responsible for the services and the supervision of its own employees and permitted sub-contractors.

A planning meeting will be held each year to determine schedules that the Town will be responsible for preparing. Estimated timeframes will be established and interim audit work will be planned. Adequate notification will be given prior to any changes in estimated times.

If the Town of Boiling Springs audit engagement is subject to the standards for audit as defined in Government Auditing Standards, 2018 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in Government Auditing Standards. **The Auditor must provide a copy of their most recent peer review report with their proposal.**

The Town Finance Director will prepare an electronic draft of the Financial Statements by mid-October. The auditor will communicate all recommendations, revisions and suggestions for improvement to the Finance Director. The Finance Director will complete the review of the comments as expeditiously as possible. Once all issues for discussion are resolved and the auditor provides opinions and compliance reports, the Finance Director will deliver the final electronic draft of the Financial Statements to the auditor. If necessary, the auditor will complete and submit the necessary Single Audit information to the Federal Audit Clearinghouse on behalf of the Town.

Meeting LGC deadlines is a high priority for the Town. Therefore, the Town of Boiling Springs prefers

interim fieldwork to be completed in June. Year-end fieldwork should begin by mid-August and be completed by mid-September. While many documents can be shared electronically, the Town expects that the audit firm staff will be onsite for fieldwork, including manager and partner level staff for at least a portion of the onsite work. **An agreed-upon post-closing trial balance must exist by September 30.** The Finance Director will expect a listing of requested information needed for the audit at the preplanning conference, periodic conferences during the conduct of the audit, as well as an exit conference prior to the completion of fieldwork.

**The timing of the draft and review should ensure final completion of the Financial Statements by the annual October 31st deadline or no later than the annual grace period of December 1. For every week the audit is late due to no fault of the Town of Boiling Springs, there will be a reduction in the audit fee of \$200.00.**

Eight copies of each Audit report, management letter, and other applicable reports must be supplied to the Finance Director within the time frame cited above. In addition, the auditor is responsible for complying with the requirements of the LGC for submitting the audit and all associated documents and forms as required for the year under audit including the Annual Financial Information Report (AFIR) when (or prior to) submitting the final invoice for audit services rendered to the Commission.

In the event that circumstances arise during the audit that require work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by the governing board and forwarded to the staff of the LGC for approval.

Either the manager or partner of the audit staff is required to present and attend the Town Council's meeting in which the Audit report is presented. Required communications to the Council can be delivered at this point, as well as general comments regarding the audit process and the results of the audit. Finance staff will coordinate this presentation and determine the date and time of the meeting, typically held in late October following the audit completion.

**Audit Contract: Period & Payment of Audit Fees**

The Town intends to continue the relationship with the auditor for no less than three years on the basis of annual negotiation after the completion of the first-year contract. Each year after negotiation has taken place an annual contract documenting the terms of the audit will be signed. Since one governing board may not obligate future governing boards, the remaining years of the agreement are subject to annual governing board approval. The Town of Boiling Springs reserves the right to request proposals at any time following the first year of this contract. It is requested that proposals be prepared for the following years, with year one being the only obligated year:

- July 1, 2022 to June 30, 2023
- July 1, 2023 to June 30, 2024
- July 1, 2024 to June 30, 2025

The required current revision of the form "Contract to Audit Accounts" (form LGC-205) is required to be executed as the contract document; however, the auditor and the Town may also execute an engagement letter and/or a Town contract to include additional terms not addressed in the LGC-205. The entire audit contract package must be approved by the staff of the Local Government



Commission. Invoices are subject to approval by the LGC prior to payment by the Town. Interim or progress billings for services rendered marked approved by the LGC will be paid up to 75% of the total fee prior to submission of the final audited financial statements to the staff of the Local Government Commission. The final 25% of the Audit fees (final invoice) will be paid when the financial statements, single audit (if applicable), management letter and amended contract (if applicable) have been reviewed or approved by the LGC.

The LGC only approves invoices for audit-related work. Requests for payment related to any additional agreed-upon procedures or AFIR work do not require LGC approval. Final invoices for these services will be paid after the final report results and findings have been reviewed and deemed satisfactory by Town staff.

### **Description of Selection Process**

The Town requests that no Town officials be contacted during this proposal process. Submit questions regarding the RFP in writing via email to rhonda.allen@boilingspringsnc.net. Any additional information disclosed to participating audit firms prior to bid submission will be shared with all interested parties.

Proposals will be submitted in two sections and must be physically signed by an authorized representative of the Audit firm. The first section will be comprised of the audit firm's prior experience and the qualifications of its personnel in performing governmental audits. The second section will consist of completed cost estimate sheets. The Finance Office staff will evaluate the auditor/firm on educational and technical qualifications. The firm best meeting the Town's expectations for experience, audit approach, and cost requirements will be selected.

Please keep in mind that cost, while an important factor will not be a sole determining factor. Unusually low bids that are obviously out of line with other bidders or are significantly lower than out current fees will raise concern. The lowest bid will not automatically be awarded preferential consideration.

The Town reserves the right to reject any or all bids, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve the right to make the award in the best interest of the Town.

Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid. Firms must be registered with the North Carolina State Board of CPA Examiners.

### **Section 1 - Profile of the Firm**

The first section should address the requested information below. The corresponding responses should begin with the number below for the requested information.

1. Indicate the Audit firm's North Carolina office location(s) that will handle the audit.
2. Indicate the number of people (by level) located within the Audit firms local office that will handle the audit.
3. Provide a list of the audit firms' local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each.

4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement.
5. Describe your audit organization's participation in AICPA-sponsored or comparable quality control programs (peer review). Provide a copy of the firm's current peer review.
6. Describe the professional experience in governmental audits of each senior and higher-level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site. Relevant experience and education with the new GASBS reporting requirements should be clearly communicated.
7. Describe the relevant educational background of each person assigned to the audit, senior level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.
8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (e.g., Water/Sewer, Electric service function).
9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contracted for a reference.
11. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2018 Revision. Provide a copy of the firm's Statement of Policy and Procedures.
12. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.
13. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.
14. Comment on your knowledge of and relationship with the NC Local Government Commission and the University Of North Carolina School Of Government in Chapel Hill.

## **Section 2 – Audit Approach**

Proposals should include completed cost estimate sheets and any other necessary cost information in a separate, sealed envelope marked – “Cost Estimate.” The Town will evaluate the qualifications of all firms submitting proposals before considering the Cost Estimate.

1. Type of audit program used (tailor-made, standard government, or standard commercial).
2. Use of statistical sampling.

- 3. Use of automated processes and internal control testing methods.
- 4. Use of computer audit specialists.
- 5. Organization of the audit team and the approximate percentage of time spent on the audit by each member.
- 6. Information that will be contained in the management letter.
- 7. Assistance expected from the government’s staff, if other than outlined in the RFP.
- 8. Tentative schedule for completing the audit within the specified deadlines of the RFP.
- 9. Specify costs using the format below for the audit year July 1, 2022 to June 30, 2023. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2023 is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a “not-to- exceed” amount.
  - A. Audit firm personnel costs – Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.
    - 1) Estimated hours: please categorize estimated hours into the following: on-site interim work, year-end on-site work, and work performed in the auditor’s office.
    - 2) Rate per hour.
    - 3) Total cost for each category of personnel and for all personnel costs in total.
  - B. Travel – itemize transportation and other travel costs separately.
  - C. Cost of supplies and materials – itemize.
  - D. Other costs – completely identify and itemize.
    - 1) If applicable, note your method of determining increases in audit costs on a year to year basis
- 10. Please list any other information the firm may wish to provide.
- 11. Please include the Summary of Audit Costs Sheet with your proposal.

**Time Schedule for Awarding the Contract**

RFP Release Date	<b><i>May 10, 2023</i></b>
Deadline for RFP Questions *	<b><i>May 31, 2023 by 5:00 pm</i></b>
Questions to be Answered No Later Than	<b><i>June 1, 2023 by 5pm</i></b>

Deadline for Receipt of Proposals **	<b>June 2 by 3:00 pm</b> Town of Boiling Springs, Finance Department Attn: Rhonda Allen, Finance Director P. O. Box 1014 Boiling Springs, NC 28017
Notice of Recommended Firm	<b>June 7, 2023</b>
Council Approval ***	<b>June 6, 2023</b>

\*Any questions should be directed to Rhonda Allen, Finance Officer, at 704-434-2357 or rhonda.allen@boilingspringsnc.net Appointments may be scheduled to discuss further any specific matters necessary in preparing your proposal.

\*\* Proposals can either be submitted electronically (email) to rhonda.allen@boilingspringsnc.net or on paper by June 2, 2023. Envelopes containing proposals on paper should be clearly identified on the front with the words "RESPONSE TO RFP FOR AUDIT SERVICES".

- Please note your email should include two separate pdf attachments for sections 1 and 2
- Envelopes should include Three copies of the bound proposal (clearly separating section 1 and 2) should be delivered to: 114 East College Avenue, Boiling Springs, Attn: Rhonda Allen

\*\*\* The Finance Office will review the proposals and make a recommendation to the Board of Commissioners on June 6, 2023 at which time the contract will be awarded.

**Description of the Governmental Entity and Its Accounting System**

Reference should be made to the most recent CAFR/Audit report for a general overview of the Town. A PDF copy of the most recent CAFR/Audit report is located on the Town’s website, [www.BoilingSpringsNC.net](http://www.BoilingSpringsNC.net), or by emailing rhonda.allen@boilingspringsnc.net.

**Funds**

The Town of Boiling Springs maintains the following funds:

- Governmental Funds
  - General Fund
  - Grant Project Fund
- Proprietary Fund
  - Water & Sewer Fund
- Capital Project Fund

## **Grants, Entitlements, and Shared Revenues**

A copy of the Schedule of Federal and State Expenditures and a Summary of Auditor's Results showing the major programs for the year ended June 30, 2022 can be found in the audit report located on the Town's website.

## **Budgets**

The Town's annual budget is adopted for the General Fund and the Water-Sewer Enterprise Fund. Multi-Year project ordinances are prepared for Capital Project Funds.

All budgets are prepared using the modified accrual basis of accounting. All appropriations are made at the departmental level. The Town also maintains an encumbrance system. Both the budgetary and encumbrance systems are integrated with the accounting system to provide comparison with actual expenditures.

## **Accounting Records**

The Town maintains all its accounting records at the finance office located at 114 East College Avenue, Boiling Springs, NC. All accounting journals and subsidiary ledgers are maintained on Publiq software.

## **Assistance Available to Auditor**

The Town has designated the Finance Director as a person with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. The Town will make available to the auditor sufficient help to pull and re-file records and prepare necessary confirmations. An electronic version of the trial balance with budgeted amounts will be made available in late August. The following accounting procedures will be completed, and documents prepared by the Town's staff no later than September 1.

- The books of account will be fully balanced.
- All subsidiary ledgers will be reconciled to control accounts.
- All bank account reconciliations for each month will be completed.

The Town's personnel will prepare the following items:

## **General**

1. Working Balance Sheet for each fund.
2. Working Statement of Revenues, Expenditures, and Transfers for each fund.
3. General Ledger transaction detail report for each account.
4. A copy of the original budget, all amendments, and the final budget as of June 30, 20xx.

5. A copy of all project ordinances and all amendments for active projects during the audit period.
6. A copy of board policies, including travel policies, investment policies, debt policies, fund balance policies and purchasing policies including how the pre-audit process is performed.
7. Copies of all signed Board meeting minutes.
8. Copies of all correspondence with the staff of the Local Government Commission, including semiannual Cash and Investment Reports (LGC-203), unit letters, letters regarding the audited financial statements and compliance reports for the previous year.
9. Required supplementary information, e.g. actuarial information for the Law Enforcement Officers' Separation Allowance.
10. The Town has a discreetly presented component unit, Boiling Springs Tourism Development Authority. The component unit has 12 direct deposits of revenue from occupancy tax from Cleveland County, interest income, and fewer than 12 checks written from the one checking account per year.

### **Cash and Investments**

1. All bank reconciliations for each month
2. List of outstanding checks by account, showing check number, date, and amount.
3. Schedule of all investments for all funds at the audit date, showing book value and estimated market value at fiscal year-end.

### **Receivables**

1. Schedule of outstanding utility receivables by G/L account as of the fiscal year-end.
2. Listing of outstanding utility receivables by customer as of the fiscal year-end.
3. Schedule of subsequent collections of utility receivables.
4. Schedule of unbilled utility receivables as of the fiscal year-end.
5. Schedule of property tax receivable (collected by Cleveland County).
6. Schedule of miscellaneous receivables booked as of the fiscal year-end.

### **Other Assets**

1. Schedule of insurance coverage.

**Capital Assets**

- 1. Listing of all capital assets
- 2. Printout of all capital asset acquisitions made during the audit year.
- 3. Printout of all capital asset dispositions made during the audit year.
- 4. Printout of depreciation expense posted for the audit year.

**Current Liabilities**

- 1. Schedule of accounts payable including batch printouts.

**Long-Term Debt**

- 1. Computation of vested vacation payable as of the audit date.
- 2. Debt Schedule for each debt issue and related payments.

**Grants**

The following will be compiled for each grant:

- 1. Grant agreement.
- 2. Grant Budget.
- 3. All financial reports.
- 4. Correspondence with the grantor agency, including monitoring reports.
- 5. CFDA # and/or pass-through grant #.

**Size and Complexity of the Town of Boiling Springs**

**Personnel/Payroll**

Number of employees	28
Frequency of payroll	Bi-weekly

**Property Tax collected by Cleveland County**

Total dollar amount of most recent year's collections	\$ 1,072,750
Total dollar amount of levy	\$ 1,078,786

**Purchasing**

Number of purchase orders issued (FY 21-22)	Approximately 80
---	------------------

**Bank Accounts**

Number of bank accounts	
Bank OZK checking – Town of Boiling Springs	
Bank OZK checking – Boiling Springs TDA	2

Number of investment accounts	
NC Cash Management Trust Government Portfolio	
Bank OZK – ICS account (sweep)	2
Average monthly activity in main accounts	\$ <u>Approximately \$300,000</u>
Number of deposits: Central Depository	<u>Approximately 30</u>
Number of checks: Central Depository	<u>Approximately 80</u>

**The following financial applications are on the computer system:**

- |                  |                     |
|------------------|---------------------|
| General Ledger   | Accounts Receivable |
| Accounts Payable | Cash Receipts       |
| Capital Assets   |                     |



**SUMMARY OF AUDIT COSTS SHEET**

- 1. Base Audit  
Includes Personnel costs, travel, and on-site work      \$ \_\_\_\_\_
  
- 2. Extra Audit Services  
\$ \_\_\_\_\_ Per hour      \$ \_\_\_\_\_
  
- 3. Other (explain)  
\_\_\_\_\_ \$ \_\_\_\_\_
  
- 4. Other (explain)  
\_\_\_\_\_ \$ \_\_\_\_\_
  
- TOTAL**      \$ \_\_\_\_\_

FIRM:	Primary Contact:
Address:	Telephone:
	Fax:
	E-mail:
	Date:

**PROPOSAL CERTIFICATION**

**Proposers**  
**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**By Signing above I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposal on behalf of my organization.**

BY (Printed): \_\_\_\_\_

TITLE: \_\_\_\_\_

COMPANY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

EMAIL: \_\_\_\_\_

The	Governing Board Town Council
of	Primary Government Unit Town of Boiling Springs
and	Discretely Presented Component Unit (DPCU) (if applicable) Boiling Springs TDA

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

and	Auditor Name Darrell L Keller, CPA, PA
	Auditor Address P O Box 1028 Kings Mountain, NC 28086

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/23	Date Audit Will Be Submitted to LGC 10/31/23
-----	--------------------------------	---

*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). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

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

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

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

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

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

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

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

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

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

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

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

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.
15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.
19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.
20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.
21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.
24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.
25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.
- All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.
28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:
- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
  - b) the status of the prior year audit findings;
  - c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
  - d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.
29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

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

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

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

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



**FEEES FOR AUDIT SERVICES**

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

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

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

<b>Name:</b>	<b>Title and Unit / Company:</b>	<b>Email Address:</b>
Rhonda Allen, CPA	CPA/Finance Officer	rhonda.allen@boilingspringstnc.net

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

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

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

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

**PRIMARY GOVERNMENT FEES**

Primary Government Unit	Town of Boiling Springs
Audit Fee	\$ 9,500
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$ 1,000
All Other Non-Attest Services	\$

**DPCU FEES (if applicable)**

Discretely Presented Component Unit	Boiling Springs TDA
Audit Fee	\$ 1,500
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$

**SIGNATURE PAGE****AUDIT FIRM**

Audit Firm* Darrell L Keller, CPA, PA	
Authorized Firm Representative (typed or printed)* Darrell L Keller	Signature*
Date* 02/18/23	Email Address* dkeller@dlkcpapa.com

**GOVERNMENTAL UNIT**

Governmental Unit* Town of Boiling Springs	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* Daniel S Thomas	Signature*
Date	Email Address daniel.thomas@boilingspringsnc.net

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

**GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE**

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

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

Primary Governmental Unit Finance Officer* (typed or printed) Rhonda Allen	Signature*
Date of Pre-Audit Certificate*	Email Address* rhonda.allen@boilingspringsnc.net

**SIGNATURE PAGE – DPCU  
(complete only if applicable)**

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU*	
Boiling Springs TDA	
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") N/A	Signature
Date	Email Address

**DPCU – PRE-AUDIT CERTIFICATE**

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

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

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

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

PRINT

**Response to  
Town of Boiling Springs and Boiling Springs  
TDA, North Carolina  
Request for Proposal  
Audit Services**

**Submitted By:  
Misty D. Watson, CPA, P.A.  
Misty Watson, CPA  
Phone: (704) 907-5053  
Email: [misty@mistywatsoncpa.com](mailto:misty@mistywatsoncpa.com)**

**MISTY WATSON, CPA, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**PO BOX 2122**  
**BOONE, NORTH CAROLINA 28607**  
**TELEPHONE (704) 907-5053**  
**FAX (888) 361-6553**

May 31, 2023

Town of Boiling Springs and Boiling Springs TDA, North Carolina  
Ms. Rhonda W. Allen  
PO Box 1014  
Boiling Springs, NC 28017

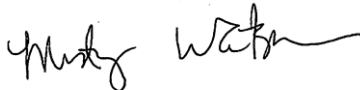
Ms. Allen,

On behalf of Misty Watson, CPA, P.A., we thank you for the opportunity to submit a proposal for audit services for the Town of Boiling Springs and the Boiling Springs TDA. This Response provides you with the information you requested in the RFP.

Our firm offers high-level audit services for all clients. You will work directly with the audit partner, Misty Watson, who has the expertise to go beyond minimum compliance and reporting and help meet the unique challenges the Town is facing. We understand meeting the LGC deadline is a high priority for the Town and we will work with you to ensure the deadline is met.

We will provide all of our firm's resources to ensure the highest level of service. We look forward to enhancing our relationship with the Town and the TDA. Please feel free to contact me anytime if you have any questions or desire further information.

Sincerely,



Misty Watson, CPA

**MISTY WATSON, CPA, P.A.**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**PO BOX 2122**  
**BOONE, NORTH CAROLINA 28607**  
**TELEPHONE (704) 907-5053**  
**FAX (888) 361-6553**

*IN RESPONSE TO:*  
**TOWN OF BOILING SPRINGS AND BOILING SPRINGS TDA, NORTH CAROLINA**  
**REQUEST FOR PROPOSAL**  
**AUDIT SERVICES**

**SECTION 1: PROFILE OF THE FIRM**

1. Indicate the Audit firm's North Carolina office location(s) that will handle the audit.

Our firm is locally located in Boone, North Carolina. Misty Watson, CPA, is responsible for the RFP and the audit report.

2. Indicate the number of people (by level) located within the Audit firm's local office that will handle the audits.

Misty Watson will be in charge of the audit. Misty Watson opened her CPA firm in August 2013 and has had no turnover since. One staff accountant and one clerical staff will also be assigned to the audit.

3. Provide a list of the audit firms' local office's current and prior government audit clients, indicating the type(s) of services performed and the number of years served for each.

Current:

Mitchell County, North Carolina – audit for 1 year  
 Town of Banner Elk, North Carolina - audit for 8 years  
 Village of Sugar Mountain, North Carolina - audit for 7 years  
 Town of Banner Elk TDA, North Carolina - audit for 8 years  
 Village of Sugar Mountain TDA, North Carolina - audit for 7 years  
 Town of Brookford – audit for 2 years  
 Town of Catawba – audit for 2 years

Previous:

Watauga County - 3 years audit – resigned to serve as Watauga County's Finance Director  
 Town of Beech Mountain, North Carolina - resigned to serve as Watauga County's Finance Director - audit for 5 years  
 Watauga County TDA – 3 years - resigned to serve as Watauga County's Finance Director  
 Beech Mountain TDA - resigned to serve as Watauga County's Finance Director – audit for 5 years  
 Town of Blowing Rock - resigned to serve as Watauga County's Finance Director – audit for 2 years  
 Town of Newland - resigned to serve as Watauga County's Finance Director – audit for 2 years

4. Indicate the experience of the local office in providing additional services to government clients by listing the name of each government, the type(s) of service performed, and the year(s) of engagement).

Town of Banner Elk, North Carolina - preparation of the financial statements for 8 years  
 Village of Sugar Mountain, North Carolina - preparation of the financial statements for 7 years  
 Town of Banner Elk TDA, North Carolina – preparation of the financial statements for 8 years

Village of Sugar Mountain TDA, North Carolina – preparation of the financial statements for 7 years  
 Town of Blowing Rock - preparation of the financial statements for 2years  
 Town of Beech Mountain - preparation of the financial statements for 5 years  
 Beech Mountain TDA - preparation of the financial statements for 2 years  
 Town of Hertford, NC - preparation of the financial statements for 2 years  
 City of Elizabeth City, NC - preparation of the financial statements for 1 year  
 Watauga County – preparation of the financial statements for 5 years

5. Describe your audit organization’s participation in AICPA sponsored or comparable quality control programs (peer review). Provide a copy of the firm’s current peer review.

The firm began operations in August 2013 and has participated in a peer review every 3 years as required by the AICPA. Please see attached peer review in Appendix B.

6. Describe the professional experience in governmental audits of each senior and higher-level person assigned to the audit, the years on each job, and his/her position while on each audit. Indicate the percentages of time each senior and higher-level personnel will be on site. Relevant experience and education with the new GASB reporting requirements should be clearly communicated.

Misty Watson, CPA, Partner - Town of Banner Elk, North Carolina – preparation of the financial statements and audit for 8 years; on site 100%.

Misty Watson, CPA, Partner - Village of Sugar Mountain, North Carolina –preparation of the financial statements and audit for 7 years; on site 100%.

Misty Watson, CPA, Partner - Town of Banner Elk TDA, North Carolina – preparation of the financial statements and audit for 8 years; on site 100%.

Misty Watson, CPA, Partner - Village of Sugar Mountain TDA, North Carolina – preparation of the financial statements and audit for 7 years; on site 100%.

Misty Watson, CPA, Partner - Town of Blowing Rock - preparation of the financial statements and audit for 2 years; 100% on site.

Misty Watson, CPA, Partner Town of Beech Mountain - preparation of the financial statements and audit for 5 years; on site 100%.

Misty Watson, CPA, Partner - Beech Mountain TDA - preparation of the financial statements and audit for 2 years; on site 100%.

Misty Watson, CPA, Partner - Watauga County -audit for 3 years; on site 100%.

Misty Watson has held her CPA license since 1999 taking a minimum of 40 hours of continuing education annually. Misty D Watson, CPA, PA is a member of the AICPA and NCACPA. Misty Watson maintains a minimum of 24 hours annually of GASB courses in order to stay abreast of GASB pronouncements. Misty is aware of GASB 87, accounting for leases, which was implemented in fiscal year end June 30, 2022. And GASB 96, accounting for subscription-based information technology agreements implemented in fiscal year end June 30, 2023. The firm subscribes to the Journal of Accountancy, which is a monthly magazine with all new GASB pronouncements.

7. Describe the relevant educational background of each person assigned to the audit, senior level and higher. This should include seminars and courses attended within the past three years, especially those courses in governmental accounting and auditing.

Misty Watson graduated with a B.S. in Accounting from North Carolina State University in 1997. She became a CPA in 1999 after completing the required two years of work experience in public accounting. She has been in the audit field since 1997 performing governmental, not-for-profit and for-profit audits.

Classes in 2019 include: Governmental Accounting and Financial reporting for 31 hours through the School of Government, Ethics for 2 hours and Latest Developments in Governmental Accounting and Auditing for 8 hours.

Classes in 2020 include: Ethics for 2 hours, Basic principles of Government Purchasing for 17 hours through the School of Government, NC State Treasurer’s Auditing, Reporting and Review through the State Treasurer’s office for 8 hours, Fraud in Not-For-Profit and Governments for 8 hours and 2020 Public Finance Educational Seminar for 2 hours.

Classes in 2021 include: GASB 87, Leases, through the School of Government for 4 hours, NC State Treasurer’s Auditing, Reporting and Review through the State Treasurer’s office for 10 hours, Ethics for 2 hours, NCCMT public finance educational seminar for 3.3 hours and Governmental Challenges for 4 hours.

Classes in 2022 include: Ethics for 2 hours, Local Government Commission conference for 5 hours, latest developments in governmental accounting for 8 hours, the complete guide to yellow book for 8 hours, new audit standards for 4 hours, leases for 4 hours, and accounting changes and corrections for 2 hours.

- 8. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions (e.g., Water/Sewer, Electric service function).

Misty Watson has audited a County (including Medicaid and other federal programs), Towns and Tourism Development Authorities. Functions include general governmental activities, a landfill, water and sewer fund, sanitation (pick-up), projects, and special revenue funds.

- 9. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in State or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books).

Misty Watson was Finance Director for Watauga County for four years, giving her the experience of both sides of finance. Being finance director has given the skills to work hand in hand with the Board of Commissioners and all departments. On the other side, being the auditor has provided the skills to work with Town Managers, Finance Officers and all departments as well as Town Councils and Board of Commissioners. She is a member of the AICPA and NCACPA.

- 10. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contracted for references.

Town of Banner Elk, North Carolina  
Reference: Rick Owen, Town Manager  
PO Box 2049  
Banner Elk, NC 28604  
(828) 898-5398

Village of Sugar Mountain, North Carolina  
Reference: Sue Phillips, Town Manager  
251 Dick Trundy Lane  
Sugar Mountain, NC 28604  
(828) 898-9292

Town of Brookford, North Carolina  
Reference: Marshall Eckard, Finance Officer  
1700 S Center Street  
Hickory, NC 28602  
(828) 322-4903

- 11. Describe the firm’s Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2018 Revision. Provide a copy of the firm’s Statement of Policy and Procedures.



In all matters relating to our audit work, the Town and our firm will be free from personal, external and organizational impairments to independence. If we use an outside specialist, we will ensure the specialist is not impaired. For services provided that are outside the scope of the audit, we will evaluate and ensure supplemental safeguards (if required) are complied with as mentioned in the Yellow Book Standards. If such non-audit services would impair our independence, we would not perform the non-audit service. An excerpt from the firm's Quality Control Manual containing the Statement of Policy and Procedures related to independence for all attest engagements is provided at Appendix A. Our firm is active in monitoring the firm and team member relationships with our clients to adhere to all applicable independence standards including surveying our audit team members annually.

12. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.

The firm consistently maintains appropriate insurance coverage including professional liability insurance in amounts we feel are adequate to meet any claims that may arise.

13. Describe any regulatory action taken by any oversight body against the proposing audit organization or local office.

There has been no regulatory action taken against our firm from any oversight body.

14. Comment on your knowledge of and relationship with the NC Local Government Commission and the University Of North Carolina School Of Government in Chapel Hill.

The firm is actively involved with the School of Government and the NC LGC. The firm currently is on the weekly calls hosted by Kara Millonzi regarding American Rescue Plan funds. The audit partner, Misty Watson, regularly attends continuing education with both the LGC under the State Treasurer's office and the School of Government as noted above in continuing education. Misty Watson has numerous times reached out to Kara Millonzi and Greg Allison at the School of Government to provide further guidance with any questions. We connect specifically with Sharon Edmundson and James Burke at the LGC when questions or issues arise for their input and advice.

## *Appendix A – Statement of Policies and Procedures:*

**RELEVANT ETHICAL REQUIREMENTS** It is the firm’s policy that all professional personnel be familiar with and adhere to relevant ethical requirements of the AICPA, contained in the Code of Professional Conduct, the State of North Carolina Board of Accountancy, and the State of North Carolina CPA Society in discharging their professional responsibilities. Furthermore, it is the policy of our firm that, for engagements subject to Government Auditing Standards and other applicable regulatory agencies, all professional personnel be familiar with and adhere to the relevant ethical requirements included in those standards and that personnel will always act in the public interest. Any transaction, event, circumstance, or action that would impair independence or violate the firm’s relevant ethical requirements policy on an audit, attestation, review, compilation engagement, or other service subject to the standards of the AICPA Auditing Standards Board or the AICPA Accounting and Review Services Committee (as required under Rules 201 and 202) is prohibited. Additionally, when the firm and its professional personnel encounter situations that raise potential independence threats but such situations are not specifically addressed by the independence rules of the AICPA Code of Professional Conduct, the situation will be evaluated by referring to the Conceptual Framework for AICPA independence Standards and applying professional judgment to determine whether an independence breach has occurred. The firm will take appropriate action to eliminate those threats or mitigate them to an acceptable level by applying safeguards. If effective safeguards cannot be applied, the firm will withdraw from the engagement or take other corrective actions as appropriate to eliminate the breach. Although not necessarily all-inclusive, the following are considered to be prohibited transactions and relationships: 1. Investments by any partner or professional employee in a client’s business during the period of an attest engagement, including a commitment to acquire any direct or material indirect financial interest in a client. 2. An investment in an entity or property by any of the following individuals and the client (or the client’s officers or directors, or any partner who has the ability to exercise significant influence over the client) that enables them to control (as defined by GAAP for consolidation purposes) the entity or property: a. An individual on an attest engagement team. b. An individual in a position to influence the attest engagement by doing any of the following: 1) evaluating the performance or recommending the compensation of the attest engagement partner, 2) directly supervising or managing the attest engagement partner and all of that partner’s superiors, 3) consulting with the attest engagement team about technical or industry-related issues specific to the engagement, or 4) participating in or overseeing quality control activities, including internal monitoring, with respect to the attest engagement. Page 1 of 4 5 c. A partner or manager who provides nonattest services to the attest client beginning once he or she provides ten or more hours of nonattest services to the client within any fiscal year and ending on the later of the date: 1) the firm signs the report on the financial statements for the fiscal year during which those services were provided, or 2) he or she no longer expects to provide ten or more hours of nonattest services to the attest client on a recurring basis. d. A partner in the office in which the lead attest engagement partner primarily practices with respect to the attest engagement. e. The firm and its employee benefit plans. 3. Borrowing from or loans to a client, or client’s personnel during the period of a professional engagement by any of the individuals listed in items 2. a—e., except as grandfathered or permitted. 4. Accepting or offering gifts or entertainment from or to a client unless reasonable in the circumstances and approved by the managing partner. 5. Certain family relationships between professional personnel and client personnel. (Consult the managing partner for a ruling on such relationships.) Notwithstanding the preceding policy and list of prohibited transactions and relationships, at the managing partner’s discretion, certain prohibitions can be waived if it is deemed to be in the best interest of the firm. However, in so doing, the engagement service performed for the client must be limited to that allowed by AICPA professional standards. The firm ensures compliance with this policy by implementing the following procedures: 1. All professional personnel are required to sign a representation letter when hired (and annually thereafter) that acknowledges their familiarity with the firm’s relevant ethical requirements policy and procedures, particularly with regard to independence. Such signed representation letters are also required from part-time, seasonal, and contract professionals and any other individuals who work on accounting and auditing engagements and are required to be independent. Ethics training is provided for professional personnel on a periodic basis. Such training covers the firm’s relevant ethical

requirements policy and procedures and the independence and ethical requirements of all applicable regulators. 2. All professional personnel review the firm's current client list in conjunction with completing the representation letter for identification of threats to, or breaches of, independence. The current client list is maintained by the Firm Administrator and changes to the list are communicated on a timely basis from the Board of Directors. When hired (and annually thereafter), all professional personnel are required to sign a representation that confirms this responsibility. 3. Ethics training is provided for professional certified personnel at least annually as required by the State of North Carolina Board of Accounting. Additional training is provided as needed (or Page 2 of 4 6 required) that covers the firm's relevant ethical requirements policy and procedures and the independence and ethical requirements of all applicable regulators. 4. To ensure that independence is properly addressed at the engagement level, the engagement partner will consider relevant information about client engagements and evaluate the overall effect, if any, on independence requirements as part of the engagement and acceptance decision. In making this determination, any familiarity threat related to senior personnel recurring on an audit or attest engagement for five years or more will be considered, including any other specific rotation requirements of regulatory agencies or other authorities. Additionally, the work programs and terms in the accounting and auditing manuals used by the firm contain steps requiring an evaluation of independence on each new and recurring engagement. Furthermore, those manuals contain reporting guidance for the types of engagements where a lack of independence is allowed. 5. All professional personnel are required to promptly notify the Quality Control Partner of any circumstances or relationships that may create a potential threat to independence (such as a potential prohibited transaction) or an independence breach, so that appropriate action can be taken. To acknowledge that responsibility, professional personnel are required when hired (and annually thereafter) to sign a representation letter and to list known circumstances and relationships that may create a potential threat to independence or violate the firm's relevant ethical requirements policy. 6. If a potential threat to independence is identified, the Quality Control Partner accumulates and communicates relevant information to appropriate personnel so (a) firm management and the engagement partner can determine whether they satisfy independence requirements, (b) the engagement partner can take appropriate action to address identified threats to independence, and (c) the firm can maintain current independence information. 7. If the firm is engaged as principal auditor and another firm is engaged to audit a subsidiary, branch, division, governmental component unit, or to perform procedures on an element or account grouping within a client's financial statement, the engagement team is required to obtain a written representation regarding the other firm's independence with respect to the client. The auditing manuals used by the firm contain examples of representation letters to use in such situations. Furthermore, in a review or attestation engagement, if another firm performs work on a segment of the engagement, a representation (either written or oral) regarding the other firm's independence is required. The engagement programs in the accounting and auditing manuals used by the firm contain steps to ensure compliance with this procedure. 8. The engagement partner (or the accountant in charge under the partner's supervision) has the primary responsibility for determining if there are unpaid fees on any of his clients that would impair the firm's independence. The engagement work programs and standard forms used by the firm contain steps to ensure compliance with this procedure. The firm's client accounts receivable listing and the engagement partner's knowledge of unbilled fees should be considered in making this determination. In addition, the Quality Control Partner has secondary responsibility to review the firm's accounts receivable listing on a periodic basis to identify potential independence problems. 9. The engagement partner has the primary responsibility to identify all nonattest services performed for an attest service client and for determining if such nonattest services impair independence with respect to that client. Reviewing nonattest services performed for attest clients includes obtaining and documenting an understanding with the client regarding the client's responsibilities for the nonattest services performed by the firm. Where applicable, this includes determining Page 3 of 4 7 whether such nonattest (nonaudit) services impair independence under the independence rules in Government Auditing Standards for ongoing, planned, and future audits. Firm engagement work programs for all attest and compilation engagements include steps to ensure compliance with this procedure. 10. The engagement partner has the primary responsibility for determining whether actual or threatened litigation has an effect on the firm's independence with respect to the client. The firm's independence could be impaired by

litigation (a) between the client and the firm, (b) with the client company's securities holders, and (c) from other third parties. 11. If the firm is engaged as principal auditor to report on the basic financial statements of a financial reporting entity, all professional personnel must be independent of the financial reporting entity. If the firm is engaged as principal auditor to report on a major fund, nonmajor fund, internal service fund, fiduciary fund, or governmental component unit of the financial reporting entity, all professional personnel must be independent of the fund or entity the firm reports on. The engagement partner has the primary responsibility for determining whether the firm's relationship with entities in the governmental financial statements has an effect on independence. 12. The Quality Control Partner has the primary responsibility for determining whether the firm was a party to a cooperative arrangement with a client that was material to the firm or the client. 13. The engagement partner is responsible for obtaining the representation letters, reviewing them for completeness, and accumulating relevant information relating to identified threats to relevant ethical requirements matters (including questions from the representation letters and those from other sources). In determining a resolution, firm management should consider the AICPA's Conceptual Framework for AICPA Independence Standards and, when necessary, consult the AICPA or the North Carolina State CPA Society for assistance in interpreting independence, integrity, and objectivity rules. Documentation of the resolution of a relevant ethical requirements matter should be filed in the client's permanent workpaper files. Firm management is also responsible for determining actions to be taken when professional personnel violate firm independence policies and procedures. The action for each incident is determined based on its unique circumstances and may include eliminating a personal impairment, requiring additional training, drafting a reprimand letter, or even termination. 14. The Quality Control Partner, in conjunction with the engagement partners, are responsible for monitoring the firm's independence of attest clients at which partners or other senior personnel have been offered management positions or have accepted offers of employment. The independence, integrity, and objectivity questionnaire used by the firm and the client acceptance procedures used by the firm in attest engagements include questions to help ensure compliance with this requirement. 15. If a breach of independence is identified, the firm promptly communicates the breach and the required corrective actions to (a) the engagement partner, who (along with the firm) has the responsibility to address the breach and (b) other relevant personnel in the firm and those subject to the independence requirements who need to take appropriate action. The engagement partner confirms to the firm when required corrective actions related to the breach and noncompliance with these policies and procedures have been taken. 16. At least annually, the ethics partner reviews the firm's relevant ethical requirements policy and procedures to determine if they are appropriate and operating effectively.





**Koonce, Wooten & Haywood, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

## Report on the Firm's System of Quality Control

To the Shareholder of Misty D Watson, CPA, P.A. and the  
Peer Review Committee, North Carolina Association  
of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Misty D Watson, CPA, P.A. (the firm) in effect for the year ended April 30, 2020. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

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.

### Required Selections and Considerations

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Misty D Watson, CPA, P.A. in effect for the year ended April 30, 2020, 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*. Misty D Watson, CPA, P.A. has received a peer review rating of *pass*.

*Koonce, Wooten & Haywood, LLP*

Koonce, Wooten & Haywood, LLP

October 28, 2020

#### Raleigh

4060 Barrett Drive  
Post Office Box 17806  
Raleigh, North Carolina 27619

919 782 9265  
919 783 8937 FAX

#### Durham

3500 Westgate Drive  
Suite 203  
Durham, North Carolina 27707

919 354 2584  
919 489 8183 FAX

#### Pittsboro

579 West Street  
Post Office Box 1399  
Pittsboro, North Carolina 27312

919 542 6000  
919 542 5764 FAX

**SECTION 2 AUDIT APPROACH:**

1. Type of audit program used (tailor-made, standard government, or standard commercial).

Misty Watson uses a risk-based, common-sense approach to auditing. We start with standard governmental audit programs and tailor them based on our understanding of the internal control structure and the overall inherent and control risks for each type of transaction and account balance. Our goal is to provide a thorough and meaningful audit while eliminating unnecessary steps that cause inefficiencies and do not add value.

2. Use of statistical sampling

We will design our audit procedures based on our understanding of the Town’s operations, transactions, and account balances obtained during planning procedures. We will employ a variety of techniques including analytical procedures, inquiry and confirmations, inspection of records, observation, and recalculation. Statistical-based audit sampling will be used as appropriate for certain transactions, account balances, internal controls, and compliance requirements.

3. Use of automated processes and internal control testing methods.

We design our audit procedures related to testing the Town’s automated processes and internal control procedures for key controls and processes. These areas are focused in payroll processes, cash disbursement processes and revenue billing and collection processes.

4. Use of computer audit specialists

The Town’s IT environment and controls will be evaluated at a general level as part of the planning process to the extent that the financial reporting process relies on them. Our procedures will include questionnaires, interviews, and observation as part of our walkthrough of IT general controls.

5. Organization of the audit team and the approximate percentage of time spent on the audit by each member

Our commitment will include a high level of involvement from the partner assigned to the engagement. Typically, three staff will be assigned to the financial audit.

Anticipated number of hours

	Misty Watson Partner	Staff Accountants	Clerical	Total
No. of individuals for financial statement audit and compliance	1	1	1	3
Total hours estimated	60	8	10	78
Percent of Total audit hours	77%	10%	13%	100%

6. Information that will be contained in the management letter.

The management letter will be used to communicate findings to Town Council that were deemed important reportable deficiencies or suggestions that did not meet the threshold to be reported as a significant deficiency or material weakness. Minor issues, findings or suggestions will be discussed with the Finance Officer as they arise. In addition, we will issue a report to the Town Council to communicate information as required by audit standards. This report will include key operating statistics, related trends and charts as identified by management, if deemed beneficial by

management. We make every effort to ensure management is informed of potential findings or recommendations as they are found during the audit. Potential issues discovered could have mitigating controls or the perceived issue may not be valid. Timely communication about such matters will help clarify the issues.

7. Assistance expected from the government's staff, if other than outlined in the RFP.

In general, we expect items outlined in the Prepared by Client (PBC) List to be made available at the beginning of fieldwork and for you to prepare any necessary calculations and to prepare and post year-end closing entries prior to providing us with the trial balance. We may request additional information or data to obtain a greater understanding and for testing of particular accounts, or to expand our analytical analysis for particular transactions. The assistance outlined the RFP is sufficient.

8. Tentative schedule for completing the audit within the specified deadlines of the RFP.

April: Planning procedures including: Planning conference with Management, audit planning to include creation of tailored audit programs, documentation of initial risk assessments, the general audit approach implementation, organizational charts, manuals and programs, and development of initial overall audit plan, and provide a list of items needed for interim.

May: Interim fieldwork including: Finalize systems documentation and walkthroughs, preliminary review, setup and linking of the financial statements, and provide client a list of items needed for year end.

September: Final fieldwork including: Testing of June 30th accounts / funds, substantive and analytical analysis.

September/October: Review final draft for management review; preparation of communication reports to Council; review financial statement draft.

October: Issuance of financial statement and presentation of audited financial statements and communication to the Council in November.

9. Specify costs using the format below for the audit year July 1, 2022 to June 30, 2023. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2023 is binding, while the second and third years are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a "not-to-exceed" amount.

Anticipated number of hours

	Misty Watson Partner	Staff Accountants	Clerical	Total hours
Interim Work	8	-	-	8
Year-End Site Work	16	8	-	24
Work Performed in Auditor's Office	36	-	10	46
Total hours	60	8	10	78
Rate per hour	\$150	\$80	\$60	
Total cost	\$9,000	\$640	\$600	\$10,240

Travel and costs of materials are included in the above time and rate.



**AUDIT FEE QUOTES**

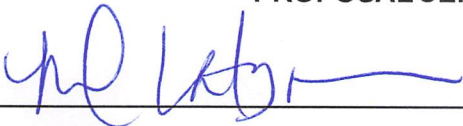
	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
Base Charge-Financial Audit	10,200	10,500	10,800
Other Charges	-	-	-
<b>TOTAL</b>	<u>\$ 10,200</u>	<u>\$ 10,500</u>	<u>\$ 10,800</u>

10. Please list any other information the firm may wish to provide.

My firm enjoys helping clients and we love what we do. Misty Watson has 25 years of experience in auditing with 14 years auditing governmental entities. Also, we have experience auditing federal programs including Medicaid. Misty started the firm in 2013 with great success having many clients transition with her. Prior to 2013, Misty worked for a firm in Boone specializing in governmental auditing. As a smaller firm, the turnaround time as well as overhead is highly efficient.

11. Please include the Summary of Audit Costs Sheet with your proposal.  
See attachment.

PROPOSAL CERTIFICATION

Proposers Signature  Date 5/31/2023

By Signing above I Certify that I have carefully read and fully understand the information contained in this RFP; and that I have the capability to successfully undertake and complete the responsibilities and obligations of the Proposal being submitted and have the authority to sign Proposal on behalf of my organization.

BY (Printed): Misty Watson

TITLE: Partner

COMPANY: Misty D. Watson CPA PA

ADDRESS: Po Box 242; Boone, NC 28607

TELEPHONE: 704-907-5053

EMAIL: misty@mistywatsoncpa.com

**SUMMARY OF AUDIT COSTS SHEET**

1	Base Audit - Town of Boiling Springs and Boiling Springs TDA	\$	<u>8,500</u>
2	Extra Audit Service		<u>-</u>
3	Other - financial statement preparation		<u>1,700</u>
4	Other		<u>-</u>
	Total	\$	<u><u>10,200</u></u>

Firm:	Misty Watson	Primary Contact:	Misty Watson
Address:	PO Box 2122	Telephone:	704-907-5053
	Boone, NC 28607	Fax:	888-361-6553
		Email:	<a href="mailto:misty@mistywatsoncpa.com">misty@mistywatsoncpa.com</a>
		Date:	5/31/2023



## SEWER EXTENSION POLICY

### ***Options to Proceed:***

1. Motion to approve the Sewer Extension Policy as presented
2. Motion to approve the Sewer Extension Policy as amended
3. Motion to table for further review and changes as discussed

*Staff has reviewed the policy with Mayor Thomas and Mayor Pro Tem Litton (WS CIP Subcommittee) and have multiple meetings for community input.*

## SUMMARY

Our current ordinance around water and sewer ([Chapter 50](#)) outlines [extensions for service to in-town property](#), [developed property within town](#), [extensions to new developments](#), and [extensions outside of town](#). These first two sections are aimed at providing extensions to a single parcel. None of these sections address providing service to entire neighborhoods that are already built out.

There are numerous properties and developments within the town limits that have aging septic systems. Most of these were built during the moratorium on new connections to our sewer system in the early 1990s. These homes ‘paid’ for the septic systems through the purchase price of their home but did not pay for any infrastructure or connections to the Town system. If we applied the current policy of extending service to developed properties within the town, it means that the town will, in essence, provide those residents with free or much cheaper extension of service. This means those in newer or future developments bear the cost of extension twice, once in the increased price of their houses and once as taxpayers. Staff have developed the updated ordinance with this in mind and have attempted to balance financial “fairness” while still making the extension of sewer service an attractive and economically reasonable endeavor.

Staff reviewed several policies from other towns and consulted with the School of Government. In this final revision, Ms. Kara Millonzi from the School of Government provided edits. She is considered the foremost expert in policies such as these.

From this research, we have significantly changed Sec. 50.302 in six major ways. Those changes are outlined below, and the intent of these changes is meant to apply an assessment to the properties requesting service and allow for a lump sum payment or financing over a number of years. This assessment would be tied to the property and not the owners.

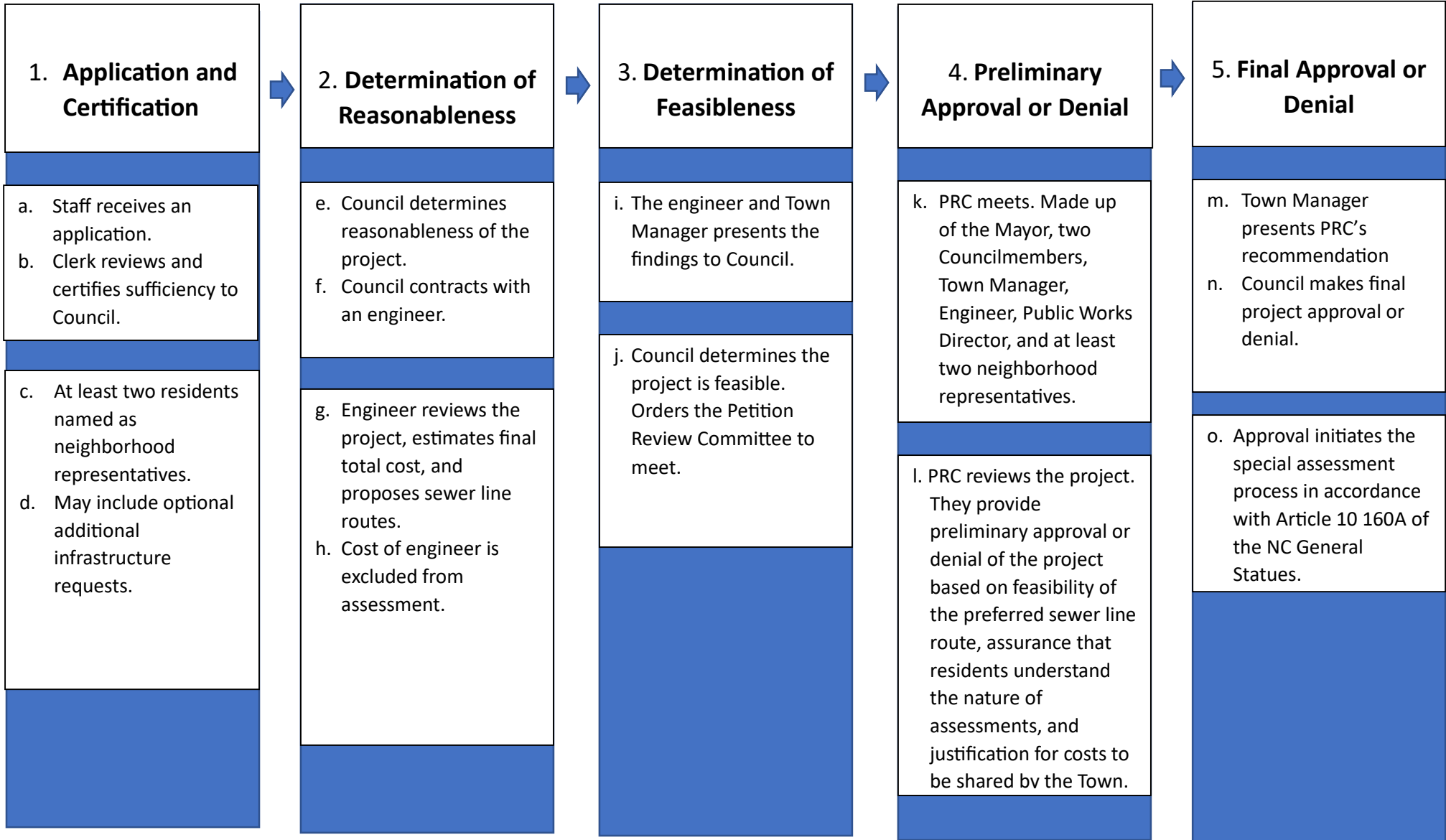
1. Petition required to request an extension of service. Must include 75% of parcel owners within 200ft of the project area (as determined by the CIP or with the assistance of Staff).
2. Town Clerk shall certify the sufficiency of the petition and Council shall determine the reasonableness of the project based on the information provided by residents.



3. Council shall contract with an engineer to conduct a review of the project, provide alternative sewer line routes, and estimate final total cost.
4. The Town Manager or their designee shall present the review to Council who will then determine the feasibility of the project. Once determined to be feasible, Council shall order a meeting of the Petition Review Committee (PRC). The PRC shall review the project and vote on preliminary approval or denial of the project.
5. Council will have one further opportunity to review the project and vote on final approval or denial of the project. Council will then pass a preliminary assessment resolution, hold a public meeting following Article 10 of the North Carolina General Statutes. Residents will be able to withdraw their proposal if 50% of the parcel owners sign a petition in favor of withdrawing. If this is not received, Council shall pass the final assessment resolution and the project be implemented.
6. Following completion of the project, and the calculation of final total cost, Council shall pass a preliminary assessment roll, hold a public meeting on the matter and make it available for the public to view. Council will then pass an assessment roll, confirming the residents for the special assessment to be levied against (in the same manner as property taxes for a period of 10 years or in a single lump sum).

#### MATERIALS PROVIDED

- Final Draft of proposed ordinance.



**Sec. 50.300. - Extensions of service to in-town property.**

- (a) The town recognizes the public benefit of providing water and sewer service to all properties within the corporate limits on a nondiscriminatory basis and, subject to the results of the petition review process, project load, and availability of funds, to extend its service lines to all properties unless it is unreasonable to do so. The town may determine that an extension of service is unreasonable for the following reasons:
1. The cost-of-service extension is excessive in terms of the number of customers to be served or because of topographic, engineering, technical, or other problems.
  2. The provision of service will adversely affect the supply of water to other customers or will adversely affect the town's sewage treatment capabilities.
  3. Determination that the project is not feasible based on the metrics supplied in 50.301 by the Petition Review Committee.
  4. Other good and sufficient reasons.
- (b) The town shall hereby establish and maintain the Petition Review Committee (PRC), in accordance with Section 50.301, to review petitions to extend water or sewer service to developed properties within the corporate limits. The PRC shall provide preliminary approval or denial of the project to the Town Council prior to final approval or denial by Town Council.

**Sec. 50.301. –Petition Review Committee Composition and Process.**

- (a) The Petition Review Committee (PRC) shall be comprised of the Mayor, two Councilmembers, the Town Manager, the Town Engineer, the Public Works Director, and at least two residents named on the petition as neighborhood representatives. Residents serving as neighborhood representatives shall do so through the duration of the specific petition at hand. The Town Council shall appoint the council members to serve on the PRC and the Council shall appoint a new committee for each petition. The same Councilmembers may serve for multiple reviews, subject to reappointment by Council.
- (b) The Town Manager, or their designee, must convene the PRC after a project is presented to Town Council, and the project is deemed feasible in accordance with Sec. 50.302(d). The PRC shall conduct a review of the project prior to providing Town Council with preliminary project approval or denial and before Town Council determines final project approval or denial. The PRC shall provide their recommendation based on the feasibility of the preferred sewer line route, assurance that residents within the project area understand the cost and nature of the project, justification for any costs of the project to be shared by the Town for system facilities installed for general public use and not to be paid through special assessment, and any other good and sufficient reasons for Town Council to provide final approval or denial of the application.
- (c) Projects deemed not feasible by Council following the presentation of the study conducted by the Town Engineer shall not be required to go through the Petition Review Committee and the specific petition at hand shall be considered denied.

- (d) Preliminary approval from the PRC does not serve as approval to begin the project. Final approval shall be determined by the Town Council in accordance with Sec. 50.302(e).

**Sec. 50.302. - Extensions to developed property within town limits.**

- (a) Except as provided in 50.303, the cost of extending water or sewer service to properties within the corporate limits may be borne initially by the town. However, the town may recoup its cost, in whole, or in part by levying special assessments on benefitted property within the project area.
- (b) Except as provided in 50.303, water and sewer main extensions to serve properties within the town shall be done by town forces or under a contract let by the town.
- (c) Requests for extensions of sanitary sewer service within town to existing development shall be made upon petition as hereinafter described:
1. A petition for extension of water and/or sewer service shall be on a form provided by the town and shall designate by a general description the improvements proposed and shall request that the same be made in conformance with the provisions of this subsection. The petition shall be signed by at least 75 percent in number of the owners of parcels abutting the street or streets or part of the street proposed to be served.
  2. Upon the filing of such petition with the town, the Town Clerk or other person designated by the Town Council shall investigate the sufficiency of the petition, and if found to be sufficient, shall certify the same to the governing body.
    - i. For purposes of the petition, all owners of undivided interests shall be deemed and treated as one person and such land shall be sufficiently signed for when the petition is submitted by the owner or owners of a majority in amount of such undivided interests.
    - ii. For purposes of the petition, the word OWNER shall also be considered to mean the owners of any life estate or estate of inheritance but shall not include mortgagees, trustees of a naked trust, trustees under deeds of trust to secure payment of money or lienholders. An undivided parcel with multiple owners shall not be counted as multiple separate votes. Instead, undivided interests shall count as one person, with each owner of the undivided interest counting towards a fraction of one vote. The number of owners of undivided interests named on the petition must constitute at least 75 percent of the total number of owners of the undivided interest if it is to be counted towards the 75 percent in numbers of owner's threshold requirement. For instance, an undivided property with four owners shall require three of the four owners to sign the petition for the property to be included in the petition as a single vote in favor of the extension.
    - iii. The project described in the petition must match a project listed on the Town's current Capital Improvement Plan (CIP). Residents seeking signatures for the petition shall include all parcels with homes within 200 feet of the



road where the proposed sewer line would be installed on the petition. All the parcels with homes within 200 feet of the proposed sewer line shall increase the total number of signatures required to meet the 75 percent threshold requirement.

- iv. The petition must include the following information:
    - a. A written statement detailing the project proposed to be financed by the assessment;
    - b. An estimate of the cost of the project (determined through matching the proposed project with the CIP); and
    - c. An estimate of the portion of the cost of the project to be assessed. The costs of the project to be assessed may be up to 100% of the total project cost and shall be determined by Town Council prior to the completion of the final assessment role at the time work is completed. This percentage may change from the time the petition is certified with Council and prior to final project approval.
  - v. The petition may also include the following information:
    - a. Why the total cost levied by the special assessment should be less than 100% of the total project cost.
    - b. A statement of need for the extension of service to the proposed project area.
    - c. A statement detailing the willingness of project applicants to provide permanent easements for the preferred sanitary sewer line route.
    - d. A statement requesting that the Town Engineer include the cost of curbs, gutters, sidewalks, and/or any other public infrastructure desired by residents to be included in the study conducted by the Town Engineer.
- (d) Upon certification of the above with the governing body by the Town Clerk, the Council shall make a determination on the reasonableness of the project based on current Public Works workload, the potential to secure easements, the availability of funds, and other good and sufficient reasons. Once a project is deemed reasonable, Council shall contract with an engineer to review the project. The engineer shall identify need for the installation of oversized mains and basic sewer facilities described in Sec. 50.302 (c) and (d), estimate the final total cost, and provide potential sewer line route options. The cost of the engineer shall be excluded from the total cost to be shared by the property owners. Following completion of the evaluation, the Town Manager or his/her designee shall present the findings to Council and provide a recommendation on the feasibility of the requested extension Council shall then make a determination on the feasibility of the project.
- (e) When a project is deemed feasible by Council, staff may be directed to schedule a meeting of the Petition Review Committee pursuant to Sec. 50.301. Neither the determination that a project is feasible nor preliminary approval from the Petition Review Committee shall constitute permission to begin construction of the project. Final project approval shall be determined at the Council's discretion and following preliminary approval from the Petition Review Committee.
- (f) Upon final approval of the project, Council shall initiate the special assessment process, in

accordance with Article 10 of NC General Statutes Chapter 160A, and as follows:

1. Adopt a preliminary assessment resolution, which includes the following information:
  - i. A statement of the intent to undertake the project.
  - ii. A general description of the nature and location of the project
  - iii. A statement of the estimated cost of the project
  - iv. A statement of the amount of the estimated cost of the project the local government expects to derive from each funding (revenue) source.
  - v. A statement as to the proposed basis for making assessments, which includes a general description of the boundaries of the area benefited if the basis of assessment is either area or valuation.
  - vi. A statement as to the percentage of the cost of the work that is to be specially assessed.
  - vii. A statement as to which, if any, assessments will be held in abeyance and for how long.
  - viii. A statement as to the proposed terms of payment of the assessments
    - ix. An order setting a time and place for a public hearing on all matters covered by the preliminary assessment resolution.
2. In accordance with G.S. 160A-224, the Town Clerk or their designee shall publish notice that the preliminary assessment resolution is adopted and the date of the public hearing that will be held on the assessment resolution. At least ten days before the public hearing, a copy of the preliminary assessment resolution must be mailed by first-class mail to each owner of a property subject to assessment if the project is undertaken.
3. The Town Council shall hold a public hearing on the assessment resolution between three and ten weeks from the date the preliminary assessment resolution is adopted.
4. Petitioners will have the opportunity to withdraw the petition for 14 days following the date of the public hearing on the assessment resolution. A petition may be withdrawn if notice is given to the Council signed by at least a majority of owners who signed the original petition representing at least 50 percent of the parcels of the properties named on the petition.
5. Unless Council receives written notice of withdrawal within 14 days after the public hearing on the assessment resolution. Council shall adopt a final assessment resolution. The final assessment resolution must:
  - i. direct that the project be undertaken;
  - ii. describe the project in general terms;
  - iii. describe the basis on which the assessments will be levied, including a general description of the boundaries of the area benefited if the basis of assessment is either area or value added;
  - iv. specify the percentage of the cost of the project that will be funded by special assessments;
  - v. state the terms of the payment and any applicable interest rate; and
  - vi. state any conditions under which assessments will be held in abeyance.

6. The Town shall complete the project in accordance with Sec. 50.302(b).
  7. When an approved water or sanitary sewer extension project has been completed and the total cost thereof has been determined, the town shall prepare a preliminary assessment roll. The preliminary assessment roll must contain the following:
    - a. A brief description of each lot, parcel, or tract of land assessed,
    - b. The basis for the assessment,
    - c. The amount assessed against each lot, parcel, or tract of land,
    - d. The terms of payment, including any authorized schedule of discounts,
    - e. The name of the owner of each parcel of land, as ascertained by the county tax records.
  8. The town shall place a copy of the preliminary assessment roll in the county or municipal clerk's office for public inspection. The Town Clerk shall publish notice of the preliminary assessment roll. The notice must describe the project in general terms, state that the preliminary assessment roll is available in the clerk's office for inspection and state the time and place for the public hearing on the preliminary assessment roll. The notice must be published and distributed at least ten days before the public hearing. The Town Clerk also must distribute the notice by first-class mail to each property owner listed on the roll.
  9. The Town Council shall hold a public hearing on the assessment roll. Either at or after the public hearing the governing board may confirm, annul, or modify the assessments in whole or in part. The board may place on the roll any property omitted from the preliminary assessment roll.
  10. From the time of confirmation, the assessments are a lien on the property assessed. The lien is of the same nature and to the same extent as a lien for local property taxes. The lien is inferior to all prior and subsequent liens for state, local, and federal taxes, and superior to all other liens. A copy of the assessment roll is delivered to the Town Tax Collector for collection in the same manner as property taxes. Property owners have ten days from the date the assessment roll is confirmed to file a notice of appeal with the General Court of Justice. The property owner must file a statement of the facts upon which the appeal is based with the Town Clerk within twenty days of the confirmation.
- (g) When the town determines that it is advisable to install larger size facilities than are necessary to serve the property requesting such extension, the difference in the cost of the larger size facilities over and above the cost of the facilities required to serve the property requesting such extension shall be paid for by the Town and excluded from the total cost to be shared by the property owners as provided herein.
1. Fire hydrants, pumping stations and other system facilities installed for general public use which are expressly identified in the application or agreement approved by the Council shall be paid for by the town and excluded from the total cost to be shared by the property owners as provided herein. All extensions of service and installation of system facilities for public use shall be done in accordance with the Town of Boiling Springs Public Works – Standards Specifications & Construction Details.
- (h) Water mains shall be extended only within the rights-of-way of publicly dedicated and opened streets. Sewer lines shall also be located within the rights-of-way, except where the topography makes this impracticable. However, in no case will sewer lines be extended by

the town across private property, unless the town has obtained adequate permanent easements for the lines.

- (i) To preserve road surfaces, whenever the town installs water or sewer line extensions in paved streets within the town, (as well as whenever the town paves unpaved streets where water or sewer lines exist), the town may give the owners of the undeveloped properties the option of paying for the lateral installation at the time the work is done. No connections to town-installed lateral lines shall be paid for by the town. Instead, the cost shall be borne by the property owner requesting the connection.



## PARK MASTER PLAN STEERING COMMITTEE

**Requested Action:** Motion to appoint the members presented below to the Park Master Plan Steering Committee.

## SUMMARY

The consultants at Bolton/Menk have started working on our Park Master Plan (in conjunction with the Land Use Plan Update). They would like to have a committee of 8-10 members to provide input to the plan. This group will consist of Town representatives, GWU reps, local residents, and stakeholders such as those that own property near the park. Staff recommends the following individuals for the committee and has confirmed their willingness to participate.

- Councilmember (1 or 2)
- Mayor
- Town Manager
- Town Clerk
- Public Works Director
- YMCA Representative Kevin Osborne
- GWU
  - o David Wacaster (ETJ resident)
  - o Brian Arnold (resident)
- Karma Harris – Health Consultant, resident, Planning Board member
- Property Owner: Kitty Hoyle
- Business Owner (with children): Keelee Jones

## MATERIALS PROVIDED

- None



**2023 - 2024 BUDGET**

**Mayor Pro Tem Action:**

- Open Public Hearing
- Staff Report
- Public Comment
- Close Public Hearing

**Options to Proceed:**

1. Motion to adopt the 2023-2024 budget for the Town of Boiling Springs with     (A, B, or C)     tax increase.
2. Motion to table this item until June 27<sup>th</sup> (*last Tuesday in June*)

**Option A.** With no change in the tax rate, the following items are removed from the proposed budget:

1. \$5,000 – Council Expenses (removed)
2. \$8,000 – Reduce funding for the YMCA (from the proposed \$48k to \$40k).
3. \$5,000 – Downtown Enhancements (removed)
4. \$2,000 – Reduce funding for park maintenance/memorial (\$2k to \$0)
5. \$4,000 – Cut range improvements for the Police Department (\$10k to \$6k)
6. \$2,000 – Reduce community events (\$15k down to \$13k)

**Option B.** With a ½ cent tax increase, staff recommends the following be removed: (*or any combination of the above*)

1. \$5,000 – Council Expenses
2. \$5,000 – Downtown Enhancements
3. \$4,000 – Range Improvements for the Police Department

**Option C.** A one-cent increase keeps all the above items in the budget and costs the average taxpayer less than \$20 per year. **Staff recommends this option.**

**SUMMARY**

The outlook for the Town of Boiling Springs remains strong. While there are larger concerns within the national economy, the interest and potential for growth in our Town remain high. We have seen an increase in permits this past year (7/21-7/22 total 101 compared to 134 between 7/22-5/23), interest in development occurs multiple times per week, and the activity for all departments has grown exponentially. We have a newly adopted Strategic Plan, a Land Use Plan update underway, and a Park Master Plan in the beginning stages. Due to these, and many other factors and potential projects, we have included the following in this budget:



- Additional benefits for current and future employees; to retain and attract top talent
- Creation of a 'Planning and Community Development' position that will field questions around growth and development and manage code enforcement projects.
- Continued work on the S. Main Streetscape project and Downtown Master Plan
- Inclusion of new equipment, improvements to existing facilities, and maintenance of Town assets

Based on the feedback of the Manager's proposed budget at the two budget workshops, staff is providing the following points for the Council's consideration of the final budget:

- A one-cent tax increase provides approximately \$33,000 in revenue for Town services.
  1. On a house valued at \$225,000:
    - \$0.0037 is \$832.50 per year or \$69.36 per month (current rate).
    - \$0.0038 is \$855 per year, \$71.25 per month.
    - **That's an increase of \$22.50 per year or \$1.86 per month.**
- History of tax increases (values are per \$100 valuation):
  1. The Town raised taxes in FY 17-18 by 4 cents (from 0.33 to 0.37) to cover the 3.75 cents for the fire tax.
  2. It was raised 1 cent in FY 18-19 (from 0.37 to 0.38). Then again raised by 1 cent in FY 19-20 (from 0.38 to 0.39) to cover needs including park improvements.
  3. It remained 0.39 in FY 20-21.
  4. FY 21-22 was the revaluation year. The rate was still 0.39. NC General Statutes require that the revenue neutral rate of 0.35 be presented during revaluation years. Council lowered the rate to 0.37.
- Current taxes around us are:
  1. City of Shelby - \$0.5225
  2. Kings Mtn - \$0.43 (proposed is \$0.48)
  3. Cleveland County - \$0.57
- We have the option to change the tax rate by any increment. So, it could be 1 cent, ½ cent, etc.

**We have prepared three budget ordinances for Council's consideration. They reflect no change in the tax rate, a ½ cent increase in the tax rate, and a 1 cent increase in the tax rate. A summary of differences are in the previous section and the full ordinances are attached.**

Staff recommends the 1 cent increase to continue to provide existing services (which have rising costs) and to push forward the planned projects we have strategized for implementation.

#### MATERIALS PROVIDED

Budget Ordinances: No Tax Increase, ½ Cent Increase, 1 Cent Increase



Provided for Reference: 2023-2024 Strategic Plan



## FY23/24 BUDGET ORDINANCE

**BE IT ORDAINED** by the Town Council of the Town of Boiling Springs, North Carolina, that the following fund revenues and departmental expenditures, together with certain restrictions and authorities are adopted:

### SECTION I. GENERAL FUND

#### A. Revenues Anticipated

Ad Valorem Property Taxes	\$ 1,243,300
Sales & Use Taxes	\$ 662,400
Franchise Taxes	\$ 215,600
Solid Waste User Fees	\$ 363,800
Powell Bill Allocation	\$ 123,500
Powell Bill Reserve Appropriation	\$ -
Other Revenues	\$ 633,000
Reserve Appropriation	\$ 70,000
TOTAL REVENUES	\$ 3,311,600

#### B. Expenditures Authorized by Department

Administration	\$ 896,160
Police	\$ 1,074,100
Fire Service	\$ 289,300
Street Non-Powell	\$ 200,700
Streets Powell Bill	\$ 135,500
Solid Waste	\$ 505,300
Recreation	\$ 210,540
TOTAL EXPENDITURES	\$ 3,311,600

## SECTION II. WATER & SEWER FUND

### A. Revenues Anticipated

Water Charges	\$ 1,127,500
Sewer Charges	\$ 675,000
Lattimore System Charges	\$ 72,000
Other Revenues	\$ 123,000
Reserve Appropriation	\$ 475,000
<b>TOTAL REVENUES</b>	<b>\$ 2,472,500</b>

### B. Expenditures Authorized by Department

Water & Sewer Administration	\$ 505,800
Water Operations	\$ 969,400
Sewer Operations	\$ 941,500
Lattimore System	\$ 55,800
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,472,500</b>

### SECTION III. TAXES, RATES, FEES & CHARGES ESTABLISHED

The following taxes, rates, fees and charges are adopted:

<b>FY 2023-24 General Schedule of Taxes, Fees &amp; Charges</b>	
Ad Valorem Tax Rate	\$0.38 per \$100 of valuation
Returned Check Fee	\$25 per occurrence
Document Copying Fee	\$0.25 first page + \$0.10 each additional*
Admin Record Charge	Billed @ actual cost or copy fee*
Rezoning Application	\$350
Zoning Compliance Permit	\$25
Zoning Compliance Letter	\$25
Tower Permit	\$500
Site Plan Review	\$250
Board of Adjustment Review	\$350
Preliminary Subdivision Plat Review	\$50 plus \$5 for each lot over 10*
Annexation Petition	\$300
Street Closing Petition	\$600
Police Report Fee	\$5 + \$0.10 pages over 10
Fingerprinting Fee	Free for Residents   \$20 Non-Resident
Civil Citation Parking	\$20 + \$50 penalty for every 30 days unpaid
Civil Citation Fire Lane	\$50
Yard Waste	\$0.00
Garbage Residential Inside	\$12.50
Garbage Residential Outside	\$17.00
Garbage Commercial Inside	\$15.00
Garbage Commercial Outside	\$17.00
Recycling Inside	\$6.00
Recycling Outside	\$7.50
Can Damage Fee	\$20 for second repair in any 12 month period
Facility Rentals	Set Administratively
On-Premise Malt Beverage	\$15.00
Off-Premise Malt Beverage	\$5.00
On-Premise Unfortified Wine	\$15.00
Off-Premise Unfortified Wine	\$10.00

<b>FY 2023-24 Water &amp; Sewer Rate Schedule</b>		
<b><u>Description</u></b>	<b><u>Inside</u></b>	<b><u>Outside</u></b>
Minimum Water Rate 0-2,000 gallons	\$19.44	\$31.52
Volumetric Water Rate 2,000-15,000 gallons	\$6.30 per 1000	\$9.46 per 1000
Volumetric Water Rate over 15,000 gallons	\$7.88 per 1000	\$12.08 per 1000
<b>Minimum Sewer Rate</b>		
Minimum Sewer Rate 0-2,000 gallons	\$19.44	\$31.52
Volumetric Sewer Rate 2,000-15,000 gallons	\$6.30 per 1000	\$9.46 per 1000
Volumetric Sewer Rate over 15,000 gallons	\$7.88 per 1000	\$12.08 per 1000
<b>Sewer Only</b>		
Sewer Only 0-2,000 gallons	NA	\$31.52
Sewer Only 2,000-15,000 gallons	NA	\$9.46 per 1000
Sewer Only over 15,000 gallons	NA	\$12.08 per 1000
<b>Lattimore Sewer Only</b>		
Lattimore Sewer Only 0-2,000 gallons	NA	\$40.00
Lattimore Sewer Only 2,000-15,000 gallons	NA	\$9.00 per 1000
Lattimore Sewer Only over 15,000 gallons	NA	\$11.50 per 1000
<b>Bulk Water Rate</b>		
Bulk Water Rate 0-2,000 gallons	\$31.52	
Bulk Water Rate 2,000-15,000 gallons	\$9.46 per 1000	
Bulk Water Rate over 15,000 gallons	\$12.08 per 1000	

<b>FY 2023-24 Water &amp; Sewer Schedule of Fees &amp; Charges</b>		
<b><u>Description</u></b>	<b><u>Inside</u></b>	<b><u>Outside</u></b>
Water Deposit	\$100	\$125
Sewer Deposit	\$50	\$50
Water & Sewer Deposit	\$150	\$175
Water Tap 3/4 inch*	\$1,200	\$1,400
Water Tap 1 inch*	\$1,050	\$1,250
Water Tap 1.5 inch*	\$2,050	\$2,550
Water Tap over 1.5 inch*	At Cost	At Cost
Water Tap Inspection**	\$330	\$490
Sewer Tap Inspection**	\$330	\$490
Meter Installation 3/4 inch*	\$370	\$470
Meter Installation 1 inch*	\$490	\$590
Meter Installation over 1 inch*	At Cost	At Cost
Additional Road Bore Fee (Town Street)***	At Cost	At Cost
Additional Road Bore Fee (NCDOT Street)***	At Cost	At Cost
Service Bill Monthly Late Fee	\$10	\$10
Service Disconnection	\$25	\$25
After-Hours Service Charge (4pm, Weekends, & Holidays)	\$50	\$50
Residential Meter Testing Fee	\$150	\$150
Commercial or Oversize Meter Testing Fee	At Cost	At Cost
Meter Tampering Fee	At Cost	At Cost

\*The Town installs all residential water taps. The Town installs all residential and commercial meters.

\*\*Commercial water and sewer taps are made by an owner-selected contractor and inspected by the Town. Residential sewer taps are made by an owner-selected contractor and inspected by the Town.

\*\*\*For domestic water tap installations along Town and NCDOT streets, there is no Road Bore Fee. For irrigation water tap installations along Town and NCDOT streets requiring a road bore, the cost is at cost.

**SECTION IV. SPECIAL AUTHORIZATIONS**

1. The Town Manager serves as the Budget Officer and the Finance Director serves as the Finance Officer for the Town of Boiling Springs.
2. The Budget Officer, shall be authorized to reallocate departmental appropriations among the various objects of expenditure as he believes necessary.
3. The Budget Officer shall be authorized to effect interdepartmental transfers in the same fund not to exceed ten percent (10%) of the appropriated monies for the department whose allocation is reduced.
4. The Budget Officer shall be authorized to effect transfers between capital projects that are budgeted in the same capital project fund.
5. The Budget Officer shall be authorized to transfer any remaining balances from any Capital Project upon its completion to the corresponding reserve fund.
6. Interfund transfers from operating funds shall be accomplished by Town Council authorization only.
7. The budget adopted herein may be amended to reflect encumbrance balances for expenditures properly committed but unpaid at the end of the prior fiscal year, and increasing fund balances appropriated by a similar amount.

**SECTION V. USE OF BUDGET DOCUMENT AND ORDINANCE**

This Ordinance and the budget document shall be the basis for the financial plan of the Town of Boiling Springs for Fiscal Year 2023-24. The Budget Officer shall administer the Budget and the Finance Officer shall establish records which are in agreement with the budget, this ordinance, and the statutes of the State of North Carolina.

**SECTION VI. DISTRIBUTION**

Copies of this ordinance shall be furnished to the Budget Officer, Finance Officer, and Town Clerk so that they may keep this ordinance on file for their direction and disbursement of funds.

Motion made by: \_\_\_\_\_

Motion seconded by: \_\_\_\_\_

With \_\_\_\_\_ Councilmembers voting "aye".

With \_\_\_\_\_ Councilmembers voting "no".

Adopted this 6<sup>th</sup> day of June, 2023.

\_\_\_\_\_  
Daniel Thomas, Mayor

\_\_\_\_\_  
Noah Saldo, Town Clerk

## FY23/24 BUDGET ORDINANCE

**BE IT ORDAINED** by the Town Council of the Town of Boiling Springs, North Carolina, that the following fund revenues and departmental expenditures, together with certain restrictions and authorities are adopted:

### SECTION I. GENERAL FUND

#### A. Revenues Anticipated

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Sales & Use Taxes	\$ 662,400
Franchise Taxes	\$ 215,600
Solid Waste User Fees	\$ 363,800
Powell Bill Allocation	\$ 123,500
Powell Bill Reserve Appropriation	\$ -
Other Revenues	\$ 635,400
Reserve Appropriation	\$ 70,000
TOTAL REVENUES	\$ 3,297,600

#### B. Expenditures Authorized by Department

Administration	\$ 882,160
Police	\$ 1,074,100
Fire Service	\$ 289,300
Street Non-Powell	\$ 200,700
Streets Powell Bill	\$ 135,500
Solid Waste	\$ 505,300
Recreation	\$ 210,540
TOTAL EXPENDITURES	\$ 3,297,600



## SECTION II. WATER & SEWER FUND

### A. Revenues Anticipated

Water Charges	\$ 1,127,500
Sewer Charges	\$ 675,000
Lattimore System Charges	\$ 72,000
Other Revenues	\$ 123,000
Reserve Appropriation	\$ 475,000
<b>TOTAL REVENUES</b>	<b>\$ 2,472,500</b>

### B. Expenditures Authorized by Department

Water & Sewer Administration	\$ 505,800
Water Operations	\$ 969,400
Sewer Operations	\$ 941,500
Lattimore System	\$ 55,800
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,472,500</b>

### SECTION III. TAXES, RATES, FEES & CHARGES ESTABLISHED

The following taxes, rates, fees and charges are adopted:

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Admin Record Charge	Billed @ actual cost or copy fee*
Rezoning Application	\$350
Zoning Compliance Permit	\$25
Zoning Compliance Letter	\$25
Tower Permit	\$500
Site Plan Review	\$250
Board of Adjustment Review	\$350
Preliminary Subdivision Plat Review	\$50 plus \$5 for each lot over 10*
Annexation Petition	\$300
Street Closing Petition	\$600
Police Report Fee	\$5 + \$0.10 pages over 10
Fingerprinting Fee	Free for Residents   \$20 Non-Resident
Civil Citation Parking	\$20 + \$50 penalty for every 30 days unpaid
Civil Citation Fire Lane	\$50
Yard Waste	\$0.00
Garbage Residential Inside	\$12.50
Garbage Residential Outside	\$17.00
Garbage Commercial Inside	\$15.00
Garbage Commercial Outside	\$17.00
Recycling Inside	\$6.00
Recycling Outside	\$7.50
Can Damage Fee	\$20 for second repair in any 12 month period
Facility Rentals	Set Administratively
On-Premise Malt Beverage	\$15.00
Off-Premise Malt Beverage	\$5.00
On-Premise Unfortified Wine	\$15.00
Off-Premise Unfortified Wine	\$10.00

<b>FY 2023-24 Water &amp; Sewer Rate Schedule</b>		
<b><u>Description</u></b>	<b><u>Inside</u></b>	<b><u>Outside</u></b>
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Volumetric Water Rate 2,000-15,000 gallons	\$6.30 per 1000	\$9.46 per 1000
Volumetric Water Rate over 15,000 gallons	\$7.88 per 1000	\$12.08 per 1000
<b>Minimum Sewer Rate</b>		
Minimum Sewer Rate 0-2,000 gallons	\$19.44	\$31.52
Volumetric Sewer Rate 2,000-15,000 gallons	\$6.30 per 1000	\$9.46 per 1000
Volumetric Sewer Rate over 15,000 gallons	\$7.88 per 1000	\$12.08 per 1000
<b>Sewer Only</b>		
Sewer Only 0-2,000 gallons	NA	\$31.52
Sewer Only 2,000-15,000 gallons	NA	\$9.46 per 1000
Sewer Only over 15,000 gallons	NA	\$12.08 per 1000
<b>Lattimore Sewer Only</b>		
Lattimore Sewer Only 0-2,000 gallons	NA	\$40.00
Lattimore Sewer Only 2,000-15,000 gallons	NA	\$9.00 per 1000
Lattimore Sewer Only over 15,000 gallons	NA	\$11.50 per 1000
<b>Bulk Water Rate</b>		
Bulk Water Rate 0-2,000 gallons	\$31.52	
Bulk Water Rate 2,000-15,000 gallons	\$9.46 per 1000	
Bulk Water Rate over 15,000 gallons	\$12.08 per 1000	

<b>FY 2023-24 Water &amp; Sewer Schedule of Fees &amp; Charges</b>		
<b><u>Description</u></b>	<b><u>Inside</u></b>	<b><u>Outside</u></b>
Water Deposit	\$100	\$125
Sewer Deposit	\$50	\$50
Water & Sewer Deposit	\$150	\$175
Water Tap 3/4 inch*	\$1,200	\$1,400
Water Tap 1 inch*	\$1,050	\$1,250
Water Tap 1.5 inch*	\$2,050	\$2,550
Water Tap over 1.5 inch*	At Cost	At Cost
Water Tap Inspection**	\$330	\$490
Sewer Tap Inspection**	\$330	\$490
Meter Installation 3/4 inch*	\$370	\$470
Meter Installation 1 inch*	\$490	\$590
Meter Installation over 1 inch*	At Cost	At Cost
Additional Road Bore Fee (Town Street)***	At Cost	At Cost
Additional Road Bore Fee (NCDOT Street)***	At Cost	At Cost
Service Bill Monthly Late Fee	\$10	\$10
Service Disconnection	\$25	\$25
After-Hours Service Charge (4pm, Weekends, & Holidays)	\$50	\$50
Residential Meter Testing Fee	\$150	\$150
Commercial or Oversize Meter Testing Fee	At Cost	At Cost
Meter Tampering Fee	At Cost	At Cost
*The Town installs all residential water taps. The Town installs all residential and commercial meters.		
**Commercial water and sewer taps are made by an owner-selected contractor and inspected by the Town. Residential sewer taps are made by an owner-selected contractor and inspected by the Town.		
***For domestic water tap installations along Town and NCDOT streets, there is no Road Bore Fee. For irrigation water tap installations along Town and NCDOT streets requiring a road bore, the cost is at cost.		

**SECTION IV. SPECIAL AUTHORIZATIONS**

1. The Town Manager serves as the Budget Officer and the Finance Director serves as the Finance Officer for the Town of Boiling Springs.
2. The Budget Officer, shall be authorized to reallocate departmental appropriations among the various objects of expenditure as he believes necessary.
3. The Budget Officer shall be authorized to effect interdepartmental transfers in the same fund not to exceed ten percent (10%) of the appropriated monies for the department whose allocation is reduced.
4. The Budget Officer shall be authorized to effect transfers between capital projects that are budgeted in the same capital project fund.
5. The Budget Officer shall be authorized to transfer any remaining balances from any Capital Project upon its completion to the corresponding reserve fund.
6. Interfund transfers from operating funds shall be accomplished by Town Council authorization only.
7. The budget adopted herein may be amended to reflect encumbrance balances for expenditures properly committed but unpaid at the end of the prior fiscal year, and increasing fund balances appropriated by a similar amount.

**SECTION V. USE OF BUDGET DOCUMENT AND ORDINANCE**

This Ordinance and the budget document shall be the basis for the financial plan of the Town of Boiling Springs for Fiscal Year 2023-24. The Budget Officer shall administer the Budget and the Finance Officer shall establish records which are in agreement with the budget, this ordinance, and the statutes of the State of North Carolina.

**SECTION VI. DISTRIBUTION**

Copies of this ordinance shall be furnished to the Budget Officer, Finance Officer, and Town Clerk so that they may keep this ordinance on file for their direction and disbursement of funds.

Motion made by: \_\_\_\_\_

Motion seconded by: \_\_\_\_\_

With \_\_\_\_\_ Councilmembers voting "aye".

With \_\_\_\_\_ Councilmembers voting "no".

Adopted this 6<sup>th</sup> day of June, 2023.

\_\_\_\_\_  
Daniel Thomas, Mayor

\_\_\_\_\_  
Noah Saldo, Town Clerk

## FY23/24 BUDGET ORDINANCE

**BE IT ORDAINED** by the Town Council of the Town of Boiling Springs, North Carolina, that the following fund revenues and departmental expenditures, together with certain restrictions and authorities are adopted:

### SECTION I. GENERAL FUND

#### A. Revenues Anticipated

Ad Valorem Property Taxes	\$ 1,210,600
Sales & Use Taxes	\$ 662,400
Franchise Taxes	\$ 215,600
Solid Waste User Fees	\$ 363,800
Powell Bill Allocation	\$ 123,500
Powell Bill Reserve Appropriation	\$ -
Other Revenues	\$ 634,500
Reserve Appropriation	\$ 70,000
TOTAL REVENUES	\$ 3,280,400

#### B. Expenditures Authorized by Department

Administration	\$ 880,960
Police	\$ 1,070,100
Fire Service	\$ 289,300
Street Non-Powell	\$ 200,700
Streets Powell Bill	\$ 135,500
Solid Waste	\$ 505,300
Recreation	\$ 198,540
TOTAL EXPENDITURES	\$ 3,280,400

## SECTION II. WATER & SEWER FUND

### A. Revenues Anticipated

Water Charges	\$ 1,127,500
Sewer Charges	\$ 675,000
Lattimore System Charges	\$ 72,000
Other Revenues	\$ 123,000
Reserve Appropriation	\$ 475,000
<b>TOTAL REVENUES</b>	<b>\$ 2,472,500</b>

### B. Expenditures Authorized by Department

Water & Sewer Administration	\$ 505,800
Water Operations	\$ 969,400
Sewer Operations	\$ 941,500
Lattimore System	\$ 55,800
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,472,500</b>



### SECTION III. TAXES, RATES, FEES & CHARGES ESTABLISHED

The following taxes, rates, fees and charges are adopted:

<b>FY 2023-24 General Schedule of Taxes, Fees &amp; Charges</b>	
Ad Valorem Tax Rate	\$0.37 per \$100 of valuation
Returned Check Fee	\$25 per occurrence
Document Copying Fee	\$0.25 first page + \$0.10 each additional*
Admin Record Charge	Billed @ actual cost or copy fee*
Rezoning Application	\$350
Zoning Compliance Permit	\$25
Zoning Compliance Letter	\$25
Tower Permit	\$500
Site Plan Review	\$250
Board of Adjustment Review	\$350
Preliminary Subdivision Plat Review	\$50 plus \$5 for each lot over 10*
Annexation Petition	\$300
Street Closing Petition	\$600
Police Report Fee	\$5 + \$0.10 pages over 10
Fingerprinting Fee	Free for Residents   \$20 Non-Resident
Civil Citation Parking	\$20 + \$50 penalty for every 30 days unpaid
Civil Citation Fire Lane	\$50
Yard Waste	\$0.00
Garbage Residential Inside	\$12.50
Garbage Residential Outside	\$17.00
Garbage Commercial Inside	\$15.00
Garbage Commercial Outside	\$17.00
Recycling Inside	\$6.00
Recycling Outside	\$7.50
Can Damage Fee	\$20 for second repair in any 12 month period
Facility Rentals	Set Administratively
On-Premise Malt Beverage	\$15.00
Off-Premise Malt Beverage	\$5.00
On-Premise Unfortified Wine	\$15.00
Off-Premise Unfortified Wine	\$10.00

<b>FY 2023-24 Water &amp; Sewer Rate Schedule</b>		
<b><u>Description</u></b>	<b><u>Inside</u></b>	<b><u>Outside</u></b>
Minimum Water Rate 0-2,000 gallons	\$19.44	\$31.52
Volumetric Water Rate 2,000-15,000 gallons	\$6.30 per 1000	\$9.46 per 1000
Volumetric Water Rate over 15,000 gallons	\$7.88 per 1000	\$12.08 per 1000
<b>Minimum Sewer Rate</b>		
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Motion seconded by: \_\_\_\_\_

With \_\_\_\_\_ Councilmembers voting "aye".

With \_\_\_\_\_ Councilmembers voting "no".

Adopted this 6<sup>th</sup> day of June, 2023.

\_\_\_\_\_  
Daniel Thomas, Mayor

\_\_\_\_\_  
Noah Saldo, Town Clerk



THE TOWN OF  
**BOILING SPRINGS**

ONE TOWN • ONE UNIVERSITY • ONE COMMUNITY

# **The Town of Boiling Springs**

## **Strategic Plan**

### **2023-2024**

#### **Town Council**

Mayor Daniel Thomas

Councilmember Tommy Greene

Mayor Pro Tem Patrick Litton

Councilmember Caleb Edwards

Councilmember Marty L. Thomas

Councilmember Tonya Gantt

Justin Longino, Town Manager

On March 18<sup>th</sup>, the Boiling Springs Town Council and staff met at the Shelby-Cleveland County Airport to review the past year and determine goals for the next 12 months. These goals and decisions will guide the budgeting process and give staff direction for decisions made through 2023-2024.

The ethos for Boiling Springs continues to be “respectful growth” with a focus on encouraging new business development while ensuring we continue to provide the highest quality of life to our residents.

The following is the result of this meeting and a plan to guide the Town forward.

## **Downtown Master Plan and Corridor Study Priorities**

The Downtown Master Plan and Corridor Study is a big-picture plan with broad goals. To ensure staff effectively works toward a shared vision, the Town Council identified these two overall priorities to guide the continued implementation of this plan.

The priorities are not listed in order of importance.

### **Priority 1: Continue to make progress on the downtown streetscape.**

Transforming our downtown core will take an abundance of time, effort, and money. The Council has chosen to take a phased approach, with the first step being focused on the South Main Streetscape. McGill & Associates continues to assist staff with this project and the continued success of this will include, but is not limited to:

- Continued partnership with McGill & Associates
- Public input on the design and amenities for downtown
- Creating a safer downtown
- Improving the traffic signals, through aesthetics and the addition of protected left turns
- Creating a public gathering space

### **Priority 2: Reimagine the Old Town Hall building.**

The Old Town Hall building has been a quagmire since it was vacated several years ago. Council continues to have the desire to use this prominent land as a catalyst for change on that end of downtown. Success for the coming year will include:

- Releasing a Request for Quotes before the end of 2023. This will include a scope for firms to use in evaluating next steps for the property, a cost analysis of those options, and opportunities for stakeholder relations going forward.
- Continued conversation with Gardner-Webb over their interest in the building or property. This could include partnership, purchase, or land-swapping options.

## Overall Priorities

The following overall priorities were preserved due to their continued success. The objectives under each priority have been adjusted to deliver newly created, specific, measurable goals for this year.

### Priority 1 Business Recruitment

#### Objective 1A Town Commons Plaza

Continue Retail Strategies training and follow the established Conceptual Execution Package timeline.

#### Objective 2A Form a Business Committee

This committee should set specific business recruitment goals and review regulations to balance having a well-regulated and uniform community without overburdening potential investors and business owners.

Membership should consist of members of the Town Council, Town Staff, and local business stakeholders. Actionable items for this group should include, but not be limited to a survey to seek input on current regulations and a survey for GWU parent/students in gauge potential needs.

*This should be created and have its first meeting before the end of 2023.*

### Priority 2 Staffing

#### Objective 1A Review Current and Potential Positions

This should include the evaluation of a planner and/or grant writer and recommendations on the Code Enforcement position. It will also consider the effectiveness of the Police Department's staffing levels. *Review will be included in the FY23 budget process.*

#### Objective 2A Explore expanding benefits for current and future employees

*Review will be included in the FY23 budget process.*



**Priority 3 Infrastructure**

- Objective 3A Sewer Extension Policy**  
Continue to seek public input on the draft policy and present a final version of the policy to Council before the end of 2023.
- Objective 3B Explore Purchase Options for Water**  
Evaluate Cleveland County Water and Shelby Water purchase options. This should be reviewed during the FY 23 budget process.
- Objective 3C Continue Work Toward Intersection Improvements**  
Monitor beacon installation approaching Hillcrest from E. College.  
  
Work toward downtown intersection improvement and other improvements to increase pedestrian safety.

**Priority 4 Quality of Life and Placemaking**

- Objective 4A Evaluate the Park & Usage of the Space**  
  
Complete the Parks Master Planning process.  
  
Continue to promote the park and consider additional park events.
- Objective 4B Explore Partnerships with the Earl Scruggs Center**
- Objective 4C Community Engagement**  
  
Continue to build town events (Music on Main, Christmas Tree Lighting, Webbstock, etc.) and explore options for a signature Town event.  
  
Continue to expand marketing for the town. This could include signs for amenities, expanding our digital and physical marketing, and/or determining our niche.  
  
Form an events committee to assist with increasing events.



THE TOWN OF  
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**REPORTS**

**TOWN MANAGER | JUSTIN LONGINO**

**COUNCILMEMBER TOMMY GREENE**

**COUNCILMEMBER MARTY THOMAS**

**COUNCILMEMBER CALEB EDWARDS**

**COUNCILMEMBER TONYA GANTT**

**COUNCILMEMBER PATRICK LITTON**