CITY OF HENDERSONVILLE
CITY COUNCIL REGULAR MEETING

Operations Center - Assembly Room | 305 Williams St. | Hendersonville NC 28792
Wednesday, February 07, 2024 – 5:45 PM

AGENDA

1. CALL TO ORDER

2. INVOCATION AND PLEDGE OF ALLEGIANCE TO THE FLAG

3. PUBLIC COMMENT - *Up to 15 minutes is reserved for comments from the public not listed on the agenda.*

4. CONSIDERATION OF AGENDA

5. CONSENT AGENDA - *Items are considered routine, noncontroversial in nature and are considered approved by a single motion and vote.*

A. Adoption of City Council Minutes - *Jill Murray, City Clerk*

January 4, 2024 Regular Meeting

January 24 2024 Second Monthly Meeting

B. February 2024 Budget Amendments – *Adam Murr, Budget Manager*

C. Budget Amendments Mid-Year FY24 – *Jennifer Floyd, Budget and Management Analyst*

D. Annexation: Certificate of Sufficiency- 1019 Berkeley Rd (C24-3-ANX) – *Matthew Manley, AICP*

E. Acceptance of Gift from Frederick and Marilyn Young Revocable Trust for Health and Maintenance of Hendersonville Police Dogs – *Daniel Heyman, Staff Attorney*

F. Annexation: Certificate of Sufficiency- Upward Road & Old Spartanburg Road (Jones) (C23-97-ANX) – *Tyler Morrow, Planner II*

G. Selection of Auditor for Fiscal Year 2024 – *John Buchanan, Finance Director*

6. PRESENTATIONS

A. Proclamation-Black History Month - Barbara Volk, Mayor

B. Presentation of Certificate of Membership to AARP Network of Age-Friendly Communities – *Rebecca Chaplin | Associate State Director, AARP NC Mountain Region*

C. Quarterly MVP Recipients – *John Connet, City Manager*

D. MVP of the Year – *John Connet, City Manager*

7. PUBLIC HEARINGS

A. Rezoning: Standard Rezoning –116 Stewart St (P23-96-RZO) –*Matthew Manley, AICP / Strategic Projects Manager*

B. Rezoning: Standard Rezoning–799 S. Grove Street (P23-95-RZO) –*Tyler Morrow, Planner II*

8. NEW BUSINESS

A. Creation of an Affordable Housing Steering Committee – *Lyndsey Simpson, Council Member*

9. BOARDS/COMMISSIONS/COMMITTEE APPOINTMENTS

A. Appointment of Alternate Member of Community Advisory Committee (CAC) for Comprehensive Plan – *Matthew Manley, AICP | Strategic Projects Planner*

10. CITY COUNCIL COMMENTS

11. CITY MANAGER REPORT - John F. Connet, City Manager

A. Cash and Investment Report – *John Buchanan, Finance Director*

B. January 2024 Contingency and Adjustment Report – *John Connet, City Manager*

12. CLOSED SESSION

A. Closed Session – *John Connet, City Manager*

13. ADJOURN

The City of Hendersonville is committed to providing accessible facilities, programs and services for all people in compliance with the Americans with Disabilities Act (ADA). Should you need assistance or an accommodation for this meeting please contact the City Clerk no later than 24 hours prior to the meeting at 697-3005.

MINUTES

January 4, 2024

REGULAR MEETING OF THE CITY COUNCIL

CITY OPERATIONS CENTER | 305 WILLIAMS ST. | 5:45 p.m.

Present: Mayor Barbara G. Volk, Mayor Pro Tem Lyndsey Simpson and Council Members: Dr. Jennifer Hensley, Debbie O'Neal-Roundtree and Jeff Miller

Staff Present: City Manager John F. Connet, City Clerk Jill Murray, City Attorney Angela Beeker, Communications Manager Allison Justus, Budget Manager Adam Murr, and others

Absent: Assistant City Manager Brian Pahle

1. CALL TO ORDER

Mayor Volk called the meeting to order at 5:45 p.m. and welcomed those in attendance. A quorum was established with all members in attendance

2. INVOCATION AND PLEDGE OF ALLEGIANCE TO THE FLAG

The City Council observed a moment of silence for prayer or reflection followed by the Pledge of Allegiance to the Flag.

3. PUBLIC COMMENT *Up to 15 minutes is reserved for comments from the public not listed on the agenda.*

In Person:

Eva Ritchey of 1928 Brevard Road, Hendersonville talked about safety and good planning. Hotels and motels rent blocks of rooms for weddings and such and when you provide commercial transportation, such as a 30 foot long bus like I drive. The plans for the hotels and motels do not take into consideration, the needs for a 30 foot bus. Upward Road for instance does not allow us to turn around safely because there's nowhere to turn around. We do love being able to use the parking deck and picking up people there. We need to keep this in mind as we are building new buildings.

Gina Baxter of 606 Hebron Road, Hendersonville spoke about the affordable housing steering committee and is definitely for it. A while back, I was able to meet with the Government Affairs Committee of the Builders Association of the Blue Ridge Mountains and when I told them about the housing crisis in Hendersonville, they suggested this type of steering committee. The goal would be to create a landing point for all of the ideas that come from so many different angles. My hope is that this committee will focus on making sure that people from all walks of life are heard. People who grew up here can't afford to live here and are looking in South Carolina. We've seen extreme growth and hopefully we'll get a local consultant who knows what's going on.

Jeff Groh of North Main Street, Hendersonville, spoke about the U.S. Constitution and the oath that each Council member took when they took their seats. He also spoke against DEI and asked that city council focus on providing basic city services addressing crime and homelessness and supporting businesses instead.

Corrine Mandell of North Main Street, Hendersonville spoke on homelessness and a man that broke into her house. The homeless problem is very real to me and the city has the obligation to discourage this behavior and not make policy choices that encourage it.

Patricia King of Candler spoke about her son that was murdered on November 24th in the parking lot of Orchard Bar and Grill and when she came on seen she was treated unfairly, arrested and thrown in jail. Overall the treatment we get as humans should be the same. I just wanted to see if my son was ok and I didn't get to spend that last moment with him. These types of things need to be addressed. I was arrested but the man who murdered my son was not. Something needs to change.

Tranace Timmons of Asheville spoke about her brother, Elijah Timmons, who was killed the day after Thanksgiving and how her family doesn't feel like they can reach out to the police. They mistreated us when we were on scene and his case should have been handled better than it was. I just want justice for my brother.

Lynne Williams of 309 Chadwick Avenue, first asked for a moment of silence for the woman who lost her son. After that, she spoke about land preservation. She also requested that the agenda packet go out sooner so there is time to look over everything and prepare. The City Clerk responded with the timeline of when the packet actually goes out, which is the Friday before the meeting and a final agenda goes up the Wednesday before the meeting. The City Attorney explained that the only legal requirement is to publish the schedule of regular meetings when it is adopted for the year and there is no legal requirement to post an agenda at all but of course, we do.

4. CONSIDERATION OF AGENDA

Council Member Debbie O'Neal-Roundtree moved that City Council approve the agenda as presented. A unanimous vote of the Council followed. Motion carried.

5. CONSENT AGENDA

Council Member Lyndsey Simpson moved that City Council approve the consent agenda as presented. A unanimous vote of the Council followed. Motion carried.

A. Adoption of City Council Minutes – *Jill Murray, City Clerk*

November 2, 2023 Regular Meeting
November 20, 2023 Second Monthly Meeting
December 7, 2023 Regular Meeting
December 14, 2023 Second Monthly Meeting

B. Sole Source Justification of Filter Underdrain, Air Scour, and Valve Actuator Equipment for the Water Treatment Facility *– Devin Owen, Utilities Engineer*

Resolution #R-24-01

RESOLUTION BY THE CITY OF HENDERSONVILLE CITY COUNCIL TO AUTHORIZE THE SOLE-SOURCE SELECTION FILTER UNDERDRAIN, AIR SCOUR, AND VALVE ACTUATOR EQUIPMENT FOR THE WATER TREATMENT FACILITY 15-MGD FILTER EXPANSION PROJECT

WHEREAS, the City owns and operates a water treatment facility (WTF) that has a permitted capacity of 12 million gallons per day (mgd). Due to the current and projected future water demand, the City has begun designing an expansion to their WTF filters which will increase the capacity of the facility to 15-mgd. This involves the addition of a fifth dual-media filter system and associated piping, instrumentation, and appurtenances. The existing four (4) dual-media filter systems all utilize filter underdrains and air scour equipment manufactured by Roberts Filter Group, as well as valve actuators by AUMA Actuators, Inc.; and

WHEREAS, NCGS 143-129(e) lists the authorized exceptions to the formal bid procedures. NCGS 143-129(e)(6) allows for purchases of apparatus, supplies, materials, or equipment to be purchasing using sole-source exception when: (i) performance or price competition for a product are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration. The governing board of a political subdivision of the State shall approve the purchases listed in the preceding sentence prior to the award of the contract; and

WHEREAS, Utility Staff and project engineer, Hazen and Sawyer, D.P.C. are requesting to standardize on Filter Underdrain, Air Scour, and Valve Actuator equipment by asking that Council approve the sole source purchases of "Wheeler Bottom" Filter Underdrain and "Aries" Air Scour systems by Roberts Filter Group. As well as Motor-Actuated Butterfly Valve equipment by AUMA Actuators, Inc. This equipment has outperformed expectations in the years that it has been implemented at the WTF, and the standardization of such equipment will allow for the consolidation for spare parts inventory and tools as well as leverage existing operation and maintenance knowledge.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hendersonville, North Carolina that:

1. A soul-source selection of filter underdrain, and air scour equipment by Roberts Filter Group is authorized for the Water Treatment Facility 15-mgd Filter Expansion Project.

2. A soul-source selection of valve actuator equipment by AUMA Actuators, Inc. is authorized for the Water Treatment Facility 15-mgd Filter Expansion Project.

Adopted by the City Council of the City of Hendersonville, North Carolina on this 4th day of January, 2024.

/s/Barbara G. Volk, Mayor
Attest: /s/Jill Murray, City Clerk
Approved as to form: /s/Angela S. Beeker, City Attorney

C. Donation of Surplus Vehicle Shell to Blue Ridge Community College Educational Foundation, Inc. Pursuant t G.S. 160A-280 – *Tom Wooten, Public Works Director*

Resolution #R-24-02

**RESOLUTION BY THE CITY OF HENDERSONVILLE CITY COUNCIL AUTHORIZING DONATION OF PERSONAL PROPERTY TO BLUE RIDGE COMMUNITY COLLEGE EDUCATIONAL FOUNDATION, INC.
PURSUANT TO G.S. 160A-280**

WHEREAS, the City of Hendersonville owns a vehicle that is surplus and no longer able to be used in City service, more specifically a 2021 Dodge Durango Pursuit, VIN: 1C4SDJFT0MC792398; and

WHEREAS, G.S. § 160A-280 authorizes the City to donate personal property for nonmonetary consideration to any nonprofit organization incorporated by (i) the United States, (ii) the District of Columbia, or (iii) one of the United States, if the governing board deems the property to be surplus, obsolete, or unused; and

WHEREAS, the vehicle described above has been disassembled, the estimated value of the remaining shell is $200.00 as scrap metal; and

WHEREAS, City of Hendersonville has determined that the vehicle described above is surplus and unused; and

WHEREAS, Blue Ridge Community College Educational Foundation, Inc. is a North Carolina nonprofit corporation; and

WHEREAS, In accordance with the notice requirements of G.S. § 160A-280, public notice of this resolution was given by posting on the City website at least five days prior to the adoption of this resolution.

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Hendersonville resolves that:

1. The 2021 Dodge Durango Pursuit, VIN: 1C4SDJFT0MC792398 is deemed surplus and unused and approved to be donated in accordance with G.S. § 160A-280.

2. The City Manager is authorized to execute all documents necessary to donate the 2021 Dodge Durango Pursuit, VIN: 1C4SDJFT0MC792398 to Blue Ridge Community College Educational Foundation, Inc.

Adopted by the City Council of the City of Hendersonville, North Carolina on this 4th day of January, 2024.

/s/Barbara G. Volk, Mayor
Attest: /s/Jill Murray, City Clerk
Approved as to form: /s/Angela S. Beeker, City Attorney

D. Utility Extension Agreement for the Ingles 140 – *Adela Gutierrez- Ramirez, Civil Engineer*

Resolution #R-24-03

RESOLUTION BY THE CITY OF HENDERSONVILLE CITY COUNCIL TO AUTHORIZE THE CITY MANAGER TO ENTER INTO A UTILITY EXTENSION AGREEMENT WITH INGLES FLETCHER EXCHANGE, LLC FOR THE INGLES 140

WHEREAS, the City of Hendersonville owns, operates and maintains water system to serve customers throughout Henderson County; and

WHEREAS, residential, commercial, and industrial developments often require public water service as a part of their development projects; and

WHEREAS, the Developer extends public water lines to their site, which upon completion and acceptance, are provided to the City to own, operate, and maintain; and

WHEREAS, the City requires a Utility Extension Agreement to be executed to establish requirements of both the Developer and the City for the water line extension process; and

WHEREAS, Ingles Fletcher Exchange, LLC, the "Developer" and "Owner", will enter into a Utility Extension Agreement with the City to provide water service to Ingles 140.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hendersonville, North Carolina that:

1. The Utility Extension Agreement with Ingles Fletcher Exchange, LLC, the "Developer" and "Owner" to provide water service to the Ingles 140 is approved, as presented.
2. City Manager is authorized to execute the Utility Extension Agreement, and to approve and execute amendments to the Utility Extension Agreement in the future provided such amendments do not impose a financial obligation upon the City.
3. City Manager is authorized to acquire easements, rights-of-way, and other interests in real property consistent with the terms of the Utility Extension Agreement, provided that such acquisition does not impose a financial obligation upon the City.

Adopted by the City Council of the City of Hendersonville, North Carolina on this 4th day of January, 2024.

/s/Barbara G. Volk, Mayor
Attest: /s/Jill Murray, City Clerk
Approved as to form: /s/Angela S. Beeker, City Attorney

E. January 2024 Budget Amendments – *Adam Murr, Budget Manager*

TO MAYOR & COUNCIL
APPROVAL: January 04, 2024

FISCAL YEAR 2024
FORM: 01042024-01

BUDGET AMENDMENT

FUND 010 | 199

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	EXISTING BUDGET	INCREASE	DECREASE	REVISED BUDGET
010-0000-470900	Fund Balance Appropriated	2,816,519	100,000	-	2,916,519
010-0000-598901	Transfer Out (to Fund 199, #00100)	75,000	100,000	-	175,000
FUND 010	TOTAL REVENUES	2,816,519	100,000	-	2,916,519
	TOTAL EXPENDITURES	75,000	100,000	-	175,000
199-0000-470100-00100	Transfer In (from Fund 010)	-	100,000	-	100,000
199-1001-540001-00100	Special Appropriations (ARP-IAM food security)	-	100,000	-	100,000
FUND 199, #00100	TOTAL REVENUES	-	100,000	-	100,000
ARP Appropriations	TOTAL EXPENDITURES	-	100,000	-	100,000

An amendment continuing ARP Special Appropriation budget in FY24. This expenditure was budgeted originally in a project ordinance (multi-year budget); however, it is necessary to budget for the project annually in Fund 199. The ARP Appropriation budget was last amended in FY23, providing $400,000 for the Apple Ridge Project partnership. The $100,000 increase supports the d IAM Food Insecurity ($100,000) program.

The City Manager and City Clerk certify budget ordinance amendment 01042024-01 was approved by City Council on January 04, 2024.

TO MAYOR & COUNCIL
APPROVAL: January 04, 2024

FISCAL YEAR 2024
FORM: 01042024-02

BUDGET AMENDMENT

FUND 459 | 460

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	EXISTING BUDGET	INCREASE	DECREASE	REVISED BUDGET
459-0000-470900	Fund Balance Appropriated	-	6,750	-	6,750
459-0000-598901	Transfer Out (to 460)	-	6,750	-	6,750
FUND 459	TOTAL REVENUES	-	6,750	-	6,750
W&S Capital Reserve	TOTAL EXPENDITURES	-	6,750	-	6,750
460-0000-470100-19010	Transfer In (from 459)	-	6,750	-	6,750
460-0000-470010-19010	Debt Proceeds (2023 Revenue Bond)	1,103,929	-	-	1,103,929
460-1014-550103-19010	Capital Outlay - CIP	1,103,929	6,750	-	1,110,679
FUND 460 (#19010)	TOTAL REVENUES	1,103,929	6,750	-	1,110,679
North Fork	TOTAL EXPENDITURES	1,103,929	6,750	-	1,110,679

An amendment transferring $6,750 of available fund balance from the W&S Capital Reserve Fund (459) to the W&S Capital Project Fund for the completion of the North Fork Dredging project. The transfer in brings the total project appropriation to $1,110,679.

The City Manager and City Clerk certify budget ordinance amendment 01042024-02 was approved by City Council on January 04, 2024.

TO MAYOR & COUNCIL
APPROVAL: January 04, 2024

FISCAL YEAR 2024
FORM: 01042024-03

BUDGET AMENDMENT

FUND 459 | 460

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	EXISTING BUDGET	INCREASE	DECREASE	REVISED BUDGET
459-0000-470900	Fund Balance Appropriated	-	48,000	-	48,000
459-0000-598901	Transfer Out (to 460)	-	48,000	-	48,000
FUND 459	TOTAL REVENUES	-	48,000	-	48,000
W&S Capital Reserve	TOTAL EXPENDITURES	-	48,000	-	48,000
460-0000-470100-23020	Transfer In (from 459)	145,000	48,000	-	193,000
460-1014-550103-23020	Capital Outlay - CIP	145,000	48,000	-	193,000
FUND 460 (#23020)	TOTAL REVENUES	145,000	48,000	-	193,000
WWTP Clarifier	TOTAL EXPENDITURES	145,000	48,000	-	193,000

An amendment transferring $48,000 of available fund balance from the W&S Capital Reserve Fund (459) to the W&S Capital Project Fund for the completion of the WWTP Clarifier project, #23020. The transfer in brings the total project appropriation to $193,000.

The City Manager and City Clerk certify budget ordinance amendment 01042024-03 was approved by City Council on January 04, 2024.

6. PRESENTATIONS

A. Awarding Badge and Service Side Arm to Captain Dale Patton – *Chief Blair Myhand*

Chief Myhand asked Mayor Volk to read the resolution aloud and Mayor Volk asked all members of Council if they approved it and they all did and they all congratulated Captain Patton.

Resolution #R-24-06

RESOLUTION TO RECOGNIZE DISTINGUISHED SERVICE TO THE CITY OF HENDERSONVILLE AND AWARDING OF SERVICE SIDE ARM

WHEREAS, North Carolina General Statutes 20-187.2 provides that retiring members of law enforcement agencies may receive, at the time of their retirement, the badge worn or carried by them during their service; and

WHEREAS, NCGS 20-187.2 further provides that the governing body of the governing law enforcement agency may, at its discretion, award to a retiring member their service side arm, at a price determined by such governing body, upon determining that the person receiving the weapon is not ineligible to own, possess, or receive a firearm under the provisions of State or federal law; and

WHEREAS, the City of Hendersonville hereby recognizes **27 years** of distinguished service as a law enforcement officer, and **20** years total as an employee by **Captain Dale Jude Patton** for the City of Hendersonville and its residents; and

WHEREAS, the City of Hendersonville wishes to recognize **Captain Dale Patton's** service in a manner that is customary for persons retiring from distinguished law enforcement service; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hendersonville that the City of Hendersonville hereby awards to **Captain Dale Jude Patton his service side arm**, **Glock model 19, 9 mm, serial number BMFZ888**, for a cost of $1.00 as determined in the Policy for the Granting of Badges and Service Side Arms for Sworn Law Enforcement Officers, as a token of appreciation for his many years of service and dedication to the City of Hendersonville and its residents.

Adopted by the City Council of the City of Hendersonville, North Carolina on this 4th day of January 2024.

/s/Barbara G. Volk, Mayor
Attest: /s/Jill Murray, City Clerk
Approved as to form: /s/Angela S. Beeker, City Attorney

B. Public Rail Passenger Service to WNC – *Clifford Meek and Martin Wheeler, Carolina Association for Passenger Trains President.*

Mr. Meek discussed bringing passenger rail service to Western North Carolina. The infrastructure money is funded every year and it will disappear at the end of the year if President Biden is not reelected. The FRA (Federal Railroad Administration) needs to figure out where this section of track will fit in with Amtrak's big scheme. Forty miles of the 60 is up for sale between Spartanburg and Zirconia and because it crosses the state line, it is an Amtrak project, not DOT. He would like someone from city council to contact the FRA about this matter.

Council Member Jennifer Hensley explained that she met with the French Broad MPO and Chuck Edwards in the middle of November asking for support of that railroad line. The City of Hendersonville only offered a letter of support for the Ashville to Raleigh line and Congressman Chuck Edwards had not voted against funding for that. We scheduled a follow-up meeting with him this spring. She added that all of the surrounding counties have followed suit and are all in to make it a rails-to-trails program.

7. PUBLIC HEARINGS

A. Annexation: Public Hearing Lakewood (Fowler) (C23-92-ANX) – *Matthew Manley AICP Strategic Projects Manager*

Matt Manley explained that the City of Hendersonville received a petition from Travis Fowler of Lakewood Hendersonville, LLC. for contiguous annexation of PINs 9579-38-2595, 9579-39-2060, 9579-29-0718 and 9579-19-2770 located at Lakewood Rd and Francis Rd that is approximately 59.42 acres. On December 7, 2024, City Council accepted the City Clerk's Certificate of Sufficiency for the petition submitted by Travis Fowler and set January 4th, 2024, as the date for the public hearing

Lakewood Rd @ Francis Rd
The Highland Apartments
(C23-92-ANX)

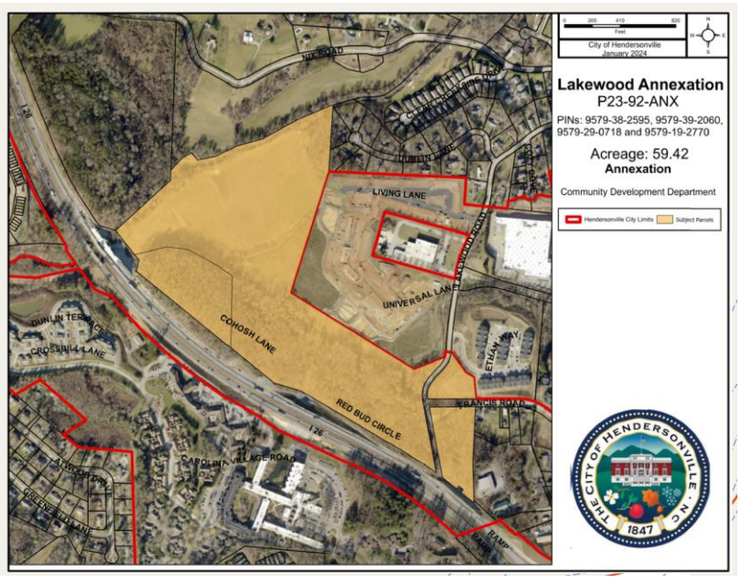
Contiguous Annexation Petition

City of Hendersonville City Council
January 4th, 2024

Community Development | Planning Division
Matthew Manley, AICP | Strategic Projects Manager

Background

- **Petitioner:**
  - Travis Fowler, Lakewood Hendersonville, LLC.
- **PINs**:
  - 9579-38-2595
  - 9579-39-2060
  - 9579-29-0718
  - 9579-19-2770
- **Acreage**:
  - 59.42 Acres

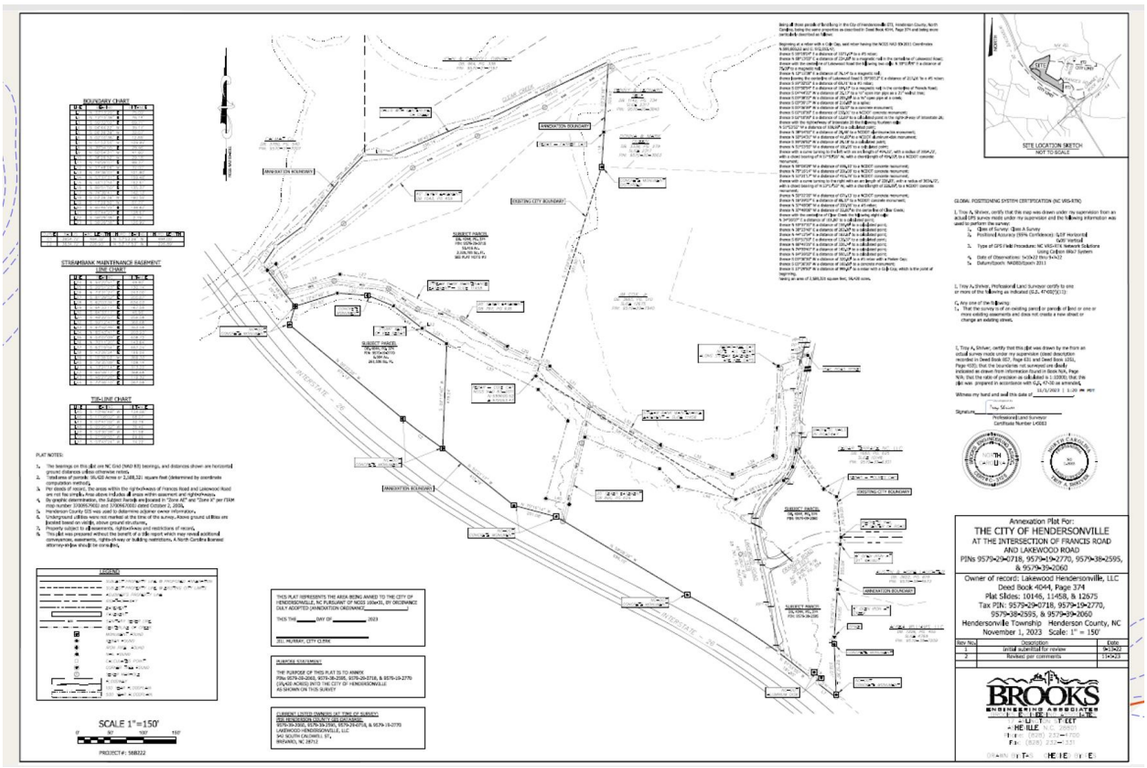


Motion for Approval

I move City Council adopt an ordinance of the City of Hendersonville to extend the Corporate Limits of the City as a contiguous annexation, to annex that property owned by Lakewood Hendersonville, LLC, identified as PINs 9579-38-2595, 9579-39-2060, 9579-29-0718 and 9579-19-2770, finding that the standards established by North Carolina General Statute 160A-31 have been satisfied and that the annexation is in the best interest of the City.

Motion for Denial

I move that City Council deny the petition received from Travis Fowler, requesting the annexation of that property having PINs 9579-38-2595, 9579-39-2060, 9579-29-0718 and 9579-19-2770.



The public hearing was opened at 6:32 p.m.

There were no public comments.

The public hearing was closed at 6:32 p.m.

Council Member Jennifer Hensley moved that City Council adopt an ordinance of the City of Hendersonville to extend the Corporate Limits of the City as a contiguous annexation, to annex that property owned by Lakewood Hendersonville, LLC, identified as PINs 9579-38-2595, 9579-39-2060, 9579-29-0718 and 9579-19-2770, finding that the standards established by North Carolina General Statute 160A-31 have been satisfied and that the annexation is in the best interest of the City. A unanimous vote of the Council followed. Motion carried.

Ordinance #O-24-01

AN ORDINANCE OF THE CITY OF HENDERSONVILLE CITY COUNCIL TO EXTEND THE CORPORATE LIMITS OF THE CITY AS A CONTIGUOUS ANNEXATION

IN RE: Petition for Contiguous Annexation
Parcel Number: 9579-38-2595, 9579-39-2060, 9579-29-0718 & 9579-19-2770 The Highland-Lakewood (File# C23-92-ANX)

WHEREAS, The City of Hendersonville has been petitioned by Travis Fowler of Lakewood Hendersonville, LLC, pursuant to North Carolina General Statutes (NCGS) 160A-31, as amended, to annex the area described herein below; and

WHEREAS, the City Clerk has investigated and certified the sufficiency of said petition; and,

WHEREAS, a public hearing on the question of this annexation was held at 305 Williams Street (City Operations Center), Hendersonville, NC at 5:45 pm, on the 4th day of January 2024, after due notice by publication as provided by law on December 24, 2023 and December 31, 2023; and

WHEREAS, the City Council further finds the areas described therein meets the standards of N.C. G.S. 160A-31.

WHEREAS, the City further finds that the petition has been signed by all the owners of real property in the area who are required by law to sign; and

WHEREAS, the City further finds that the petition is otherwise valid, and that the public health, safety and welfare of the City and of the area proposed for annexation will be best served by annexing the area described;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Hendersonville, North Carolina that:

1: By virtue of the authority granted by N.C.G.S. 160A-31, as amended, the following described contiguous area is hereby annexed and made part of the City of Hendersonville as of the 4th day of January 2024.

Being all of that real property consisting of PINs 9579-38-2595, 9579-39-2060, 9579-29-0718 & 9579-19-2770 described in the plat recorded in Book 2023- ____ [to be inserted at recording of the plat] of the Henderson County Registry, said PINs 9579-38-2595, 9579-39-2060, 9579-29-0718 & 9579-19-2770 being described by metes and bounds as follows:

Beginning at a rebar with a Cole Cap, said rebar having the NCGS NAD 83-2011 Coordinates N:599,600.52 and E: 972,053.47;
thence S 58°19'04" E a distance of 1071.47' to a #5 rebar;
thence N 68°13'03" E a distance of 234.68' to a magnetic nail in the centerline of Lakewood Road;
thence with the centerline of Lakewood Road the following two calls: N 33°13'29" E a distance of 75.09' to a magnetic nail;
thence N 12°15'38" E a distance of 76.14' to a magnetic nail;
thence leaving the centerline of Lakewood Road S 35°38'12" E a distance of 217.16 'to a #5 rebar;
thence S 59°32'02" E a distance of 69.71' to a #5 rebar;
thence S 05°50'54" E a distance of 184.17' to a magnetic nail in the centerline of Francis Road;
thence S 04°44'22" W a distance of 35.17' to a ½" open iron pipe as a 21" walnut tree;
thence S 03°38'22" W a distance of 205.09' to a ½" open pipe at a creek;
thence S 03°39'17" W a distance of 216.85' to a spike;
thence S 00°36'39" W a distance of 32.07' to a concrete monument;
thence S 02°10'36" E a distance of 232.01' to a NCDOT concrete monument;
thence S 02°10'36" E a distance of 12.69' to a calculated point in the right-of-way of Interstate 26;
thence with the right-of-way of Interstate 26 the following fourteen calls:
N 51°53'55" W a distance of 109.99' to a calculated point;
thence N 38°54'55" E a distance of 28.46' to a NCDOT aluminum-disk monument;
thence N 50°54'31" W a distance of 41.60' to a NCDOT aluminum-disk monument;
thence S 38°26'52" W a distance of 29.18' to a calculated point;
thence N 51°53'55" W a distance of 181.95' to a calculated point;
thence with a curve turning to the left with an arc length of 494.32', with a radius of 3954.72', with a chord bearing of N 57°53'26" W, with a chord length of 494.00', to a NCDOT concrete monument;
thence N 59°08'29" W a distance of 696.10' to a NCDOT concrete monument;
thence N 75°16'14" W a distance of 201.08' to a NCDOT concrete monument;
thence N 51°21'17" W a distance of 415.79' to a NCDOT concrete monument;
thence with a curve turning to the right with an arc length of 226.93', with a radius of 3634.72', with a chord bearing of N 53°17'53" W, with a chord length of 226.89', to a NCDOT concrete monument;
thence N 50°22'20" W a distance of 671.13' to a NCDOT concrete monument;
thence N 16°29'07" E a distance of 88.37' to a NCDOT concrete monument;
thence N 37°48'06" W a distance of 207.56' to a #5 rebar;
thence N 37°48'06" W a distance of 32.00' to the centerline of Clear Creek;
thence with the centerline of Clear Creek the following eight calls:
N 34°36'07" E a distance of 101.80' to a calculated point;
thence N 53°37'31" E a distance of 159.48' to a calculated point;
thence N 38°23'40" E a distance of 263.30' to a calculated point;
thence N 44°12'54" E a distance of 162.61' to a calculated point;
thence S 89°51'50" E a distance of 135.37' to a calculated point;
thence N 66°45'25" E a distance of 336.74' to a calculated point;
thence N 74°39'41" E a distance of 142.13' to a calculated point;
thence N 64°26'02" E a distance of 590.12' to a calculated point;
thence S 03°36'36" W a distance of 320.62' to a #5 rebar with a Parker Cap;
thence S 03°36'36" W a distance of 160.56' to a concrete monument;
thence S 17°29'50" W a distance of 999.67' to a rebar with a Cole Cap; which is the point of beginning, having an area of 2,588,321 square feet, 59.420 acres.

2: Upon and after the 4th day of January 2024, the above-described territory, and its citizens and property shall be subject to all debts, laws, ordinances, and regulations in force in the City of Hendersonville and shall be

entitled to the same privileges and benefits as other parts of the City of Hendersonville. Said territory shall be subject to municipal taxes according to NCGS 160A- 58.10, as amended.

3. The Mayor of the City of Hendersonville shall cause to be recorded in the office of the Register of Deeds of Henderson County and at the Office of the Secretary of State in Raleigh, North Carolina, an accurate map of the annexed territory, described in Section 1, above, together with a duly certified copy of this ordinance. Such a map shall also be delivered to the Henderson County Board of Elections, as required by G. S. 163-288.1.

Adopted by the City Council of the City of Hendersonville, North Carolina on this 4th day of January, 2024.

/s/Barbara G. Volk, Mayor
Attest: /s/Jill Murray, City Clerk
Approved as to form: /s/Angela S. Beeker, City Attorney

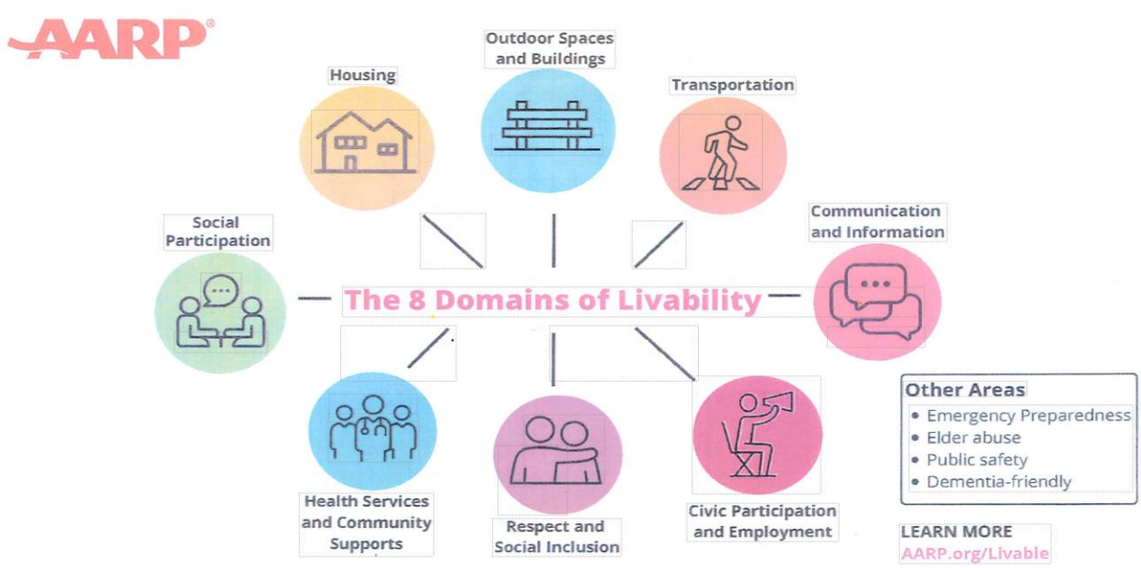
8. <u>UNFINISHED BUSINESS</u> - None

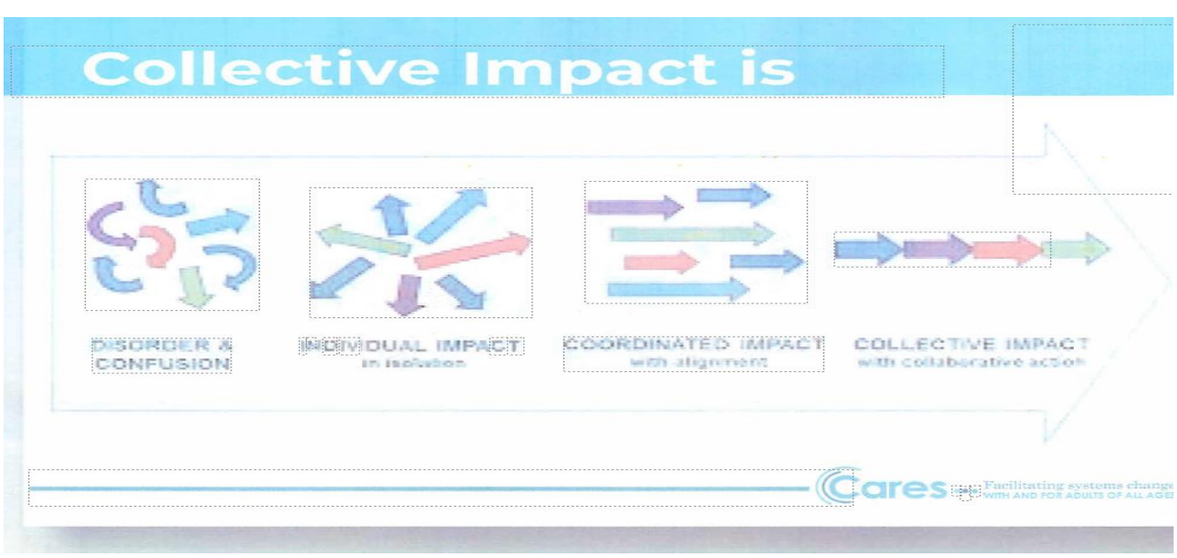
9. <u>NEW BUSINESS</u>

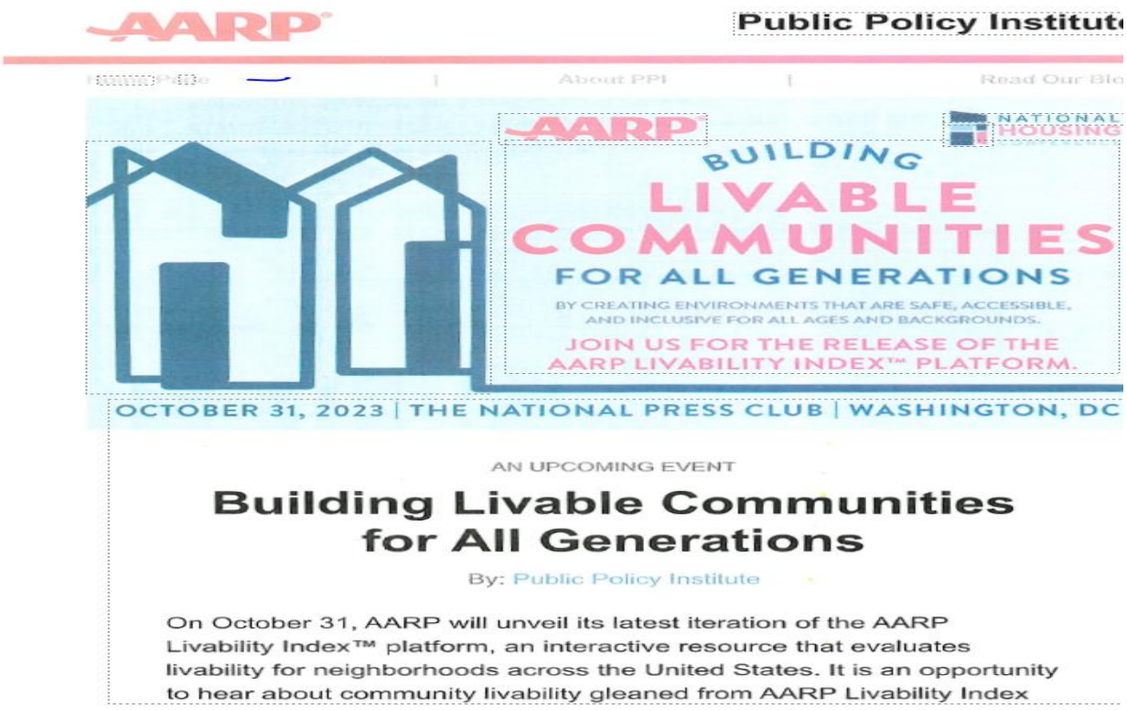
A. AARP Livable Community Designation – *Matthew Manley, Special Projects Manager*

Matt Manley explained that the City of Hendersonville aims to build upon efforts to be age-friendly through the approval and implementation of its long-term plans. The City's Pedestrian Plan, called "*Walk Hendo*", was adopted on December 7th, 2023. It will help make the community pedestrian-friendly by providing safer sidewalks and walkable connections - like those funded by the AARP Community Challenge Grant that was awarded to the Friends of Downtown Hendersonville in 2021. Through these initiatives, seniors will have greater mobility throughout the city. The pursuit of the Livable Community designation allows us to formally recognize this commitment to improving our community for our older population.

Mr. Steve Studebaker spoke briefly about AARP Livable Communities.







data. Discover its enhanced functionalities and explore how individuals and families can leverage this resource to relocate to a new community or to help their aging family members find a neighborhood that supports their specific needs. The event takes place both online and in-person in Washington, DC. Registration is free, however seating is limited.

Co-sponsored by AARP and the National Housing Conference, the event includes a discussion that will delve deep into the principles of livable communities, exploring how they enhance personal independence, allow individuals to age comfortably and safely in their homes, and provide opportunities for all residents, regardless of background and ability, to engage fully in civic, economic, and social life. It will feature experts and community leaders discussing innovative strategies and best practices that can transform neighborhoods, towns, and cities into thriving, inclusive spaces where everyone can flourish.

Council Member Jeff Miller moved that the City of Hendersonville City Council adopt a resolution in support of our pursuit of designation as an AARP Livable Community. A unanimous vote of the Council followed. Motion carried.

Resolution #R-24-04

RESOLUTION BY THE CITY OF HENDERSONVILLE CITY COUNCIL TO APPROVE THE AARP LIVABLE COMMUITIES APPLICATION

WHEREAS, the City of Hendersonville is desirous to better serve our elderly population by growing and improving the City to become more age friendly; and

WHEREAS, Hendersonville is dedicated to the success of our elderly population by helping them successfully participate in a civic, economic, and social life; and

WHEREAS, it would be an honor to become part of the AARP Livable Communities Network; and

WHEREAS, with the passage of Hendersonville's *Walk Hendo Pedestrian Plan*, and alongside the development of our *2045 "Gen H" Comprehensive Plan*, we are committed to improving the lives of our elderly population.

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HENDERSONVILLE, NORTH CAROLINA that:

3. The City of Hendersonville will pursue designation as an AARP Livable Community and become an active and engaged member of the AARP Age-Friendly Network.

4. The City of Hendersonville will maintain a staff liaison to the Henderson County Aging Coalition and continue to support the work of those community partners that are actively working with our senior population.

5. The City of Hendersonville will implement Gen H and Walk Hendo while engaging the public to gain adequate responses on the effectiveness of our plans.

6. The City of Hendersonville will evaluate our performance and progress with annual updates on the status of goals and objectives of Gen H and Walk Hendo and these updates will be shared with our community partners.

Adopted by the City Council of the City of Hendersonville, North Carolina on this 4th day of January, 2024.

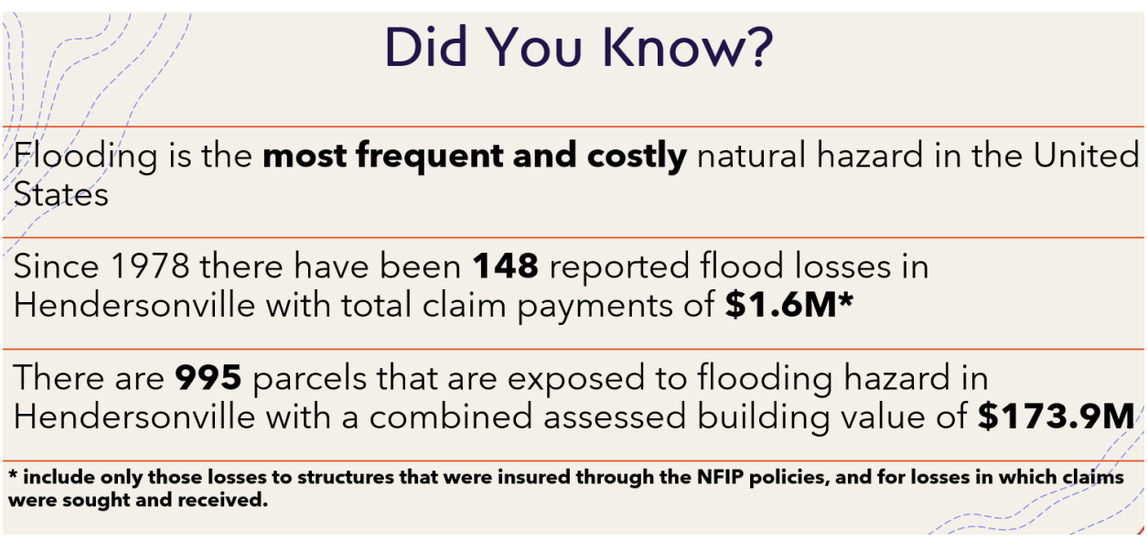
/s/Barbara G. Volk, Mayor
Attest: /s/Jill Murray, City Clerk
Approved as to form: /s/Angela S. Beeker, City Attorney

B. Presentation and Discussion of the FEMA Community Rating System – *Michael Huffman, Stormwater Division Manager*

Mike Huffman explained that the City of Hendersonville is a participating community in the National Flood Insurance Program. The National Flood Insurance Program (NFIP) enables property owners in participating communities to purchase flood insurance. In return, communities agree to adopt and implement local floodplain management regulations that contribute to protecting lives and reducing the risk of new construction and substantial improvements from future flooding. The Community Rating System (CRS) is a voluntary incentive program that recognizes and encourages community floodplain management practices that exceed the minimum requirements of the National Flood Insurance Program (NFIP). In CRS communities, flood insurance premium rates are discounted to reflect the reduced flood risk resulting from the community's efforts that address the three goals of the program:

- Reduce and avoid flood damage to insurable property
- Strengthen and support the insurance aspects of the National Flood Insurance Program
- Foster comprehensive floodplain management

The City of Hendersonville Floodplain management staff would like to initiate the process of becoming a CRS community. The first requirement for participation is the submittal of a Letter of Interest to the FEMA regional office. This letter must be executed by the Chief Executive Officer of the organization, in this case, the City Manager.

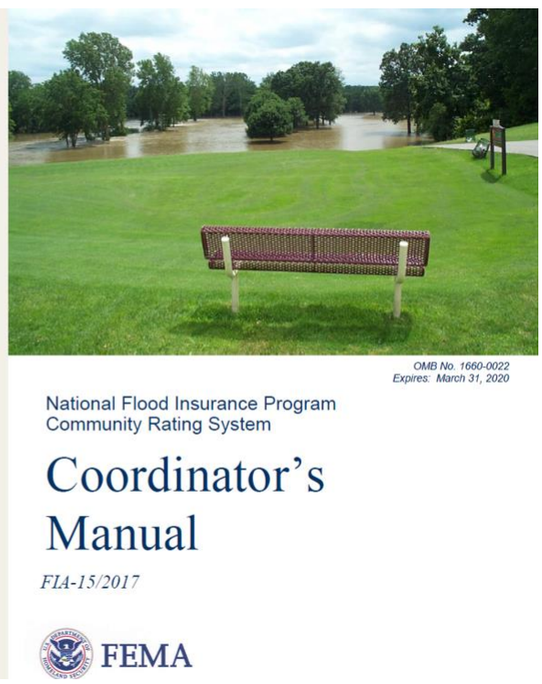


National Flood Insurance Program

+ Established under the National Flood Insurance Act of 1968
+ Administered by FEMA
+ Voluntary Federal Program
+ Enables property owners in participating communities to purchase insurance against flood losses
+ To qualify for the NFIP, a community adopts and enforces a floodplain management ordinance to regulate development in flood hazard areas.

Community Rating System (CRS)

+ Voluntary incentive program through National Flood Insurance Program (NFIP)
+ Rewards communities that exceed NFIP minimum floodplain management standards



Goals of the CRS

+ Reduce and avoid flood damage to insurable property
+ Strengthen and support the insurance aspects of the NFIP
+ Encourage comprehensive floodplain and stormwater management

Benefits of the CRS

- Financial Compensation
  - Reduced Flood losses
  - Lower flood insurance premiums
- Safe & Resilient Communities
  - Enhanced public safety
  - Environmental protection
- Support & Recognition
  - Community Engagement
  - State and Federal Technical Assistance

Cost to the Community

- No fee is charged for a community to apply for participation in the CRS
- Only costs the community incurs are those of implementing creditable floodplain management activities.
- Staff time needed to document those activities and prepare for and participate in the recertification process and verification visits.

Table 110-1. CRS classes, credit points, and premium discounts.

CRS Class	Credit Points (cT)	Premium Reduction	
		In SFHA	Outside SFHA
1	4,500+	45%	10%
2	4,000–4,499	40%	10%
3	3,500–3,999	35%	10%
4	3,000–3,499	30%	10%
5	2,500–2,999	25%	10%
6	2,000–2,499	20%	10%
7	1,500–1,999	15%	5%
8	1,000–1,499	10%	5%
9	500–999	5%	5%
10	0–499	0	0

SFHA: Zones A, AE, A1–A30, V, V1–V30, AO, and AH

Outside the SFHA: Zones X, B, C, A99, AR, and D

Preferred Risk Policies are not eligible for CRS premium discounts because they already have premiums lower than other policies. Preferred Risk Policies are available only in B, C, and X Zones for properties that are shown to have a minimal risk of flood damage.

Some minus-rated policies may not be eligible for CRS premium discounts.

Premium discounts are subject to change.

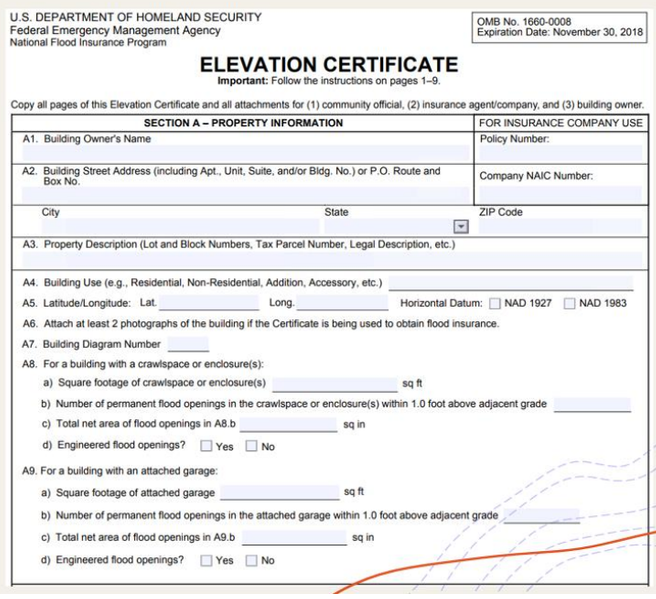
How does it work?

- Credit Points and Activities
  - A community receives a CRS classification based upon the total credit for its activities
- Credited Activities
  - Public Information
  - Mapping and Regulations
  - Flood Damage Reduction
  - Warning and Response

Community Requirements

- Been in the Regular Phase of the NFIP for at least one year
  - ✓ Hendersonville has been in the Regular Phase for 41 years
- Be in full compliance with NFIP
  - We will need to have a Community Assistance Visit to verify
    - Last CAV was closed in 2019

- Maintain FEMA Elevation Certificates on buildings in the SFHA
  - ✓ Our community has EC's on file
- Meet Repetitive Loss Criteria
  - ✓ Our community has 18 Repetitive Loss structures



U.S. DEPARTMENT OF HOMELAND SECURITY
Federal Emergency Management Agency
National Flood Insurance Program

OMB No. 1660-0008
Expiration Date: November 30, 2018

ELEVATION CERTIFICATE
Important: Follow the instructions on pages 1–9.

Copy all pages of this Elevation Certificate and all attachments for (1) community official, (2) insurance agent/company, and (3) building owner.

SECTION A – PROPERTY INFORMATION	FOR INSURANCE COMPANY USE
A1. Building Owner's Name	Policy Number:
A2. Building Street Address (including Apt., Unit, Suite, and/or Bldg. No.) or P.O. Route and Box No.	Company NAIC Number:
City / State / ZIP Code	
A3. Property Description (Lot and Block Numbers, Tax Parcel Number, Legal Description, etc.)	

A4. Building Use (e.g., Residential, Non-Residential, Addition, Accessory, etc.)
A5. Latitude/Longitude: Lat. Long. Horizontal Datum: ☐ NAD 1927 ☐ NAD 1983
A6. Attach at least 2 photographs of the building if the Certificate is being used to obtain flood insurance.
A7. Building Diagram Number
A8. For a building with a crawlspace or enclosure(s):
a) Square footage of crawlspace or enclosure(s) sq ft
b) Number of permanent flood openings in the crawlspace or enclosure(s) within 1.0 foot above adjacent grade
c) Total net area of flood openings in A8.b sq in
d) Engineered flood openings? ☐ Yes ☐ No
A9. For a building with an attached garage:
a) Square footage of attached garage sq ft
b) Number of permanent flood openings in the attached garage within 1.0 foot above adjacent grade
c) Total net area of flood openings in A9.b sq in
d) Engineered flood openings? ☐ Yes ☐ No

- Maintain Flood Insurance policies on community-owned buildings in the SFHA
  - ✓ We do have insurance on our buildings
- Demonstrate enough points to obtain Class 9
  - ✓ A review of credited activities shows that we do would qualify for at least class 9 (5%)

This Photo by Unknown Author is licensed under CC BY-ND

Next Steps toward Participation

- Prepare CRS Documentation
  - Document Credited Activities
  - Review Community Data
- Schedule Community Assistance Visit
  - Prepare for CAV
  - Participate in CAV
- Submit Letter of Interest & Quick Check to FEMA Region IV

C. Sole Source Justification of Channeline GRP Box Culvert for the Highland Avenue Culvert Repair Project – *Michael Huffman, Stormwater Division Manager*

Highland Avenue Culvert Repair

City of Hendersonville City Council
January 4th, 2024

Stormwater Division
Michael Huffman CSM, CFM | Stormwater Division Manager

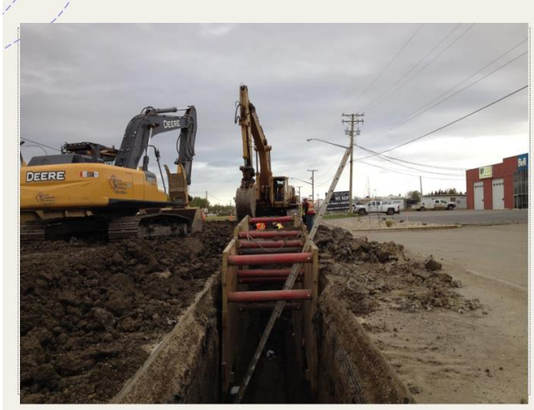
Highland Avenue Culvert

- 60′ long
- 50″ x 50″ Box Culvert
- Concrete and stacked stone
- Runs under Highland Ave. downstream of Cold Spring Park

Current Condition

Repair Options

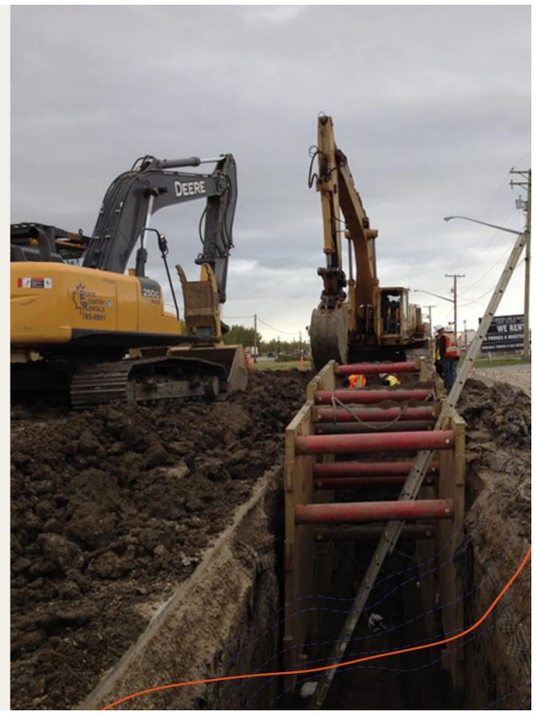
Dig and replace



Trenchless Approach (Liner Method)

Dig and Replace

- Requires road closure and repair
- Higher Cost
- Conflict with existing utilities
  - 4" Water line
  - 8" Clay sewer,
  - Gas etc.



Trenchless Approach (Liner Method)

- No need to close/repair roadway
- Avoid conflict with existing utilities
- Cost efficient
- Faster installation

Next Steps

- Based on a thorough review of the repair options staff is recommending the trenchless approach
- Requires purchase of Channeline GRP liner through DLVEWS
  - DLVEWS is the sole distributor of this product in the United States
  - Sole Source Justification has been submitted in the agenda for Council consideration
- Purchase liner and enter contract with qualified contractor
  - Vendor recommended contractor has been selected

D. Creation of an Affordable Housing Steering Committee – *Lyndsey Simpson, Council Member*

Council Member Lyndsey Simpson said that back in October, her, Angie, Tyler and Caitlyn went to a housing conference in Raleigh and one thing I noticed while I was there was that each city either had a department or a committee that worked on this and in order to move the housing strategic plan forward, I would like to see us form a steering committee. I'm thinking five members but no more than seven, with representatives of City Council being non-voting members on there and I was hoping to get that committee in place by our February meeting so that we can start looking for consultants for the housing strategic plan and get it moving along.

Consensus of Council is to move forward with creating an Affordable Housing Steering Committee and to have seven members plus two Council members and to get input from the public and private sectors as well. A unanimous vote of the Council followed. Motion carried.

10. BOARDS/COMMITTEES/COMMISSION

Firefighter Relief Fund
Council Member Lyndsey Simpson nominated Jeff Miller to serve on the Firefight Relief Fund. A unanimous vote of the Council followed. Motion carried.

Historic Preservation Committee

Council Member Jennifer Hensley nominated David McKinley for appointment to the Historic Preservation Committee. His term will expire in December, 2024. A unanimous vote of the Council followed. Motion carried.

Council Member Lyndsey Simpson nominated Xana Peltola for appointment to the Historic Preservation Committee. Her term will expire in December, 2026. A unanimous vote of the Council followed. Motion carried.

Council Member Jennifer Hensley nominated John Falvo for reappointment to his first three-year term to the Historic Preservation Committee. His term will expire in December, 2026. A unanimous vote of the Council followed. Motion carried.

11. CITY MANAGER REPORT – *John F. Connet, City Manager*

A. December 2023 Contingency and Adjustment Report – *John Connet, City Manager*

In accordance with North Carolina General Statute (NCGS) 159-13(b) it is required that all expenditures resulting from a contingency appropriation budget be reported to the governing board at its next regular meeting and recorded in the minutes.

NCGS 159-15 permits the Budget Officer (City Manager), to transfer budget from one appropriation to another within the same fund, provided any such transfers are reported to the Governing Board. The City of Hendersonville refers to transfers of budget from one appropriation to another within the same fund as a "budget adjustment". City Council authorizes budget adjustments each year with the adoption of the annual budget ordinance (SECTION 4).

This agenda item serves to fulfill the reporting requirements of both NCGS 159-13(b) and 159-15 by providing City Council a summary of all amendments and adjustments occurring thus far in the fiscal year.

Surplus Items – Adam Steurer, Utilities Director

TO: John Connet, City Manager
John Buchanan, Finance Director

FROM: Adam Steurer, Utilities Director

DATE: 11/14/2023

RE: A Request for Declaration of Surplus Items

The following items are no longer in use by the city, and we are requesting that these items be declared surplus with the intent to sell them via Internet auction:

- **Asset 497: 1978 Massey Ferguson Tractor Model 230.** Diesel Engine with 3374 hours. Runs well but fuel is getting into the oil. Machine must be turned off for PTO to be engaged. The machine itself is in good condition but has some scratches on the seat. **Listing Price: $1,000. Estimated Sell Price: $2,500**
- **Asset 579: Sweepster industrial sweeper**. Inventory ID: 42-06. Model S32C7. Serial number: 0110023. In good working condition. **Listing Price: $300. Estimated Sell Price: $500**
- **Asset 580: Cummins Onan Generator (missing enclosure).** Model: 55HGSAE-2131. Serial Number: A010195497. 3773.9 hours. Will crank and run with the aid of starting fluid. 120 volts each circuit. Has code 36C. Stopped without fault condition. Suspect fuel pump or carburetor is clogged. Approximately 3'. **Listing Price: $200. Estimated Sell Price: $200**
- **Asset 581: 2005 Chevrolet 2500**. Inventory ID: 17-15 VIN: 1GBJC34205E293549. 132,766 miles. In good condition/is drivable. Leather and cloth interior. The interior has a few rips and scratches. Floors are worn and slightly damaged. **Listing Price: $ 3,000. Estimated Sell Price: $4,000**.
- **Asset 583: Ford Tractor with Front Loader and Bush Hog Model 1715**. Inventory ID: 42-02. Serial number UK22392. 5330 hours. Tractor and front loader have some rusting on exterior and cracks in front tire rims but otherwise in good condition. Bush hog is a Woods Bushbull Extreme model BB600XC with a 60" cutter and slip clutch. Bush Hog Inventory ID: 68-07. **Listing Price: $3,000. Estimated Sell Price: $5,000**
- **Asset 584: 2012 Chevrolet Colorado.** Inventory ID: 15-21. VIN: 1GBGSBFE1C8143122. 148,579 miles. Has a service body and new battery. In good condition. Interior is worn (mostly on floorboards). **Listing Price: $3,000. Estimated Sell Price: $4,000**

305 Williams St.
Hendersonville, NC 28792-4461
www.hendersonvillenc.gov

- **Asset 586: Cummins White Onan Generator**. Model 55HGSAE-2131L. Serial Number: A190472807. Ran and produced 120 volts on each circuit. Ran 40 minutes with no issues. 5.5 kW. Approximately 3'. **Listing Price: $300. Estimated Sell Price: $300.**
- **Asset 587: Cummins Green Onan Generator.** Model 55HGSAE-2131E. Serial Number: A010195497. Hour meter is broken. Has code 32 (low cranking speed sensor) 5.5kW. Fault power production unknown. Approximately 3'. **Listing Price: $200. Estimated Sell Price: $200**.
- **Asset 588: 2013 Ford F-250 Cab and Chassis**. Inventory Number: 16-10. 6.7L Diesel engine.148,579 miles. Engine is not complete but will come with a box of the vehicle's parts. Interior is worn and slightly damaged. **Listing Price: $500. Estimated Sell Price: $1,500.**

B. All assets have been listed on GovDeals.com and are ready for review.

12. CITY COUNCIL COMMENTS - None

13. CLOSED SESSION

Council Member Lyndsey Simpson moved that City Council enter closed session pursuant to NCGS § 143-318.11 (a) (1) and (5) to prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes and 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. A unanimous vote of the Council followed.

14. ADJOURN

There being no further business, the meeting was adjourned at 7:21 p.m. upon unanimous assent of the Council.

_____
Barbara G. Volk, Mayor

ATTEST: _____
Jill Murray, City Clerk

MINUTES

January 24, 2024

SECOND MONTHLY MEETING OF THE CITY COUNCIL

CITY OPERATIONS CENTER | 305 WILLIAMS ST. | 4:00 p.m.

Present: Mayor Pro Tem Lyndsey Simpson and Council Members: Dr. Jennifer Hensley, Debbie O'Neal-Roundtree and Jeff Miller

Staff Present: City Manager John F. Connet, Assistant City Manager Brian Pahle, City Clerk Jill Murray, City Attorney Angela Beeker, Communications Coordinator Brandy Heatherly, Budget Manager Adam Murr, Public Services Director Brent Detwiler, Community Development Director Lew Holloway, Strategic Projects Manager Matthew Manley, and others.

Via Zoom: Mayor Barbara G. Volk
Lorna Allen, Bolton Menk Planning & Design Consultants
Ben Hitchings, Green Heron Planning
Meg Nealon, Nealon Planning

Consultants: Brenna Laffey, Design Workshop Planning Consultants
Kurt Culbertson, Design Workshop Planning Consultants

Planning Board: Tamara Peacock
Jim Robertson
Donna Waters

1. CALL TO ORDER

Mayor Pro Tem Lyndsey Simpson called the meeting to order at 4:02 p.m. and welcomed those in attendance. A quorum was established with all members in attendance, including Mayor Volk via Zoom.

2. CONSIDERATION OF AGENDA

Council Member Jennifer Hensley moved that City Council approve the agenda as presented. A unanimous vote of the Council followed. Motion carried.

3. PRESENTATIONS

A. Preliminary Presentation of Comprehensive Plan Recommendations – *Bolton Menk Planning and Design Consultants*

Matt Manley introduced Lorna Allen, Ben Hitchings and Meg Nealon who spoke via Zoom and showed the following PowerPoint Presentation.

PROJECT PHASES

PHASE ONE	PHASE TWO	PHASE THREE	PHASE FOUR
Issues and Opportunities Gathering Background Information Assembling Forecasts Interviewing Stakeholders Developing Public Engagement	**Vision and Goals + Growth and Conservation Framework** Organizing CAC Starting Public Engagement Launching Public Survey and Public Meetings	**Implementation Strategy** Building Vision Statements Exploring Growth Alternatives Developing Strategies and Actions Continuing Public Engagement Drafting Comp Plan	**Adoption** Engaging Community, Boards, and Stakeholders Finalizing the Plan by Project Management Team Reviewing and Public Hearing by Planning Board Reviewing/Adopting by City Council

Public Engagement

CONTENTS

- Draft Goals & Objectives
- Growth Options
- Land Use Options
  - Scenario A
  - Scenario B
- Character Areas
- What's Next

Goals & Objectives

DRAFT Goals

- Vibrant neighborhoods
- Abundant housing choices
- Healthy and accessible natural environment
- Authentic community character
- Safe streets and trails
- Reliable and accessible utility services
- Satisfying work opportunities
- Welcoming and inclusive community
- Accessible and available community uses and services
- Resilient community

DRAFT Goals & Objectives

- **Vibrant neighborhoods**
  - *Lively, engaged neighborhoods increase local safety.*
  - *Homes, streets, and public spaces are well-maintained.*
  - *The diversity ages (stage of life), income levels, and range of interests builds the long-term vitality of the community.*
  - *Through design, the places where people live are connected to nearby destinations, amenities, and services.*
- **Abundant housing choices**
  - *The availability of housing types (options) meets the needs of current and future residents.*
  - *The range of housing types helps maintain the affordability of Hendersonville.*
  - *Housing condition/quality exceeds minimum standards citywide.*
- **Healthy and accessible natural environment**
  - *Recreational (active and passive) open spaces are common elements in all forms of development*
  - *Water quality is improved with the conservation of natural areas that serve as filters and soil stabilizers.*
  - *Natural system capacity (floodplains for stormwater; habitats to support flora/fauna; tree canopy for air quality, stormwater management, and microclimate) is maintained.*
  - *Compact development form (infill, redevelopment) minimizes the ecological footprint.*
  - *New development respects working landscapes (e.g., orchards, managed forests), minimizing encroachment.*

DRAFT Goals & Objectives (cont'd)

- **Authentic community character**
  - *Downtown remains the heart of the community and the focal point of civic activity.*
  - *Gateways set the tone, presenting the image/brand of the community to all who enter.*
  - *Historic preservation is key to maintaining the city's identity.*
  - *Arts and cultural activities enhance the community while conveying its history and heritage.*
  - *Quality development ensures the city's centers and neighborhoods will endure for generations.*
  - *Local businesses enjoy community support that ensures their longevity.*
- **Safe streets and trails**
  - *Access is increased for all residents through the provision of facilities that promote safe walking, biking, transit, automobile, Mobility-as-a-Service (MaaS, e.g., Uber, Lyft, scooters, etc.)*
  - *Design embraces the principles of walkable development.*
  - *An extensive network of pedestrian facilities connects places where people live, work, learn, shop, play, and worship, making active living possible.*

DRAFT Goals & Objectives (cont'd)

- **Reliable and accessible utility services**
  - *Safe drinking water is a priority of the City.*
  - *Wastewater treatment (service and capacity) adequately serves existing and future development.*
  - *Broadband is expanded to all parts of the city, helping residents and business owners keep pace with an ever-changing world.*
  - *Renewable energy is made possible through public and private investments that work in concert with new development opportunities.*
  - *A compact service area (infill, redevelopment) maximizes the utilization of existing infrastructure and feasible service delivery.*
- **Satisfying work opportunities**
  - *Lucrative job options increase with the attraction and retention of employers.*
  - *Vocation-/career-building activities serve to educate/train the workforce while bolstering business recruitment efforts.*
  - *The lives of residents are enriched with opportunities to learn, build skills, and grow professionally.*
  - *Community volunteer opportunities help residents to engage, learn, and contribute in a meaningful way to the quality of life in the city.*
- **Welcoming and inclusive community**
  - *Respectful community dialogue is encouraged and modeled through leaders' behaviors.*
  - *An inviting public realm (i.e., parks, public buildings) reflects the attitudes of city residents and leaders, and helps residents develop a sense of place and attachment to Hendersonville.*
  - *Accessibility exceeds minimum standards of ADA, fostering residents' and visitors' sense of belonging.*

DRAFT Goals & Objectives (cont'd)

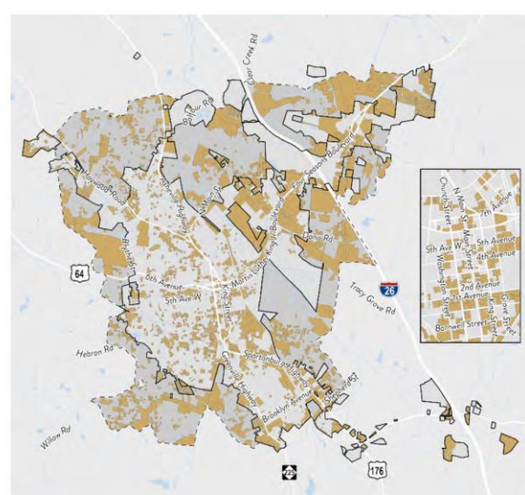
- **Accessible and available community uses and services**
  - *Private development, particularly retail establishments, restaurants, and entertainment venues, are plentiful, meeting the demands of current and future populations.*
  - *Hendersonville ranks highly among peer communities by exceeding community expectations for public facilities and services pertaining to sound/efficient government and civic engagement; education; active recreation; health and well-being; and public safety.*
- **Resilient community**
  - *Adaptation to a changing world (e.g., economic, technological, social, environmental) is a priority of City leaders.*
  - *Readiness through adequate preparation to manage external impacts is routinely integrated into City initiatives.*
  - *Recovery from adverse events (e.g., extreme weather event, natural hazards) stems form the City's commitment to providing sufficient resources.*
  - *A fiscally healthy government ensures the City's ability to function efficiently and remain competitive, particularly in the face of unexpected challenges.*

Growth Options

HOUSING GROWTH

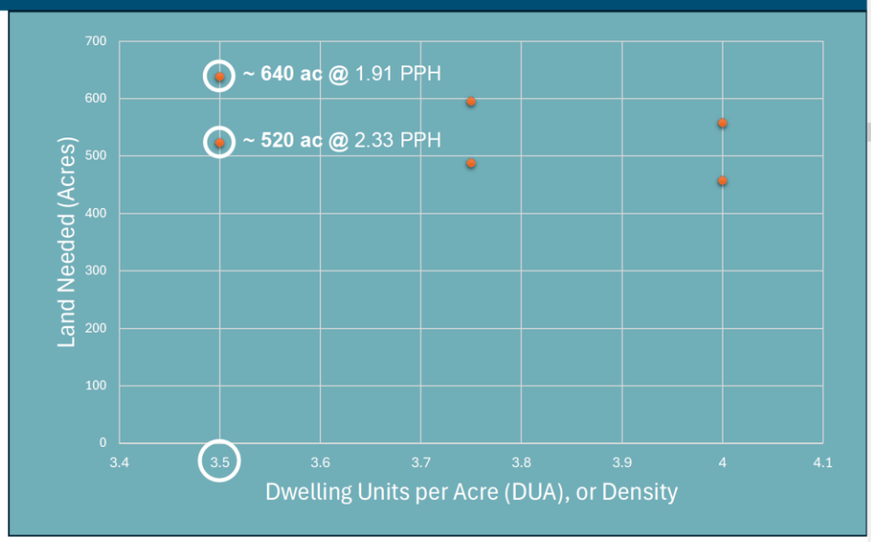
How much land is needed for new housing?

- The study area is comprised of 8,366 acres.
- The "land supply" encompasses 3,950 acres, or 47%.
- Vacant = 1,362 acres (16% of study area)
- **~ 2,200 units needed**
  - **HH size 1.91-2.33**
  - **Density @ 3.5 DUA**

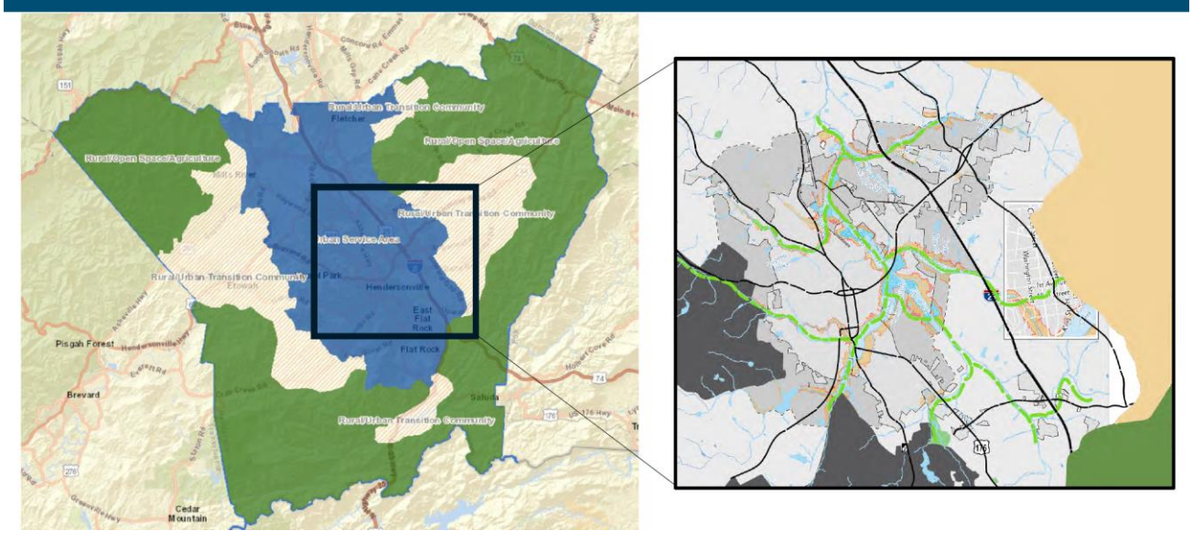


HOUSING GROWTH

~ 520 - 640 acres needed if residential density of City (3.5 DUA) is the same, and the household size is between 1.91 (City) and 2.33 (County)

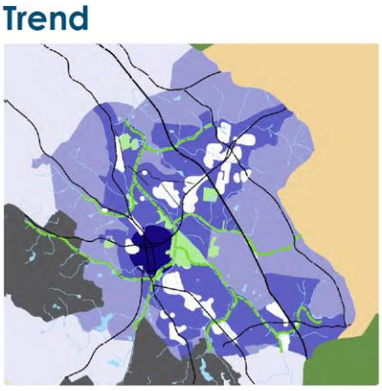


COUNTY CONTEXT



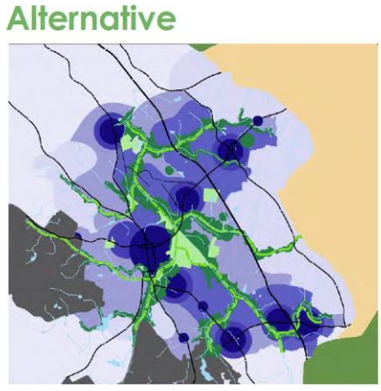
GROWTH OPTIONS

Trend



WHAT IF… The city builds out in all areas of the urban services area according to current trends?

Alternative



WHAT IF… Growth--and development--is generally confined to the existing development footprint and the gaps within it? And there is emphasis on redevelopment, infill, and adaptive reuse of structures?

Trend

Old field succession (passive):

uncontrolled growth, decline in vigor, lower productivity, diminished value, eventual death

Alternative

Selective pruning (proactive):

removal of "dead wood" (blight) and reducing competition (greenfield), healthy growth, increased productivity, stability

Trend

Old field succession (passive):

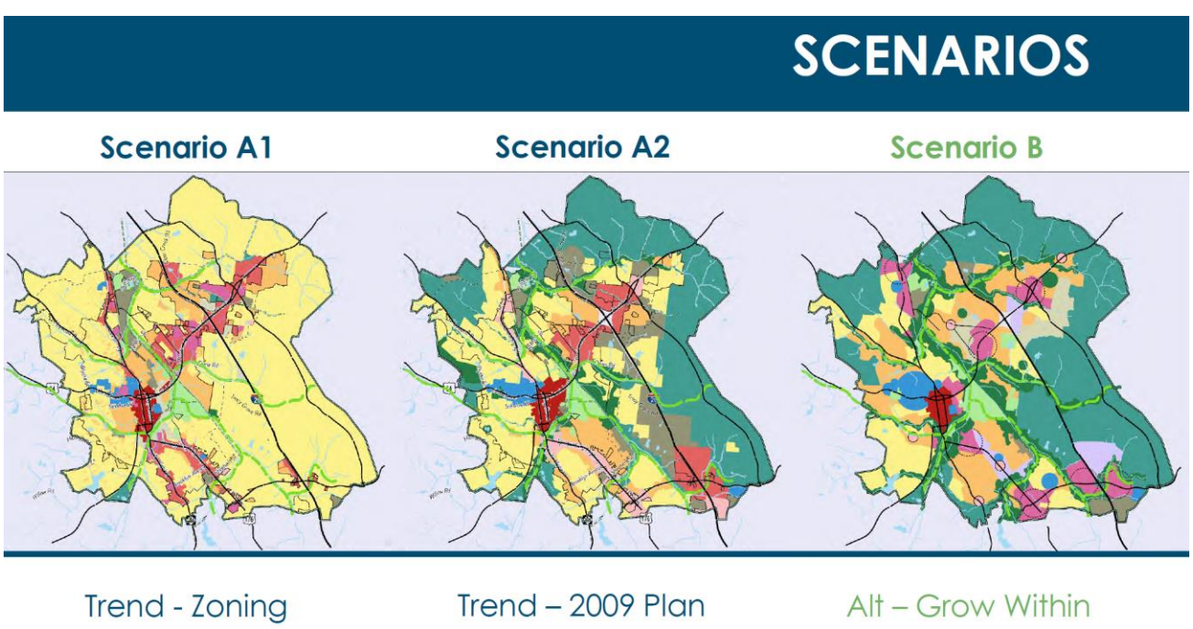
uncontrolled growth, decline in vigor, lower productivity, diminished value, eventual death

Alternative

Selective pruning (proactive):

removal of "dead wood" (blight) and reducing competition (greenfield), healthy growth, increased productivity, stability

Land Use Options

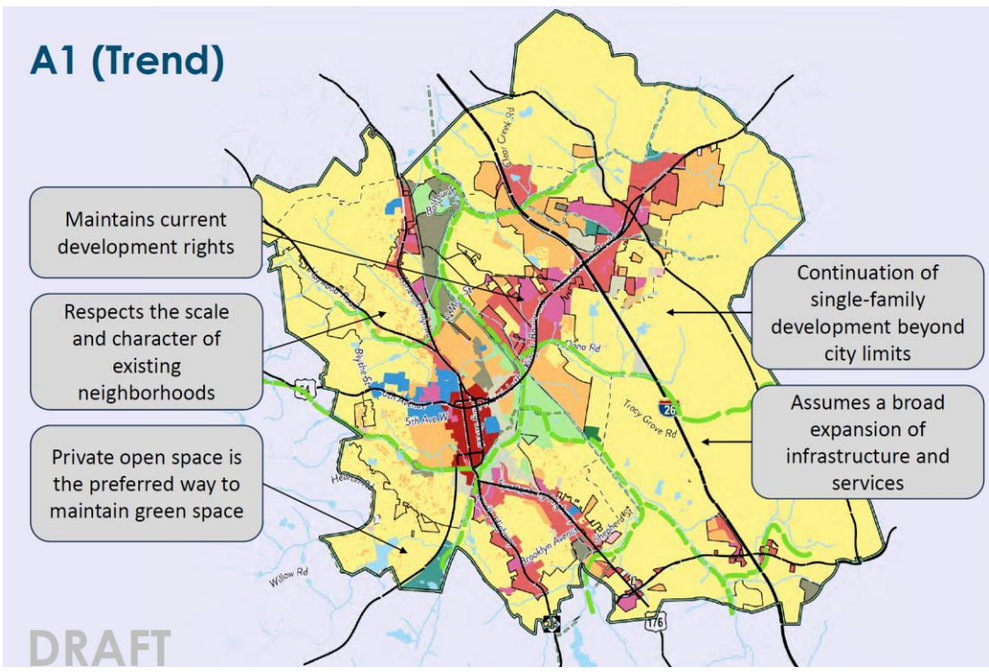


Proposed Character Areas

OPEN SPACE	LIVING	ACTIVITIES	EMPLOYMENT
OS-C Open Space - Conservation	**RR** Rural Residential Living	**DT** Downtown	**MX-E** Mixed Use - Employment
OS-R Open Space - Recreation	**FNL** Family/Neighborhood Living	**MX-C** Mixed Use - Commercial	**INST** Institutional
	MGL Multi-Generational Living	**NC** Neighborhood Center	**INV** Innovation
		SC Suburban Commercial Center	**PRO** Production

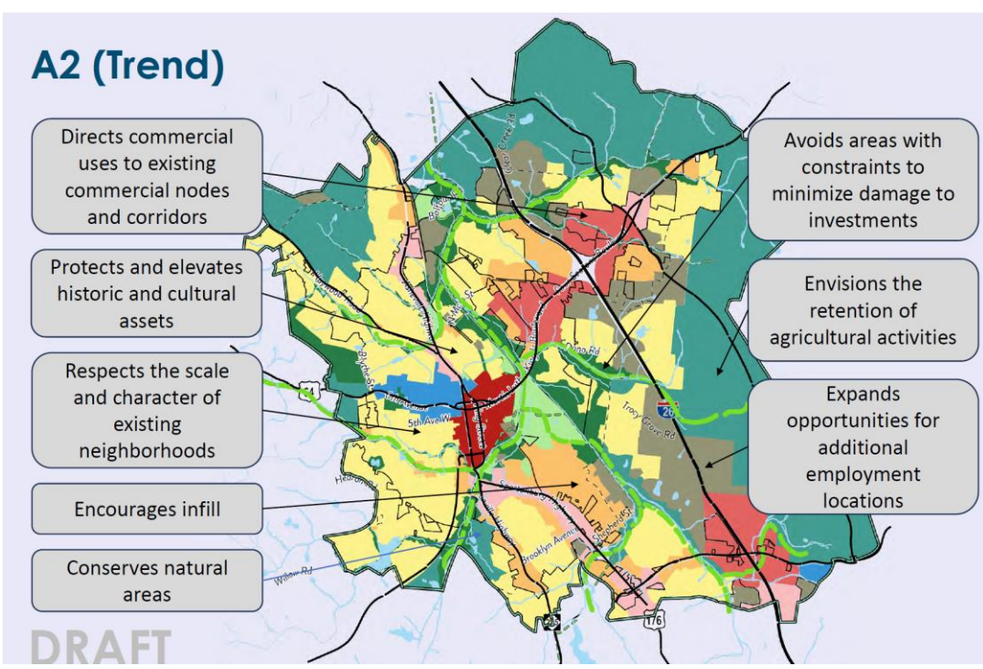
A1 (Trend)

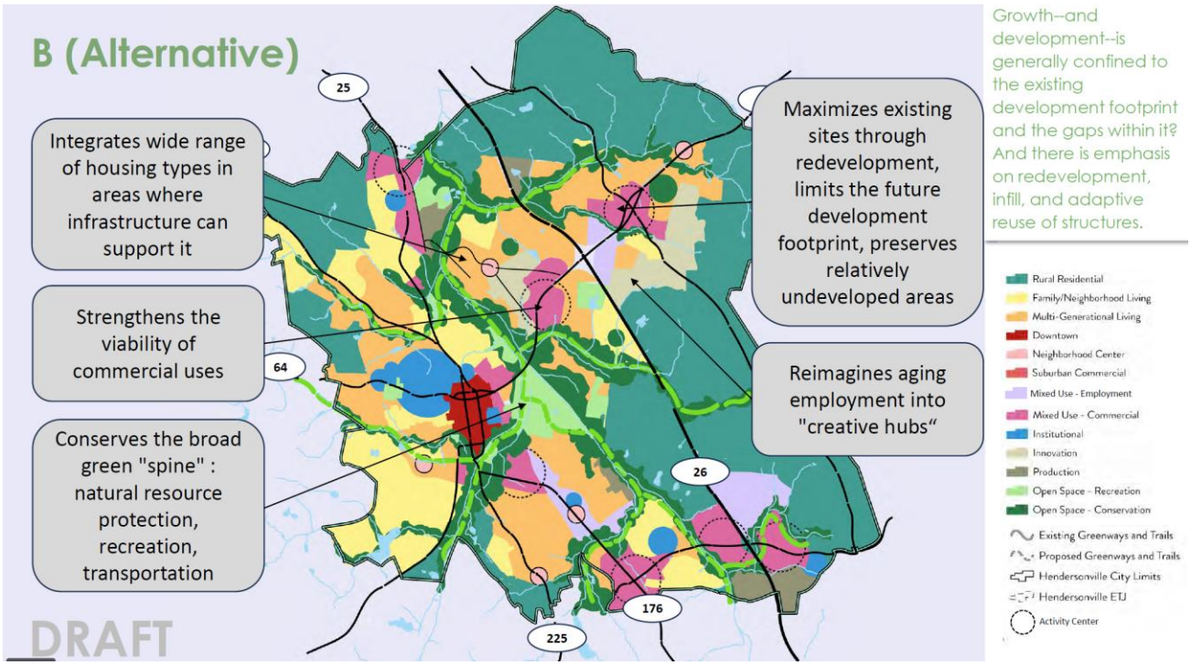
The city builds out according to current trends: Zoning.



A2 (Trend)

The city builds out according to current trends: Adopted Future Land Use.





SCENARIO SIDE-BY-SIDE COMPARISON

	Scenario A1	Scenario A2	Scenario B
CONCEPT	WHAT IF… The city builds out according to current trends: Zoning?	WHAT IF… The city builds out according to current trends: Adopted Future Land Use?	WHAT IF… Growth--and development--is generally confined to the existing development footprint and the gaps within it? And redevelopment, infill, and adaptive reuse of structures is prioritized over development of vacant land?
FOOTPRINT	Development occurs on all land in the City's Planning & Zoning jurisdiction.	Development occurs on all land in the City's Planning & Zoning jurisdiction.	Development is encouraged to occur in the current footprint utilizing the underutilized parcels inside the city limits, and a stronger emphasis on open space conservation reduces the amount of vacant sites being converted for development.
INTENSITY	Intensity is dictated by current standards.	Intensity is dictated by current standards and influenced by the land use pattern reflected in the adopted Future Land Use Map.	Intensity is increased in areas served by existing infrastructure, particularly in the center (downtown) and along the corridors east of Mud Creek. Key nodes are the locations of substantial increases offset by

SCENARIO SIDE-BY-SIDE COMPARISON

	Scenario A1	Scenario A2	Scenario B
OPEN SPACE	The system of public open space complements the private open space set aside in accordance with current ordinance standards.	The system of public open space, expanded and through land acquisition by the City (or County) for public parks per adopted plans, complements the private open space set aside in accordance with current ordinance standards.	Higher open space requirements expand the amount of open space in the development pattern, complementing the open space conserved as the system of public open space.
MOBILITY	The existing road network is the primary means of circulation and access. Heavy reliance on private automobiles remains.	The existing road network is the primary means of circulation and access. Reliance on private automobiles is reduced in areas where a concerted effort to improve pedestrian and bike facilities is made.	The existing road network is supplemented by local transit and an expansive system of trails that support ped/bike mobility connecting .

Character Areas

"Character Areas"

- Classifications of development (and conservation)
- Describes subareas in terms of:
  - ***land use***
  - ***scale*** (typical lot sizes, building heights, building setbacks)
  - ***circulation*** (street types, connectivity, resulting block patterns)
  - ***open space*** (amount and types)

Proposed Character Areas

OPEN SPACE	LIVING	ACTIVITIES	EMPLOYMENT
OS-C Open Space - Conservation	RR Rural Residential Living	DT Downtown	MX-E Mixed Use - Employment
OS-R Open Space - Recreation	FNL Family/Neighborhood Living	MX-C Mixed Use - Commercial	INST Institutional
	MGL Multi-Generational Living	NC Neighborhood Center	INV Innovation
		SC Suburban Commercial Center	PRO Production

DRAFT

Open Space – Conservation (OS-C)

These areas are natural and are either protected through public or private ownership (such as conservation easements) or through State or Federal regulations. They consist primarily of floodways and floodplains as well as protected lands (conservation easements) and historically or culturally significant areas/properties. Though some development can be supported in these areas, most uses are associated with access to protected open space (i.e., nature preserves), agriculture, and natural resource management.

Open Space – Recreation (OS-R)

These areas are typically publicly-maintained facilities (i.e., parks) improved for a variety of uses including ballfields, golf courses, gardens, arboretums, etc. Though various types of active recreation spaces are also suitable uses in other character areas, this character area delineates the locations of large open space areas with public access.

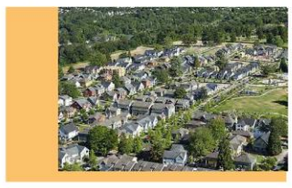
Rural Residential Living (RR)

This area is characterized by low-density residential development. It is comprised of single-family detached homes on a lot size of one acre or greater. Conservation design, which includes more open space in exchange for smaller minimum lot sizes, may be a preferred approach to residential development, especially if higher gross densities can be achieved. Golf course communities are also found in these character areas.

Family/Neighborhood Living (FNL)

This area is characterized by moderate-density residential development. It is comprised of single-family detached homes on lots averaging 1/4 acre in size. Improved open spaces in the form of pocket and neighborhood parks are interspersed, and greenway trails within are located to connect such parks as well as provide links to trails and walkways in neighboring development. Conservation design, which includes more open space in exchange for smaller minimum lot sizes, may be a preferred approach to residential development, especially if higher gross densities can be achieved. Golf course communities are also found in these character areas.

Multi-Generational Living (MGL)



This area is characterized by mixed residential development. It is comprised of a variety of homes, mixing detached and attached (e.g., townhomes and duplexes) units with a lesser amount of multi-family units. The combination of housing types are intended to create intergenerational neighborhoods. Improved open spaces in the form of greens, pocket parks, and neighborhood parks are interspersed. Greenway trails within are located to connect parks as well as provide links to trails and walkways in neighboring development.

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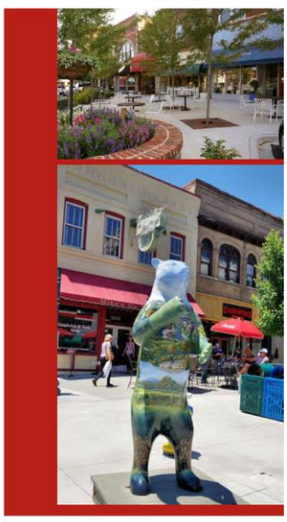
Downtown (DT)



This is the heart of the community and center of civic activities. In addition to governmental uses, it includes a mix of retail, restaurant, service, office, and civic uses. A variety of residential housing types complement the nonresidential uses and ensure a vibrant center with a 24/7 population. The mix of uses can be horizontal as well as vertical where a change in use can occur between floors of the same building. Buildings of two or more stories are common, and connected streets include short block lengths and pedestrian facilities. Open space is integrated in the form of plazas and formal greens.

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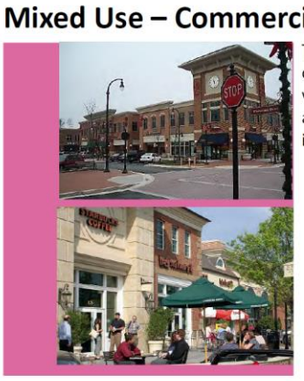
Mixed Use – Commercial (MX-C)



These areas are intended to be centers of activity that include a mix of retail, restaurant, service, office, and civic uses in addition to a variety of residential housing types. The mix of uses can be horizontal as well as vertical where a change in use can occur between floors of the same building. Buildings of two or more stories are common, and connected streets include short block lengths and pedestrian facilities. Open space is integrated in the form of plazas, formal greens, and pocket parks.

Suburban Commercial (S-C)

This is applied in land use options to acknowledge suburban commercial sites that are likely to stay in the future and should be a focus of future building and site enhancements. It is not a recommended character area.

Neighborhood Commercial (NC)

Small centers (typically up to 100,000 sf of nonresidential space) with local-serving uses may be located within walking distance of and complement surrounding residential uses. Typical uses include grocery and drug stores, coffee shops, dry cleaners, branch banks, and restaurants. Open space is in the form of small greens and courtyards.

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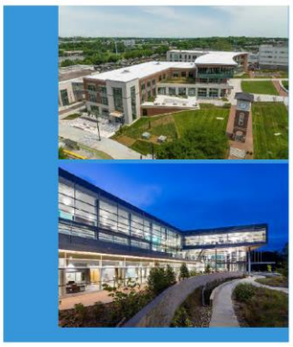
Mixed Use – Employment (MX-E)

Employment centers contain a mix of uses including office, light industrial, and institutional. These areas offer traditional workspace and can be supplemented by unconventional, collaborative workspace where innovation and education can be fostered. Incorporating some retail, recreational, and residential uses to create a live, work, and play environment is supported. Open space is in the form of formal and informal parks and green spaces connected by trails. Flexible open space that can be programmed for gatherings of various sizes and purposes are also integrated.

Institutional Campus (INST)



Institutional campuses are another type of mixed-use center. The collection of buildings in this character area houses functionally related and complementary uses. Typically devoted to education (e.g., college campuses) and healthcare (e.g., hospitals, medical centers), these campuses may include supporting restaurants, retail and office space, and multi-family residential units. They are organized around a system of green spaces linked by a highly connected network of pedestrian paths. Parking is clustered and vehicular access is minimized.

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Innovation (INV)

This area generally accommodates light manufacturing, maker spaces, creative office space, and supporting warehousing. Some commercial uses are integrated to serve the daytime population and those living nearby. They are found close to major transportation corridors. They can be linked to adjacent development with adherence to compatibility standards. Transitional uses or landscaped areas shield the view of loading docks and outdoor storage from adjacent properties. Parcel and building sizes are varied. A central, publicly-accessible open space area and a connected greenway system may be features of the area. Most streets are private, with a mixture of pedestrian-friendly streets and some designed to facilitate truck access.

Production (PRO)

This area generally accommodates manufacturing and production uses, including heavy manufacturing, assembly operations, water and sewer treatment plants, major power plants, landfills, and supporting uses, such as light manufacturing, warehousing, distribution, and office uses. They are found in close proximity to major transportation corridors and are generally buffered from surrounding development by transitional uses or landscaped areas that shield the view of structures, loading docks, or outdoor storage from adjacent properties. Typically, both parcels and building footprints are large. Most of the open space is on site, privately managed, and intended for use by the building occupants. Most streets are private and designed for truck access, and access to properties may be controlled by security mechanisms (i.e., gates).

DRAFT

What's Next

WHAT'S NEXT?

- February 13 – Community Open House
- February 27 – CAC #5
  - Review of Open House Input
  - Preliminary "Preferred" Future Land Use & Conservation Map
  - Focus Areas
  - Initial Recommendations

Community Open House

- February 13, 2024
- Library (Downtown)
- 4-6pm
- Format:
  - Draft Vision Statement, Goals & Objectives
  - Future Land Use & Conservation Scenarios + Evaluation
  - Focus Areas – Conceptual Illustrations in Progress
  - Initial Recommendations

B. Parks Master Plan Update / South Main Street Park Discussion – *Design Workshop Planning Consultant*

Mark Stierwalt introduced Brenna Laffey and Kurt Culbertson who showed the following PowerPoint presentation.

PARKS & GREENSPACE

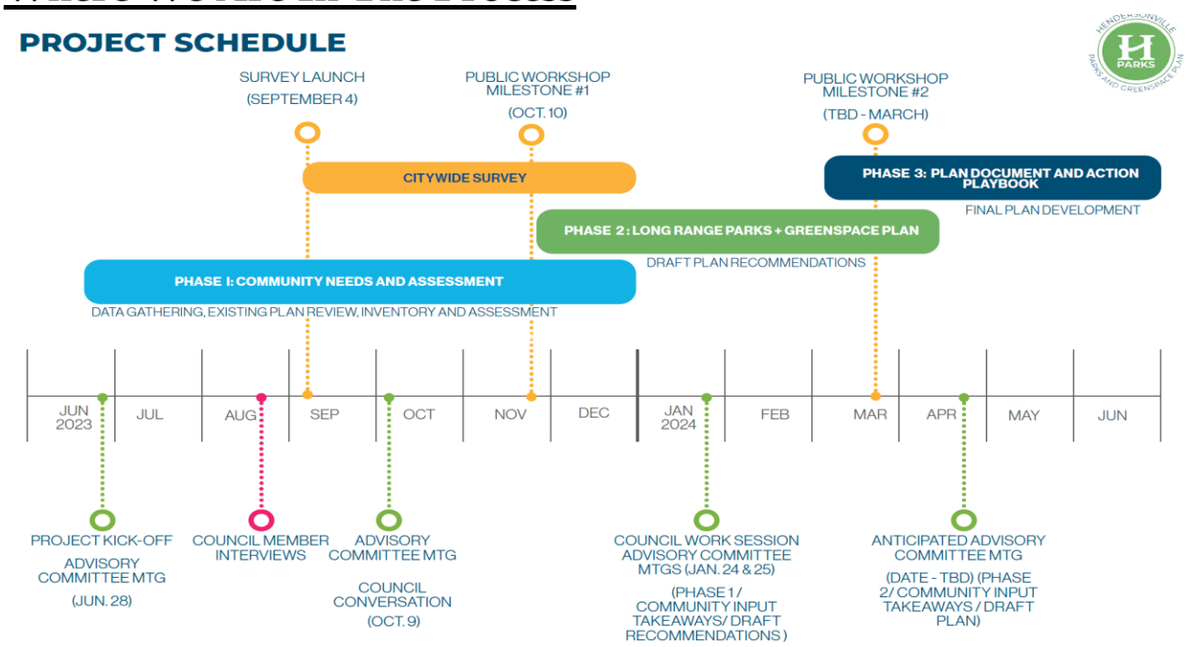
City of Hendersonville Parks and Greenspace Master Plan

January 2024 Update

AGENDA

- Where we are in the process
- Inventory and analysis
- What we've heard from the Public
- Drafting the Vision Statement
- Drafting the Big Moves
- Next Steps and Discussion

Where We Are In The Process



Inventory & Analysis

PARK CLASSIFICATIONS & LEVEL OF SERVICE

Why Classify Parks?

A park classification system allows us to establish a common language around park types and quality of amenities.

The classifications are useful in communications (internal and external), parkland acquisitions (types and locations for future parks), development (amount of investment in a given park) and operations (degree of maintenance and regular investment needed). A strong understanding of the types of parks in different areas of the city inform where service gaps exist.

Why Establish Level of Service Goals?

Level of Service (LOS) metrics are measurable goals that allow us to track progress toward realizing the system vision and priorities.

The metrics help to establish baselines, identify needs and gaps, and define park and greenway goals — from the full system down to specific recreation or facility types. LOS metrics can be used to measure access, distribution, facility quality, maintenance services, connectivity and investment. They can help the City and its partners to stay on track, focusing efforts on meeting the highest community needs and priorities.

PARK CLASSIFICATIONS IN HENDERSONVILLE

COMMUNITY PARKS

Typical Size: **10+ Acres**
Typical Service Area: **2-mile radius (15-min. bike ride, 5-min. drive)**

Community parks serve the daily recreational needs of residents from various neighborhoods. They are hubs for community activities and gatherings, offering diverse facilities for both active and passive recreation. These parks should be spacious enough to accommodate multiple of facilities.

NEIGHBORHOOD PARKS

Typical Size: **1-10 Acres**
Typical Service Area: **1/2-mile radius (10-min. walk)**

Neighborhood parks serve the day-to-day social and recreational needs of their immediate communities. These parks might include playgrounds, outdoor fitness equipment, community gardens, walking loops, and restrooms, depending on community needs and desires.

POCKET PARKS

Typical Size: **<1 Acre**
Typical Service Area: **Varies**

Pocket parks are relatively small and have amenities that serve the neighborhood's specific needs. Their amenities vary depending on their context and intended use, but often serve as spaces for relaxing and socializing, lunch breaks, and small play areas for children.

SIGNATURE PARKS

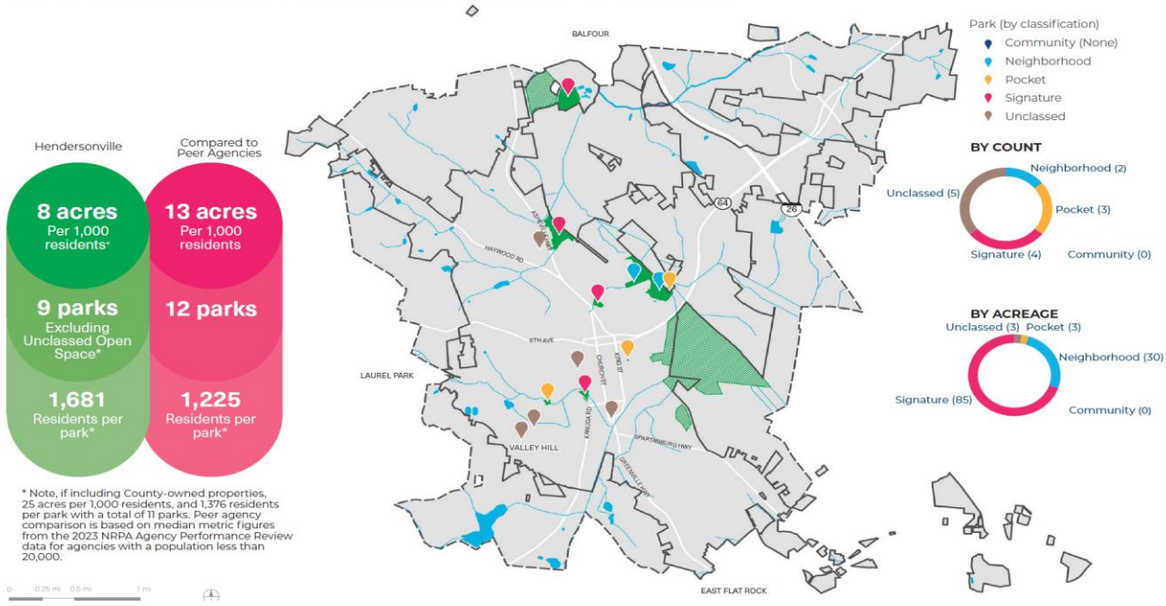
Typical Size and Service Area: **Varies**

Signature parks attract users from across the city and region because of their exceptional character or special facilities. Signature parks might include waterfront parks, skate parks, dog parks, community gardens, cemeteries and conservation lands.

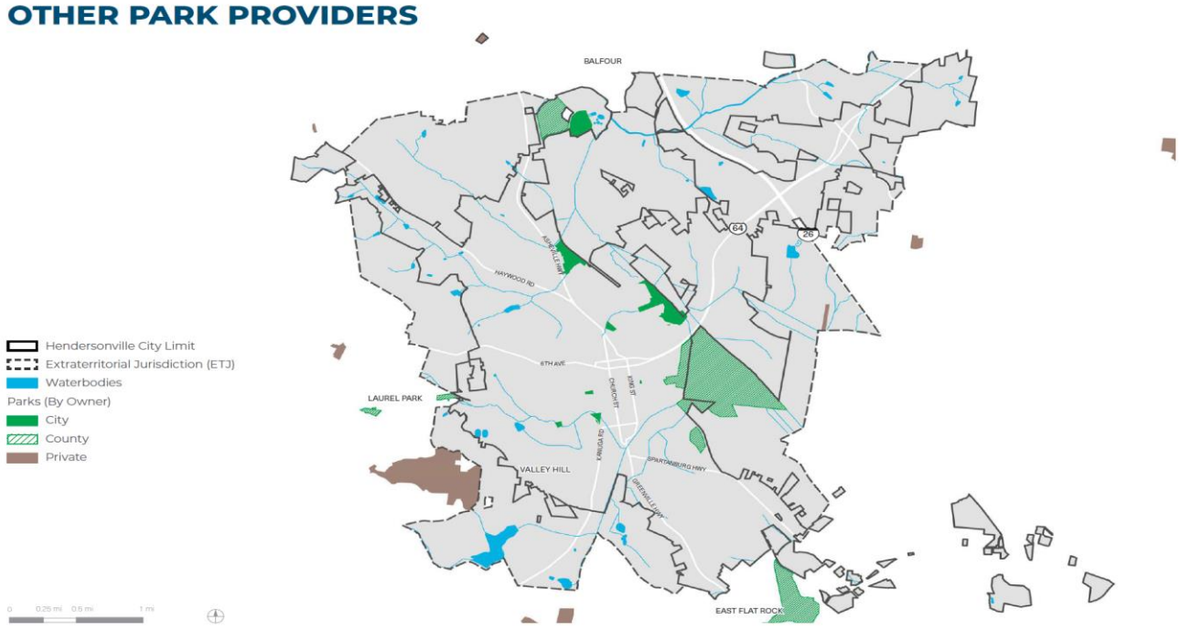
UNCLASSED/ OPEN SPACE

Unclassed and open space parks are identified as not meeting the definitions of the other classifications. This can be because they don't have adequate amenities to be considered a park. For example, these sites might lack basic park amenities, or be unusable because of broken equipment.

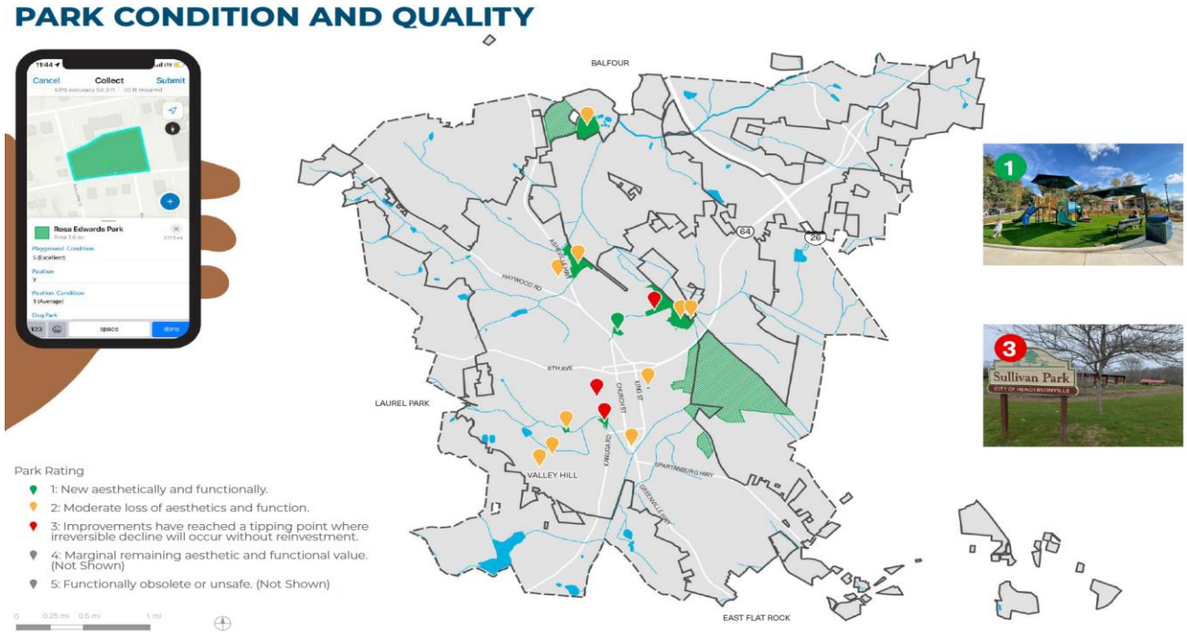
PARK CLASSIFICATIONS IN HENDERSONVILLE



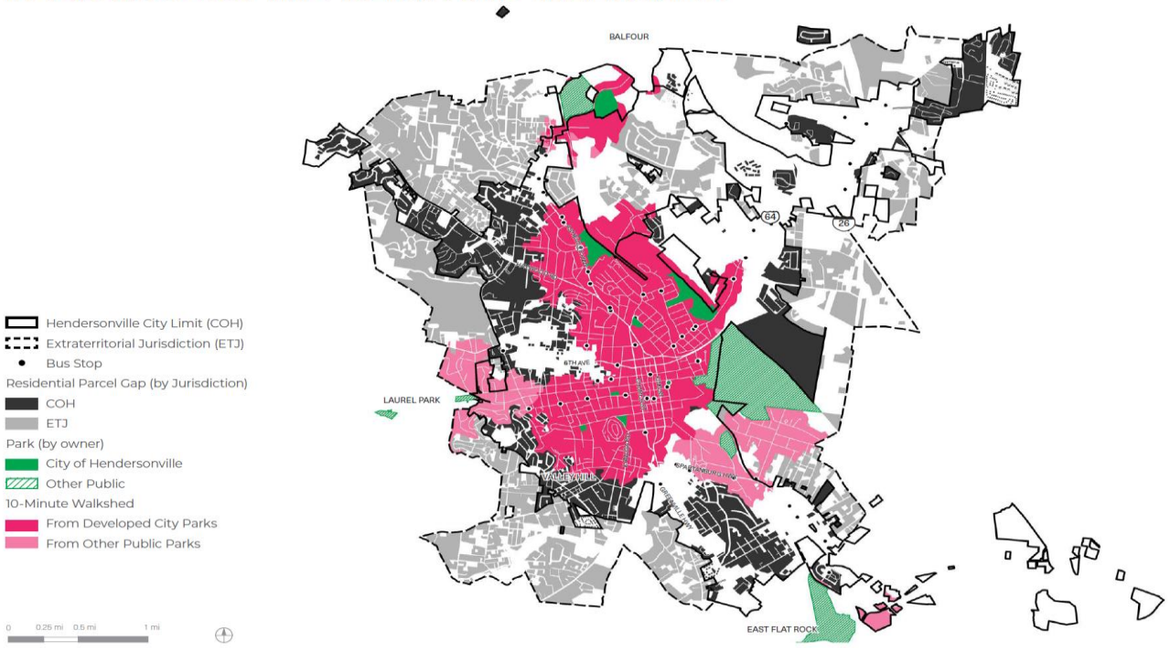
OTHER PARK PROVIDERS



PARK CONDITION AND QUALITY

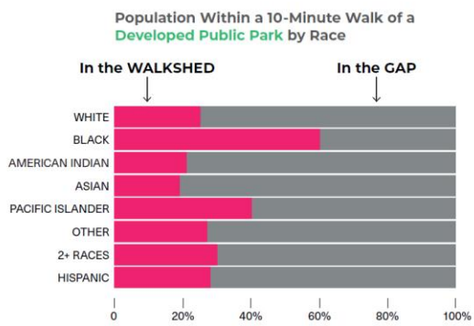


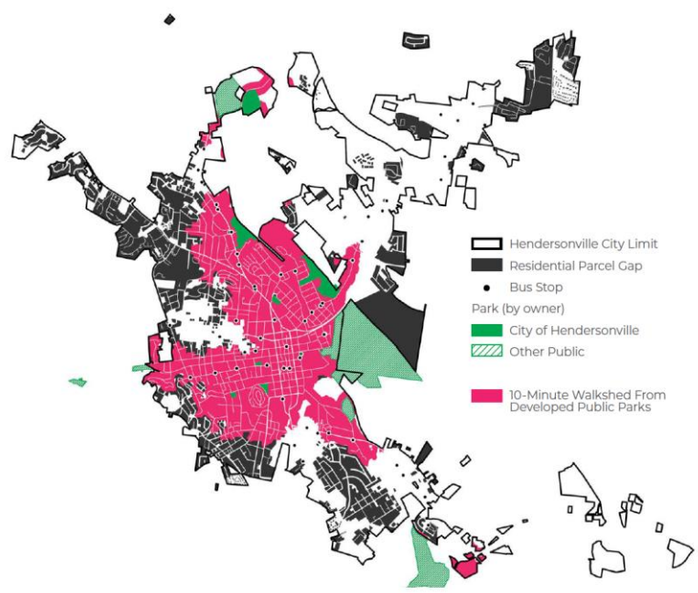
PARK ACCESS: THE 10-MINUTE WALKSHED



PARK ACCESS: THE 10-MINUTE WALKSHED IN THE CITY

28%
or 4,402 current residents live within a 10-minute walk to developed public parks.





LEVEL OF SERVICE

TYPES OF FACILITIES	NO. OF CITY-OWNED FACILITIES	RESIDENTS PER FACILITY	NATIONAL AVERAGE RESIDENTS PER FACILITY (CITIES WITH POPULATION <20,000)	CURRENT FACILITY "SHORTAGE" COMPARED TO NATIONAL AVERAGE	FUTURE FACILITY "SHORTAGE" COMPARED TO NATIONAL AVERAGE (ASSUMES POPULATION 20,000 BY 2050)	NO. OF NON-CITY OWNED PUBLIC FACILITIES
Playground	4	3784	2014	4	6	2
Basketball Court	4	3784	3729	Needs Met	1	2
Diamond Field	1	15137	3114	4	5	10
Tennis Court	2	7569	2805	3	5	8
Pickleball Court	6	2523	3252	Needs Met	Needs Met	
Multi-use Field	1	15137	3859	3	4	1
Swimming Pool*	1	15137	9745	1	1	
Skate Park	1	15137	10726	Needs Met	Needs Met	
Community Garden	1	15137	8178	1	1	
Dog Park	2	7569	11100	Needs Met	Needs Met	1
Senior Centers	1	15137	14000	Needs Met	0-1	
Recreation Centers	0	N/A	9745	0-1	1	1
Community Centers	0	N/A	8829	1	2	

EXISTING GREENWAYS

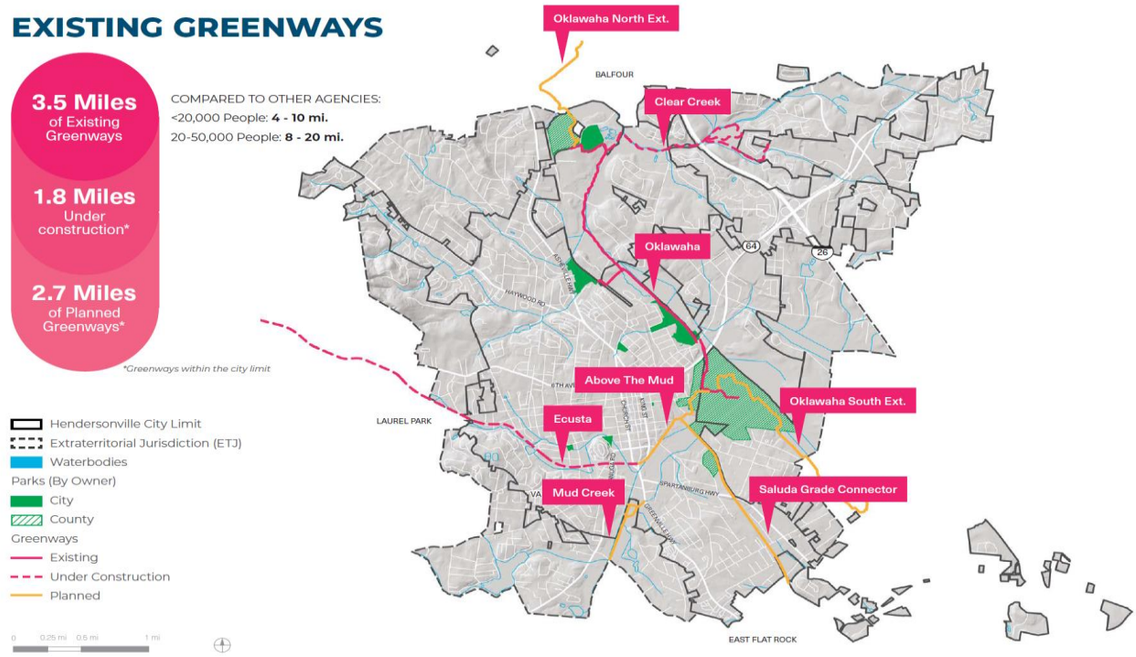
3.5 Miles of Existing Greenways

1.8 Miles Under construction*

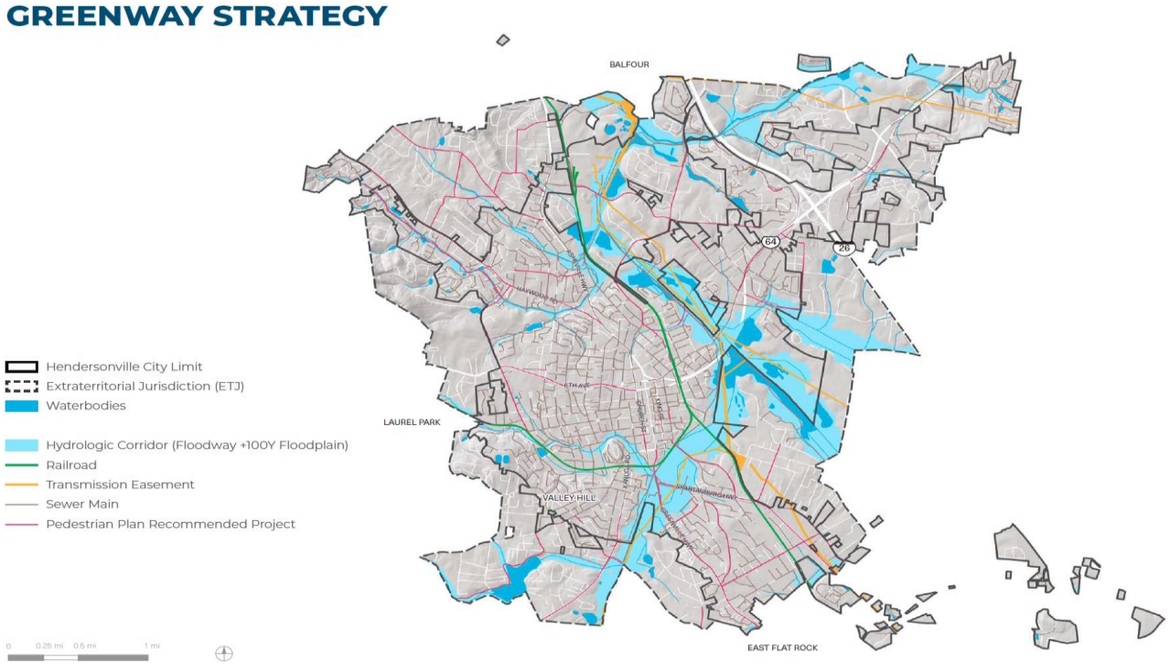
2.7 Miles of Planned Greenways*

*Greenways within the city limit

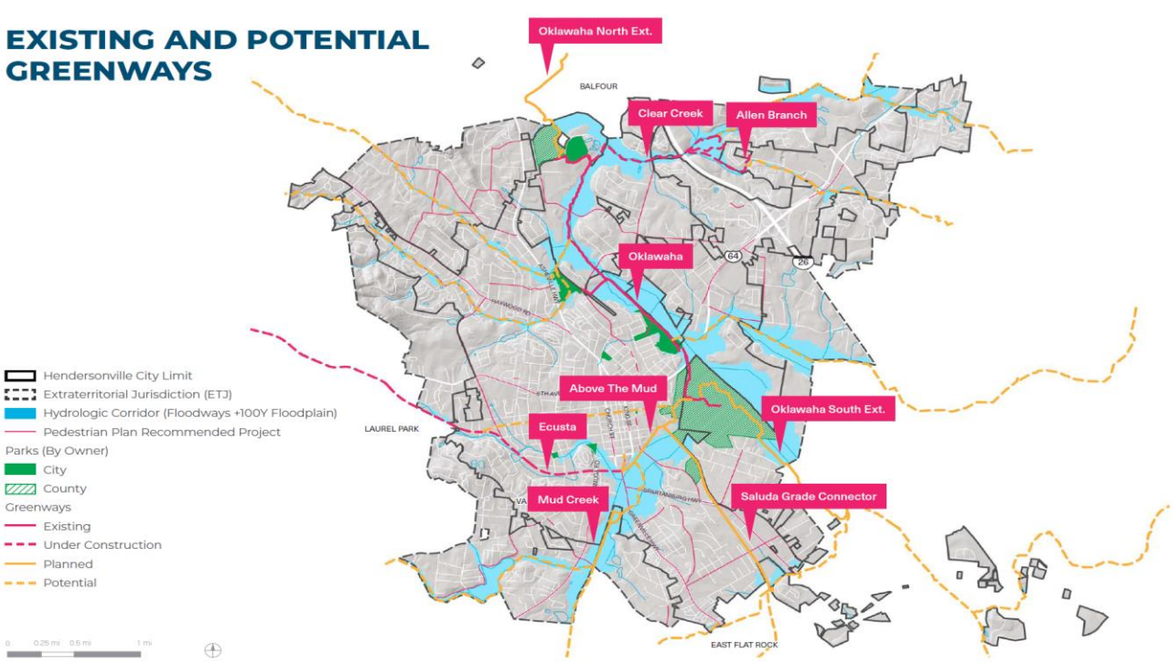
COMPARED TO OTHER AGENCIES:
<20,000 People: **4 - 10 mi.**
20-50,000 People: **8 - 20 mi.**



GREENWAY STRATEGY



EXISTING AND POTENTIAL GREENWAYS



What We've Heard So Far-Public Input

PUBLIC ENGAGEMENT MILESTONES

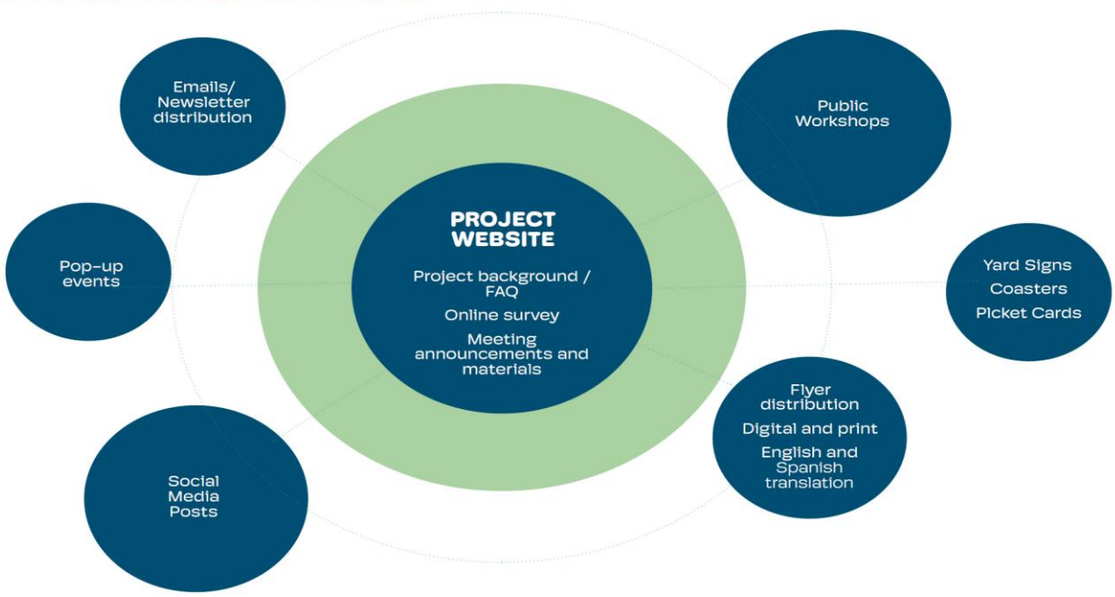
1 Community Workshop #1 and City-wide Survey

- Establish interest and a common language around parks, greenspace and trails
- Understand how people are (and aren't) using the current system and their desires and aspirations for the future
- Encourage the community to dream big about the future of Hendersonville parks system

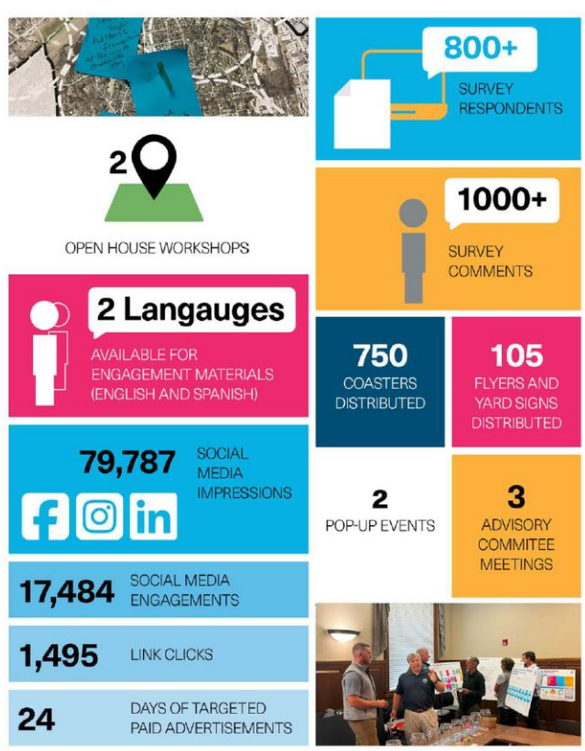
2 Community Workshop #2

- Report what we heard during the first round of engagement and how it's influenced the plan
- Share draft plan ideas and recommendations for feedback
- Ask the community to further prioritize system improvements and investments

PUBLIC OUTREACH METHODS



OUTREACH BY THE NUMBERS



WHAT WE'VE HEARD: SURVEY

MOST IMPORTANT FACILITIES

PAVED WALKING/ BIKING TRAIL	UNPAVED HIKING/BIKING TRAIL	RESTROOM	DOG PARK	CANOE/KAYAK
#1	#2	#3	#4	#5

RESIDENTS MOST POPULAR DESTINATIONS FOR FUTURE GREENWAYS

NATURAL AND SCENIC VIEWS	56%
NATURAL WATER FEATURES	55%
INTERCITY TRAILS	51%
CITY TRAILS	48%
DOWNTOWN/ MAIN STREET	45%
PARKS	40%

[Need a] riding path to downtown

Interconnected hiking and biking trails to natural areas

Build bike trail connections to Asheville, Flatrock, Chimney Rock, and other cities

WHAT ARE THE PRIORITIES FOR THE NEXT 10 YEARS

PROTECT AND PRESERVE PARKS AND NATURAL LAND	IMPROVE EXISTING PARKS AND FACILITIES	CREATE CONNECTIONS BETWEEN PARKS, WATERBODIES AND NEIGHBORHOODS
#1	#2	#3

BARRIERS FROM USING PARKS

COMFORT	30%
INFORMATION	27%
LIMITED ACCESS	23%
SAFETY	21%
CONDITION	21%

Most [parks] are too small to really use for my desired purposes

Parks are not connected and ... not big enough to be called a park. Nothing distinctive about smaller parks to make them attractive. Not enough park or green space downtown.

Distance from my home

Hate having to drive somewhere to go for a walk, need connecting sidewalks

23% of respondents have no barriers

WHAT AMENITIES HAVE THE MOST UNMET NEEDS

CANOE/ KAYAK	SPLASH PAD	PERFORMANCE STAGE/ AMPHITHEATER	YARD GAMES	UNPAVED HIKING/ BIKING TRAIL
#1	#2	#3	#4	#5

Addressing the needs of those with mobility issues and other ability oriented needs

ADA Accessible Trails

Need more outdoor pickleball courts

Soccer Fields

Ice Rink

WHAT WE'VE HEARD: SURVEY

MOST VISITED PARKS

2 Most Popular Parks

Remaining parks have been visited by fewer than half of respondents

BERKELEY MILLS PARK: **33%** Rated this Park as **good** or **excellent**

PATTON PARK: **54%** Rated this Park as **good** or **excellent**

HOW OFTEN DO RESIDENTS USE THE FOLLOWING

	5+ PER WEEK	2-4 PER WEEK	1 PER WEEK	1-3 PER MONTH	A FEW PER YEAR	RARELY
PARKS	7%	22%	16%	22%	23%	10%
GREENSPACES	6%	17%	14%	22%	26%	15%
GREENWAYS	8%	21%	16%	22%	21%	12%

DO RESIDENTS HAVE SUFFICIENT PARKLAND IN THEIR NEIGHBORHOOD?

NO (38%)

YES, BUT (36%)

- YES, BUT THERE IS LIMITED ACCESS 43%
- YES, BUT THE PARKS ARE TOO SMALL 32%
- YES, BUT THE FACILITIES ARE INADEQUATE 25%

YES (26%)

Excludes people unsure and non-residents

TOP PARK PROVIDERS BESIDES THE CITY FOR RECREATION AND PROGRAMMING

STATE AND NATIONAL PARKS	68%
HENDERSON COUNTY	46%
NEIGHBORING CITIES	39%
PRIVATE GYMS	29%
PUBLIC SCHOOLS	28%
YMCA	28%

HOW IMPORTANT IS PROVIDING HIGH-QUALITY PARKS?

VERY UNIMPORTANT	SOMEWHAT UNIMPORTANT	NEUTRAL	SOMEWHAT IMPORTANT	VERY IMPORTANT
18%	4%	2%	12%	64%

WHAT WE'VE HEARD: WORKSHOPS

WHAT AMENITIES HAVE THE MOST UNMET NEEDS

PAVED WALKING/ BIKING TRAIL	OUTDOOR EVENT SPACE	UNPAVED WALKING TRAIL
#1	#2	#3

WHAT ARE THE PRIORITIES FOR FUTURE PROJECTS

PROTECT AND PRESERVE PARKS AND NATURAL LAND	CREATE CONNECTIONS BETWEEN PARKS, WATERBODIES AND NEIGHBORHOODS	DOWNTOWN DESTINATION PARK
#1	#2	#3

RESIDENT'S BIG IDEA

Community gardens and green space along the Ecusta Trail

Grant funding for greenways/ wildlife crossings and educational corridors

Walking access to parks

Accessibility and opportunity for ALL

WHAT RESIDENTS LOVE ABOUT CITY PARKS

Walking and biking access from downtown and other amenities for residents to parks. [I] can't wait for more of that

They are well-maintained and provide quiet greenspaces for people and wildlife

Public places to connect with nature

HOW RESIDENTS WOULD IMPROVE CITY PARKS

Encourage more volunteer opportunities to help keep all areas clean and safe

Work with Botanists and Arborists

Connectivity to each other and neighborhoods

More local businesses sponsoring areas are getting involved in volunteering to maintain gardens

PRIORITY GREENWAY PROJECTS

OKLAWAHA SOUTH EXT. #1 → OKLAWAHA NORTH EXT. #2 → SALUDA GRADE CONNECTOR #3

Excludes funded greenways (Ecusta and Clear Creek)

WHAT WE'VE HEARD: GEN H COMP PLAN SURVEY

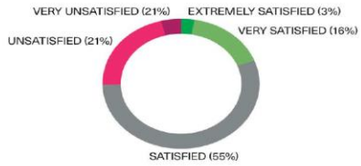
TOP THREE DOWNTOWN IMPROVEMENTS

HISTORIC PRESERVATION	NEW/IMPROVED PUBLIC SPACES	SAFE PEDESTRIAN/BIKE CONNECTIONS
#1	#2	#3

WHAT DOES THE DOWNTOWN NEED?

CULTURAL ENTERTAINMENT VENUES	DINING	PLACES TO RECREATE AND EXERCISE
#1	#2	#3

RESIDENTS SATISFACTION WITH CITY PARKS



WHAT ARE THE PRIORITIES FOR PARKS, GREENSPACES AND GREENWAYS

ENVIRONMENTAL PROTECTION	75%
NEIGHBORHOOD PARKS	65%
CONNECTED GREENWAYS	60%
PARK PROGRAMMING	55%
SPORTS AND RECREATION	52%
"DESTINATION" PARKS	52%

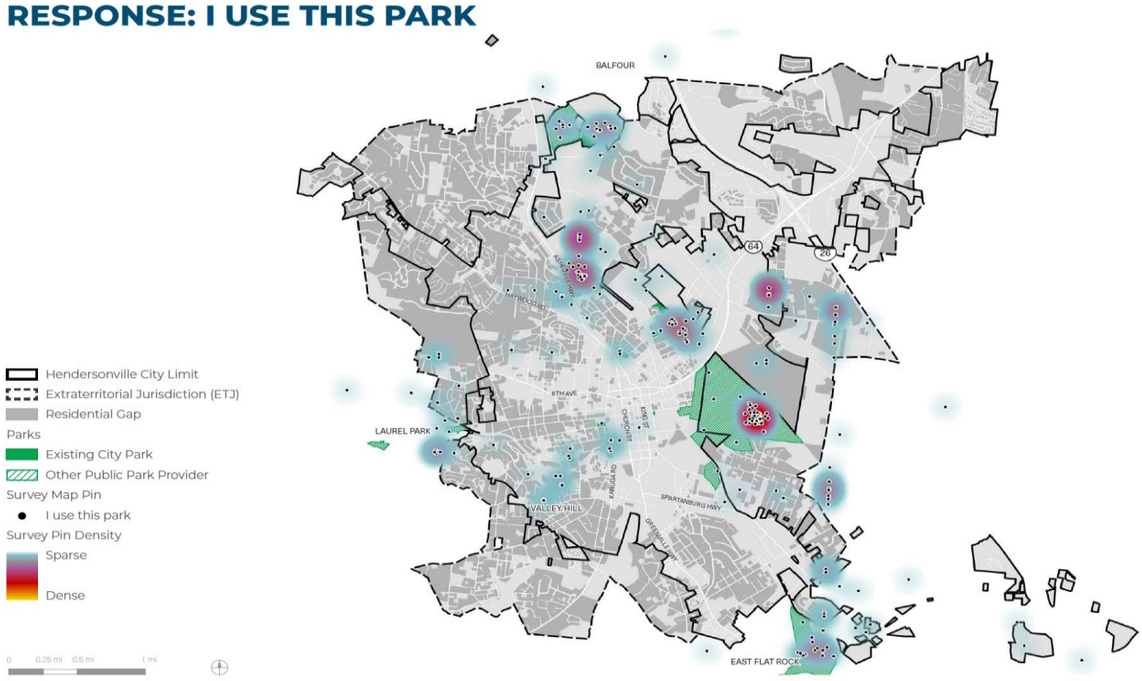
GREEN MEADOW'S RESIDENTS FUTURE WISHES (FROM CANVASSING)

EXPAND PARKS AND PUBLIC SPACES (#1) → MORE/ BETTER COMMUNITY EVENTS AND PROJECTS (#2)

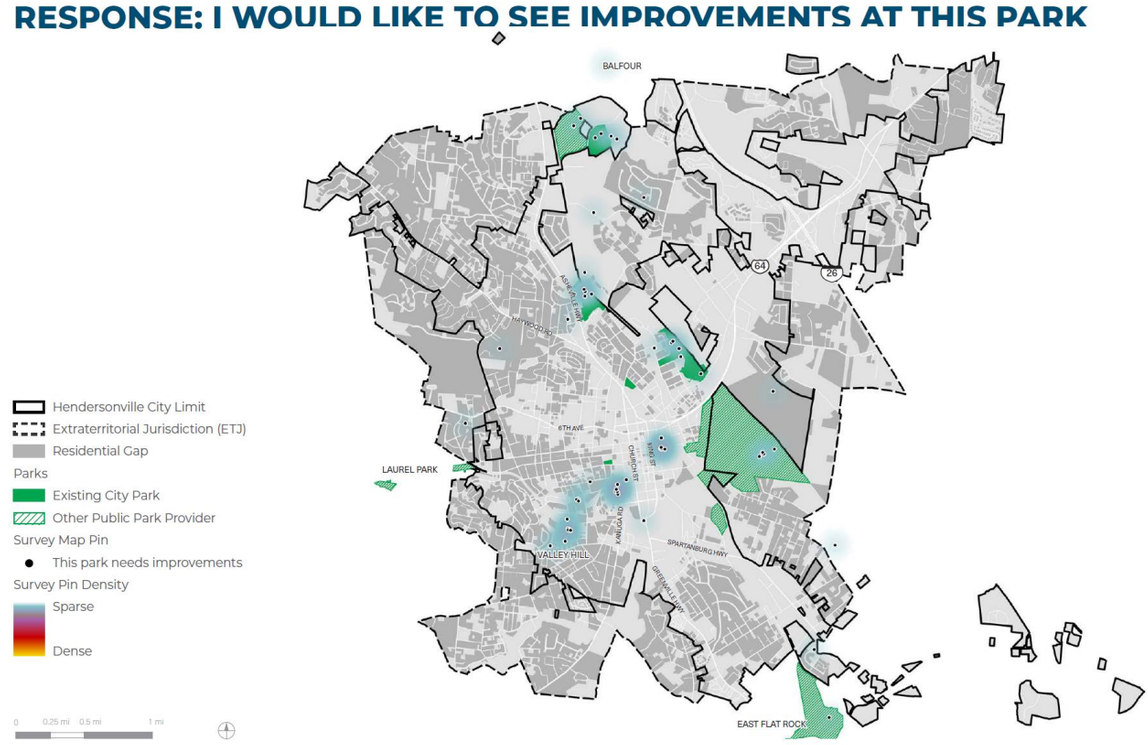
RESIDENTS TOP CONCERNS FOR THE CITY

POPULATION INCREASE	52%
HOUSING	35%
→ COMMUNITY SAFETY AND APPEARANCE	29%
→ ENVIRONMENTAL HEALTH	26%
QUALITY EDUCATION	22%
→ PARKS, TRAILS AND RECREATION	20%

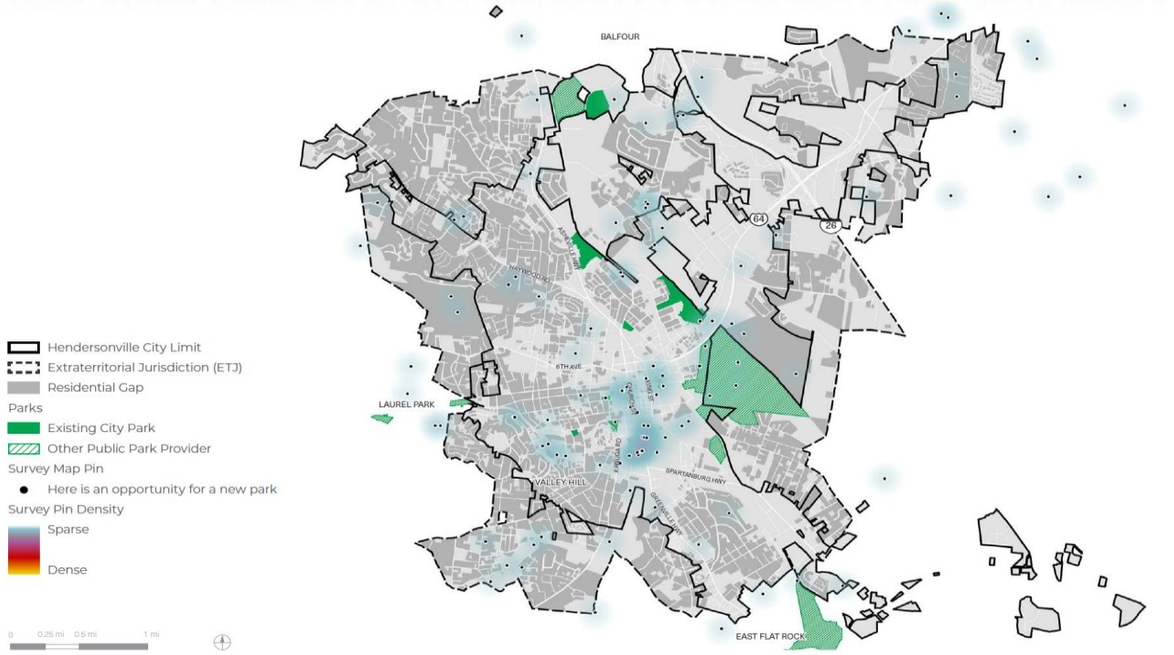
RESPONSE: I USE THIS PARK



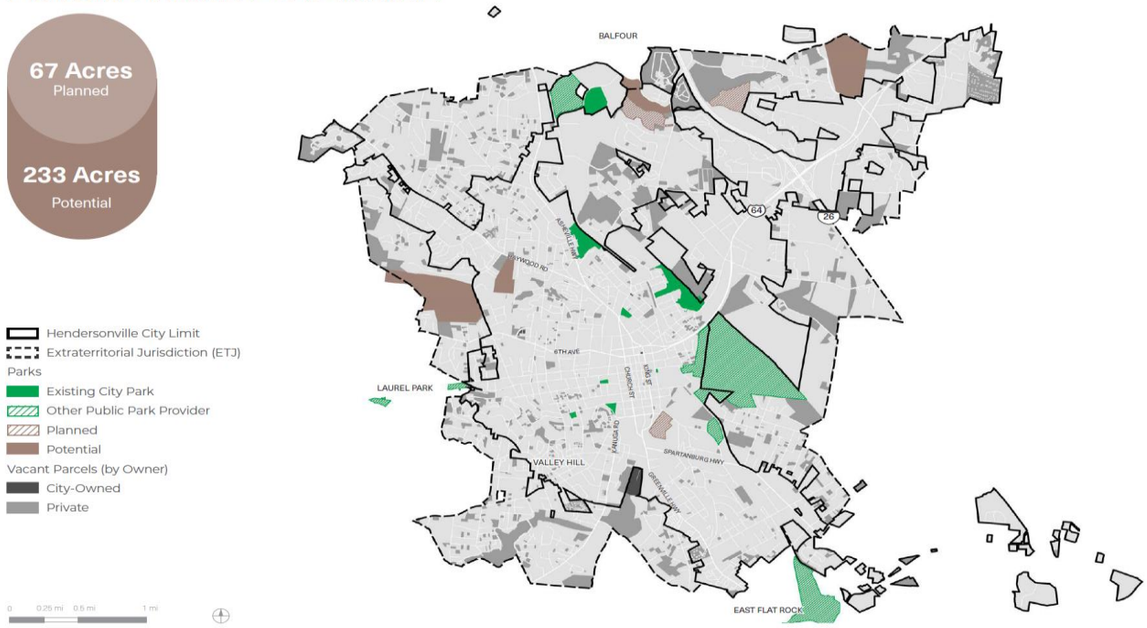
RESPONSE: I WOULD LIKE TO SEE IMPROVEMENTS AT THIS PARK



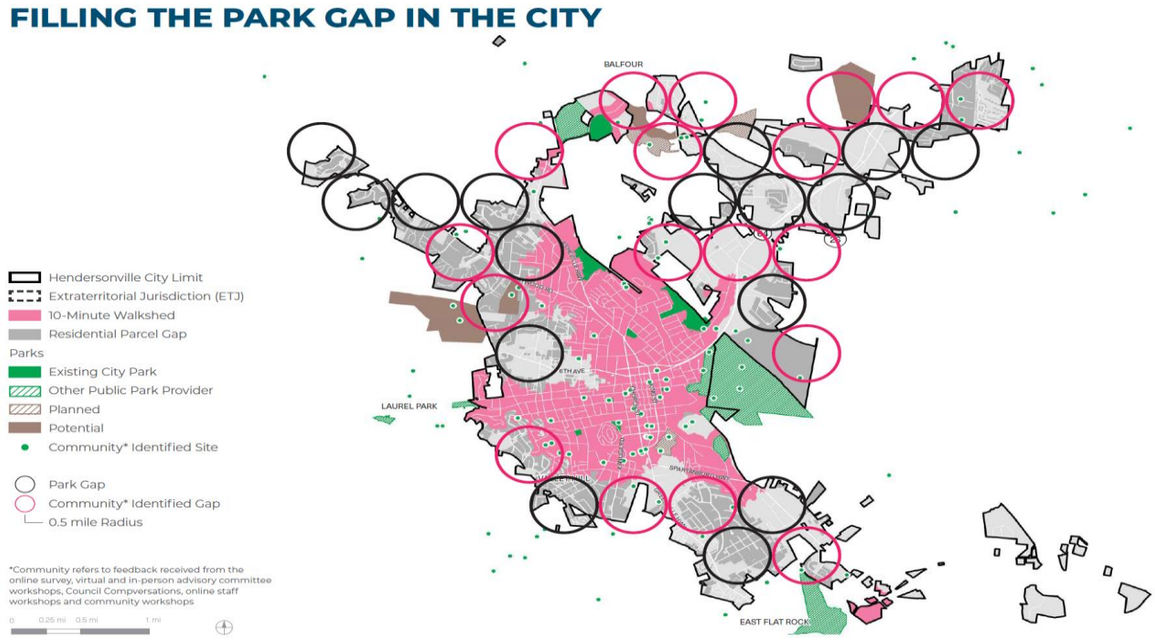
RESPONSE: HERE IS AN OPPORTUNITY FOR A NEW PARK OR FACILITY



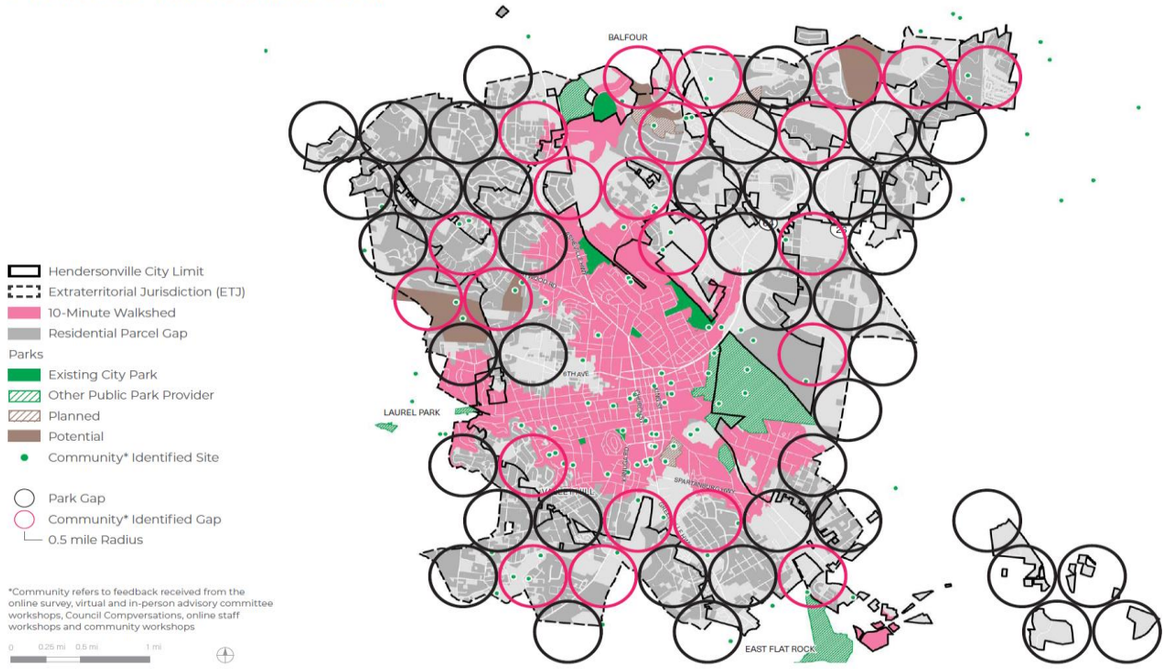
FUTURE PARK POTENTIAL



FILLING THE PARK GAP IN THE CITY



FILLING THE PARK GAP



Drafting the Vision Statement

DRAFT VISION

"Hendersonville will have a park and greenspace system they love - with high-quality neighborhood parks accessible to all; connectivity between parks, open space, waterbodies, and where people live and work; leadership in sustainable practices and preservation of environmentally sensitive areas and natural resources; a downtown destination park and placemaking that promotes local character, community vibrancy, safety and sense of place."

GUIDING PRINCIPLES

ACCESS
MAKING SURE OUR PARKS ARE WELCOMING AND BARRIER-FREE FOR ALL HENDERSONVILLE RESIDENTS.

EQUITY
COMMITTING TO JUSTICE, FAIRNESS AND THE PREMISE THAT EVERYONE DESERVES ACCESS TO A GREAT PUBLIC PARK.

NATURE
PROTECTING, PRESERVING AND ENHANCING OUR NATURAL FEATURES AND RESOURCES.

PLACE
AMPLIFYING LOCAL CHARACTER, COMMUNITY VIBRANCY, SAFETY AND SENSE OF PLACE.

QUALITY
SETTING A CITYWIDE STANDARD FOR THE DESIGN, CONSTRUCTION AND MAINTENANCE OF HIGH-QUALITY PARKS AND GREENWAYS.

Drafting the Big Moves

RETHINK PARKS AND GREENSPACE DELIVERY IN HENDERSONVILLE

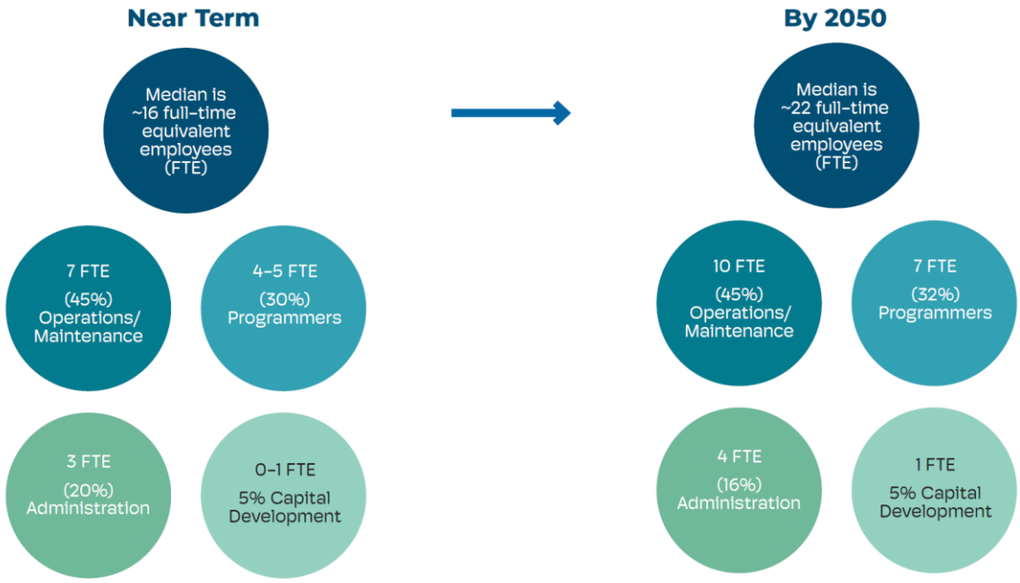
Near Term

- Create and staff a Hendersonville Parks and Greenspace Department.
- Establish a Parks and Greenspace director position charged with coordination of the plan recommendations and to establish a city point of contact and advocate for citywide parks and greenspaces.
- Create a Parks and Greenspace Advisory Committee to provide guidance and oversight of Hendersonville parks and recreation and ongoing plan implementation.
- Implement an asset management system and Total Asset management approach to track and adequately budget for existing and future park maintenance needs

Long Term / Ongoing

- Conduct an organization chart and job description review to ensure they reflect current position requirements and staffing needs as the park system grows.
- Publish an annual "State of the Parks" report that compiles financial and performance reporting to paint a picture of citywide parks and build public trust and transparency.
- Update the Equity Investment Zone mapping tool every five years to ensure data inputs and weights reflects community needs and priorities.
- Use the Project Prioritization Model tool as part of annual budgeting and the development of Capital Improvement Plan requests. Update community-supporting scoring criteria as part of the regular plan update process.

DEDICATED PARKS DEPARTMENT NEEDS BASED ON NRPA METRICS



BASED ON FINDINGS FROM THE 2023 NRPA AGENCY PERFORMANCE REVIEW. ASSUMES A PROJECTED POPULATION OF APPROXIMATELY 20,000 BY 2050, MANAGEMENT OF OVER 10 PARKS AND/OR OVER 250 ACRES OF PARKS MAINTAINED.

CREATE A RESILIENT AND CONNECTED PARK SYSTEM

Near Term

- Adopt park design standards that enumerate stormwater storage goals per acre by park classification for new park developments and reinvestment projects.
- Based on size and context, identify existing parks that should be dedicated as passive greenspace rather than active recreation. Make this the first step toward a comprehensive habitat system that delivers citywide benefits - shade, biodiversity, beauty, and clean air and water - while supporting flood mitigation.
- Identify ways that the Zoning Ordinance can be strengthened to protect natural areas, generate funding for parks, and encourage compatible development at park perimeters.

Mid Term

- Realize a vision for interconnected and continuous greenway trails and linear parks that follow rivers and streams, highway underpasses, former railroads and other corridors; build on bike and pedestrian planning; and connected regional trails beyond the city limits to adjacent cities and Henderson County.

Long Term / Ongoing

- Set a goal of minimum 50% tree canopy coverage for park sites, and leverage programs and partnerships to plan and care for trees.
- Coordinate across departments to review vacant or surplus landholdings to determine highest and best use, including identification of suitable lands for parks, housing and schools. Repeat this exercise every three to five years.

INVEST IN HIGH-QUALITY NEIGHBORHOOD PARKS

Near Term

- Launch and staff a Neighborhood Park Program to formalize the City's emphasis on neighborhood park improvements.
- Dedicate identified City-owned park opportunity sites as future parkland.
- Secure funding to complete short-term deferred maintenance projects.
- Invest in adequate facilities and equipment for staff.
- Establish a partnership framework and best practices for empowering and supporting Friends of Parks groups and other community-based organizations that can act as stewards and ambassadors for their parks.
- Launch a Safe Routes to Parks program with Transportation and Health Department.

Long Term / Ongoing

- Continue to support the suggested Neigborhood Park Program to spotlight beloved neighborhood parks; steward, share progress and rally support for reinvestment projects; and find new ways to connect people to their parks.
- Ensure the equitable distribution of financial investment across the park system.
- Increase the percentage of residents within a ten-minute walk of a park.

IMPROVE PARK FUNDING

Near Term

- Identify new funding sources for citywide parks and greenspaces.
- Identify new and creative opportunities for public-private partnerships for parks and recreation in Hendersonville, including through leveraging catalytic site and greenway projects.
- Create a position for a City grant officer or contract position for a grant writer to identify and coordinate critical next steps for specific state and federal grants.
- Create a Hendersonville Parks Foundation (non-profit group to support and seek funding oppportunities).
- Explore "penny tax" dedicated to parks and trails.

Long Term / Ongoing

- Coordinate efforts and identify where master plans, land acquisitions and other steps are needed to position the City to take advantage of current and future federal and state dollars for parks, recreation and infrastructure.

ACTIVATE PARKS, EMPHASIZE COMMUNITY AND SENSE OF PLACE

Near Term

- Develop strong community partnerships with organizations striving to improve outcomes related to physical fitness, mental health, healthy eating and social connections.
- Begin to rebuild or create new partnerships with programming and events providers to expand programming access and options citywide.

Mid Term

- Create a Hendersonville Park Ambassador program, with a focus on hiring community leaders to develop programming or events that connect underrepresented communities to parks and recreation opportunities.

Long Term

- Work with public and private partners to develop a strategy to increase park programming that is relevant, appealing and easily accessible.
- Obtain the software and develop the infrastructure to improve park programming, perhaps in conjunction with Henderson County.
- Administer a scientific survey on neighborhood and citywide programming needs every five years.

"Research shows that recreation programs in parks can **change the way that people interact with their environment.** By providing the community with ways to get involved and stay invested in its green spaces, **effective park programming offers better health and increased well-being for residents.**"

- NRPA PARK PROGRAMMING AND BETTER HEALTH FACT SHEET

A Downtown Destination-Make Downtown a Vibrant Place to Gather & Play

PEDESTRIAN AND GREENWAY CONNECTIVITY

Downtown Greenway
Baton Rouge, LA

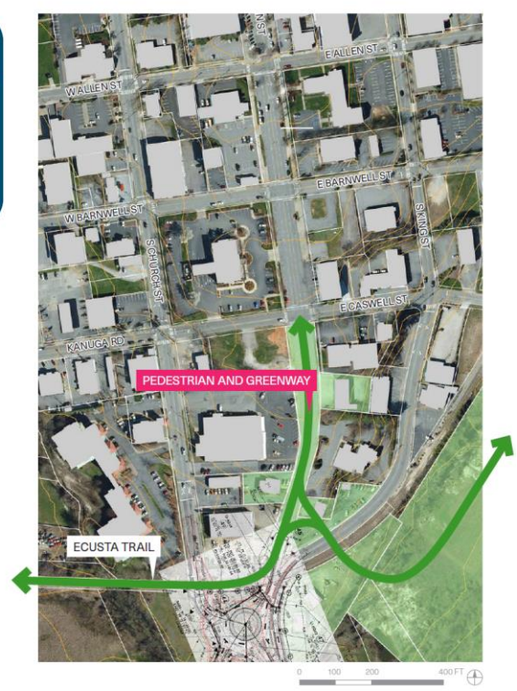
Linear Park/ Greenway Comparable Cost Range

$400K- $2mil

~$10-50/SF

(Plus potential parcels to acquire value: $1.2M)

Emeryville Greenway
Emeryville, CA

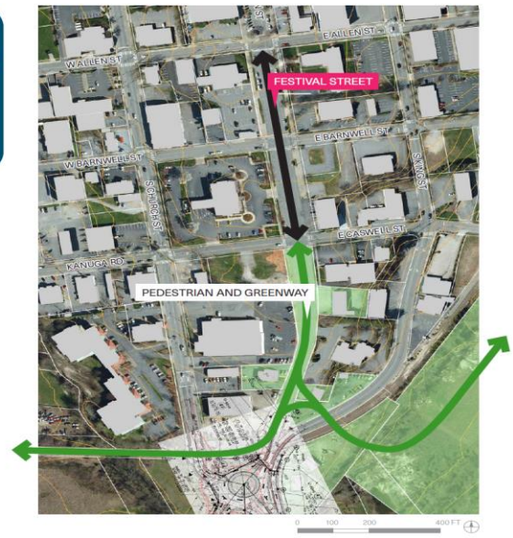


FESTIVAL STREET

Festival Street Comparable Cost Range
$8mil
~$125/SF

Ithaca Commons
Ithaca, NY

City Center
Netherlands



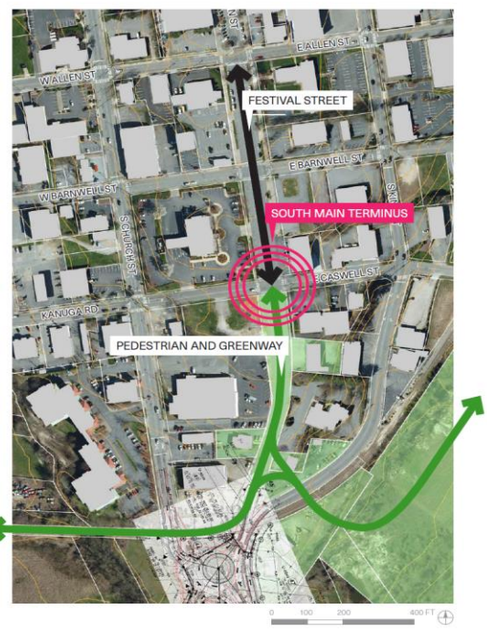
SOUTH MAIN TERMINUS

Rock Wall
Chicago, IL

Bouldering Wall
Storymill Park

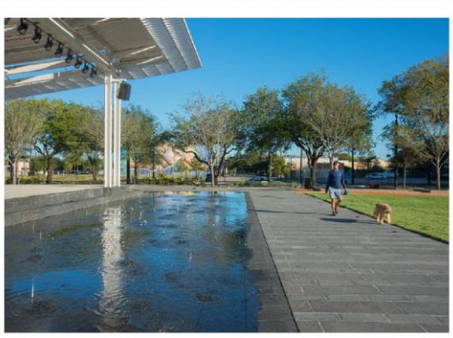
Splash Pad
Boulder, CO

Gathering Place
Festival Park

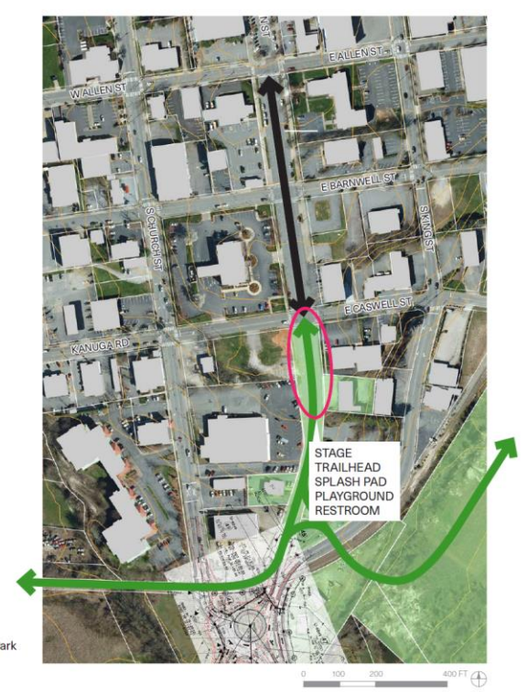


FESTIVAL STREET - STAGE

Stage in the Street at Fillmore Plaza
Denver, CO



Splash Pad and Stage in Midtown Park
Houston, TX



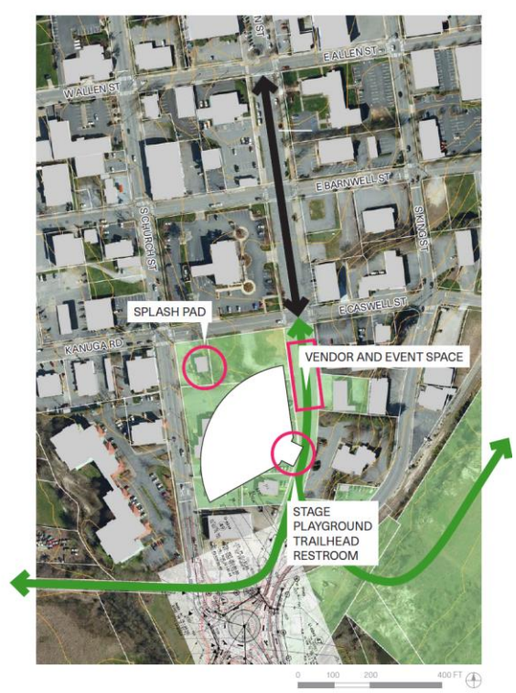
AMPHITHEATER - PRECEDENT STUDY

AMPHITHEATER - PRECEDENT STUDY

AMPHITHEATER STUDY A

Amphitheater at Festival Park
Boulder, CO

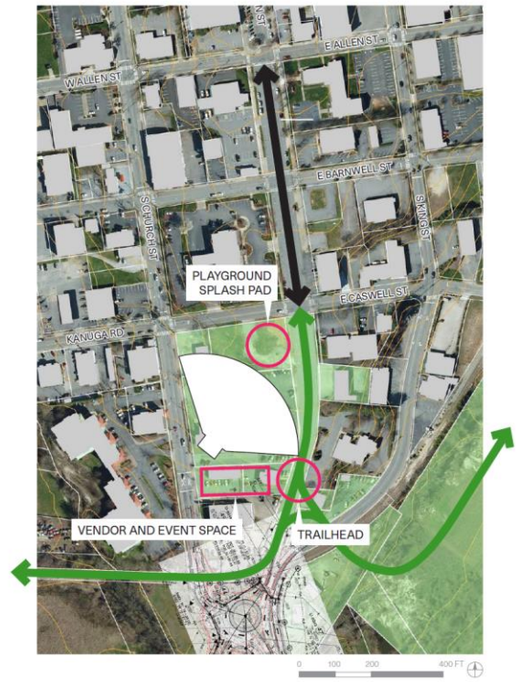
Amphitheater
Clifton Forge, VA



AMPHITHEATER STUDY B

Wheaton French Market
Wheaton, IL

Splash Pad at Butler Metro Park
Austin, TX



4. <u>ADJOURN</u>

There being no further business, the meeting was adjourned at 5:44 p.m. upon unanimous assent of the Council.

_____
Lyndsey Simpson, Mayor Pro Tem

ATTEST:

_____
Jill Murray, City Clerk

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: Adam Murr **MEETING DATE:** 02/0/2024

AGENDA SECTION: CONSENT **DEPARTMENT:** Administration

TITLE OF ITEM: February 2024 Budget Amendments – *Adam Murr, Budget Manager*

SUGGESTED MOTION(S):
I move City Council adopt budget amendments 020742024-06, 02072024-07, and 02072024-08 as presented.

SUMMARY:
- **02072024-06**: FY24 amendment leveraging a State direct appropriation of $14.75 million for the Biosolids (#16036) and WTP Residuals (#22013) projects.
- **02072024-07**: FY24 amendment for the 7th Avenue Streetscape project, totaling $3.84 million.
- **02072024-08**: FY24 amendment continuing Council's appropriation of ARP funds as directed for Children and Family Resource Center, Safelight, and True Ridge – totaling $250,000 in appropriations.

BUDGET IMPACT: Detailed Above

Is this expenditure approved in the current fiscal year budget? N/A

If no, describe how it will be funded. N/A

ATTACHMENTS:
FY24 Amendments 02072024-06, 02072024-07, and 02072024-08.

TO MAYOR & COUNCIL
APPROVAL: February 07, 2024

FISCAL YEAR 2024
FORM: 02072024-06

BUDGET AMENDMENT

FUND 301 | 460

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	EXISTING BUDGET	INCREASE	DECREASE	REVISED BUDGET
301-0000-420050-G2402	Contributions/Donations	-	14,750,000	-	14,750,000
301-0000-598901-G2402	Transfer Out (to 460, #22013)	-	2,342,000	-	2,342,000
301-0000-598901-G2402	Transfer Out (to 460, #16036)	-	12,408,000	-	12,408,000
FUND 301 (#G2402)	TOTAL REVENUES	-	-	-	-
FY24 State Approp.	TOTAL EXPENDITURES	-	-	-	-
460-0000-470010-22013	Debt Proceeds	1,480,000	-	1,480,000	-
460-0000-470100-22013	Transfer In (from 301, #G2402)	-	2,342,000	-	2,342,000
460-7035-550103-22013	Capital Outlay-CIP	1,480,000	-	-	2,342,000
FUND 460 (#22013)	TOTAL REVENUES	1,480,000	2,342,000	1,480,000	2,342,000
WTP Residuals	TOTAL EXPENDITURES	1,480,000	-	-	2,342,000
460-0000-470100-16036	Transfer In (from 301, #G2402)	-	12,408,000	-	12,408,000
460-0000-470010-16036	Debt Proceeds	12,530,000	-	7,446,000	5,084,000
460-7135-550102-16036	Capital Outlay - Services/ Fees	125,000	-	-	125,000
460-7135-550103-16036	Capital Outlay-CIP	12,405,000	4,962,000	-	17,367,000
FUND 460 (#16036)	TOTAL REVENUES	12,530,000	12,408,000	7,446,000	17,492,000
Biosolids Dryer	TOTAL EXPENDITURES	12,530,000	4,962,000	-	17,492,000

The State has provided the City with $14,750,000 direct appropriation for the Biolsolids and WTP Residuals projects. This amendment adjusts the existing capital project ordinances for the projects to reflect the use of grant funds, rather than debt proceeds where appropriate.

The City Manager and City Clerk certify budget ordinance amendment 02072024-06 was approved by City Council on February 07, 2024.

City Manager

Date

City Clerk

Date

TO MAYOR & COUNCIL
APPROVAL: February 07, 2024

FISCAL YEAR 2024
FORM: 02072024-07

BUDGET AMENDMENT

FUND 021 | 060 | 410					
ACCOUNT NUMBER	**ACCOUNT DESCRIPTION**	**EXISTING BUDGET**	**INCREASE**	**DECREASE**	**REVISED BUDGET**
021-0000-470900	Fund Balance Appropriated	63,443	81,439	-	144,882
021-0000-598901	Transfer Out (to 410, #16030)	-	81,439	-	81,439
FUND 021	TOTAL REVENUES	-	81,439	-	-
7th Ave MSD Fund (FY25)	TOTAL EXPENDITURES	-	81,439	-	-
459-0000-470900	Fund Balance Appropriated (FY25)	-	865,000	-	865,000
459-0000-598901	Transfer Out (to 410, #16030)	-	865,000	-	865,000
FUND 459	TOTAL REVENUES	-	865,000	-	-
W&S CRF	TOTAL EXPENDITURES	-	865,000	-	-
410-0000-420010-16030	Powell Bill Allocation (FY25)	-	460,000	-	460,000
410-0000-420050-16030	Grant Revenue (Stormwater SRF)	-	250,000	-	250,000
410-0000-470020-16030	Debt Proceeds (2021 IFC)	2,038,592	-	-	2,038,592
410-0000-470100-16030	Transfer In (from Fund 010 | FY25)	-	140,000	-	140,000
410-0000-470100-16030	Transfer In (from Fund 021 | FY24)	-	81,439	-	81,439
410-0000-470100-16030	Transfer In (from Fund 060 | FY24)	-	865,000	-	865,000
410-2202-524040-16030	Powell Bill Expenditures	-	460,000	-	460,000
410-2202-550103-16030	Capital Outlay - CIP	2,005,607	1,215,000	-	3,342,046
410-2202-560900-16030	Cost of Issuance	32,985	-	-	32,985
FUND 410 (#16030)	TOTAL REVENUES	2,038,592	1,796,439	-	3,835,031
7th Ave. Streetscape	TOTAL EXPENDITURES	2,038,592	1,675,000	-	3,835,031

An amendment to the 7th Avenue Streetscape Project (#16030) increasing the budget from the closing book amount of $2,038,592 (2021 Installment Financing). The amendment reflects the receipt of stormwater grant revenue, planned use of FY25 Powell Bill funding, and transfers in to cover water and sewer work on the project. The budget amendment makes funds available to reflect the full cost of the project according to the guaranteed maximum price (GMP).

The City Manager and City Clerk certify budget ordinance amendment 02072024-07 was approved by City Council on February 07, 2024.

City Manager

Date

City Clerk

Date

TO MAYOR & COUNCIL
APPROVAL: February 07, 2024

FISCAL YEAR 2024
FORM: 02072024-08

BUDGET AMENDMENT

FUND 010 | 199

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	EXISTING BUDGET	INCREASE	DECREASE	REVISED BUDGET
010-0000-470900	Fund Balance Appropriated	2,816,519	250,000	-	3,066,519
010-0000-598901	Transfer Out (to Fund 199, #00100)	175,000	250,000	-	425,000
FUND 010	TOTAL REVENUES	-	250,000	-	3,066,519
	TOTAL EXPENDITURES	-	250,000	-	425,000
199-0000-470100-00100	Transfer In (from Fund 010)	100,000	250,000	-	350,000
199-1001-540001-00100	Special Appropriations (ARP-IAM food security)	100,000	-	-	100,000
199-1001-540001-00100	Special Appropriations (Child.&Fam. Resource)	-	100,000	-	100,000
199-1001-540001-00100	Special Appropriations (Safelight-Phoenix)	-	100,000	-	100,000
199-1001-540001-00100	Special Appropriations (True Ridge)	-	50,000	-	50,000
FUND 199, #00100	TOTAL REVENUES	-	250,000	-	350,000
ARP Appropriations	TOTAL EXPENDITURES	-	250,000	-	350,000

An amendment continuing ARP Special Appropriation budget in FY24. This expenditure was budgeted originally in a project ordinance (multi-year budget); however, it is necessary to budget for the project annually in Fund 199. The ARP Appropriation budget was last amended in FY23, providing $250,000 for the Children and Family Resource Center, Safelight's Phoenix project, and True Ridge. $400,000 was previously appropriated for the Apple Ridge Project. $100,000 was previously appropriated for the IAM Food Assistance program.

The City Manager and City Clerk certify budget ordinance amendment 02072024-08 was approved by City Council on February 07, 2024.

City Manager

Date

City Clerk

Date

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: Jennifer Floyd **MEETING DATE:** 02/07/2024

AGENDA SECTION: CONSENT **DEPARTMENT:** Administration

TITLE OF ITEM: Budget Amendments Mid-Year FY24 – *Jennifer Floyd, Budget and Management Analyst*

SUGGESTED MOTION(S):

I move City Council adopt the budget amendments 02072024-01, 02072024-02, 02072024-03, 02072024-04, and 02072024-05 (mid-year budget amendments) as presented.

SUMMARY:
At the mid-point in each fiscal year, the City regularly amends its budget to re-prioritize funds as needed. This year, the City is making various operating budget changes across the General Fund, Main Street MSD Fund, Water and Sewer Fund, Parking Fund, and Environmental Services Fund.

BUDGET IMPACT:
Fund 010: $1,197,234 increase
Fund 020: $44,112 increase
Fund 060: $289,760 increase
Fund 064: $57,600 increase
Fund 068: $650 increase

Is this expenditure approved in the current fiscal year budget? No.

If no, describe how it will be funded.

Various amendments to revenues at mid-year based on forecast and the strategic use of fund balance.

ATTACHMENTS:
1. Mid-Year Budget Report Memo
2. Budget Amendments: 02012024-01, 02012024-02, 02012024-03, 02012024-04, 02012024-05.

City Council Memo

TO	Mayor Volk & City Council
FROM	Jenny Floyd, Budget & Mgmt. Analyst Adam Murr, Budget Manager
SUBJECT	FY24 Mid-Year Budget Report
DATE	January 22, 2024
COPY	John Connet, City Manager Brian Pahle, Assistant City Manager

This memo communicates the City of Hendersonville's fiscal year 2023-2024 (FY24) budget and mid-year revenue and expenditure analysis. The memo summarizes high-level observations and recommends both adjustments and amendments in need of Council's review and approval.

The report is divided into a governmental fund and enterprise fund section and reports on the City's seven (7) major operating funds: General Fund (010), Main Street MSD (020), 7th Avenue MSD (021), Water & Sewer (060), Parking (064), Stormwater (067), and Environmental Services (068). This report will be submitted to City Council ahead of their February 07, 2024 regular meeting.

Governmental Funds

The three governmental funds covered in this report include the General Fund, Main St. MSD Fund, and 7th Avenue MSD Fund. The General Fund revised budget as of 01/08/2024 totals $26,307,957 including a budgeted fund balance appropriation of $2,916,519. The Main Street MSD Fund revised budget totals $757,592 including a budgeted fund balance appropriation of $130,762. The 7th Avenue MSD Fund revised budget totals $181,843 including a budgeted fund balance appropriation of $63,443.

Major highlights of these fund's mid-year performance and recommended adjustments are presented in the following sections.

Ad Valorem Tax (Revenues)

For tax year 2023 (FY24), the City continued an interlocal agreement with Henderson County to consolidate tax collection under the County. The County provides this service for a fee of 0.5% of the total collections. At mid-year, collections for the tax year 2023 (FY24) General Fund ad valorem taxes total approximately $6,860,938 (52.57%) of the total budgeted $13,050,000 levy. Comparably, this time in tax year 2022 (FY23), collections totaled 48.40%. We anticipate total collections for the year of $13,530,000 based on forecasting and property tax distribution expectations. The Main Street MSD fund property tax actuals total $128,543 (44.63%) of budget, to date. 7th Avenue MSD fund property tax actuals total $12,777 (27.24%) of the revised budget, to date.

Prior year collections have exceeded initial budget estimates in the General Fund. Our mid-year amendment includes adjustments considering the increased collection amount.

Unrestricted Intergovernmental Taxes (Revenues)
The City adopted an FY24 ad valorem sales tax revenue budget of $6,290,000 (+4.00% over FY23). Due to high state-wide refund trends in FY24, Staff recommends keeping sales tax revenues at the current level until additional data is available – a conservative approach at mid-year. The City has received a total of $1,536,775 for three of twelve total collection months, a $31,183, or, 2.07% increase over the same collection periods in FY23. By the end of FY24, we anticipate collections will be in-line with budget: $5,914,000 in the General Fund, $314,000 in the Main Street MSD Fund, and $62,000 in the 7th Avenue MSD Fund.

Debt Proceeds (Revenues)
In FY24, the City adopted a project ordinance for major vehicle and equipment acquisitions. Due to this shift, the FY24 General Fund, Main Street MSD Fund, and 7th Avenue MSD Fund budgets do not include debt proceed revenues. Additionally, there are no planned debt issuances for major governmental construction projects or acquisitions.

Other (Revenues)
Powell Bill distributions are a large, restricted source of revenue in the General Fund. According to North Carolina General Statute (NCGS) 136-41.3(a), funds must be used primarily for street resurfacing within corporate limits, with some allowance to maintain bridges, drains, curbs, and other necessary public transportation amenities. At mid-year FY24, there is a recommended $55,913 increase to Powell Bill Allocation revenues to bring the adopted $460,000 budget to a level that matches the State's allocation amount, $515,913.

Additional significant revenue amendments include a $50,000 increase to electricity utility tax revenues, a $34,000 increase to market adjustment revenues, a $19,000 increase to refund revenues, a $12,000 increase to insurance proceed revenues, and a $515,000 increase to sale of capital asset revenues.

Summary (Revenues)
Overall, the proposed amendments result in a net increase of $1,197,234 in the General Fund. Our mid-year amendment does include an increase of $204,121 to fund balance appropriations in the General Fund. The Main Street MSD Fund amendment increases revenues $44,112, including a $2,000 increase to special event revenues and a $40,000 increase in the fund balance appropriated. Increased Main Street MSD revenues are being used to balance salaries and benefits, as well as electricity use. No changes to 7th Avenue's budget are recommended currently.

Salaries & Benefits (Expenditures)
Included in the mid-year budget amendment recommendations are net increases for salaries and benefits throughout the General Fund, which total $1,114,821. This increase, in large, is due to higher than anticipated job occupancy rates in the governmental funds. This trend, while costly, is a positive note since it indicates Council's personnel and benefits initiatives have promoted low vacancy and turnover. The increase also includes six (6) firefighter trainee positions that will launch the City of Hendersonville's first fire academy.

Other Equipment, Supplies, & Services (Expenditures)
There is a long list of smaller proposed amendments to regular operating accounts to fix budget issues that have arisen in the first half of the fiscal year. These are typical amendments for repairs and other supplies. Of note, there is a recommended increase of $9,000 to permits, licenses & fees in the Community Development department for new planning software. There are also recommended increases to liability & property insurance accounts throughout the General Fund, which total $44,100. Other operating increases cover needed increases to utilities, permits, licenses and fees, professional services-engineering, and contract services.

Contingencies (Expenditures)
Finally, the General Fund's contingency account had an adopted budget of $227,500. At mid-year, this budget amount has decreased to $48,963 to cover various overages across all departments within the General Fund. The account was also used to hold funds for the 2% 401k match approved by Council. The funds were moved from contingency into the appropriate account after it was created. There are no recommended changes to the contingency account.

The total recommended change in total budget for the governmental funds is presented, as follows.

Fund	**Net Change ($)**	**FY24 Revised Appropriation**
General Fund (010)	Increase $ 1,197,234	$27,505,191
Main Street MSD Fund (020)	Increase $44,112	$801,704
7th Avenue MSD (021)	No Change	$181,843

The amendment detailing these changes is included with the agenda item.

Enterprise Funds
The four (4) enterprise funds covered in this report include the Water and Sewer Fund, Parking Fund, Stormwater Fund, and Environmental Services Fund. The Water and Sewer Fund revised budget as of 01/08/2024 totals $24,513,088. including a budgeted fund balance appropriation of $636,438. The Parking Fund revised budget totals $1,168,920, including a $138,420 fund balance appropriation. The Stormwater Fund revised budget totals $1,500,344 including a budgeted fund balance appropriation of $266,294. The Environmental Services Fund revised budget totals $1,866,685 including a budgeted fund balance appropriation of $62,035. Major highlights of these funds' mid-year performance and recommended adjustments is presented in the following sections.

User Charges (Revenues)
User charges for the sale of utility services are the largest income source for the enterprise funds. Operating under a business-like structure, the City charges customers directly based on the amount of a service or resource consumed. The City has deliberated with rate experts and consultants to recommend rates to the City Council. Adherence to recommendations for the current fiscal year (FY24) and forward is an important consideration as we continually prioritize capital projects, analyze the health and longevity of our utility systems, and meet financial covenants set through our revenue bond (parity bond) and other borrowings.

As of 01/08/2024, the water sales account has collected $6,124,619 (37.8%) of budgeted user charge revenue. This collection amount reflects approximately 21 cycles of revenue collection out of 48 total cycles. 27 major collection cycles remain this fiscal year. Compared to prior fiscal years at the same collection period, water sales revenues are higher. This increased actual water sale revenue trend can be attributed to a few factors including finance department efforts to improve utility bill collections and increased economic growth in greater Henderson County (with utility connections increasing over time). Prior to the adoption of the FY24 budget, a water and sewer rate study was completed. The results of the study aided in a more concise user charge budget. The sewer charges account has collected $2,769,525 (41.96%) of budgeted revenues. The Parking Fund has collected $95,372 (42.38%) of budgeted monthly parking revenues, $334,873 (44.64%) in parking meter revenues, and $96,017 in parking garage revenues which had no budget allocated. Due to the accounting needs of the city, we are recommending a decrease in the monthly parking and parking meter revenue accounts of $45,000 and $50,000 respectively, and an increase of $150,000 in the parking garage revenue account. The Stormwater Fund has collected $519,600 (42.24%) of budgeted stormwater fee revenue. The Environmental Services Fund has collected $739,038 (41.05%) of budgeted user charge revenue (for both residential and commercial waste collection).

There are no recommended changes in user charges revenues in the Water and Sewer Fund, the Stormwater Fund, or the Environmental Services Fund.

Tap Fees (Revenues)
In addition to user charges, the Water and Sewer Fund tracks revenues collected from the connection of customers to our infrastructure. The tap fee revenue source is a good indicator of the local economy, providing insight to the rate of development in the City and Henderson County. Thus far, in FY24, we have collected $246,050 (66.99%) of our $367,300 budgeted water and sewer tap revenues. Based on current collections, staff recommend no change to budgeted revenues for water and sewer tap fees.

Other (Revenues)
Various other minor revenue sources are accounted for in the enterprise funds. Some other sources of revenue include disconnect/reconnect fees, customer participation charges, investment earnings, sale of assets, and miscellaneous income. At mid-year, staff recommends Council approve the following adjustments to other revenues: $4,300 increase to rental income, a $10,400 increase to lease revenues, $21,000 increase to W&S inspection line fees, a $3,400 increase to sewer permits & fees, a $7,000 increase to utility billing service charges, a $15,000 increase to sewer surcharges, a $9,800 increase to sewer pretreatment cost recovery, a $64,000 increase to interest income, a $25,800 increase to market adjustment, a $25,000 increase to both public works and W&S miscellaneous income accounts, a $15,000 increase to refunds, a $2,060 increase to insurance proceeds, and a $62,000 increase to sale of capital assets.

Salary & Benefits (Expenditures)
There are several needed increases to salary lines, including adjustments for worker's comp. insurance claims, salaries & wages – regular, retirement, and overtime budgets within the Water and Sewer Fund.

Inventory (Expenditures)
There are no recommended changes to inventory expenditure accounts.

Other Equipment, Supplies, & Services (Expenditures)
Other operating expenditure adjustments include increases for professional services, utilities, vehicle and equipment maintenance, training, permits, licenses, and fees.

Contingencies, Transfers, and Others (Expenditures)
Contingencies in the Water and Sewer Fund have decreased from $222,586 to $107,394 at mid-year. There are no recommended adjustments to contingencies with our mid-year amendments. The funds will be used for unforeseen opportunities and to supplant operating needs as we approach the end of FY24. There are no contingencies changes recommended for the Stormwater Fund or Environmental Services Fund.

The total recommended change in total budget for the enterprise funds is presented, as follows.

Fund	**$ Change (Net)**	**FY24 Revised Appropriation**
Water & Sewer Fund (060)	Increase $289,760	$24,803,848
Parking Fund (064)	Increase $57,600	$1,226,520
Stormwater Fund (067)	No Change	$1,500,344
Environmental Services Fund (068)	Increase $650	$1,867,335

The amendment detailing these changes is included with the agenda item.

TO MAYOR & COUNCIL
APPROVAL: February 07, 2024

FISCAL YEAR 2024
FORM: 02072024-01

BUDGET AMENDMENT

FUND 010

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	EXISTING BUDGET	INCREASE	DECREASE	REVISED BUDGET
010-0000-400101	Ad Valorem Taxes	(13,050,000)	(250,000)		(13,300,000)
010-0000-400102	Prior Years Ad Valorem Taxes	(50,000)	(25,000)		(75,000)
010-0000-410300	Electricity Utility Tax	(925,000)	(50,000)		(975,000)
010-0000-410303	Natural Gas Utility Tax	(71,000)	(10,000)		(81,000)
010-0000-420010	Powell Bill Allocation	(460,000)	(55,913)		(515,913)
010-0000-440005	Fire Permits & Fees	(8,000)	(3,000)		(11,000)
010-0000-440008	Zoning Permits	(10,000)	(1,000)		(11,000)
010-0000-440012	Street Sidewlk Encroachment	(250)	(1,200)		(1,450)
010-0000-450002	Powell Bill Interest	-	(2,000)		(2,000)
010-0000-450099	Market Adjustment	-	(34,000)		(34,000)
010-0000-460002	Miscellaneous Income - Police	(1,000)	(2,000)		(3,000)
010-0000-460003	Miscellaneous Income - Public Works	-	(13,000)		(13,000)
010-0000-460120	Refunds	-	(19,000)		(19,000)
010-0000-470030	Insurance Proceeds	(1,368)	(12,000)		(13,368)
010-0000-470050	Sale Of Capital Assets	(35,000)	(515,000)		(550,000)
010-0000-470900	Fund Balance Appropriated	(2,816,519)	(204,121)		(3,020,640)
010-1002-501001	Salaries - Regular	521,182	63,000		584,182
010-1005-501001	Salaries - Regular	124,157	8,300		132,457
010-1008-501001	Salaries - Regular	278,005		10,000	268,005
010-1010-501001	Salaries - Regular	38,412	3,900		42,312
010-1014-501001	Salaries - Regular	299,514	13,000		312,514
010-1200-501001	Salaries - Regular	396,212	65,500		461,712
010-1300-501001	Salaries - Regular	3,401,059	202,000		3,603,059
010-1400-501001	Salaries - Regular	2,781,517	145,868		2,927,385
010-1502-501001	Salaries - Regular	335,229	17,700		352,929
010-1521-501001	Salaries - Regular	189,200	20,000		209,200
010-1523-501001	Salaries - Regular	84,042	20,000		104,042
010-1525-501001	Salaries - Regular	361,193	40,500		401,693
010-1555-501001	Salaries - Regular	440,170		30,000	410,170
010-1001-501002	Salaries - Board/ Part Time/Temp/Aux	21,373	3,000		24,373
010-1002-501002	Salaries - Board/ Part Time/Temp/Aux	12,000		10,000	2,000
010-1008-501002	Salaries - Board/ Part Time/Temp/Aux	213	13,000		13,213
010-1300-501002	Salaries - Board/ Part Time/Temp/Aux	80,817		9,000	71,817
010-1523-501002	Salaries - Board/ Part Time/Temp/Aux	14,000		10,000	4,000
010-1525-501002	Salaries - Board/ Part Time/Temp/Aux	20,000		10,000	10,000
010-1300-501004	Salaries - Seperation	75,285	35,000		110,285
010-1014-501010	Salaries - Overtime	500	2,700		3,200
010-1300-501010	Salaries - Overtime	80,000	15,000		95,000
010-1400-501010	Salaries - Overtime	110,000	220,000		330,000

010-1502-501010	Salaries - Overtime	500	1,600		2,100
010-1521-501010	Salaries - Overtime	5,000	12,000		17,000
010-1523-501010	Salaries - Overtime	5,000		1,000	4,000
010-1555-501010	Salaries - Overtime	5,000	15,000		20,000
010-1560-501010	Salaries - Overtime	5,000	850		5,850
010-7855-501010	Salaries Overtime	-	610		610
010-1300-501011	Salaries - Holiday Pay	169,308		20,000	149,308
010-1400-501011	Salaries - Holiday Pay	98,391		15,000	83,391
010-1300-501012	Salaries - Standby Pay	19,500	1,000		20,500
010-1523-501012	Salaries - Standby Pay	5,000		2,000	3,000
010-1525-501014	Salaries - Shift Diff	-	850		850
010-1300-501025	Salaries - Uniform/Taxab	15,250	1,700		16,950
010-1502-501025	Salaries - Uniform/Taxab	575	1,400		1,975
010-7855-501025	Salaries Uniform/Taxab	-	210		210
010-1002-501050	Salaries - CM Ins Prem	4,000	550		4,550
010-1001-502001	Fica Tax Expense	1,600	150		1,750
010-1002-502001	Fica Tax Expense	40,550	2,600		43,150
010-1005-502001	Fica Tax Expense	9,498	500		9,998
010-1010-502001	Fica Tax Expense	2,938	350		3,288
010-1014-502001	Fica Tax Expense	22,913	1,050		23,963
010-1200-502001	Fica Tax Expense	31,248	3,500		34,748
010-1300-502001	Fica Tax Expense	274,804	23,000		297,804
010-1400-502001	Fica Tax Expense	231,570	22,804		254,374
010-1521-502001	Fica Tax Expense	14,578	3,000		17,578
010-1523-502001	Fica Tax Expense	6,476	1,900		8,376
010-1525-502001	Fica Tax Expense	27,762	3,500		31,262
010-1001-502005	Group Med & Life Ins	14,000	1,700		15,700
010-1002-502005	Group Med & Life Ins	54,190	6,700		60,890
010-1005-502005	Group Med & Life Ins	7,881	2,250		10,131
010-1010-502005	Group Med & Life Ins	3,770	750		4,520
010-1014-502005	Group Med & Life Ins	38,875	4,700		43,575
010-1200-502005	Group Med & Life Ins	55,439	14,000		69,439
010-1300-502005	Group Med & Life Ins	578,521	124,000		702,521
010-1400-502005	Group Med & Life Ins	528,562	39,414		567,976
010-1502-502005	Group Med & Life Ins	51,813	12,100		63,913
010-1521-502005	Group Med & Life Ins	37,200	6,500		43,700
010-1523-502005	Group Med & Life Ins	14,330	2,700		17,030
010-1525-502005	Group Med & Life Ins	75,091	19,000		94,091
010-1555-502005	Group Med & Life Ins	80,784	2,600		83,384
010-7855-502005	Group Med & Life Ins	5,098		400	4,698
010-1002-502050	Retirement Expense	68,114	7,050		75,164
010-1005-502050	Retirement Expense	15,954	1,300		17,254
010-1010-502050	Retirement Expense	4,936	560		5,496
010-1014-502050	Retirement Expense	38,488	2,600		41,088
010-1200-502050	Retirement Expense	52,489	7,400		59,889
010-1300-502050	Retirement Expense	686,112		6,000	680,112
010-1400-502050	Retirement Expense	388,977	42,780		431,757

010-1502-502050	Retirement Expense	44,652	1,300		45,952
010-1521-502050	Retirement Expense	24,489	5,100		29,589
010-1523-502050	Retirement Expense	10,878	1,700		12,578
010-1525-502050	Retirement Expense	46,632	4,800		51,432
010-1002-502055	Retiree Insurance	18,396		10,000	8,396
010-1300-502055	Retiree Insurance	85,848		20,000	65,848
010-1400-502055	Retiree Insurance	73,584		30,000	43,584
010-1502-502055	Retiree Insurance	24,528		5,000	19,528
010-1002-502056	COH Match Retirement Expense	9,205	250		9,455
010-1005-502056	COH Match Retirement Expense	2,730	40		2,770
010-1014-502056	COH Match Retirement Expense	3,500	410		3,910
010-1200-502056	COH Match Retirement Expense	6,100	1,200		7,300
010-1300-502056	COH Match Retirement Expense	7,175	400		7,575
010-1560-502056	COH Match Retirement Expense	870	25		895
010-1300-502091	Worker's Comp Ins	48,164	3,300		51,464
010-1002-519103	Prof Services-Medical	5,000		5,000	-
010-1002-519200	Contract Services	85,000		10,000	75,000
010-1005-519200	Contract Services	24,360		10,000	14,360
010-1200-531220	Travel	6,000		6,000	-
010-1502-531220	Travel	6,000		6,000	-
010-1521-531220	Travel	5,000		5,000	-
010-1555-531220	Travel	3,000		3,000	-
010-1560-531220	Travel	4,500		4,500	-
010-1002-539005	Health And Welfare Expenditures	61,015	92,000		153,015
010-1200-556001	Capital Outlay - Other/Intangible	25,000		16,000	9,000
010-1556-524040	R&M Streets/Sidewalks	600,000	55,913	-	655,913
FUND 010	TOTAL REVENUES	(17,428,137)	(1,197,234)	-	(18,625,371)
	TOTAL EXPENDITURES	14,692,793	1,451,134	253,900	15,890,027

A budget amendment in the General Fund to increase revenues and expenditure accounts where appropriate as the City approaches mid-year. Increased funds will be used for priortiy items within the General Fund Fund including salaries, benefits, and health & welfare expenditures.

The City Manager and City Clerk certify budget ordinance amendment 02072024-01 was approved by City Council on February 07, 2024.

City Manager

Date

City Clerk

Date

TO MAYOR & COUNCIL
APPROVAL: February 07, 2024

FISCAL YEAR 2024
FORM: 02072024-02

BUDGET AMENDMENT

FUND 020

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	EXISTING BUDGET	INCREASE	DECREASE	REVISED BUDGET
020-0000-400150	Tax - Interest	-	(15)	-	(15)
020-0000-450001	Interest Income	(100)	(1,439)	-	(1,539)
020-0000-450099	Market Adjustment	-	(658)	-	(658)
020-0000-460040	Special Events - Nontaxable	(17,500)	(2,000)	-	(19,500)
020-0000-470900	Fund Balance Appropriated	(130,762)	(40,000)	-	(170,762)
020-1525-501002	Salaries - Board/ Part Time/Temp/Aux	-	460	-	460
020-2102-501002	Salaries - Board/ Part Time/Temp/Aux	-	20	-	20
020-1523-501010	Salaries - Overtime	-	80	-	80
020-1525-501010	Salaries - Overtime	-	160	-	160
020-1560-501010	Salaries - Overtime	-	250	-	250
020-7855-501010	Salaries - Overtime	-	630	-	630
020-1523-501012	Salaries - Standby Pay	-	80	-	80
020-1560-501012	Salaries - Standby Pay	-	770	-	770
020-1525-501014	Salaries - Shift Diff	-	50	-	50
020-2102-501014	Salaries - Shift Diff	-	2	-	2
020-1502-501025	Salaries - Uniform/Taxab	-	65	-	65
020-1523-501025	Salaries - Uniform/Taxab	-	60	-	60
020-1525-501025	Salaries - Uniform/Taxab	-	150	-	150
020-1560-501025	Salaries - Uniform/Taxab	-	60	-	60
020-2102-501025	Salaries - Uniform/Taxab	-	20	-	20
020-7855-501025	Salaries - Uniform/Taxab	-	260	-	260
020-1523-502001	Fica Tax Expense	564	20	-	584
020-1523-502005	Group Med & Life Ins	921	450	-	1,371
020-1525-502005	Group Med & Life Ins	3,626	1,250	-	4,876
020-1560-502005	Group Med & Life Ins	1,595	150	-	1,745
020-7855-502005	Group Med & Life Ins	5,118	600	-	5,718
020-1523-502050	Retirement Expense	946	40	-	986
020-1560-502056	COH Match Retirement Expense	45	10	-	55
020-2102-502056	COH Match Retirement Expense	1,860	70	-	1,930
020-1560-502091	Worker's Comp Ins	787	1,000	-	1,787
020-2102-521001	Supplies & Materials	47,500	-	11,600	35,900
020-2102-521010	Office Supplies	500	1,700	-	2,200
020-2102-521020	Janitorial Supplies	3,800.00		500	3,300
020-2102-523001	Utilities - Electricity	-	40,000	-	40,000
020-2102-523003	Utilities - Telephone & Internet	-	2,500	-	2,500
020-2102-524010	R & M - Bulidings	-	300	-	300
020-2102-531255	Bank Service Charges	-	5	-	5
020-2102-531700	Liab & Prop Ins & Bonds	685	5,000	-	5,685
FUND 020	TOTAL REVENUES	(148,362)	(44,112)	-	(192,474)
	TOTAL EXPENDITURES	67,947	56,212	12,100	112,059

A budget amendment in the Main St. Fund to increase revenues and expenditure accounts where appropriate as the City approaches mid-year. Increased funds will be used for priortiy items within the Main St. Fund including salaries, benefits, utilities, building repair, and liability & property insurance.

The City Manager and City Clerk certify budget ordinance amendment 02072024-02 was approved by City Council on February 07, 2024.

City Manager

Date

City Clerk

Date

TO MAYOR & COUNCIL
APPROVAL: February 07, 2024

FISCAL YEAR 2024
FORM: 02072024-03

BUDGET AMENDMENT

FUND 060

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	EXISTING BUDGET	INCREASE	DECREASE	REVISED BUDGET
060-0000-430003	Rental Income-Non Taxable	-	(4,300)	-	(4,300)
060-0000-431001	Lease Revenue	-	(10,400)	-	(10,400)
060-0000-444102	W&S Inspection Line Fees	(48,200)	(21,000)	-	(69,200)
060-0000-445001	Sewer Permits & Fees	(2,500)	(3,400)	-	(5,900)
060-0000-445201	Utility Billing Service Charges	(60,000)	(7,000)	-	(67,000)
060-0000-445202	Sewer Surcharges	(81,850)	(15,000)	-	(96,850)
060-0000-445203	Sewer Pretreatment Cost Recvry	-	(9,800)	-	(9,800)
060-0000-450001	Interest Income	(8,000)	(64,000)	-	(72,000)
060-0000-450099	Market Adjustment	-	(25,800)	-	(25,800)
060-0000-460001	Miscellaneous Income	-	(25,000)	-	(25,000)
060-0000-460003	Miscellaneous Income - Public Works	-	(25,000)	-	(25,000)
060-0000-460120	Refunds	-	(15,000)	-	(15,000)
060-0000-470030	Insurance Proceeds	-	(2,060)	-	(2,060)
060-0000-470050	Sale Of Capital Assets	-	(62,000)	-	(62,000)
060-1014-501001	Salaries - Regular	697,431	26,000	-	723,431
060-1502-501001	Salaries - Regular	19,100	6,200	-	25,300
060-1521-501001	Salaries - Regular	124,793	1,750	-	126,543
060-1523-501001	Salaries - Regular	86,835	6,500	-	93,335
060-7035-501001	Salaries - Regular	690,315	26,000	-	716,315
060-7055-501001	Salaries - Regular	1,194,004	89,000	-	1,283,004
060-7155-501001	Salaries - Regular	588,191	45,000	-	633,191
060-1005-501001	Salaries - Regular	135,161	-	1,000	134,161
060-1008-501001	Salaries - Regular	902,994	-	69,000	833,994
060-1010-501001	Salaries - Regular	192,682	-	10,000	182,682
060-7002-501001	Salaries - Regular	689,531	-	7,500	682,031
060-7050-501001	Salaries - Regular	450,437	-	12,000	438,437
060-7135-501001	Salaries - Regular	621,193	-	60,000	561,193
060-7150-501001	Salaries - Regular	222,508	-	4,300	218,208
060-1008-501002	Salaries - Board/ Part Time/Temp/Aux	337	35,200	-	35,537
060-7032-501002	Salaries - Board/ Part Time/Temp/Aux	859	32,000	-	32,859
060-7132-501002	Salaries - Board/ Part Time/Temp/Aux	423	15,500	-	15,923
060-7002-501002	Salaries - Board/ Part Time/Temp/Aux	51,937	-	20,000	31,937
060-1002-501010	Salaries - Overtime	-	2,400	-	2,400
060-1014-501010	Salaries - Overtime	3,000	4,300	-	7,300
060-1502-501010	Salaries - Overtime	-	50	-	50
060-1521-501010	Salaries - Overtime	9,000	1,300	-	10,300
060-7050-501010	Salaries - Overtime	8,000	2,800	-	10,800
060-7150-501010	Salaries - Overtime	4,000	1,700	-	5,700
060-1523-501010	Salaries - Overtime	7,000	-	80,000	(73,000)

060-7035-501010	Salaries - Overtime	16,000	-	4,500	11,500
060-7055-501010	Salaries - Overtime	70,000	-	10,000	60,000
060-7132-501010	Salaries - Overtime	50,000	-	25,000	25,000
060-7155-501010	Salaries - Overtime	40,000	-	10,000	30,000
060-7002-501011	Salaries - Holiday Pay	6,996	-	2,000	4,996
060-7035-501011	Salaries - Holiday Pay	31,434	-	15,000	16,434
060-7135-501011	Salaries - Holiday Pay	19,735	-	10,000	9,735
060-7155-501011	Salaries - Holiday Pay	3,745	-	2,000	1,745
060-1523-501012	Salaries - Standby Pay	-	950	-	950
060-7032-501012	Salaries - Standby Pay	-	12,500	-	12,500
060-7050-501012	Salaries - Standby Pay	-	12,500	-	12,500
060-7055-501012	Salaries - Standby Pay	-	12,000	-	12,000
060-7132-501012	Salaries - Standby Pay	-	6,100	-	6,100
060-7150-501012	Salaries - Standby Pay	-	6,000	-	6,000
060-7155-501012	Salaries - Standby Pay	-	5,900	-	5,900
060-7035-501014	Salaries - Shift Diff	-	7,000	-	7,000
060-7135-501014	Salaries - Shift Diff	-	2,500	-	2,500
060-1502-501025	Salaries - Uniform/Taxab	-	250	-	250
060-1521-501025	Salaries - Uniform/Taxab	-	1,750	-	1,750
060-1523-501025	Salaries - Uniform/Taxab	-	700	-	700
060-7002-501025	Salaries - Uniform/Taxab	-	400	-	400
060-7032-501025	Salaries - Uniform/Taxab	-	3,050	-	3,050
060-7050-501025	Salaries - Uniform/Taxab	-	2,500	-	2,500
060-7055-501025	Salaries - Uniform/Taxab	-	9,200	-	9,200
060-7132-501025	Salaries - Uniform/Taxab	-	1,500	-	1,500
060-7135-501025	Salaries - Uniform/Taxab	-	3,500	-	3,500
060-7150-501025	Salaries - Uniform/Taxab	-	1,500	-	1,500
060-7155-501025	Salaries - Uniform/Taxab	-	4,500	-	4,500
060-1002-501050	Salaries - CM Ins Prem	-	4,500	-	4,500
060-1014-502001	Fica Tax Expense	53,353	1,300	-	54,653
060-1502-502001	Fica Tax Expense	1,461	460	-	1,921
060-1521-502001	Fica Tax Expense	9,616	1,050	-	10,666
060-1523-502001	Fica Tax Expense	6,691	700	-	7,391
060-7032-502001	Fica Tax Expense	32,314	1,650	-	33,964
060-7055-502001	Fica Tax Expense	91,894	10,500	-	102,394
060-7132-502001	Fica Tax Expense	14,529	2,200	-	16,729
060-7155-502001	Fica Tax Expense	45,269	5,000	-	50,269
060-7002-502001	Fica Tax Expense	57,257	-	10,000	47,257
060-7135-502001	Fica Tax Expense	49,893	-	6,000	43,893
060-1005-502005	Group Med & Life Ins	7,581	2,200	-	9,781
060-1014-502005	Group Med & Life Ins	103,610	12,700	-	116,310
060-1502-502005	Group Med & Life Ins	2,051	2,100	-	4,151
060-1521-502005	Group Med & Life Ins	24,526	1,800	-	26,326
060-1523-502005	Group Med & Life Ins	14,801	2,000	-	16,801
060-7002-502005	Group Med & Life Ins	88,734	5,500	-	94,234
060-7035-502005	Group Med & Life Ins	126,008	30,050	-	156,058
060-7050-502005	Group Med & Life Ins	79,664	600	-	80,264

060-7055-502005	Group Med & Life Ins	237,625	58,000	-	295,625
060-7132-502005	Group Med & Life Ins	34,613	1,900	-	36,513
060-7150-502005	Group Med & Life Ins	39,375	1,300	-	40,675
060-7155-502005	Group Med & Life Ins	117,038	24,000	-	141,038
060-1010-502005	Group Med & Life Ins	28,718	-	1,500	27,218
060-1014-502050	Retirement Expense	89,620	5,200	-	94,820
060-1502-502050	Retirement Expense	2,454	750	-	3,204
060-1521-502050	Retirement Expense	16,152	1,800	-	17,952
060-1523-502050	Retirement Expense	11,239	1,300	-	12,539
060-7055-502050	Retirement Expense	154,359	20,000	-	174,359
060-7132-502050	Retirement Expense	24,406	1,850	-	26,256
060-7150-502050	Retirement Expense	28,592	350	-	28,942
060-7155-502050	Retirement Expense	76,039	9,600	-	85,639
060-7002-502050	Retirement Expense	96,178	-	15,000	81,178
060-7135-502050	Retirement Expense	83,808	-	10,000	73,808
060-7002-502055	Retiree Insurance	-	4,050	-	4,050
060-7035-502055	Retiree Insurance	12,264	14,200	-	26,464
060-7050-502055	Retiree Insurance	-	14,000	-	14,000
060-7132-502055	Retiree Insurance	-	15,000	-	15,000
060-7055-502055	Retiree Insurance	24,528	-	20,000	4,528
060-1002-502056	COH Match Retirement Expense	5,176	3,700	-	8,876
060-1008-502056	COH Match Retirement Expense	9,075	50	-	9,125
060-1014-502056	COH Match Retirement Expense	8,766	250	-	9,016
060-7055-502056	COH Match Retirement Expense	8,535	400	-	8,935
060-7155-502056	COH Match Retirement Expense	4,205	200	-	4,405
060-7035-502091	Worker's Comp Ins	33,575	600	-	34,175
060-7050-502091	Worker's Comp Ins	272	350	-	622
060-7055-502091	Worker's Comp Ins	1,325	2,000	-	3,325
060-7132-502091	Worker's Comp Ins	2,297	3,500	-	5,797
060-7135-502091	Worker's Comp Ins	29,213	37,000	-	66,213
060-7155-502091	Worker's Comp Ins	687	900	-	1,587
060-1014-519104	Prof Services-Engring	55,000	-	2,000	53,000
FUND 060	TOTAL REVENUES	(200,550)	(289,760)	-	(490,310)
	TOTAL EXPENDITURES	8,982,028	696,560	406,800	9,271,788

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The City Manager and City Clerk certify budget ordinance amendment 02072024-03 was approved by City Council on February 07, 2024.

City Manager

Date

City Clerk

Date

TO MAYOR & COUNCIL
APPROVAL: February 7, 2024

FISCAL YEAR 2024
FORM: 02072024-04

BUDGET AMENDMENT

FUND 064

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	EXISTING BUDGET	INCREASE	DECREASE	REVISED BUDGET
064-0000-430004	Monthly Parking Revenues	(225,000)	-	(45,000)	(180,000)
064-0000-430005	Parking Meter Revenues	(750,000)	-	(50,000)	(700,000)
064-0000-430011	Parking Garage Revenues	-	(150,000)	-	(150,000)
064-0000-450001	Interest Income	-	(2,000)	-	(2,000)
064-0000-450099	Market Adjustment	-	(500)	-	(500)
064-0000-460001	Miscellaneous Income	-	(100)	-	(100)
064-1008-531255	Bank Service Charges	-	10	-	10
064-1300-501001	Salaries - Regular	85,294	6,951	-	92,245
064-1300-501010	Salaries - Overtime	-	5,000	-	5,000
064-1300-502001	Fica Tax Expense	6,936	459	-	7,395
064-1300-502050	Retirement Expense	17,317	3,628	-	20,945
064-1502-501001	Salaries - Regular	7,676	-	7,676	0
064-7455-519200	Contract Services	4,845	-	4,302	543
064-7455-523001	Utilities - Electricity	-	5,000	-	5,000
064-7455-531260	Credit Card Processing Fees	-	60,000	-	60,000
064-7455-534000	Non-Capital Equipment	10,000	-	10,000	-
064-7455-554001	Capital Outlay - Equipment/Other Than Vehicles	8,000	-	1,470	6,530
FUND 064	TOTAL REVENUES	(975,000)	(152,600)	(95,000)	(1,032,600)
	TOTAL EXPENDITURES	140,068	81,048	23,448	197,668

A budget amendment in the Parking Fund to increase revenues and expenditure accounts where appropriate as the City approaches mid-year. Increased funds will be used for priortiy items within the Parking Fund including salaries, benefits, utilities, and credit card processing fees.

The City Manager and City Clerk certify budget ordinance amendment 02072024-04 was approved by City Council on February 7, 2024.

City Manager — Date

City Clerk — Date

TO MAYOR & COUNCIL
APPROVAL: February 07, 2024

FISCAL YEAR 2024
FORM: 02072024-05

BUDGET AMENDMENT

FUND 068

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	EXISTING BUDGET	INCREASE	DECREASE	REVISED BUDGET
068-0000-430803	Solid Waste Disposal Tax	(3,000)	(300)		(3,300)
068-0000-460120	Refunds	(200)	(350)		(550)
068-1502-501001	Salaries - Regular	56,123		1,260	54,863
068-7855-501001	Salaries - Regular	630,320		11,350	618,970
068-1502-501010	Salaries - Overtime	-	1,600		1,600
068-1521-501010	Salaries - Overtime	-	1,900		1,900
068-7855-501010	Salaries - Overtime	10,000	12,000		22,000
068-1502-501025	Salaries - Uniform/Taxab	-	500		500
068-1521-501025	Salaries - Uniform/Taxab	-	250		250
068-7855-501025	Salaries - Uniform/Taxab	-	5,000		5,000
068-1502-502005	Group Med & Life Ins	8,342	610		8,952
068-1521-502005	Group Med & Life Ins	6,996	50		7,046
068-7855-502005	Group Med & Life Ins	122,642		3,000	119,642
068-1521-502050	Retirement Expense	4,608	100		4,708
068-7855-502050	Retirement Expense	84,052		2,000	82,052
068-7855-502091	Worker's Comp Ins	18,657	2,000		20,657
068-7855-521001	521001-Supplies & Materials	59,000		2,000	57,000
068-7855-531100	531100-Fuel	70,000		5,200	64,800
068-7855-531210	531210-Permits, License And Fees	500	450		950
068-7855-531220	531220-Travel	2,500		1,500	1,000
068-7855-531225	531225-Training	5,500	2,500		8,000
FUND 068	TOTAL REVENUES	(3,200)	(650)	-	(3,850)
	TOTAL EXPENDITURES	1,079,240	26,960	26,310	1,079,890

A budget amendment in the Environmental Services Fund to revenue and expenditure accounts where appropriate as the City approaches mid-year. Amended funds will be used for priortiy items within the ESF Fund including salaries, benefits, supplies & materials, and truck repair.

The City Manager and City Clerk certify budget ordinance amendment 02072024-05 was approved by City Council on February 07, 2024.

City Manager

Date

City Clerk

Date

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: Matthew Manley

MEETING DATE: February 7, 2024

AGENDA SECTION: CONSENT

DEPARTMENT: Community Development

TITLE OF ITEM: Annexation: Certificate of Sufficiency- 1019 Berkeley Rd (C24-3-ANX) – *Matthew Manley, AICP*

SUGGESTED MOTION(S):

I move Council to accept the City Clerk's Certificate of Sufficiency for the petition submitted by Kevin & Alexandra Fakhoury and set March 7th, 2024, as the date for public hearing.

SUMMARY: *File # C24-3-ANX*

The City of Hendersonville has received a petition from Kevin & Alexandra Fakhoury for contiguous annexation of PIN 9569-48-5695 located at 1019 Berkeley Rd near the intersection of Asheville Hwy. The property to be annexed is approximately 1.28 acres. Please refer to the attached maps for additional information.

Attached is the Clerk's Certificate of Sufficiency finding that the petition is valid. The next step in the annexation process is to accept the Clerk's certificate and set a date for the public hearing on the question of adoption of an ordinance of annexation.

PROJECT/PETITIONER NUMBER:	C24-3-ANX
PETITIONER NAME:	*Kevin & Alexandra Fakhoury*
ATTACHMENTS:	1. Certificate of Sufficiency 2. Resolution Scheduling Public Hearing 3. Annexation Plat 4. Boundary Description 5. Deed 6. Survey 7. Annexation Petition

CERTIFICATE OF SUFFICIENCY

Re: Petition for Contiguous Annexation
Petitioners: Kevin & Alexandra Fakhoury
File No. C24-3-ANX

To the Honorable Mayor and members of the City Council of Hendersonville, North Carolina:
I, Jill Murray, City Clerk, being first duly sworn, hereby certify that:

1. A petition has been received for contiguous annexation of property consisting of +/- 1.27 acres located at 1019 Berkeley Rd in Hendersonville, NC, being tax parcel PIN 9569-48-5695, and being more particularly described on Exhibit A, attached hereto and incorporated by reference, hereinafter "Petition."

2. An investigation has been completed as required by N.C.G.S. § 160A-31 of the Petition for compliance with the requirements of N.C.G.S. § 160A-31.

Based upon this investigation, I find that

1. The Petition includes the names and addresses and signatures of all owners of real property lying in the area described therein.
2. The Petition was prepared in substantially the form prescribed by 160A-31(b).
3. The area described in the petition is contiguous to the City of Hendersonville's primary corporate limits, as defined by N.C.G.S. 160A-31(f).
4. The area for annexation meets all other requirements defined in NC 160A-31 regarding the character of the area to be annexed.

Having made the findings stated above, I hereby certify the Petition appears to be valid.

In witness hereof, I have set my hand and the City Seal on this the 26th day of January, 2024.

(City Seal)

Jill Murray

Jill Murray, City Clerk

EXHIBIT A
LEGAL DESCRIPTION

Being all of that real property consisting of PIN 9569-48-5695 as described in the plat recorded in Plat Book 2024 Slide ____ [to be inserted at recording of the plat] of the Henderson County Registry, said PIN 9569-48-5695 being more particularly described by metes and bounds as follows:

Beginning at a set iron pin on the southern right of way line of Berkeley Road (SR 1511) and the limits of the City of Hendersonville, said iron pin being the northeast corner of that certain 2.076 acre tract as recorded in Plat Slide 12078, Henderson County Registry; thence leaving the southern right of way line of Berkeley Road (SR 1511) and the limits of the City of Hendersonville and running with the east line of said 2.076 acre tract South 14°41'27" East for 338.92 feet to a found iron pin on the limits of the City of Hendersonville, being the southeast corner of said 2.076 acre tract; thence along the south line of said 2.076 acre tract and the limits of the City of Hendersonville running South 86°17'36" West for 222.87 feet to a point; thence leaving the south line of said 2.076 acre tract and running with the limits of the City of Hendersonville the following two (2) courses to wit: (1) North 03°52'32" East for 176.62 feet to a point; (2) North 04°26'58" West for 126.40 feet to a point on the southern right of way line of Berkeley Road (SR 1511) and the limits of the City of Hendersonville; thence along the on the southern right of way line of Berkeley Road (SR 1511) and the limits of the City of Hendersonville running North 73°24'37" East for 140.16 feet to the Point of Beginning. Containing 1.28 acres, more or less.

Resolution #__-____

RESOLUTION BY THE CITY OF HENDERSONVILLE CITY COUNCIL FIXING DATE OF PUBLIC HEARING ON QUESTION OF ANNEXATION PURSUANT TO G.S. 160A-31

WHEREAS, a petition requesting annexation of the contiguous area described herein has been received; and

WHEREAS, certification by the City Clerk as to the sufficiency of the petition has been made;

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Hendersonville, North Carolina that:

Section 1. A public hearing on the question of annexation of the contiguous area described herein will be held at the City Operations Center located at 305 William St. Hendersonville NC, 28792 at 5:45 p.m. March 7th, 2024, or as soon thereafter as it may be heard.

Section 2. The area proposed for annexation is described as follows:

Being all of that real property consisting of PIN 9569-48-5695 as described in the plat recorded in Plat Book 2024 Slide ____ [to be inserted at recording of the plat] of the Henderson County Registry, said PIN 9569-48-5695 being more particularly described by metes and bounds as follows:

Beginning at a set iron pin on the southern right of way line of Berkeley Road (SR 1511) and the limits of the City of Hendersonville, said iron pin being the northeast corner of that certain 2.076 acre tract as recorded in Plat Slide 12078, Henderson County Registry; thence leaving the southern right of way line of Berkeley Road (SR 1511) and the limits of the City of Hendersonville and running with the east line of said 2.076 acre tract South 14°41’27” East for 338.92 feet to a found iron pin on the limits of the City of Hendersonville, being the southeast corner of said 2.076 acre tract; thence along the south line of said 2.076 acre tract and the limits of the City of Hendersonville running South 86°17’36” West for 222.87 feet to a point; thence leaving the south line of said 2.076 acre tract and running with the limits of the City of Hendersonville the following two (2) courses to wit: (1) North 03°52’32” East for 176.62 feet to a point; (2) North 04°26’58” West for 126.40 feet to a point on the southern right of way line of Berkeley Road (SR 1511) and the limits of the City of Hendersonville; thence along the on the southern right of way line of Berkeley Road (SR 1511) and the limits of the City of Hendersonville running North 73°24’37” East for 140.16 feet to the Point of Beginning. Containing 1.28 acres, more or less.

Re: Petition for Contiguous Annexation
Petitioners: Kevin & Alexandra Fakhoury
File No. C24-3-ANX

Section 3. Notice of the public hearing shall be published once in The Hendersonville Times-News, a newspaper having general circulation in the City of Hendersonville, at least 10 days prior to the date of the public hearing.

Adopted by the City Council of the City of Hendersonville, North Carolina on this 7th day of March 2024.

_____
Barbara G. Volk, Mayor, City of Hendersonville

Attest:

_____
Jill Murray, City Clerk

Approved as to form:

_____
Angela S. Beeker, City Attorney

CURVE	RADIUS	ARC LENGTH	CHORD BEARING	CHORD LENGTH
C1	1185.92'	174.77'	N05°45'28"E	174.61'

LEGEND:

- NIP NEW IRON PIN (1/2" REBAR)
- EIP EXISTING IRON PIN
- CP CALCULATED POINT

I, Fulton V. Clinkscales, Jr., certify that this plat was drawn under my supervision from an actual survey made under my supervision (Deed description recorded in Book 4106, page 174, etc.) that the boundaries not surveyed are clearly indicated as drawn from information found in Book _____, Page _____; that the ratio of precision as calculated is 1:10,000; that this plat was prepared in accordance with G.S. 47-30 as amended. Witness my original signature, registration number and seal this 12th day of January, 2024, A.D.

G.S. 47-30(f)(11)(c)(1) This survey is of an existing parcel or parcels of land or one or more existing easements and does not create a new street or change an existing street.

_____
Fulton V. Clinkscales, Jr.
L-2614

NORTH CAROLINA PROFESSIONAL SEAL 2614 LAND SURVEYOR FULTON V. CLINKSCALES JR.

PRELIMINARY

This plat represents the area being annexed to the City of Hendersonville, NC pursuant to NCGS 160A-31, by Ordinance duly adopted (Annexation Ordinance _____).

This the _____ day of _____, 2024

_____ _____
Jill Murray, City Clerk Date

State of North Carolina
Henderson County

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

_____ _____
Review Officer Date

NOTES:

1) The Basis of Bearings for this survey is NAD83(2011)

2) The purpose of this plat is to annex Parcel No. 9569-48-5695 (1.28 contiguous acres) into the City Limits of Hendersonville, as shown on this Plat.

ANNEXATION PLAT FOR THE

City of Hendersonville

Tax Parcel: 9569-48-5695

Kevin Fakhoury

(OWNER)

1019 Berkeley Road
Hendersonville Township
Henderson County
State of North Carolina

0 30 60
SCALE 1" = 30'

RLS: F. V. CLINKSCALES JR., P.E.
NO: L-2614 Firm No. C-1562

FREELAND - CLINKSCALES & ASSOCIATES, INC. of NC
Engineers * Land Surveyors
201 2nd AVE. EAST
HENDERSONVILLE, N.C. 28792
(828) 697-6539
info@fcaofnc.com

REF. PLAT SLIDE	12079
REF. DEED BOOK	4106/174
TAX MAP	Various
PARTY CHIEF	TEC
DRAWN	TEC
DATE	January 12, 2024
DWG.NO.	H4334

Fakhoury Annexation Description

Beginning at a set iron pin on the southern right of way line of Berkeley Road (SR 1511) and the limits of the City of Hendersonville, said iron pin being the northeast corner of that certain 2.076 acre tract as recorded in Plat Slide 12078, Henderson County Registry; thence leaving the southern right of way line of Berkeley Road (SR 1511) and the limits of the City of Hendersonville and running with the east line of said 2.076 acre tract South 14°41’27” East for 338.92 feet to a found iron pin on the limits of the City of Hendersonville, being the southeast corner of said 2.076 acre tract; thence along the south line of said 2.076 acre tract and the limits of the City of Hendersonville running South 86°17’36” West for 222.87 feet to a point; thence leaving the south line of said 2.076 acre tract and running with the limits of the City of Hendersonville the following two (2) courses to wit: (1) North 03°52’32” East for 176.62 feet to a point; (2) North 04°26’58” West for 126.40 feet to a point on the southern right of way line of Berkeley Road (SR 1511) and the limits of the City of Hendersonville; thence along the on the southern right of way line of Berkeley Road (SR 1511) and the limits of the City of Hendersonville running North 73°24’37” East for 140.16 feet to the Point of Beginning. Containing 1.28 acres, more or less.

BOOK 4106 PAGE 174 (2)

1001006484

This document presented and filed:
11/14/2023 12:45:56 PM

WILLIAM LEE KING, Henderson COUNTY, NC
Transfer Tax: $1,062.00

Doc Stamps $1062.00

Prepared By: Sharon B. Alexander
Deed Preparation Only

Return to: Hogan & Brewer

This instrument is prepared by Sharon B. Alexander, a licensed North Carolina Attorney. Delinquent taxes, if any are to be paid by the closing attorney to the County Tax Collector upon disbursement of closing proceeds.

STATE OF NORTH CAROLINA

SPECIAL WARRANTY DEED

COUNTY OF HENDERSON

THIS DEED, made and entered into this 14th day of November, 2023, by and between HENDERSONVILLE CHURCH, INC, a North Carolina Not for Profit Corporation (herein referred to as the "party of the first part" and having a mailing address of P. O. Box 425, Flat Rock, N.C. 28731) and KEVIN FAKHOURY AB (the "party of the second part" and having a mailing address of 24 Country Road, Hendersonville, N.C. 28791);

WITNESSETH:

The said party of the first part, for and in consideration of the sum of Ten Dollars ($10.00) and Other Valuable Consideration to it in hand paid by the said party of the second part, the receipt of which is hereby acknowledged, has bargained and sold, and by these presents does bargain, sell, and convey in fee simple unto said party of the second part, his heirs and assigns, a certain tract or parcel of land lying and being in Henderson County, North Carolina, more particularly described as follows:

BEING all of that 2.076 acre tract depicted on plat entitled "Recombination of the Property of Joseph W. Wright, Jr." of record at Plat Slide 12078 in the office of the Register of Deeds for Henderson County, North Carolina reference to which plat is hereby made for a more particular description.

ALSO BEING all of that real property described in deed of record in Book of Record 3764, Page 390 in the office of the Register of Deeds for Henderson County, North Carolina.

TO HAVE AND TO HOLD the aforesaid tract or parcel of land, together with all privileges and appurtenances thereunto belonging to him, the said party of the second part, and his heirs and assigns in fee simple forever.

And said party of the first part does covenant that it is seized of said lands in fee simple and has the right to convey the same in fee simple, that title to same is marketable and free and clear of all encumbrances, and that it will warrant and defend the title herein conveyed against the lawful claims of all persons whomsoever. This conveyance and these warranties are made subject to the rights-of-way of U.S. Highway 25 and Berkley Road to their full legal widths, to all matters depicted on the above-described plat, to utility easements and restrictive covenants of record and to 2023 Hendersonville and Henderson County ad valorem property taxes.

The real property conveyed herein does not include the primary residence of the party of the first part.

IN TESTIMONY WHEREOF, the corporate party of the first part has hereunto caused this deed to be executed in its name by its undersigned officers all by authority of its Board of Directors, the day and year first above written.

HENDERSONVILLE CHURCH, INC,

By: _____
Nathan Byrd

By: _____
Ryan Sisney, Vice President

STATE OF NORTH CAROLINA
COUNTY OF HENDERSON

I, a Notary Public of the County and State aforesaid, certify that Nathan Byrd, President of Hendersonville Church, Inc. and Ryan Sisney,, Vice President of Hendersonville Church, Inc., personally came before me this day and acknowledged that the execution of the foregoing instrument on behalf act of Hendersonville Church, Inc., by authority duly given and as the act of the corporation. Witness my hand and official stamp or seal, this 14th day of November, 2023.

Heidi Beam
Notary Public

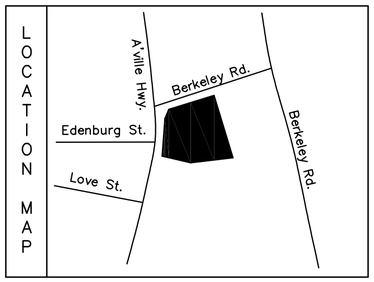
My commission expire: 11-24-2027

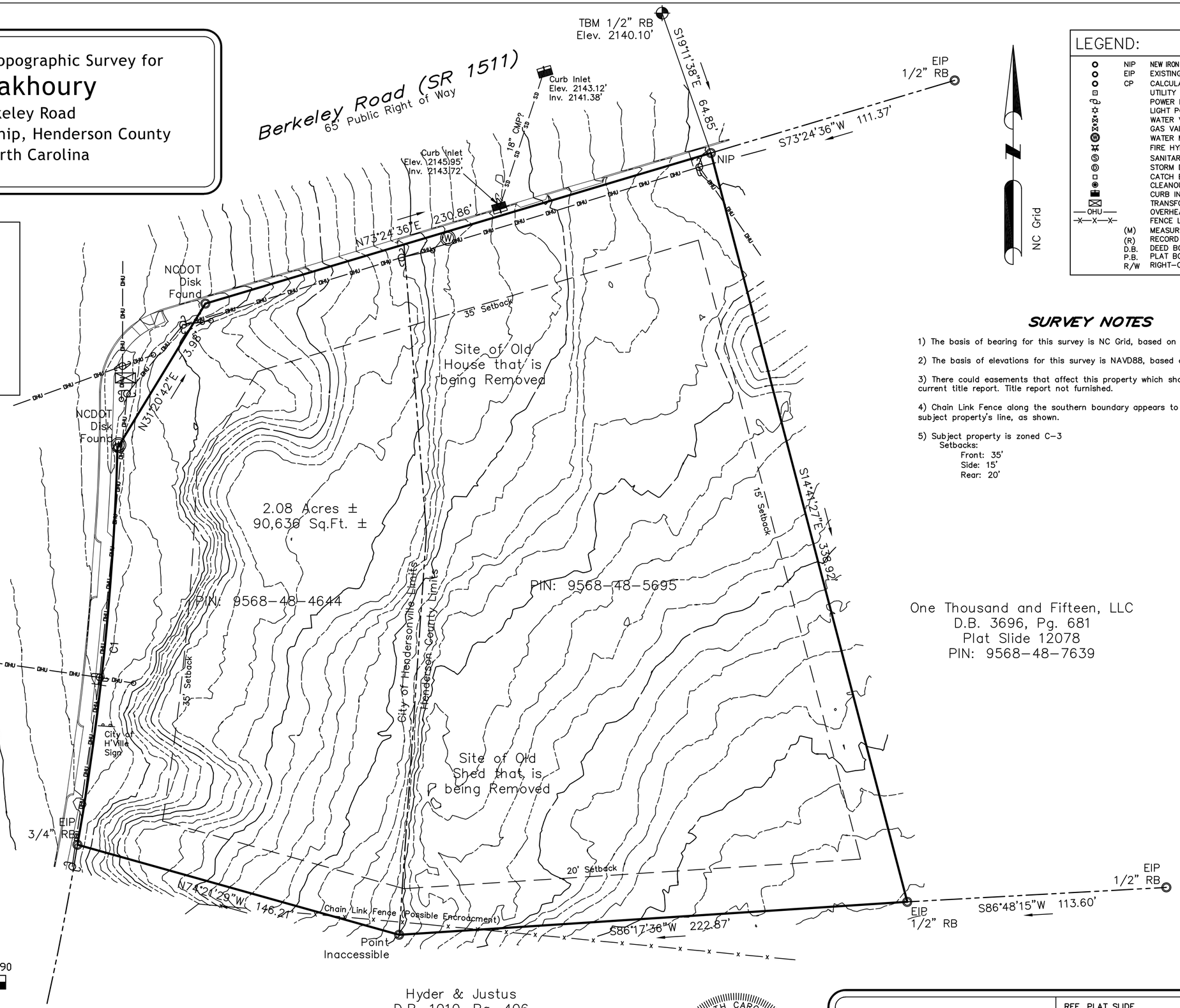
HEIDI BEAM
NOTARY
PUBLIC
HENDERSON COUNTY, NC

Plat of Boundary & Topographic Survey for

Kevin Fakhoury

1019 Berkeley Road
Hendersonville Township, Henderson County
State of North Carolina





LEGEND:

	NIP	NEW IRON PIN (1/2" REBAR)
	EIP	EXISTING IRON PIN
	CP	CALCULATED POINT
		UTILITY VAULT
		POWER POLE
		LIGHT POLE
		WATER VALVE
		GAS VALVE
		WATER METER
		FIRE HYDRANT
		SANITARY SEWER MANHOLE
		STORM DRAIN MANHOLE
		CATCH BASIN
		CLEANOUT
		CURB INLET
		TRANSFORMER
—OHU—		OVERHEAD UTILITY
—X—X—X—		FENCE LINE
	(M)	MEASURED
	(R)	RECORD
	D.B.	DEED BOOK
	P.B.	PLAT BOOK
	R/W	RIGHT-OF-WAY

NC Grid

SURVEY NOTES

1) The basis of bearing for this survey is NC Grid, based on NAD83(2011).

2) The basis of elevations for this survey is NAVD88, based on NCRTN.

3) There could easements that affect this property which should be contained in a current title report. Title report not furnished.

4) Chain Link Fence along the southern boundary appears to encroach across subject property's line, as shown.

5) Subject property is zoned C-3
Setbacks:
Front: 35'
Side: 15'
Rear: 20'

CURVE	RADIUS	DELTA ANGLE	ARC LENGTH	CHORD BEARING	CHORD LENGTH
C1	1185.92'	8°26'37"	174.77'	N05°45'28"E	174.61'

Not For Recordation

The original drawing and/or all copies of it are not transferable to any future owner(s) of the platted property and shall not be used or relied upon by future owner(s) and/or their representatives for any reason without written release by the professional surveyor.

This is to certify that the property shown on this plat was surveyed under my direct supervision. Property lines and improvements are located correctly and that no visible encroachments exist unless otherwise shown.

NORTH CAROLINA PROFESSIONAL SEAL L2614 LAND SURVEYOR CLINTON V. CLINKSCALES, JR.

FREELAND – CLINKSCALES & ASSOCIATES, INC. of NC
*Engineers * Land Surveyors*
201 2nd AVE. EAST
HENDERSONVILLE, N.C. 28792
(828) 697-6539
(828) 697-4195 (fax)
info@fcaofnc.com
Firm No. C-1562

REF. PLAT SLIDE	12078
REF. DEED. BOOK	3764/390
TAX MAP	Various
PARTY CHIEF	TEC
DRAWN	TEC
DATE	December 5, 2023
DWG.NO.	H43344

NOT VALID WITHOUT THE SIGNATURE OF A PROFESSIONAL LAND SURVEYOR

Sheet No. 1 of 1

CITY OF HENDERSONVILLE
COMMUNITY DEVELOPMENT DEPARTMENT
100 N. King Street, Hendersonville, NC 28792
Phone (828) 697-3010|Fax (828) 698-6185
www.hendersonvillenc.gov

Petition Requesting Annexation

The following are the **required** submittals for a complete application for a Voluntary Annexation. Staff will not review applications until each item has been submitted and determined complete. By placing a check mark by each of the following items, you are certifying that you have performed that task.

- [x] 1. Completed Application Form
- [x] 2. A copy of the deed indicating ownership of the property.
- [x] 3. An Annexation Survey Plat of the property prepared by a registered surveyor licensed to practice in the state of North Carolina. Provided by Freeland Clinkscales
- [x] 4. A typed boundary description of the property.

A. Property Information

PIN(s): 9568-48-5695

Address(es) / Location of Property: 1019 Berkley Rd. Hendersonville, NC 28791

Does this property adjoin the present City Limits? X Yes ___ No

Is the property within the ETJ? ___ Yes ___ No

Reason for Annexation:

Office Use:
Date Received: _____ **By:** _____ **Fee Received? Y/N**

City Of Hendersonville
Community Development Department
100 N. King Street Hendersonville, NC 28792
Phone (828)697-3010 Fax (828)697-6185
www.hendersonvillenc.gov

Application Number: _____

Property Owner Signatures:

Printed Name Kevin Fakhoury

☐ **Corporation** ☐ **Limited Liability Company** ☐ **Trust** ☐ **Partnership** ☐ **Other:** _____

Signature [signature]

Title President/Owner **Email** kevinofakhoury@gmail.com

Address of Property Owner 1019 Berkley Rd, Hendersonville, NC 28791

Printed Name Alexandra Fakhoury

☐ **Corporation** ☐ **Limited Liability Company** ☐ **Trust** ☐ **Partnership** ☐ **Other:** _____

Signature [signature]

Title Co-Owner **Email** alexfakhoury95@gmail.com

Address of Property Owner 1019 Berkley Road, Hendersonville NC 28791

Printed Name _____

☐ **Corporation** ☐ **Limited Liability Company** ☐ **Trust** ☐ **Partnership** ☐ **Other:** _____

Signature _____

Title _____ **Email** _____

Address of Property Owner _____

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: Daniel Heyman **MEETING DATE:** February 7, 2024

AGENDA SECTION: CONSENT AGENDA **DEPARTMENT:** Legal

TITLE OF ITEM: Acceptance of Gift from Frederick and Marilyn Young Revocable Trust for Health and Maintenance of Hendersonville Police Dogs – *Daniel Heyman, Staff Attorney*

SUGGESTED MOTION(S):

I move that the City Council adopt the Resolution by the City of Hendersonville City Council Authorizing the City Manager to Accept a Gift from the Frederick and Marilyn Young Revocable Trust.

SUMMARY:

The City of Hendersonville has been notified that a gift in the amount of $193,901.82 has been left by the Frederick and Marylin Young Revocable Trust dated May 21, 2019 to be used "solely for the health and maintenance of the Hendersonville Police Department's police dogs."

The attached resolution authorizes the City Manager to accept this gift on behalf of the City. The money will be held by the City for the stated purpose.

BUDGET IMPACT: N/A

Is this expenditure approved in the current fiscal year budget? N/A

If no, describe how it will be funded.

ATTACHMENTS:

Proposed Resolution

Resolution #24-

RESOLUTION BY THE CITY OF HENDERSONVILLE CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ACCEPT A GIFT FROM THE FREDERICK AND MARILYN YOUNG REVOCABLE TRUST

WHEREAS, The City of Hendersonville has been notified that a gift in the amount of $193,901.82 has been left by the Frederick and Marylin Young Revocable Trust dated May 21, 2019"; and

WHEREAS, The gift has been left to the City solely for the health and maintenance of the Hendersonville Police Department's police dogs.

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Hendersonville resolves that:

1. The City Manager is authorized to accept the gift from the Frederick and Marylin Young Revocable Trust dated May 21, 2019 in the amount of $193,901.82 to be used solely for the health and maintenance of the Hendersonville Police Department's police dogs
2. The City Manager is authorized to execute all documents necessary to accept the gift from the Frederick and Marylin Young Revocable Trust dated May 21, 2019.

Adopted by the City Council of the City of Hendersonville, North Carolina on this 7th day of February, 2024.

Attest: _____ Barbara G. Volk, Mayor, City of Hendersonville

_____
Jill Murray, City Clerk

Approved as to form:

_____
Angela S. Beeker, City Attorney

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: Tyler Morrow

MEETING DATE: February 7th, 2024

AGENDA SECTION: CONSENT

DEPARTMENT: Community Development

TITLE OF ITEM: Annexation: Certificate of Sufficiency- Upward Road & Old Spartanburg Road (Jones) (C23-97-ANX) – *Tyler Morrow, Planner II*

SUGGESTED MOTION(S):

I move Council to accept the City Clerk's Certificate of Sufficiency for the petition submitted by Spevines Rex Jones Jr., Deitra Blythe Jones, Michael C. Jones, and Cecilia Jones and set March 7th, 2024, as the date for public hearing.

SUMMARY: File # C23-97-ANX

The City of Hendersonville has received a petition from Spevines Rex Jones Jr., Deitra Blythe Jones, Michael C. Jones, and Cecilia Jones for satellite annexation of PINs located on Upward Road and Ballenger Road that is approximately 3.795 acres. Please refer to the attached maps for additional information.

The subject property is set to be sold to "The Spinx Company LLC" between the certificate of sufficiency (February 7th) and the public hearing (March 7th). Staff have included both the signed annexation applications from the current owners and the future owners to show that all parties involved are agreeing to the annexation.

Attached is the Clerk's Certificate of Sufficiency finding that the petition is valid. The next step in the annexation process is to accept the Clerk's certificate and set a date for the public hearing on the question of adoption of an ordinance of annexation.

PROJECT/PETITIONER NUMBER:	• C23-97-ANX
PETITIONER NAME:	• Current Owners a. Spevines Rex Jones Jr. b. Deitra Blythe Jones c. Michael C. Jones d. Cecilia Jones • Future Owners (February 8th) a. The Spinx Company LLC (Greg Minton)

ATTACHMENTS:	1. Certificate of Sufficiency 2. Resolution setting public hearing 3. Annexation Plat 4. Typed legal description 5. GIS map 6. Deeds 7. Jones Annexation Application 8. The Spinx Company LLC Application 9. Spinx Company Board of Directors minutes (Officer Nominations)

CERTIFICATE OF SUFFICIENCY

Re: Petition for Satellite Annexation
Petitioners: Spevines Rex Jones Jr., Deitra Blythe Jones, Michael C. Jones, and Cecilia Jones
File No. C23-97-ANX

To the Honorable Mayor and members of the City Council of Hendersonville, North Carolina:
I, Jill Murray, City Clerk, being first duly sworn, hereby certify that:

1. A petition has been received for satellite annexation of properties consisting of +/- 4.723 acres located on Upward Road, Old Spartanburg Road and Bell Avenue in Hendersonville, NC, being tax parcel(s) PINs 9577-89-7580, 9577-89-6416, 9577-89-5289, 9577-89-6236, 9577-89-6187, and 9577-89-8138, and being more particularly described on Exhibit A, attached hereto and incorporated by reference, hereinafter "Petition."
2. An investigation has been completed as required by N.C.G.S. § 160A-58.2 of the Petition for compliance with the requirements of N.C.G.S. § 160A-58.1.

Based upon this investigation, I find that

1. The Petition includes a metes and bounds description of the area proposed for annexation and has attached a map showing the proposed satellite area.
2. The nearest point on the proposed satellite corporate limit is approximately 2,043' from the primary corporate limits of the City of Hendersonville, which is less than 3 miles.
3. The Petition includes the names and addresses and signatures of all owners of real property lying in the area described therein, except those not required to sign by G.S.160A-58.1 (a).
4. No point on the propose satellite corporate limits is closer to the primary corporate limits of another city than to the primary corporate limits of Hendersonville.
5. The area is situated so the City will be able to provide the same services within the proposed corporate limits that is provided within the primary corporate limits.
6. The area proposed for annexation is not subject to subdivision regulation as described N.C.G.S. § 160D-802.
7. The total area within the proposed satellite corporate limits, when added to the area within all the other satellite corporate limits of the City, does not exceed ten (10%) of the area within the primary corporate limits of the City.
8. The area for annexation meets all other requirements defined in NC 160A-58.54 regarding the character of the area to be annexed.

Having made the findings stated above, I hereby certify the Petition appears to be valid.

In witness hereof, I have set my hand and the City Seal on this the 30th day of January, 2024.

(City Seal)

Jill Murray

Jill Murray, City Clerk

EXHIBIT A
LEGAL DESCRIPTION

Being all of that real property consisting of PINs 9577-89-7580, 9577-89-6416, 9577-89-5289, 9577-89-6236, 9577-89-6187, and 9577-89-8138 described in the plat recorded in Book 2024- ____ [to be inserted at recording of the plat] of the Henderson County Registry, said PINs 9577-89-7580, 9577-89-6416, 9577-89-5289, 9577-89-6236, 9577-89-6187, and 9577-89-8138 being described by metes and bounds as follows:

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND SITUATE, LYING AND BEING IN HENDERSON COUNTY, NORTH CAROLINA, CONTAINING 4.723 ACRES AND HAVING THE FOLLOWING METES AND BOUNDS TO WIT:

BEGINNING AT AN IRON PIN SET 1/2" REBAR LOCATED ON THE NORTHEASTERN RIGHT OF WAY OF OLD SPARTANBURG ROAD (SR 1828), N02-25-32W 5135.86 FEET FROM USGS MONUMENT FB0333, THENCE RUNNING ALONG SAID RIGHT OF WAY, N22-13-06W 65.25 FEET TO AN IRON PIN SET 1/2" REBAR, THENCE N14-54-41W 98.59 FEET TO AN OLD NCDOT CAP, THENCE N27-19-02W 103.39 FEET TO AN IRON PIN SET 1/2" REBAR, THENCE WITH A CURVE TO THE LEFT HAVING A LENGTH OF 169.66 FEET, A RADIUS OF 1655.00 FEET AND A CHORD BEARING AND DISTANCE OF N34-48-52W 169.59 FEET TO AN IRON PIN OLD 5/8" REBAR LOCATED ON THE SOUTHERN END OF A SITE TRIANGLE AT THE INTERSECTION OF THE NORTHEASTERN RIGHT OF WAY OF OLD SPARTANBURG ROAD (SR 1828) AND THE SOUTHEASTERN RIGHT OF WAY OF UPWARD ROAD (SR 1783), THENCE RUNNING ALONG SAID SITE TRIANGLE, N05-29-01E 61.29 FEET TO AN OLD NCDOT CAP LOCATED ON THE NORTHERN END OF SAID SITE TRIANGLE LOCATED ON THE SOUTHEASTERN RIGHT OF WAY OF UPWARD ROAD (SR 1783), THENCE RUNNING ALONG SAID RIGHT OF WAY, N50-23-14E 72.56 FEET TO AN IRON PIN OLD 5/8" REBAR, THENCE N50-37-23E 288.31 FEET TO AN OLD NCDOT CAP, THENCE N52-10-34E 54.50 FEET TO AN IRON PIN OLD 5/8" REBAR, THENCE LEAVING THE SOUTHEASTERN RIGHT OF WAY UPWARD ROAD (SR 1783) S49-04-21E 304.99 FEET TO AN IRON PIN OLD 3/4" OPEN TOP PASSING AN IRON PIN OLD 3/4" OPEN TOP @ 268.28 FEET, THENCE S35-14-50W 351.18 FEET TO AN IRON PIN OLD 3/4" OPEN TOP, THENCE S53-56-40E 123.20 FEET TO AN IRON PIN OLD 1/2" REBAR LOCATED ON THE NORTHWESTERN RIGHT OF WAY OF BELL AVENUE (SR 1785), THENCE RUNNING ALONG SAID RIGHT OF WAY, S35-57-19W 100.17 FEET TO AN IRON PIN OLD 3/4" OPEN TOP, THENCE LEAVING THE NORTHWESTERN RIGHT OF WAY OF BELL AVENUE (SR 1785), N53-51-32W 122.00 FEET TO AN IRON PIN OLD 1/2" REBAR, THENCE S36-01-53W 175.75 FEET TO THE POINT OF BEGINNING.

Resolution #__-____

RESOLUTION BY THE CITY OF HENDERSONVILLE CITY COUNCIL FIXING DATE OF PUBLIC HEARING ON QUESTION OF ANNEXATION PURSUANT TO G.S. 160A-58.2

WHEREAS, a petition requesting annexation of the satellite area described herein has been received; and

WHEREAS, certification by the City Clerk as to the sufficiency of the petition has been made;

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Hendersonville, North Carolina that:

Section 1. A public hearing on the question of annexation of the satellite area described herein will be held at City Operations Center located at 305 William St. Hendersonville NC, 28792 at 5:45 p.m. March 7th, 2024, or as soon thereafter as it may be heard.

Section 2. The area proposed for annexation is described as follows:

Being all of that real property consisting of PINs 9577-89-7580, 9577-89-6416, 9577-89-5289, 9577-89-6236, 9577-89-6187, and 9577-89-8138 described in the plat recorded in Book 2024- ____ [to be inserted at recording of the plat] of the Henderson County Registry, said PINs 9577-89-7580, 9577-89-6416, 9577-89-5289, 9577-89-6236, 9577-89-6187, and 9577-89-8138 being described by metes and bounds as follows:

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND SITUATE, LYING AND BEING IN HENDERSON COUNTY, NORTH CAROLINA, CONTAINING 4.723 ACRES AND HAVING THE FOLLOWING METES AND BOUNDS TO WIT:

BEGINNING AT AN IRON PIN SET 1/2" REBAR LOCATED ON THE NORTHEASTERN RIGHT OF WAY OF OLD SPARTANBURG ROAD (SR 1828), N02-25-32W 5135.86 FEET FROM USGS MONUMENT FB0333, THENCE RUNNING ALONG SAID RIGHT OF WAY, N22-13-06W 65.25 FEET TO AN IRON PIN SET 1/2" REBAR, THENCE N14-54-41W 98.59 FEET TO AN OLD NCDOT CAP, THENCE N27-19-02W 103.39 FEET TO AN IRON PIN SET 1/2” REBAR, THENCE WITH A CURVE TO THE LEFT HAVING A LENGTH OF 169.66 FEET, A RADIUS OF 1655.00 FEET AND A CHORD BEARING AND DISTANCE OF N34-48-52W 169.59 FEET TO AN IRON PIN OLD 5/8” REBAR LOCATED ON THE SOUTHERN END OF A SITE TRIANGLE AT THE INTERSECTION OF THE NORTHEASTERN RIGHT OF WAY OF OLD SPARTANBURG ROAD (SR 1828) AND THE SOUTHEASTERN RIGHT OF WAY OF UPWARD ROAD (SR 1783), THENCE RUNNING ALONG SAID SITE TRIANGLE, N05-29-01E 61.29 FEET TO AN OLD NCDOT CAP LOCATED ON THE NORTHERN END OF SAID SITE TRIANGLE LOCATED ON THE SOUTHEASTERN RIGHT OF WAY OF UPWARD ROAD (SR 1783), THENCE RUNNING ALONG SAID RIGHT OF WAY, N50-23-14E 72.56 FEET TO AN IRON PIN OLD 5/8” REBAR, THENCE N50-37-23E 288.31 FEET TO AN OLD NCDOT CAP, THENCE N52-10-34E 54.50 FEET TO AN IRON PIN OLD 5/8” REBAR, THENCE LEAVING THE SOUTHEASTERN RIGHT OF WAY UPWARD ROAD (SR 1783) S49-04-21E 304.99 FEET TO AN IRON PIN OLD 3/4” OPEN TOP PASSING AN IRON PIN OLD 3/4” OPEN TOP @ 268.28 FEET, THENCE S35-14-50W

351.18 FEET TO AN IRON PIN OLD 3/4" OPEN TOP, THENCE S53-56-40E 123.20 FEET TO AN IRON PIN OLD 1/2" REBAR LOCATED ON THE NORTHWESTERN RIGHT OF WAY OF BELL AVENUE (SR 1785), THENCE RUNNING ALONG SAID RIGHT OF WAY, S35-57-19W 100.17 FEET TO AN IRON PIN OLD 3/4" OPEN TOP, THENCE LEAVING THE NORTHWESTERN RIGHT OF WAY OF BELL AVENUE (SR 1785), N53-51-32W 122.00 FEET TO AN IRON PIN OLD 1/2" REBAR, THENCE S36-01-53W 175.75 FEET TO THE POINT OF BEGINNING.

Re: Petition for Satellite Annexation
Petitioners: Spevines Rex Jones Jr., Deitra Blythe Jones, Michael C. Jones, and Cecilia Jones
File No. C23-97-ANX

Section 3. Notice of the public hearing shall be published once in The Hendersonville Times-News, a newspaper having general circulation in the City of Hendersonville, at least 10 days prior to the date of the public hearing.

Adopted by the City Council of the City of Hendersonville, North Carolina on this ____day of _____ 20_____.

_____
Barbara G. Volk, Mayor, City of Hendersonville

Attest:

_____
Jill Murray, City Clerk

Approved as to form:

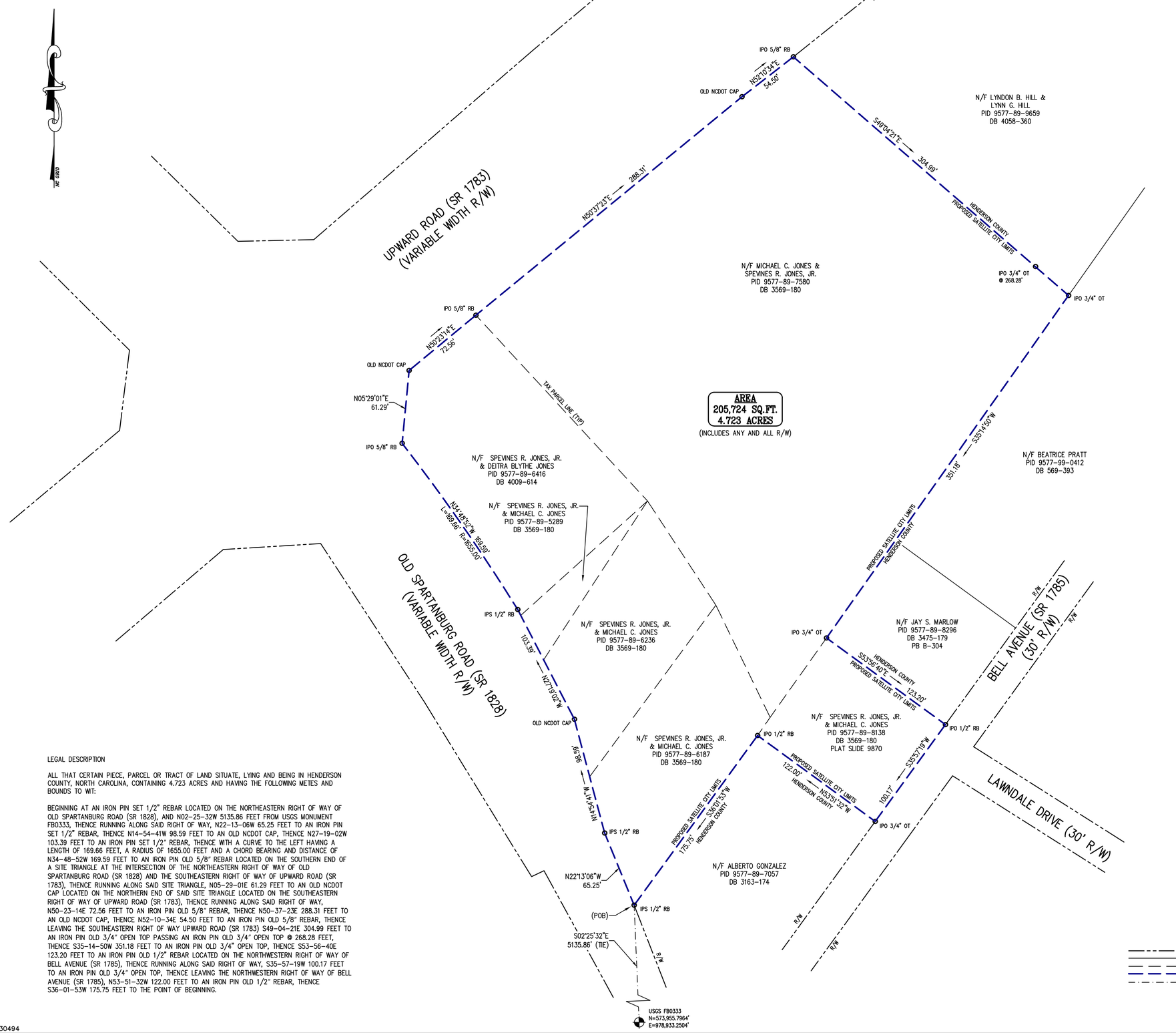
_____
Angela S. Beeker, City Attorney

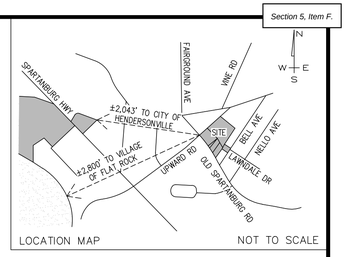
NOTE: EXCEPT AS SPECIFICALLY STATED OR SHOWN ON THIS PLAT, THIS SURVEY DOES NOT PURPORT TO REFLECT ANY OF THE FOLLOWING WHICH MAY BE APPLICABLE TO THE SUBJECT REAL ESTATE: RIGHTS-OF-WAY, EASEMENTS, OTHER THAN POSSIBLE EASEMENTS THAT WERE VISIBLE AT THE TIME OF MAKING THIS SURVEY; BUILDING SETBACK LINES; RESTRICTIVE COVENANTS; SUBDIVISION RESTRICTIONS; ZONING OR OTHER LAND USE REGULATIONS AND ANY OTHER FACTS THAT AN ACCURATE AND CURRENT TITLE SEARCH MAY DISCLOSE. – ANY FLOOD PLAIN DATA SHOWN HEREON IS AN APPROXIMATE LOCATION GRAPHICALLY PLOTTED FROM THE REFERENCED FEMA MAP UNLESS OTHERWISE NOTED. – THIS SURVEY DOES NOT CONSTITUTE A TITLE RESEARCH, FLOOD STUDY, WETLAND DELINEATION OR ENVIRONMENTAL INSPECTION BY SURVEYOR.

ANNEXATION PLAT

PID: 9577-89-7580; 9577-89-8138; 9577-89-6187; 9577-89-6236; 9577-89-5289; 9577-89-6416

CITY OF HENDERSONVILLE





I, A. CLAY JONES, HEREBY CERTIFY THAT THIS SURVEY IS OF AN EXISTING PARCEL OR PARCELS OF LAND AND DOES NOT CREATE A NEW STREET OR CHANGE AN EXISTING STREET.

I, A. CLAY JONES, CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION, DEED DESCRIPTION RECORDED IN (SEE DEED REFERENCE); THAT THE BOUNDARIES NOT SURVEYED, IF ANY, ARE CLEARLY INDICATED AS INFORMATION DRAWN IN (SEE PLAT REFERENCES); THAT THE RATIO OF PRECISION IS 1:10,000; THAT THIS PLAT WAS PREPARED IN ACCORDANCE WITH G.S. 47-30 AS AMENDED. I FURTHER CERTIFY THAT THE STATE PLANE COORDINATES AND BEARING BASIS WE DETERMINED FROM AN ACTUAL GNSS SURVEY MADE UNDER MY SUPERVISION AND THE FOLLOWING INFORMATION WAS USED TO PERFORM THE SURVEY.

CLASS OF SURVEY: A
POSITIONAL ACCURACY: 0.05'
TYPE OF GNSS FIELD PROCEDURE: RTK
DATE OF SURVEY: JUNE 14, 2023
DATUM/EPOCH: NAD 83(2011)
PUBLISHED/FIXED CONTROL USE: USGS PID FB0333
GEOID MODEL: GEOID18
COMBINED FACTOR:
UNITS: U.S. SURVEY FEET

WITNESS MY ORIGINAL SIGNATURE, REGISTRATION NUMBER AND SEAL THIS 20th DAY OF JUNE, 2023

NORTH CAROLINA PROFESSIONAL SEAL L-5540 SURVEYOR A. CLAY JONES

A. CLAY JONES, P.L.S.
NC REG NO. L-5540

NOTES:

1. THE PURPOSE OF THIS PLAT IS TO ANNEX THE FOLLOWING PARCELS (4.723 SATELLITE ACRES) INTO THE CITY LIMITS OF HENDERSONVILLE AS SHOWN ON THIS SURVEY:
   - 1.1. 9577-89-7580
   - 1.2. 9577-89-6236
   - 1.3. 9577-89-5289
   - 1.4. 9577-89-6416
   - 1.5. 9577-89-6187
   - 1.6. 9577-89-8138
2. REF DEED: DB 3569-180, DB 4009-614
3. REF PLAT: SLIDE 9870
4. REF PLAT: NCDOT HIGHWAY PLANS REF. NO. R-4430 SHEETS 5 & 6
5. PID: 9577-89-7580, 9577-89-6416, 9577-89-5289, 9577-89-6236, 9577-89-6187, 9577-89-8138

THIS PLAT REPRESENTS THE AREA BEING ANNEXED TO THE CITY OF HENDERSONVILLE, NC PURSUANT TO NCGS 160A-31, BY ORDINANCE DULY ADOPTED (ANNEXATION ORDINANCE _____).

THIS THE _____ DAY OF _____, 2023.

JILL MURRAY,
CITY CLERK

LEGAL DESCRIPTION

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND SITUATE, LYING AND BEING IN HENDERSON COUNTY, NORTH CAROLINA, CONTAINING 4.723 ACRES AND HAVING THE FOLLOWING METES AND BOUNDS TO WIT:

BEGINNING AT AN IRON PIN SET 1/2" REBAR LOCATED ON THE NORTHEASTERN RIGHT OF WAY OF OLD SPARTANBURG ROAD (SR 1828), AND N02-25-32W 5135.86 FEET FROM USGS MONUMENT FB0333, THENCE RUNNING ALONG SAID RIGHT OF WAY, N22-13-06W 65.25 FEET TO AN IRON PIN SET 1/2" REBAR, THENCE N14-54-41W 98.59 FEET TO AN OLD NCDOT CAP, THENCE N27-19-02W 103.39 FEET TO AN IRON PIN SET 1/2" REBAR, THENCE WITH A CURVE TO THE LEFT HAVING A LENGTH OF 169.66 FEET, A RADIUS OF 1655.00 FEET AND A CHORD BEARING AND DISTANCE OF N34-48-52W 169.59 FEET TO AN IRON PIN OLD 5/8" REBAR LOCATED ON THE SOUTHERN END OF A SITE TRIANGLE AT THE INTERSECTION OF THE NORTHEASTERN RIGHT OF WAY OF OLD SPARTANBURG ROAD (SR 1828) AND THE SOUTHEASTERN RIGHT OF WAY OF UPWARD ROAD (SR 1783), THENCE RUNNING ALONG SAID SITE TRIANGLE, N05-29-01E 61.29 FEET TO AN OLD NCDOT CAP LOCATED ON THE NORTHERN END OF SAID SITE TRIANGLE LOCATED ON THE SOUTHEASTERN RIGHT OF WAY OF UPWARD ROAD (SR 1783), THENCE RUNNING ALONG SAID RIGHT OF WAY, N50-23-14E 72.56 FEET TO AN IRON PIN OLD 5/8" REBAR, THENCE N50-37-23E 288.31 FEET TO AN OLD NCDOT CAP, THENCE N52-10-34E 54.50 FEET TO AN IRON PIN OLD 5/8" REBAR, THENCE LEAVING THE SOUTHEASTERN RIGHT OF WAY UPWARD ROAD (SR 1783) S49-04-21E 304.99 FEET TO AN IRON PIN OLD 3/4" OPEN TOP PASSING AN IRON PIN OLD 3/4" OPEN TOP @ 268.28 FEET, THENCE S35-14-50W 351.18 FEET TO AN IRON PIN OLD 3/4" OPEN TOP, THENCE S53-56-40E 123.20 FEET TO AN IRON PIN OLD 1/2" REBAR LOCATED ON THE NORTHWESTERN RIGHT OF WAY OF BELL AVENUE (SR 1785), THENCE RUNNING ALONG SAID RIGHT OF WAY, S35-57-19W 100.17 FEET TO AN IRON PIN OLD 3/4" OPEN TOP, THENCE LEAVING THE NORTHWESTERN RIGHT OF WAY OF BELL AVENUE (SR 1785), N53-51-32W 122.00 FEET TO AN IRON PIN OLD 1/2" REBAR, THENCE S36-01-53W 175.75 FEET TO THE POINT OF BEGINNING.

LEGEND

BL	BUILDING LINE	CATV	CABLE TV PEDESTAL		
CL	CENTERLINE	TEL	TELEPHONE PEDESTAL	TC/BC	TOP/BOTTOM CURB
CMP	CORRUGATED METAL PIPE	EM	ELECTRIC METER	TW/BW	TOP/BOTTOM WALL
CT	CRIMP TOP	CB	CATCH BASIN	VCP	VITRIFIED CLAY PIPE
DE	DRAINAGE EASEMENT	DI	DROP INLET		WATER METER
EP	EDGE OF PAVEMENT		ELEC TRANS	WV	WATER VALVE
IPO	IRON PIN OLD	90.0	ELEVATION	CTV	CABLE TV
IPS	IRON PIN SET		FIRE HYDRANT	X	FENCE LINE
N&C	NAIL & CAP		GAS METER	FOC	FIBER OPTIC CABLE
OT	OPEN TOP	GV	GAS VALVE	GAS	GAS LINE
RB	REBAR	LP	LIGHT POLE	OHP	OVERHEAD POWER
RCP	REINFORCED CONC PIPE	PP	POWER POLE	OHT	OVERHEAD TELEPHONE
R/W	RIGHT OF WAY	GP	GUY ANCHOR	SD	STORM DRAIN
SD	STORM DRAIN	SDMH	SD MANHOLE	SS	SANITARY SEWER
SS	SANITARY SEWER	SSMH	SS MANHOLE	UGP	UNDERGROUND POWER
SSE	SS EASEMENT	TMH	TELEPHONE MANHOLE	UGT	UNDERGROUND TEL
		CO	CLEAN OUT	W	WATER LINE

RIGHT OF WAY LINE
ADJOINER'S PROPERTY LINE
PROPERTY LINE
PROPOSED CITY/COUNTY LINE
MONUMENT TIE LINE

ANNEXATION PLAT FOR

SPINX COMPANY, LLC

HENDERSON COUNTY, NORTH CAROLINA

SCALE	PROPERTY ADDRESS	TAX PIN	
1"=40'	UPWARD ROAD	AS NOTED	
DATE	40 0 40 80	FIELD CREW	DRAWN BY
6/14/2023		JM/ARM	HS

SITE DESIGN, INC.
CIVIL ENGINEERS - SURVEYORS - LANDSCAPE ARCHITECTS
225 ROCKY CREEK ROAD, GREENVILLE, SC 29615
PH: (864)271-0496
www.sitedesign-inc.com

S230494

LEGAL DESCRIPTION

ALL THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND SITUATE, LYING AND BEING IN HENDERSON COUNTY, NORTH CAROLINA, CONTAINING 4.723 ACRES AND HAVING THE FOLLOWING METES AND BOUNDS TO WIT:

BEGINNING AT AN IRON PIN SET 1/2" REBAR LOCATED ON THE NORTHEASTERN RIGHT OF WAY OF OLD SPARTANBURG ROAD (SR 1828), N02-25-32W 5135.86 FEET FROM USGS MONUMENT FB0333, THENCE RUNNING ALONG SAID RIGHT OF WAY, N22-13-06W 65.25 FEET TO AN IRON PIN SET 1/2" REBAR, THENCE N14-54-41W 98.59 FEET TO AN OLD NCDOT CAP, THENCE N27-19-02W 103.39 FEET TO AN IRON PIN SET 1/2” REBAR, THENCE WITH A CURVE TO THE LEFT HAVING A LENGTH OF 169.66 FEET, A RADIUS OF 1655.00 FEET AND A CHORD BEARING AND DISTANCE OF N34-48-52W 169.59 FEET TO AN IRON PIN OLD 5/8” REBAR LOCATED ON THE SOUTHERN END OF A SITE TRIANGLE AT THE INTERSECTION OF THE NORTHEASTERN RIGHT OF WAY OF OLD SPARTANBURG ROAD (SR 1828) AND THE SOUTHEASTERN RIGHT OF WAY OF UPWARD ROAD (SR 1783), THENCE RUNNING ALONG SAID SITE TRIANGLE, N05-29-01E 61.29 FEET TO AN OLD NCDOT CAP LOCATED ON THE NORTHERN END OF SAID SITE TRIANGLE LOCATED ON THE SOUTHEASTERN RIGHT OF WAY OF UPWARD ROAD (SR 1783), THENCE RUNNING ALONG SAID RIGHT OF WAY, N50-23-14E 72.56 FEET TO AN IRON PIN OLD 5/8” REBAR, THENCE N50-37-23E 288.31 FEET TO AN OLD NCDOT CAP, THENCE N52-10-34E 54.50 FEET TO AN IRON PIN OLD 5/8” REBAR, THENCE LEAVING THE SOUTHEASTERN RIGHT OF WAY UPWARD ROAD (SR 1783) S49-04-21E 304.99 FEET TO AN IRON PIN OLD 3/4” OPEN TOP PASSING AN IRON PIN OLD 3/4” OPEN TOP @ 268.28 FEET, THENCE S35-14-50W 351.18 FEET TO AN IRON PIN OLD 3/4" OPEN TOP, THENCE S53-56-40E 123.20 FEET TO AN IRON PIN OLD 1/2" REBAR LOCATED ON THE NORTHWESTERN RIGHT OF WAY OF BELL AVENUE (SR 1785), THENCE RUNNING ALONG SAID RIGHT OF WAY, S35-57-19W 100.17 FEET TO AN IRON PIN OLD 3/4” OPEN TOP, THENCE LEAVING THE NORTHWESTERN RIGHT OF WAY OF BELL AVENUE (SR 1785), N53-51-32W 122.00 FEET TO AN IRON PIN OLD 1/2” REBAR, THENCE S36-01-53W 175.75 FEET TO THE POINT OF BEGINNING.

BK 4009 PG 614 - 616 (3) DOC# 1000993004
This Document eRecorded: 02/01/2023 02:27:46 PM
Fee: $26.00
Henderson County, North Carolina
William Lee King, Register of Deeds

NORTH CAROLINA GENERAL WARRANTY DEED

Excise Tax: 00.00 Recording Time, Book and Page

Tax Map No. Parcel Identifier No. 9961861 and 9935176

Mail after recording to: The Lyda Law Firm – 308 Martin Luther King Jr. Blvd. Hendersonville, NC 28792

This instrument was prepared by: Jack Lyda – The Lyda Law Firm (NO TITLE EXAMINATION, DEED PREPARATION ONLY)

THIS DEED made this 1st day of February 2023 by and between

GRANTOR

Jude Investments, LLC
A North Carolina Limited Liability Company
56 Headwater Dr
Hendersonville, NC 28739

GRANTEE

Spevines Rex Jones, Jr. and wife
Deitra Blythe Jones
101 Sunningdale Dr.
Flat Rock, NC 28731

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the Town of Fletcher, Hoopers Creek Township, Henderson County, North Carolina and more particularly described as follows:

See exhibit A, attached hereto and incorporated herein by reference.

Submitted electronically by "Jack Lyda PLLC"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Henderson County Register of Deeds.

All or a portion of the property hereinabove described was acquired by Grantor by instrument recorded in Book , Page , Henderson County Registry.

A map showing the above-described property is recorded in Plat Slide, Henderson County Registry and referenced within this instrument.

The above-described property ☐ does ☒ does not include the primary residence of the Grantor.

BK 4009 PG 614 - 616 (3) DOC# 1000993004

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, has the right to convey the same in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated.

Title to the property hereinabove described is subject to the following exceptions:

Henderson County ad valorem taxes for 2023, and subsequent years, which are a lien, but not yet due and payable, easements, rights of way, zoning and use, statutes, regulations and restrictions of record.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officer(s), the day and year first above written.

JUDE INVESTMENTS, LLC

By: _____ _____(SEAL)
Sidney Blythe, Member/Manager

By: _____ _____(SEAL)
Title: _____

_____(SEAL)

NORTH CAROLINA - HENDERSON COUNTY

I, Jack A. Lyda, the undersigned Notary Public of the County and State aforesaid, certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document for the purposes therein expressed: Sidney Blythe, Member/Manager of Jude Investments, LLC A North Carolina Limited Liability Company,

Witness my hand and official stamp or seal, this the 1st day of February 2023

My Commission Expires: 3-14-2026

_____
Notary Public

(NOTARY SEAL)

Print Notary Name: Jack A. Lyda

JACK A. LYDA
NOTARY
PUBLIC
HENDERSON COUNTY, NC

BK 4009 PG 614 - 616 (3) DOC# 1000993004

EXHIBIT A

THE PARCELS DESCRIBED BELOW ARE TO BE COMBINED INTO A SINGLE CONTIGUOUS TRACT

TRACT 1: BEGINNING at a point in the centerline of the right of way of the Old Spartanburg Highway, said point being South 45 deg. 00 min. 00 sec. East 95 feet from the southernmost corner of the Dewey Hunnicutt property described in Deed Book 407, page 557, Henderson County Registry, and runs thence from said Beginning North 45 deg, 30 min, 00 sec. East, passing a new iron pin at 30 feet, a total distance of 170 feet to a new iron pin; thence South 45 deg. 00 min. 00 sec, East 95 feet to a new iron pin; thence South 45 deg. 30 min, 35 sec, West, passing a new iron pin at 143.33 feet, a total distance of 173.33 feet to a point in the centerline of the Old Spartanburg Highway; thence with said highway North 41 deg. 49 min. 23 sec, West 38.22 feet to a point, thence North 42 deg. 42 min. 15 sec. West 30.20 feet to a P.K. Nail, and North 45 deg. 00 min. 00 sec. West 26.61 feet to the BEGINNING and containing 0.373 acre more or less according to a survey by William Patterson, RLS, dated June 1988, captioned "Portion of the property of Margie Jones" and identified as Job No. 88-06-64B.

AND BEING all that property as described in that deed recorded in Book 3546, Page 535 of the Henderson County Registry. (REID 9935176).

TRACT 2: BEGINNING at an established iron pin which stands South 35 deg. 15 min. West 491.7 feet; South 34 deg. 46 min. West 81.5 feet; North 25 deg. 49 min. West 105.1 feet and North 31 deg. 52 min. West 105 feet from the most Southerly corner deed recorded in Deed Book 648, Page 409, Henderson County Registry; and also being that property as described in the Easternmost corner of the property now or formerly of Jones as described in Deed Book 343, Page 209, Henderson County Registry; and running from said beginning point South 47 deg. 11 min. West 184.7 feet to a stake standing in the Northeastern margin of the Old Spartanburg Highway (SR #1803); and running thence in a Northwesterly direction on a curve to the left of a circle with a radius of 1,158.9 feet, an arc distance of 175.9 feet, to a new iron pin, as Old Spartanburg Highway curves into and intersects with Upward Road Extension; and running thence with the turn of said intersection North 02 deg. 36 min. West 25.9 feet to an established iron pin; and running thence with the Southeastern margin of the right of way of Upward Road Extension North 45 deg. 59 min. East 143.4 feet to an established iron pin which stands South 43 deg. 27 min. East 14.9 feet from a new iron pin, which last mentioned new iron pin stands in the Southeastern margin of the so-foot right of way of Upward Road Extension; and running thence South 43 deg. 27 min. East 197.1 feet to the point and place of BEGINNING, containing .76 acres, more or less, and being Lot #6 on the survey for Margie O. Jones as accomplished by Freeland- Clinkscales and Associates, Inc.

AND BEING all that property as described in that deed recorded in Book 3546, Page 538 of the Henderson County Registry. (REID 9961861).

BK 3569 PG 180 - 182 (3) DOC# 934451
This Document eRecorded: 09/28/2020 10:26:01 AM
Fee: $26.00
Henderson County, North Carolina
William Lee King, Register of Deeds

NORTH CAROLINA SPECIAL WARRANTY DEED

Excise Tax: 0.00

Parcel Identifier No.9906617, 9909916, 9906618, 107764, 9961863 Verified by _____ County on the ____ day of_____, 20_____
By:_____

Mail/Box to: Jack Lyda

This instrument was prepared by: Jack Lyda, PLLC (title not examined by preparer, no closing services provided)

Brief description for the Index: 77 Upward Rd

THIS DEED made this 14th day of September, 2020, by and between

GRANTOR	GRANTEE
Spevines R. Jones Jr and Michael C. Jones	Michael C. Jones and Spevines R. Jones Jr. As Tenants in Common, each having a ½ undivided interest 613 Crooked Creek Road Hendersonville, NC 28739

Submitted electronically by "Jack Lyda PLLC"
in compliance with North Carolina statutes governing recordable documents
and the terms of the submitter agreement with the Henderson County Register of Deeds.

Enter in appropriate block for each Grantor and Grantee: name, mailing address, and, if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WHEREAS, Spevines R. jones Sr. dies April 16, 2010 in Henderson County NC; and

WHEREAS, Mary C. Jones died April 30, 2020 in Henderson County NC. Her will is recorded in Estate file 2020E831; and

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Printed by Agreement with the NC Bar Association
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North Carolina Bar Association – NC Bar Form No.

North Carolina Association of Realtors, Inc. – Standard Form 6

BK 3569 PG 180 - 182 (3) DOC# 934451

WHEREAS, the last will and testament of Mary C. Jones conveyed the below described tracts to Michael C. Jones and Spevines R. Jones Jr. in equal shares..

NOW THEREFORE

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot, parcel of land or condominium unit situated in the City of _____, _____ Township, Henderson County, North Carolina and more particularly described as follows:

TRACT 1: BEING all of that property described in Deed Book 263 at Page 28 of the Henderson County Registry, reference to which is hereby made for a more complete description by metes and bounds.

Subject to and benefitted by any and all easement and rights of way of record pertaining to the subject property.

TRACT 2: BEING all of that property described in Deed Book 343 at Page 209 of the Henderson County Registry, reference to which is hereby made for a more complete description by metes and bounds.

Subject to and benefitted by any and all easement and rights of way of record pertaining to the subject property.

TRACT 3: BEING all of that property described in Deed Book 366 at Page 351 of the Henderson County Registry, reference to which is hereby made for a more complete description by metes and bounds.

Subject to and benefitted by any and all easement and rights of way of record pertaining to the subject property.

TRACT 4: BEING all of that property described in Deed Book 956 at Page 325 of the Henderson County Registry, reference to which is hereby made for a more complete description by metes and bounds.

Subject to and benefitted by any and all easement and rights of way of record pertaining to the subject property.

The property hereinabove described was acquired by Grantor by instrument recorded in Book _____ page _____.

All or a portion of the property herein conveyed ___ includes or _X__ does not include the primary residence of a Grantor.

A map showing the above described property is recorded in Plat book

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor has done nothing to impair such title as Grantor received, and Grantor will warrant and defend the title against the lawful claims of all persons claiming by, under or through Grantor, other than the following exceptions:

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Printed by Agreement with the NC Bar Association
6

North Carolina Bar Association – NC Bar Form No.

North Carolina Association of Realtors, Inc. – Standard Form 6

BK 3569 PG 180 - 182 (3) DOC# 934451

IN WITNESS WHEREOF, the Grantor has duly executed the foregoing as of the day and year first above written.

By:_____ _____ (SEAL)
Print/Type Name: Spevines R. Jones Jr

By:_____ _____ (SEAL)
Print/Type Name: Michael C. Jones

By:_____ _____ (SEAL)
Print/Type Name & Title:_____ Print/Type Name:_____

State of ~~South~~ North Carolina – County of Henderson

I, the undersigned Notary Public of the County and State aforesaid, certify that Spevines R. Jones and Michael C. Jones appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Witness my hand and Notarial stamp or seal this 14th day of September, 2020.

My Commission Expires: 10-02-2021
(Affix Seal)

Dawn M Westmoreland
Dawn M Westmoreland Notary Public
Notary's Printed or Typed Name

DAWN M. WESTMORELAND
NOTARY
PUBLIC
HENDERSON COUNTY, NORTH CAROLINA

NC Bar Association Form No. 6 © Revised 7/2013
Printed by Agreement with the NC Bar Association
6

North Carolina Bar Association – NC Bar Form No.

North Carolina Association of Realtors, Inc. – Standard Form 6

CITY OF HENDERSONVILLE
COMMUNITY DEVELOPMENT DEPARTMENT
100 N. King Street, Hendersonville, NC 28792
Phone (828) 697-3010|Fax (828) 698-6185
www.hendersonvillenc.gov

Petition Requesting Annexation

The following are the **required** submittals for a complete application for a Voluntary Annexation. Staff will not review applications until each item has been submitted and determined complete. By placing a check mark by each of the following items, you are certifying that you have performed that task.

- [x] 1. Completed Application Form
- [x] 2. A copy of the deed indicating ownership of the property.
- [x] 3. An Annexation Survey Plat of the property prepared by a registered surveyor licensed to practice in the state of North Carolina.
- [x] 4. A typed boundary description of the property.

A. Property Information

PIN(s): 9577-89-8138, 9577-89-7580, 9577-89-6416, 9577-89-6236, 9577-89-6187, 9577-89-5289

Address(es) / Location of Property: Corner of Upward Rd & Old Spartanburg across from Dairi-O of Hendersonville

Does this property adjoin the present City Limits? ___ **Yes** X **No**

Is the property within the ETJ? ___ **Yes** X **No**

Reason for Annexation:

Spinx has been working with the property owners to acquire these parcels to allow us to invest in Hendersonville by bringing our newest quality facility and offer to serve the Upward Road Community. The City of Hendersonville CHMU zoning district will provide Spinx with the sewer service and development planning needed to enhance the area along this corridor. Spinx feels strongly that the annexation of these parcels will not have a negative impact on the surrounding community. Spinx Value being a part of the communities we have the privilege to serve and support through the services we provide.

Office Use:
Date Received: _____ **By:** _____ **Fee Received? Y/N**

B. Property Owner Contact Information

Spevines Rex Jones, Jr.
* Printed Applicant Name

12-3-2023
Date

Printed Company Name (if applicable)

☐ Corporation ☐ Limited Liability Company ☐ Trust ☐ Partnership

☒ Other: Individual

Spevines Rex Jones Jr.
Property Owner Signature

Property Owner Title (if applicable)

101 Sunningdale Drive
Address of Property Owner

Flat Rock, NC 28731
City, State, and Zip Code

(828) 691-0510 828-691-1296
Telephone

deitra2@yahoo.com
Email

C. Additional Property Owner Contact Information

Deitra Blythe Jones
* Printed Applicant Name

12-03-2023
Date

Printed Company Name (if applicable)

☐ Corporation ☐ Limited Liability Company ☐ Trust ☐ Partnership

☒ Other: Individual

Deitra Blythe Jones
Property Owner Signature

Property Owner Title (if applicable)

101 Sunningdale Drive
Address of Property Owner

Flat Rock, NC 28731
City, State, and Zip Code

828-691-0510 828-691-1296
Telephone

deitra2@yahoo.com
Email

C. Additional Property Owner Contact Information

Michael C. Jones
* Printed Applicant Name

12/4/2023
Date

Printed Company Name (if applicable)

☐ Corporation ☐ Limited Liability Company ☐ Trust ☐ Partnership

☒ Other: Individual

Michael C. Jones
Property Owner Signature

Property Owner Title (if applicable)

613 Crooked Creek Rd.
Address of Property Owner

Hendersonville, NC 28739
City, State, and Zip Code

828-691-1296
Telephone

Email

C. Additional Property Owner Contact Information

Cecilia Jones
* Printed Applicant Name

12/15/2023
Date

Printed Company Name (if applicable)

☐ Corporation ☐ Limited Liability Company ☐ Trust ☐ Partnership

☒ Other: Individual

Cecilia Jones
Property Owner Signature

Property Owner Title (if applicable)

613 Crooked Creek Rd.
Address of Property Owner

Hendersonville, NC 28739
City, State, and Zip Code

Telephone

Email

CITY OF HENDERSONVILLE
COMMUNITY DEVELOPMENT DEPARTMENT
100 N. King Street, Hendersonville, NC 28792
Phone (828) 697-3010|Fax (828) 698-6185
www.hendersonvillenc.gov

Petition Requesting Annexation

The following are the **required** submittals for a complete application for a Voluntary Annexation. Staff will not review applications until each item has been submitted and determined complete. By placing a check mark by each of the following items, you are certifying that you have performed that task.

- [x] 1. Completed Application Form
- [x] 2. A copy of the deed indicating ownership of the property.
- [x] 3. An Annexation Survey Plat of the property prepared by a registered surveyor licensed to practice in the state of North Carolina.
- [x] 4. A typed boundary description of the property.

A. Property Information

PIN(s): 9577-89-8138, 9577-89-7580, 9577-89-6416, 9577-89-6236, 9577-89-6187, 9577-89-5289

Address(es) / Location of Property: Corner of Upward Rd & Old Spartanburg across from Dairi-O of Hendersonville

Does this property adjoin the present City Limits? ___ **Yes** X **No**

Is the property within the ETJ? ___ **Yes** X **No**

Reason for Annexation:

Spinx has been working with the property owners to acquire these parcels to allow us to invest in Hendersonville by bringing our newest quality facility and offer to serve the Upward Road Community. The City of Hendersonville CHMU zoning district will provide Spinx with the sewer service and development planning needed to enhance the area along this corridor. Spinx feels strongly that the annexation of these parcels will not have a negative impact on the surrounding community. Spinx Value being a part of the communities we have the privilege to serve and support through the services we provide.

Office Use:
Date Received: _____ **By:** _____ **Fee Received? Y/N**

A. Additional Property Owner Contact Information

The Spinx Company, LLC
* Printed Applicant Name

_____1/24/2024_____
Date

The Spinx Company, LLC
Printed Company Name (if applicable)

☐ Corporation ☑ Limited Liability Company ☐ Trust ☐ Partnership

☐ Other: _____

Greg Minton
Property Owner Signature

EVP Of Real Estate

Property Owner Title (if applicable)

1414 East Washington Street

Address of Property Owner

Greenville, SC 29607_____

City, State, and Zip Code

864-451-6656

_____
Telephone

Gbm@spinxco.com

_____
Email

MINUTES OF ANNUAL MEETING
OF THE BOARD OF DIRECTORS OF

THE SPINX COMPANY, LLC

The annual meeting of the Board of Directors of The Spinx Company, Inc. (the "Corporation") was held at its offices on September 28, 2023 at 2:00 p.m. at the offices of the Corporation, 1414 E. Washington Street, Suite N, Greenville, South Carolina. Present at the meeting in person or by phone were L. Stewart Spinks, Steve Spinks, and Linda Gysin, as Board members.

L. Stewart Spinks served as Chairman of the meeting and Linda Gysin served as Secretary of the meeting.

The Chairman stated the first order of business to come before the meeting was to elect officers for the corporation.

The floor was opened for nominations and the following persons were duly nominated, elected and qualified to serve as the officers of the Corporation until the next meeting of the Board of Directors or until their successors have been elected and qualified.

L. Stewart Spinks	Chairman of the Board
Steve C. Spinks	Chief Executive Officer
Steven Visser	Treasurer
Greg Minton	EVP Spinx Real Estate
Linda Gysin	Secretary

The matter was thoroughly discussed by all those present, and upon motion duly made and seconded, the following was unanimously adopted by the Board and consented to by the Shareholders:

"The Corporate Officers will be changed to reflect this motion effective today. Resolved, the Corporation confirms the election of officers for the company."

The Chairman stated the second order of the business to come before the meeting was to review the financial statements for the year ended December 31, 2022.

The matter was thoroughly discussed by all those present, and upon motion duly made and seconded, the following was unanimously adopted by the Board and consented to by the Shareholders:

"The Financial Statements appear to accurately reflect the business for 2022. Resolved, the Corporation accepts these statements as representative of 2022 activities."

There being no further business to come before the meeting, the same was adjourned.

Respectfully submitted,

Linda Gysin

Linda Gysin, Secretary

ACCEPTED:

L. Stewart Spinks, Shareholder

L. Stewart Spinks, Chairman

The above actions are hereby approved and ratified as of the date set forth on the Minutes of the Annual Meeting of the Board of Directors of The Spinx Company, Inc.

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: John Buchanan **MEETING DATE:** 2/7/2024

AGENDA SECTION: Consent **DEPARTMENT:** Finance

TITLE OF ITEM: Selection of Auditor for Fiscal Year 2024 – John Buchanan, Finance Director

SUGGESTED MOTION(S):

I move Council approve the resolution by The City of Hendersonville City Council to authorize a contract with Gould Killian CPA Group

SUMMARY:
G.S. 159-34 requires each local unit to have its accounts audited as soon as possible after the end of each fiscal year. The auditor shall be selected by and reports to the governing board. Staff prepared and issued an RFP in January 2024 for audit services, which is recommended but not required. Four firms responded with proposals, Gould Killian CPA Group, Mauldin Jenkins LLC, Blackburn Childers Steagall PLC, and RH CPA's.

Finance staff evaluated each proposal per the criteria detailed in the RFP. Staff recommends selecting Gould Killian CPA Group as the new City auditor. The proposals and scoring matrix with the average score of each proposal is attached.

BUDGET IMPACT: $49,950 plus $3,950 per major program for Single Audit

Is this expenditure approved in the current fiscal year budget? Next year's budget

If no, describe how it will be funded.

ATTACHMENTS:
Resolution
Scoring Matrix
Proposals
RFP

Audit Proposal Evaluation Matrix

City of Hendersonville

Proposal Criteria	Points	Mauldin	RH	BCS	Gould K.				Comments
Approach to Audit Quality	**25 points max**	20	18	21	23	-	-	-	
Firm outlines an audit approach that is tailored based on obtaining an understanding of the City's activities, operating systems, personnel and special needs.	0-5	4	4	4	5				
Firm indicates an audit approach that is tailored based on the firm's advanced understanding of local government.	0-5	4	2	4	5				
Firm outlines the firm's processes for ensuring an efficient and effective audit process.	0-5	2	3	3	4				
Firm showcases the firm's commitment to providing quality audit services by voluntarily adhering to higher standards of audit quality. This is evidenced by willingness to share their current unqualified peer review report resulting from the American Institute of CPAs external peer review process.	0-5	5	5	5	5				
Firm indicates it is a dedicated member of one or more of the following firm-based voluntary membership quality centers for firms that perform audits: • AICPA Center for Audit Quality •• AICPA Governmental Audit Quality Center	0-5	5	5	5	4				
Team Knowledge and Experience	**30 points max**	**25**	**19**	**25**	**25**	**-**	**-**	**-**	
The firm has required qualifications, local government/municipal audit experience, licenses and strengths for all partners.	0-10	9	7	8	9				
The proposal highlights the firms commitment to professional training and staff continuity.	0-5	5	5	4	4				
The proposal illustrates that the firm has sufficient resources and staff to complete the audit and specifies the strengths of assigned team members as well as their years of prior experience in municipal engagements.	0-5	3	3	4	4				
The proposal identifies how the firm will comply with GASB reporting regulations,	0-5	4	3	4	4				
The proposal provides the firm's background, local government client base, licensing information and years in business. Has sufficient experience with entities of similar or larger size.	0-5	5	2	4	5				

Audit Proposal Evaluation Matrix

City of Hendersonville

Proposal Criteria	Points	Mauldin	RH	BCS	Gould K.				Comments
Unique Qualifications	10 points max	**7**	**6**	**8**	**9**	-	-	-	
The proposal conveys a positive and confident feeling derived from the firm's business beliefs, communication practices and unique qualifications of which lays the foundation for a trusted relationship.	0-5	3	3	4	5				
The proposal identifies the firm's advanced technical expertise, specialized knowledge or additional participation in or contribution to the goals and values of the GFOA.	0-5	4	3	4	4				
Value Added Services	10 points max	**9**	**5**	**8**	**8**	-	-	-	
The proposal provides a listing of additional value added services the firm provides beyond the audit engagement. (e.g. proactively monitor and communicate topics relevant to our financial and governmental operations all year long that may impact the City, technical assistance provided throughout the year, including providing City staff with ongoing guidance or continuing education).	0-5	5	2	4	4				
It is evident that the firm understands local government and our unique challenges. The firm is committed to being our accounting/technical advisor, beyond the audit engagement.	0-5	4	3	4	4				
Scope and Pricing of the Engagement	**25 points**	**19**	**12**	**19**	**20**	-	-	-	
The proposal clearly provides a framework for the scope, timing, steps and resources to complete the engagement.	0-5	4	4	5	4				
The proposal addresses all items requested by us in the RFP	0-5	5	3	5	5				
The proposal specifies the price for the engagement and how it will be billed.	0-5	4	2	4	5				
The proposed fee is reasonable based on the experience, unique value and knowledge the firm brings to the engagement.	0-10	6	2	5	6				
Total Points		**79**	**61**	**80**	**85**	-	-	-	
Price: (Binding cost, year 1)		$65,000	$77,470	$49,780	$49,950				

City of Hendersonville, North Carolina

A Proposal to Provide Assurance Services

GOULD KILLIAN
CPA GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

January 2024

GOULD KILLIAN
CPA GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

January 24, 2024

To: City of Hendersonville

We are pleased to submit our proposal to serve as independent auditors for the City of Hendersonville. We believe quality services delivered in a professional and courteous manner are the key to our success with our clients. Our recent expansion into an office in Hendersonville and Brevard has expanded our footprint in the area.

In addition, we would have Travis work as your direct partner on your audit team. **Having an experienced onsite team leader (Travis - with over 16 years of experience) brings significant consistency and value to our audit proposal. Our practice of having a "seniored" person on site for the duration of the audit gives a significant competitive advantage over other audit firms.**

We appreciate the opportunity to propose on providing the requested services to your City. We will provide all of our firm's resources to ensure the highest level of service. We look forward to the possibility of beginning a relationship as City of Hendersonville' local audit firm.

Very truly yours,

Gould Killian CPA Group, P.A.

Daniel R. Mullinix, CPA
Principal

100 Coxe Avenue | Asheville, NC 28801 | P 828.258.0363 | F 828.252.0528
307 N. Church St. | Hendersonville, NC 28792 | P 828.692.2583 | F 828.697.6955
89 N. Caldwell St. | Brevard, NC 28712 | P 828.884.2021 | F 828.884.7407

An Independent Member of the BDO Alliance

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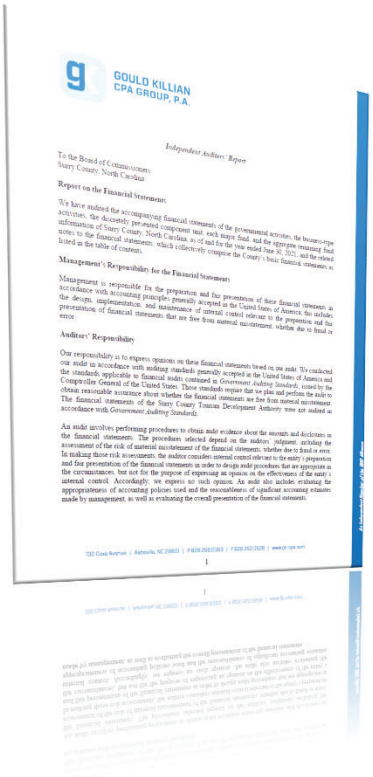
GOULD KILLIAN CPA GROUP, P.A.

Independent Auditors' Report

To the Board of Commissioners
Surry County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Surry County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Surry County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

120 Cove Avenue | Asheville, NC 28803 | P 828.250.0363 | F 828.252.2328 | www.gk-cpa.com

1

Technical Proposal

Scope of Services 1

Requested Information

- Firm Location 2
- Firm Staff 2
- Current and Prior Governmental Clients 2
- Additional Services 3
- Peer Review Letter 3
- Professional Experience and Qualifications 3-4
- Specialized Skill and Background 5
- Independence Standards 5
- Insurance Coverage 5
- Regulatory Action 5
- Other information (references) 6

Appendices

A—Peer Review

B—Statement of Policy and Procedures

Scope of Services

It is our understanding that Gould Killian CPA Group, P.A. (GK) will provide the following services, beginning with the fiscal year ending June 30, 2024, upon engagement as your auditors:

- Perform an audit and express an opinion on the fair presentation of the City's ACFR. The audit will encompass the City's financial reporting and compliance over major federal and state programs. The audit will be performed in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards;* the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and all other applicable laws and regulations.
- Propose any necessary year-end closing adjustments for management approval, based on information provided by the City.
- Provide **open dialogue with management** during all stages of the audit, including planning and exit conferences, and ongoing communications regarding items needed to complete each stage of the audit.
- Communicate any significant deficiencies or material weaknesses. These conditions will be communicated to management when identified, reported in the schedule of findings in the compliance section of the financial statements, and included in the report to the Board.
- Issue a management letter at the conclusion of the audit, if appropriate. The management letter will be used to address findings communicated to management during the course of the audit that are important but that did not meet the threshold to be reported as a significant deficiency or material weakness. We are here to provide best practices and recommendations.
- Assist management in the preparation of the ACFR financial report of the City, including the basic financial statements, required supplementary information, other supplementary information, and statistical schedules which are based on information provided to us by the City. The **reports will be issued by October 31, 2024 or no later than the annual grace period of December 1** upon the City's approval unless unforeseen circumstances warrant a delay in issuance. There could be a delay depending on when the final compliance information for the City of Hendersonville is provided by applicable NC state agencies.
- Provide copies of the reports and other communications as requested.
- **Advise the City on accounting matters**, including accounting assistance during the audit and implementation of new GASB pronouncements.

Requested Information

Item 1 - Firm Location.

Our services for the City will be performed by professionals from our offices located in Asheville, and Hendersonville, North Carolina.

Item 2 - Staffing.

We anticipate an engagement team from Asheville/Hendersonville office of four professional staff for the audit: twos principals, one senior and one audit staff member. Additional compliance team members may overlap with the financial audit team depending on the type of grant funding.

Item 3 & 4 - Current and Prior Governmental Clients. (list for references at item 16)

Local Governmental Audit Clients (Consecutive Years) [Prior within last two years]	
Rutherford County, NC	**10+ Years**
Madison County, NC (consulting and FS prep)	**3+ Years**
Haywood County, NC	**4+ Years**
Yancey County, NC	**4+ Years**
City of Weaverville, NC	**10+ Years**
City of Black Mountain, NC	**(Prior) 8 Years**
Surry County, NC	**(Prior) 3+ Years**
Watauga County, NC	**(Prior) 3 Years**
City of Marion, NC	**6+ Years**
City of Spindale, NC	**4+ Years**
Woodfin Sanitary Water and Sewer Authority	**10+ Years**
Broad River Water Authority	**4+ Years**
City of Brevard, NC	**10+ Years**
Alleghany County, NC	**(Prior) 3 Years**
Polk County, NC	**(Prior) 5+ Years**

Requested Information

Item 5 - Additional Services.

We currently provide consulting services specifically for one county including helping to close their year end accounting in preparation for their annual audit. We provide all the documentation needed as requested by their audit firm. In addition, we review the draft of the financial statements provided by their accounting firm and provide advice to financial management of the county.

We have assisted local governments their initial CAFR (now ACFR) implementation including obtaining the GFOA certificate of achievement every year we have served as their auditors. We have performed agreed-upon procedures when requested. In addition, we have performed the pension attest services per the State Auditor for many of our clients and the **Medicaid attest services** for all of our counties. We assist several clients with the preparation of their Annual Financial Information Reports.

Item 6- Peer Review Letter.

Our past three peer reviews have earned the **highest positive designation**. Please see Appendix A to view a copy of our most recent peer review letter.

Items 7, 8, & 9 - Professional Experience and Qualifications.

Staffing commitment.

Our engagement team will be four professional staff: one principal, one senior manager, one in-charge and one audit staff member. Also, these individuals will work on compliance matters including testing major single audit programs.

Our audit team approach is different from other firms. Our involvement of the senior manager and principal is much more extensive than other firms that rely on senior and staff levels. The leadership of the audit team will be consistent and not change from year to year. Plus, the senior manager has prior experience as the role of assistant finance director in a North Carolina county.

Our commitment is a very high level of involvement from the partner and senior manager. This will bring over 30+ years of experience within your audit teams. We are the primary audit team. Our senior manager and in-charge will be fully engaged with your management team to ensure an efficient audit and address all concerns and questions in a professional and timely manner. We believe supervision is a key component in an effective and efficient audit. **A principal or in-charge will be on-site at all times during fieldwork.** We expect the principal to be on-site at least 80% of the time, and the in-charge to be on-site 100% of the time.

Requested Information

New Accounting Standards Implementation.

As noted previously, the members of the audit team receive annual training to stay current on governmental accounting and auditing issues, including new pronouncement implementation. We take advantage of conferences and seminars hosted by the UNC School of Government and the Local Government Commission (LGC), in addition to other conferences and webinars throughout the year. Every year seems to bring new challenges to governmental financial reporting, and we stay current on those changes so that we can advise and assist our clients.

Your Professional Team.

Below are key members who will be engaged in the City's engagement team. Brief biographies which include relevant educational background, training, and professional experience.

Daniel R. Mullinix **Technical Engagement Principal**	Dan's governmental experience covers his 24+ year career in public accounting. His previous firm experience included Ernst & Young and Elliott Davis. He is the firm's assurance principal responsible for the governmental audit clients and an essential resource providing guidance and hands-on direction of the engagement. In 2018, he completed his MBA in Business Analytics at Clemson University.
Travis S. Keever **Engagement Principal** **(Primary Contact)**	As the engagement principal, Travis will be responsible for the overall audit planning, fieldwork and completion. He will be responsible for supervising staff as they execute the established audit plan, and evaluating the results of the audit. Travis has 16+ years of governmental auditing experience, auditing counties, municipalities, and authorities. His current audit responsibilities include managing all our county audits (Rutherford, Surry, Haywood, and Yancey) plus majority of the municipalities.
Audit In-Charges **and Staff**	Our audit staff are essential to providing an excellent audit. They are well trained through a combination of continuing professional education classes, hands-on programs and on-the-job training. Managers and supervisors provide continuous oversight and feedback throughout the audit process so that audit staff have the tools they need to perform the audit efficiently and effectively. Every member of our team is encouraged to use analytical and critical thinking skills in performing the audit and exhibit only the most professional behavior in interacting with each other and with our clients.

Requested Information

Item 9, 10 & 11 - Specialized Skill and Background.

Travis Keever has prior experience within accounting and finance in a North Carolina county. He participated in specific training program with the UNC School of Government dealing with the different aspects of state and local regulation requirements, etc.

Dan Mullinix recently completed a 3 year MBA program in business data analytics with Clemson University. He participated in the program to build upon his skills in ways to analyze and use data within his accounting and audit profession to aid in providing more in-depth services to clients.

We perform significant number of NC governmental audits including municipalities and water authorities. We have the knowledge and a consistent team of individuals. We will not be a different team each year like other firms. We do not speak or provide articles etc. Our focus is serving our clients that have a positive experience and not a new team each year.

Item 12 - Independence Standards.

In all matters relating to our audit work, the City 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 C. 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.

Item 13 - Insurance Coverage.

The firm consistently maintains appropriate insurance coverage including professional liability insurance in amounts we feel are adequate to meet any claims that may arise. In addition, we maintain consistent communication with our professional insurance carrier to identify potential risks, etc.

Item 14 - Regulatory Action.

There has been no regulatory action taken against our firm.

Item 15 – Why Gould Killian?

Although our firm is three offices with one being Hendersonville, we believe direct interaction with our clients. We do not believe in sending "blue" staff to work on your engagement with no consistent oversight. We will bring a team of knowledgeable staff and work efficiently to complete the audit and to provide an overall consistent good experience year by year. This is why majority of our clients stay with Gould Killian for the long-term.

Requested Information

Item 16 – Other (References).

City of Weaverville

Tonya Dozier
(Finance Officer)

828-645-7116

Client – 10+ Years

City of Marion

Dawn Pendland
(Finance Director)

828.652.3551 (Ext 305)

Client - 8+ Years

City of Brevard

Dean Luebbe
(Finance Director)

828-885-5600

Client - 10+ Years

Appendix A – Peer Review

BATCHELOR, TILLERY & ROBERTS, LLP
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 18068
RALEIGH, NORTH CAROLINA 27619

RONALD A. BATCHELOR
WM. JAMES BLACK, JR.
SCOTT E. CABANISS
MICHELLE W. LEMANSKI
JARED L. PILAND
DAVID C. CORN, JR.

3605 GLENWOOD AVENUE, SUITE 350
RALEIGH, NORTH CAROLINA 27612
TELEPHONE (919) 787-8212
FACSIMILE (919) 783-6724

Report on the Firm's System of Quality Control

To the Owners of Gould Killian CPA Group, PA and the Peer Review Committee of Coastal Peer Review, Inc.:

We have reviewed the system of quality control for the accounting and auditing practice of Gould Killian CPA Group, PA (the firm) in effect for the year ended January 31, 2023. 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. 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 and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of 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 the requirements of applicable 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

Engagements selected for review included an engagement performed under Government Auditing Standards, including a compliance audit under the Single Audit Act, and audits of employee benefit plans.

As a 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 Gould Killian CPA Group, PA in effect for the year ended January 31, 2023, 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*. Gould Killian CPA Group, PA has received a peer review rating of *pass*.

Batchelor, Tillery & Roberts, LLP

July 14, 2023

Appendix B – 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 a 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.

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

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 identity 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

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. See the MONITORING section of this document for further information.

City of Hendersonville, North Carolina

A Proposal to Provide Assurance Services

Part II – Cost Estimate

GOULD KILLIAN
CPA GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

January 2024

GOULD KILLIAN
CPA GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

January 24, 2024

To: City of Hendersonville

We are pleased to submit the second (cost) section of our proposal in response to your Request for Proposal for Auditing Services. You will note that significant time is performed by principals of our firm. We believe this provides the best experience and consistency with an audit. It greatly reduces frustration for our clients - - we have learned this over the years of Gould Killian providing audit services for NC governmental entities of all sizes.

Thank you,

Gould Killian CPA Group, P.A.

Daniel R. Mullinix, CPA
Principal

100 Coxe Avenue | Asheville, NC 28801 | P 828.258.0363 | F 828.252.0528
307 N. Church St. | Hendersonville, NC 28792 | P 828.692.2583 | F 828.697.6955
89 N. Caldwell St. | Brevard, NC 28712 | P 828.884.2021 | F 828.884.7407

An Independent Member of the BDO Alliance

Requested Information

Item 1 – Audit Programs.

Gould Killian uses a risk-based, common sense approach to auditing. We start with standard governmental audit programs and tailor them based upon 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.

Item 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. Where appropriate, we will use computer-assisted auditing techniques (CAAT) and will request information be provided in electronic format to facilitate such procedures. Audit sampling will be used as appropriate for certain transactions, account balances, internal controls, and compliance requirements.

Item 3 – Automated processes and internal control testing methods.

The City's automated and internal 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 identified key controls. Testing of these controls will be performed based on the magnitude and benefit of the controls in relation to the financial statement audit as a whole.

Item 4 - 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. Typically, these procedures are performed by members of your engagement team. However, if we find that bringing in a specialist is warranted due to the highly complex nature and heavy reliance on technology that could have a significant impact on the financial reporting process, we will do so.

Requested Information

Item 5 - Audit Team.

Our commitment will include a **high level of continued involvement from Travis Keever, Principal**, assigned to the engagement. We expect the principals to perform approximately **40%** of the work.

% of the engagement services based on hours. We will be fully engaged with your management team to ensure an efficient audit and address all concerns and questions in a professional and timely manner.

Staffing % of Total Audit Hours				
	Staff	**Supervisor**	**Principal**	**Total**
No. of Individuals	**2**	**1**	**1**	**3**
% of Total Audit Hours	**25%**	**35%**	**40%**	**100%**

Item 6 – City Assistance.

The assistance to be provided as mentioned in the proposal letter appears adequate. In general, we expect items outlined in our Prepared by Client List to be made available at the beginning of fieldwork, selections made by us to be pulled in a timely manner, 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. We will tailor our audit and related documentation to use as much of management's schedules as possible to limit re-work and to focus more on providing a quality audit than creating documentation.

Requested Information

Item 7 – Tentative Schedule.

Tentative Schedule	Timing	Staff Level
Planning procedures including: – Planning conference with Management, – Audit planning to include updating 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.	June/July	-Principals -Supervisor
Interim fieldwork including: – Finalize systems documentation and walkthroughs, – Preliminary review, – Setup and linking of the financial statements, – Provide client a list of items needed for year end, and – Periodic management conferences.	June/July	-Principals Supervisor -Staff
Final fieldwork including: – Testing of June 30th accounts / funds, – Substantive analytical analysis, and – Final trial balance.	August/September	-Principals -Supervisor -Staff
Other: – Review of audit work papers and documentation—in the field. – Periodic management conferences including an exit conference prior to completion of fieldwork.	During interim and final fieldwork	-Principals -Supervisor
Review final draft for management review; preparation of communication reports to the Council; review financial statement draft.	September	-Principals
Completion by October 31 and presentation of audited financial statements and communication to the Council.	October - November	-Principals

Requested Information

Item 8 and 9 – Fee Summary Details. (cost sheet shown separately)

The following is a summary of our proposed professional fees for the next three years:

	FY 24 Binding	FY 25 Estimate	FY 26 Estimate
Fixed Fees:			
Base Audit Fee	$ 42,450	$ 44,450	$ 46,450
Financial Statement Preparation	7,500	8,500	9,500
TOTAL FIXED FEES	**$ 49,950**	**$ 52,950**	**$ 55,950**
Additional Fees:			
Additional accounting services	Hourly Rate		
Single Audit, per major program	$ 3,950		

	On-site Interim	On-site Year-End	Office Work	Total # of Hours	Rate/Hour	Total
STAFF & SENIOR	20	60	20	100	$ 125	$ 12,500
SUPERVISOR	20	60	20	100	175	17,500
PRINCIPALS	15	40	15	70	285	19,950
	55	**160**	**55**	**270**	**$ 185**	**$ 49,950**

SUMMARY OF AUDIT COSTS	
Personnel costs	$ 49,950
Report production	-
Travel time	-
Travel costs	-
Total Proposed Fee - FY 24	**$ 49,950**

Basis for determining cost estimate after first year:

We assumed the pricing over a three year period. We will evaluate the time involved after first year of the audit and discuss time involved with the finance director to arrive at each year's fixed fee after FY24 has been completed. If time involved significantly exceeds the total hours estimate, we would ask for an adjustment in price in the next year's audit fee.

Item 10 – Summary of Audit Costs Sheets

See attached document.

OTHER INFORMATION

Gould Killian Values.

At GK, quality services delivered in a professional and courteous manner are the key to our success in building strong, long-term client relationships. We believe that the financial information we report is meaningful; therefore, it is important that the work we do and the advice we give is accurate, reliable, clearly communicated, and timely. We believe to generate such work requires strong technical skills, broad experience, intimate knowledge of the client, and professional curiosity. It also requires a methodical and comprehensive approach, critical thinking, and a proactive use of our technical skills.

Gould Killian's business model is simple. We are committed to providing high quality, professional work at competitive rates with high involvement from our managers and principals.

- We are a local firm, specializing in providing governmental auditing services in Western North Carolina.
- We provide a full range of flexible services. There are no "one-size fits all" audits. Our customized, common sense approach allows us to maximize efficiency and value to the Town. We have the ability to provide any other services the Town may need.
- Our audit team is composed of energetic and personable professionals with a high degree of technical skills and experience. We realize the transition process can be difficult for any auditee. We make every effort to smooth the transition by providing clear communication during every step of the process.

Gould Killian Audit Approach.

Audit Plan—Key Fundamentals. At GK, the following fundamentals are critical to complete a quality audit within a defined timetable, and result in a successful engagement and client relationship:

– A tailored audit program based upon our understanding of the internal control structure and the overall inherent and control risks for each type of transaction and account balance.

– The use of software to house all audit programs and documentation in electronic form. All work completed by our staff is available for immediate review in the office or at the client location through the use of online systems to transmit information securely.

– Effective planning and coordination with client staff.

– All possible upfront audit procedures will be performed as early as possible depending on availability of information.

– Properly handle the transition issues upfront and obtain as much knowledge as possible about the operations of the client including reviewing available systems documentation and general ledger structure.

– The timely review by the senior, senior manager and principal.

MAULDIN & JENKINS

mjcpa.com

4208 Six Forks Road, Suite 1000

Raleigh, NC 27609

City of Hendersonville, North Carolina

Technical Proposal to Provide Audit Services

Fiscal Years June 30, 2024 through 2026

Mauldin & Jenkins Certified Public Accountants

Contact Person: Tim Lyons, CPA, Partner

Phone: (833) 818-0406

Email: tlyons@mjcpa.com

Going Further.

VISION

To be a trusted advisor, earning trust and building respect through our consistent commitment to sustainable excellence, leadership, and integrity.

Over 700 Governmental Units Served Throughout the Southeast

INSIDE public accounting TOP 100 FIRMS 2023

Going Further.

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Appendix

A – Firm's Statement of Policy and Procedures

Transmittal Letter

January 25, 2024

City of Hendersonville, North Carolina
160 Sixth Avenue East
Hendersonville, NC 28792

Ladies and Gentlemen:

We appreciate the opportunity to propose on providing audit services to the **City of Hendersonville, North Carolina** (the "City"), and we are pleased to submit a qualifications package including cost estimates to provide annual financial and compliance auditing services for the City. The contract for such audit services will be for five consecutive fiscal years beginning with the fiscal year ended June 30, 2024, and ending with the fiscal year ended June 30, 2026.

We have read the Request for Proposal (RFP) and fully understand its intent and contents. We understand the time frame for performance of the annual financial audits as stipulated by the City and agree to provide the services described in the proposal. We will conduct preliminary and final fieldwork and will issue all of the deliverables and reports substantially prior to the required due dates.

As professionals serving the public sector, Mauldin & Jenkins is qualified to serve the City. We believe that **Mauldin & Jenkins is the leader in auditing state and local governments in the Southeast**. This leadership was achieved by recognizing that we are an important part of our client's success, with our objective being to ensure that accurate information is reported to the governing body, management, regulatory agencies and investors, and citizens. Given the complexities of the City's financial operations and the ongoing significant changes in accounting standards, we feel that it is important that you select an auditing firm that is **focused and experienced** in the governmental industry. We differentiate ourselves from our peers via:

- **Experience with Governments. As auditors for more governments in the Southeast than any other firm**, our professionals are thoroughly versed in the complex governmental arena and have consistently provided the highest quality of service to our government clients. We serve:
  - **700+ state and local governments across the Southeastern U.S.A.**
  - **25 government units in the State of North Carolina.**
  - **150+ cities and 65+ counties;**
  - **175 governments awarded the GFOA and/or ASBO Certificates of Achievement for Excellence in Financial Reporting.**
  - **70+ stand-along business-type utility authorities (water/sewer, gas, electric, airports, transit)**
  - **290+ of Single Audits as required by the Uniform Guidance resulting in over $4 billion of federal funding audited on an annual basis.**

  Mauldin & Jenkins provides 156,000+ hours of service to over 700 governmental units in the Southeast on an annual basis utilizing over 150 professionals across the Firm.

- **Nationally Recognized.** Mauldin & Jenkins is consistently ranked in the Top 100 by various publications as one of the largest certified public accounting firms in the country. We are a regional firm, but the firm's influence is shared nationally. Our partners have volunteered to serve: on the American Institute of CPA's (AICPA's) Governmental Audit Quality Center's (GAQC) Executive Committee in 2022; the AICPA's State and Local Government Expert Panel in 2021; the AICPA's sole representative to the Government Accounting Standards Advisory Council (GASAC); the 2015 Chairman of the board of the AICPA; and a board member of the International Federation of Accountants (IFAC) in 2016. **In 2020, our own Joel Black was appointed to serve as the Chairman of the Governmental Accounting Standards Board (GASB)**. Mauldin & Jenkins is a leader nationally.
- **Remote Audits and Suralink**. At management's discretion, Mauldin & Jenkins is effective in working from a remote environment. We utilize new technologies, like Suralink, to add organization and transparency to the audit process and we continue to develop new and efficient ways to conduct audits on-site, in the remote environment, or in a combination / hybrid model. **We have the experience and the resources to adapt to you.**
- **Information Technology Services**. We also have resources to address the evolving cybersecurity threats to your government with Certified Information Systems Auditors (CISA) on staff and certified by the AICPA to provide cybersecurity advisory services and the newly created cybersecurity assessment.
- **Staff Continuity.** Our staff retention rates are considered to be among the best in the profession. We are able to not only provide consistency with the partner and manager on our engagement teams, but seniors as well. We also have enough resources at the partner, manager, and senior levels to provide for periodic rotations as requested by our clients.
- **Education.** **Mauldin & Jenkins' clients have the opportunity to register and receive approximately 30 hours of continuing education on an annual basis, free of charge**. We take our experience in serving governments and choose timely and relevant topics to provide ongoing education to our clients, both virtually and in-person. Sessions are limited to clients only.
- **Responsiveness and Large Firm Resources with Small Firm Sensitivity.** We pride ourselves in responding to the needs of our clients; not only the ability to meet deadlines, but also to respond to other requests. Our ability to be responsive is enhanced by the open communications and good working relationship we have with our clients. Our resources provide for the flexibility to meet your needs and to perform our services in an efficient and effective manner.

This proposal represents a firm offer for 60 days from the date of the proposal. As a member of Mauldin & Jenkins, Tim Lyons is authorized to bind, and make representations for the Firm, and he will be the ultimate party responsible for the quality of the report and working papers. We welcome the opportunity to meet with you to present our proposal and our qualifications. Please contact us at (833) 818-0406. Again, on behalf of Mauldin & Jenkins, thank you for the opportunity to serve.

Sincerely,
MAULDIN & JENKINS, LLC

Tim Lyons, CPA, CGMA
Partner

1. North Carolina Office Location that Will Handle the Audit

A Century of Service

Mauldin & Jenkins' commitment to government began when our Firm was established in 1918. Since then, we have viewed service to governments as significant to the overall success of the Firm. Today, the governmental sector is an industry that has been specifically identified for our continued growth in professional services. Accordingly, all professionals, from entry-level accountants to partners (who select the governmental sector as their focus) are trained to understand the issues and meet the needs of state and local governmental entities.

As noted previously, **Mauldin & Jenkins employs 45 partners, directors and managers who dedicate 100% of their time serving government clients**. We also have numerous additional professionals with current experience in providing services to governmental entities, many of whom spend their time exclusively on government clients.

Mauldin & Jenkins' dedicated professionals can bring a comprehensive understanding of the issues that face government entities as well as "bench strength" at all levels, allowing us to respond swiftly and effectively to your evolving needs.

The goal of our government practice is to help governments improve their financial processes and strategies so that they can in turn achieve their goal of improving the lives of their citizens. This shared commitment to the goals of our clients has resulted in a significant government clientele.

> ***I was apprehensive when the decision was made to go with Mauldin & Jenkins thinking our city was too small for a larger firm. I couldn't be more pleased with their helpful attitude and professionalism. The audit process is now smooth and painless.***
>
> ***Pam Herring,***
> ***City of Rockmart,***
> ***Clerk/Finance Officer***

As noted in our transmittal letter, we currently serve over 700 governments in the Southeast. We know of no other regional firm that can match our governmental experience.

Location of the Office from which the Work is to be Performed

Our Raleigh Office will act as the lead in providing services to the City with additional staff roles coming from our other offices as needed. Since 2015 when we first began working with governmental entities in North Carolina, we have utilized resources from several of the Firm's offices. Over the last two (2) years, we have concentrated those resources in Columbia, South Carolina as our practice continued to grow. With the recent opening of our Raleigh Office, we are excited to serve the City from this new location while continuing to utilize resources from our Columbia Office as needed to ensure that the knowledge and expertise of auditing local governments in North Carolina is there.

The individuals mentioned in this proposal, Mr. Tim Lyons, Mr. Doug Moses, Ms. LeAnn Bagasala, and Mr. Chad Jackson are known across the Southeast for their involvement with governmental entities. They have significant experience in governmental audit and accounting, and will play significant roles in providing ongoing services to the City.

Together, the Raleigh and Columbia offices employ more than **25 professionals with current experience in providing services to governmental entities** and who will meet the continuing professional education requirements set forth in the U.S. General Accounting Office *Government Auditing Standards*.

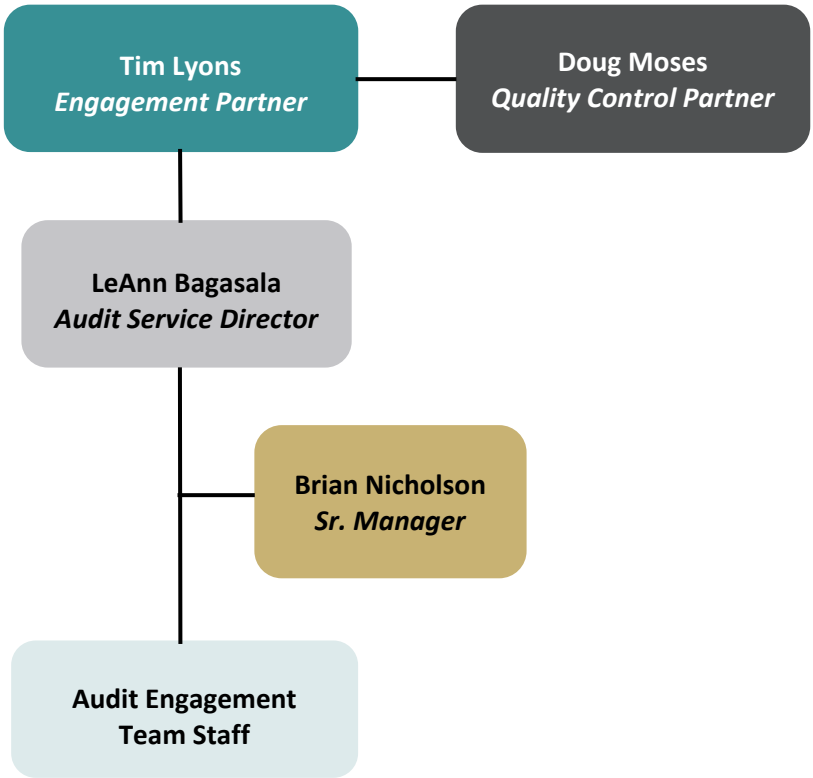
A further profile of these offices is found in the following table:

Professional Staff by Level	Raleigh / Columbia	Firm-Wide
Partners	5	70
Directors/Managers	10	120
Senior Associates	12	104
Associates	21	221
Total	48	515

2. Number of People by Level within the Office Locations

Proposed Staffing and Qualifications

In order to provide the highest quality service in the most cost-efficient manner, Mauldin & Jenkins has formed a client service team which will function as a cohesive unit and would represent a superb assortment of talent and experience for the audit of the City. The unit would be assembled as:



The above team dedicated to audit the City will include (at a minimum): two partners, one full-time director (senior manager), and at least two staff professionals. The manager (LeAnn) and the staff professionals will be dedicated to serving the City full time throughout the conduct of their role in the audit (i.e., whether remote or on-site, the team is dedicated to the City during the week(s) when the audit is scheduled). Other governmental audit professionals will be available to assist throughout the fieldwork and the preparation of the financial reports. The audit partner in-charge of fieldwork will correspond with City management on financial reporting, audit, and related issues on an ongoing basis, and this individual will also be dedicated to serve the City throughout fieldwork, reporting and conclusion in all respective fiscal years. Mauldin & Jenkins has the depth of resources which allows us to provide you with significant resources of knowledgeable professionals to meet your deadlines.

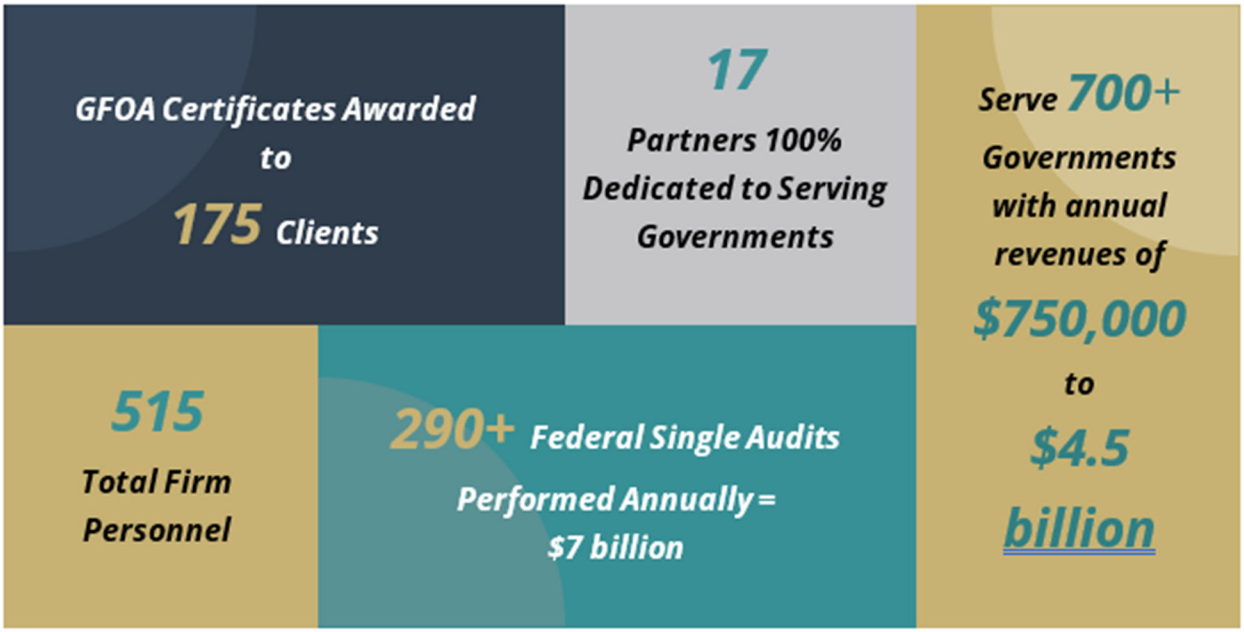
3. Current and Prior Governmental Audit Clients

Governments Served

Perhaps the greatest indicator of our reliability as a professional service provider to state and local governments is our list of governmental clients.

Beginning on the following page, we have included the following lists:

1. A list of the local office's current and prior governmental audit clients, including the type(s) of services performed and the number of years served for each.
2. Additional services to governmental clients by government and type of services provided.
3. A list of our Firm's governmental clients served in the past three (3) years.



No.	Municipalities	Service Provided	Years Served
1	Aiken, SC	Audit, Single Audit	2015 - Present
2	**Asheville, NC**	Performance Audit	**2019 (One time Performance Audit)**
3	**Black Mountain, NC**	Audit	**2019 – 2021**
4	Chapin, SC	Audit	2018 - Present
5	Charleston, SC	Audit, Single Audit	2015 - Present
6	Clover, SC	Audit	2017 - Present
7	**Garner, NC**	Audit, Single Audit	**2018 - Present**
8	Goose Creek, SC	Audit	2017 - Present
9	Hemingway, SC	Audit	2019 - Present
10	**Hendersonville, NC**	Audit, Single Audit	**2021 - Present**
11	**Jacksonville, NC**	Audit, Single Audit	**2022 - Present**
12	Johnsonville, SC	Audit	2019 - Present
13	**New Bern, NC**	Audit, Single Audit	**2015 - 2018**
14	North Augusta, SC	Audit	2020 - Present
15	Orangeburg, SC	Audit, Single Audit	2018 - Present
16	Pamlico, SC	Audit	2019 - Present
17	Rock Hill, SC	Audit, Single Audit	2019 - Present
18	**Rocky Mount, NC**	Audit, Single Audit	**2023 - Present**
19	**Selma, NC**	Audit, Single Audit	**2015 - Present**
20	Seneca, SC	Audit	2023 - Present
21	Summerville, SC	Audit	2015 - Present
22	**Wilkesboro, NC**	Audit, Single Audit	**2019 - Present**
23	**Zebulon, NC**	Audit, Single Audit	**2021 – Present**

No.	Counties	Service Provided	Years Served
1	Beaufort County, SC	Audit, Single Audit	2016 - Present
2	Berkeley County, SC	Audit, Single Audit	2020 – Present
3	**Bertie County, NC**	Audit, Single Audit	**2023 - Present**
4	**Buncombe County, NC**	Audit, Single Audit	**2023 - Present**
5	Calhoun County, SC	Audit, Single Audit	2019 - Present
6	Colleton County, SC	Audit, Single Audit	2014 - Present
7	**Columbus County, NC**	Audit, Single Audit	**2022 – Present**
8	Darlington County, SC	Audit, Single Audit	2015 - Present
9	Edgefield County, SC	Audit, Single Audit	2014 - Present
10	Fairfield County, SC	Audit, Single Audit	2022 - Present
11	Florence County, SC	Audit, Single Audit	2022 - Present
12	**Gates County, NC**	Audit, Single Audit	**2018 - Present**
13	**Greene County, NC**	Audit, Single Audit	**2022 - Present**
14	Greenville County, SC	Audit, Single Audit	2019 - Present
15	**Halifax County, NC**	Audit, Single Audit	**2018 - Present**
16	Horry County, SC	Audit, Single Audit	2023 - Present
17	Lancaster County, SC	Audit, Single Audit	2014 - Present

18	Laurens County, SC	Audit, Single Audit	2015 – Present
19	**Montgomery County, NC**	Audit, Single Audit	**2020 – Present**
20	**Moore County, NC**	Audit, Single Audit	**2022 - Present**
21	Newberry County, SC	Audit, Single Audit	2022 - Present
22	Oconee County, SC	Audit, Single Audit	2014 - Present
23	**Orange County, NC**	Audit, Single Audit	**2016 – 2020; 2022 and Forward**
24	Orangeburg County, SC	Audit, Single Audit	2022 – Present
25	Richland County, SC	Audit, Single Audit	2021 – Present
26	**Wake County, NC**	Audit, Single Audit	**2022 - Present**

No.	State Governmental Entities	Years Served
1	Aiken Technical College	2020 - Present
2	Trident Technical College	2019 - Present
3	Central Carolina Technical College	2019 - Present
4	Francis Marion University	2018 - Present
5	Denmark Technical College	2021 - Present
6	Tri-County Technical College	2019 - Present
7	Williamsburg Technical College	2018 - Present
8	South Carolina Department of Transportation	2019 - Present
9	South Carolina Infrastructure Bank	2019 - Present
10	South Carolina Insurance Reserve Fund	2018 - Present
11	South Carolina Jobs-Economic Development Authority	2018 - Present

No.	School Systems & Charter Schools	Years Served
1	Clarendon County School District One	2019 - Present
2	Florence School District One	2019 - Present
3	Florence School District Three	2020 - Present
4	Marlboro County School District	2001 - Present
5	Richland County School District One	2014 - Present
6	Sumter County Schools	2018 - Present
7	Horry County Schools	2021 - Present
8	Orangeburg County Schools	2021 - Present
9	East Point Academy of South Carolina	2014 - Present
10	Montessori School of Camden, SC	2019 - 2021

No.	Transit Authorities (Stand-Alone Entities)	Years Served
1	Central Midlands Regional Transit Authority	2013 - 2017
2	Santee Wateree Regional Transit Authority	2017 - Present
3	Waccamaw Regional Transit Authority	2017 - Present
4	Pee Dee Regional Transit Authority	2020 - Present

4. Client References

In addressing the City's interest in the qualifications and client references of Mauldin & Jenkins, we have provided the names, addresses, and telephone numbers of personnel of current governmental clients of the Firm. To demonstrate to the City both our experience in auditing similar municipalities as well as auditing governments in North Carolina, we have provided a diverse list of clients for references that we think speak very well for our ability to serve the City:

1) **City of Jacksonville, North Carolina**
   Sabrina Adams, Finance Director
   815 New Bridge Street, Jacksonville, NC 28541
   (910) 938-5245
   sadams@jacksonvillenc.gov

2) **Town of Garner, North Carolina**
   David Beck, Finance Director
   900 7th Avenue, Garner, NC 27529
   (919) 773-4413
   dbeck@garnernc.gov

3) **City of Rocky Mount, North Carolina**
   Krystal Hunter, Finance Director
   331 S. Franklin Street, Rocky Mount, NC 27804
   (252) 972-1200
   Krystal.Hunter@rockymountnc.gov

4) **Buncombe County, North Carolina**
   Mason Scott, Assistant Finance Director
   200 College Street, Suite 420, Asheville, NC 28801
   (828) 250-4137
   Mason.Scott@buncombecounty.org

5) **Halifax County, North Carolina**
   Mary Duncan, Finance Director
   10 N. King Street, Halifax, NC 27839
   (252) 583-3771
   duncanm@halifaxnc.com

5. Experience of Local Office in Providing Additional Services

Census Data Testing for State Managed Pension Plans

Mauldin & Jenkins has worked with Orange County, Madison County, Moore County, Montgomery County, Town of Zebulon, and Halifax County who have been selected for census data testing related to the Local Governmental Employees' Retirement System (LGERS) in North Carolina. Additionally, we have worked with the State of Georgia's auditors of the Teachers' Retirement System of Georgia and the Employees' Retirement System of Georgia for the past several years to perform census data testing for selected entities in order to provide assurance to the plan auditors.

Other Services

In addition to providing financial and compliance auditing services for the clients listed on the previous pages, we also routinely perform various other types of services for our clients including:

- Agreed upon procedure engagements;
- Landfill financial assurance reporting;
- Forensic audits;
- Compilation services;
- Other consulting services;
- Bond financing and issuance services including consent letters and comfort letters for the solid majority of our governmental clients.

To highlight specific engagements aside from annual financial statement and compliance audit services provided to our governmental clients, consider the following:

1. **City of Rocky Mount, North Carolina** – In 2020, Mauldin & Jenkins was engaged by the City of Rocky Mount to conduct an assessment over the City's billing and collection processes. Our governmental advisory services team (more information found in Section 13 below) performed a thorough consulting engagement that resulted in several recommendations for improvement to the City's operations and internal controls.

2. **Cobb County School District** – Beginning in 2013, Mauldin & Jenkins began providing performance audit services to the School District by reviewing and testing internal controls at each of the School District's 109 schools. At each location, we conduct tests of each school's compliance with internal policies and procedures and consider potential sources of improvement by comparing current operations to industry best practices and State of Georgia laws and regulations.

3. **Gwinnett County and DeKalb County** – Since becoming auditors for Gwinnett County we have annually performed special compliance procedures for the County as well as each municipality within the County for compliance related to their Special Purpose Local Option Sales Tax Program. For DeKalb County, we performed similar procedures related to their compliance with a bond referendum for a General Obligation Bond Program.

4. **Florence County School District 1** – After significant turnover amongst upper-level management of the School District, Mauldin & Jenkins was engaged to conduct a performance audit covering several aspects of operations, including HR/payroll, contracting and purchasing, p-cards, etc. Our performance audit generated several suggestions for improvement to align the School District's operations with industry best practices and creating for efficient and effective internal control processes. We've conducted several performance audits of this type for our governmental audit clients as they are conducted in accordance with *Government Auditing Standards* which require us to remain independent of the entity. We've found that our experience as the entity's external auditor gives us significant advantage over an outside firm as we already have the baseline knowledge of the entity's controls and operations.

Other Non-Attestation Services

Other services beyond the above attestation types which Mauldin & Jenkins currently provide to our clients include:

- Federal and State income tax planning/return preparation;
- Payroll tax issues;
- Multi-state income tax issues;
- State sales tax matters;
- Information technology (IT) systems consulting;
- Cost accounting issues;
- Profitability consulting;
- Advanced cost management;
- Human resources (HR) predictive index services and interviewing and hiring;
- Business, strategic and succession planning;
- Information technology engagements.

Governmental Attestation Services

Other attestation services beyond financial and compliance audits which Mauldin & Jenkins currently provides to our clients include:

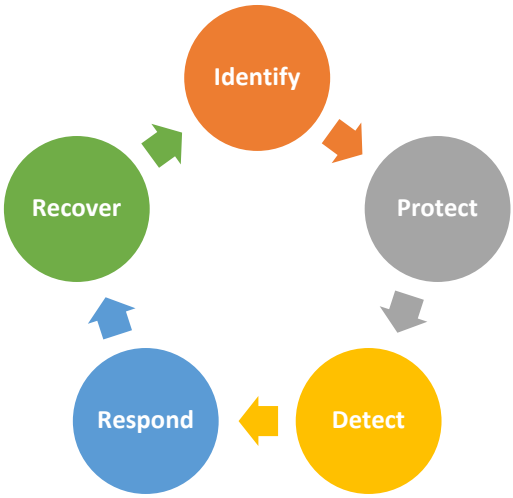
- Forensic audits
- Performance audits
- Information systems audits
- Cybersecurity Assessments
- Agreed-upon procedures
- Bond issuance services
- Capital asset inventory services

Governmental IT Solutions

As noted above, Mauldin & Jenkins performs various IT attestation and non-attestation services. The following are three such services.

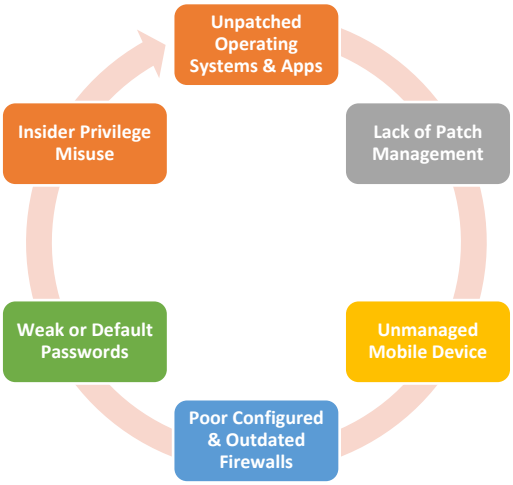
Cybersecurity Framework Engagements

With governments dealing with IT ransoms, cybersecurity is one of the top issues on the minds of nearly every government (large & small). Managing this business issue is especially challenging. A government with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner.



Services can be provided via: 1) attestation engagements or 2) consulting engagements. The AICPA has established standards for performing attestation engagements in this arena with the issuance of the SOC for Cybersecurity as part of its suite of System and Organization Controls (SOC) reporting. Consulting services can be provided while not compromising auditor independence.

System Vulnerability Assessments Engagements



This is the process of defining, identifying, classifying and prioritizing vulnerabilities in computer systems, applications and networks infrastructures, and providing an assessment with necessary knowledge, awareness and risks to understand the threats to determine appropriate reactions. Using specialized tools and applications, we can access networks to scan with automated tools and interrogate every device connected to network with the objective of searching for misconfigurations, unsupported software, missing software updates and patches, etc.

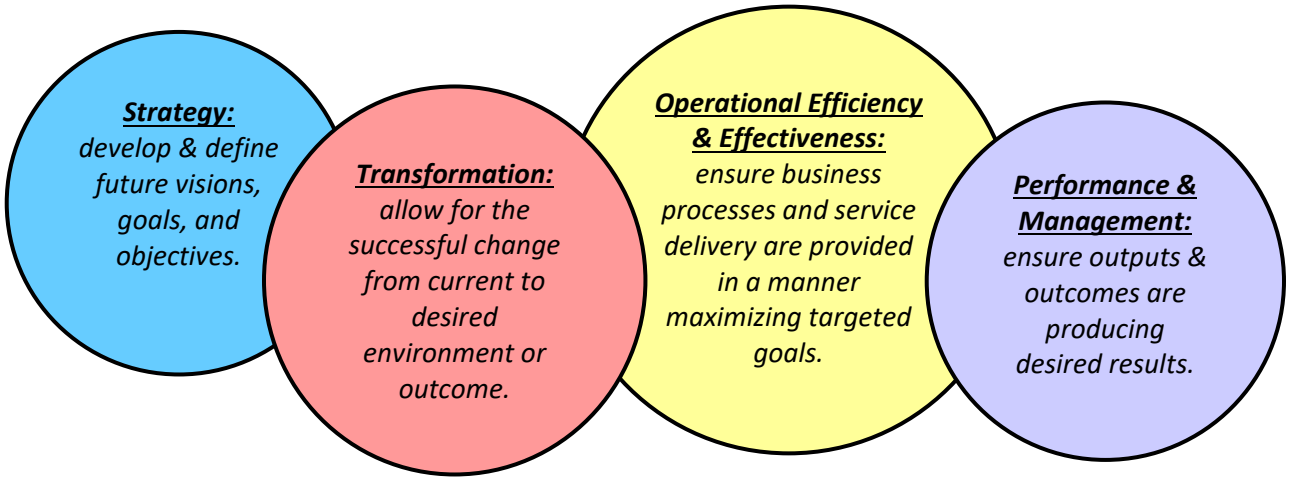
Penetration Testing Engagements

This is the practice of testing a computer system to find security vulnerabilities that a hacker / attacker could exploit using automation or manual applications. The process involves gathering information about the target before the test, identifying possible entry points, attempting to break in – actually or virtually – and reporting back the findings. Tests come from external or internal angles of entry. Our main objective is to identify security weaknesses. Penetration testing can also be used to: test an organization's security policy; its adherence to compliance requirements; its employees' security awareness; and, the government's ability to identify and respond to security incidents.

> ***"We would like to express our sincere appreciation for the quality of service provided by the staff of Mauldin & Jenkins. We would like to thank you for the level of detail and accountability you have demonstrated on this project and the way you conduct business as a whole. Our team could not be more satisfied with your work, and we look forward to continuing this relationship."***
> ***Angela Jackson, City of Fairburn (GA), Finance Director***

Governmental Advisory Services

Beyond traditional audit and accounting services and IT services, we provide advisory services that are wide-ranging in nature. Our experienced government advisory team helps governments, governmental agencies and special purpose governmental organizations balance fiscal responsibility with the latest business strategies to achieve targeted and overarching objectives. Our advisory services can be summarized via the following bubbles.



Cities. Cities we have served within the past three years:

Georgia

1) Albany
2) Alpharetta
3) Americus
4) Ashburn
5) Atlanta
6) Austell
7) Avondale Estates
8) Bainbridge
9) Baldwin
10) Ball Ground
11) Barnesville
12) Bloomingdale
13) Brookhaven
14) Brunswick
15) Butler
16) Byron
17) Cartersville
18) Cedartown
19) Centerville
20) Chamblee
21) Chattahoochee Hills
22) Clarkston
23) College Park
24) Colquitt
25) Conyers
26) Cordele
27) Covington
28) Dacula
29) Dalton
30) Decatur
31) Doraville
32) Douglasville
33) Duluth
34) Dunwoody
35) Fairburn
36) Fayetteville
37) Flovilla
38) Forest Park
39) Forsyth
40) Garden City
41) Grovetown
42) Griffin
43) Hapeville
44) Hinesville
45) Holly Springs
46) Jefferson
47) Johns Creek
48) Kennesaw
49) Kingsland
50) LaGrange
51) Lake Park
52) Lawrenceville
53) Leesburg
54) Lilburn
55) Lone Oak
56) Lyons
57) Manchester
58) Mansfield
59) Milledgeville
60) Milner
61) Milton
62) Monroe
63) Morrow
64) Nashville
65) Newton
66) Norcross
67) Oxford
68) Palmetto
69) Peachtree City
70) Peachtree Corners
71) Pearson
72) Perry
73) Pooler
74) Powder Springs
75) Port Wentworth
76) Reynolds
77) Richmond Hill
78) Riverdale
79) Rockmart
80) Rome
81) Roswell
82) Sandy Springs
83) Savannah
84) Sharpsburg
85) Social Circle
86) South Fulton
87) St. Mary's
88) Stockbridge
89) Stonecrest
90) Suwanee
91) Temple
92) Thunderbolt
93) Tifton
94) Toccoa
95) Tucker
96) Turin
97) Tybee Island
98) Union City
99) Valdosta
100) Villa Rica
101) Waycross
102) West Point
103) Willacoochee

Alabama / Mississippi

104) Athens, AL
105) Huntsville, AL
106) Tuscaloosa, AL
107) Gulfport, MS
108) Meridian, MS
109) Prattville, AL
110) Sheffield, AL

Florida

111) Apopka
112) Callaway
113) Clewiston
114) Crystal River
115) Destin
116) Gulf Stream
117) Fernandina Beach
118) Ft. Myers Beach
119) Haines City
120) Hallandale Beach
121) Indiantown
122) Islamorada
123) Jupiter Inlet Colony
124) Jupiter Island
125) LaBelle
126) Lake Placid
127) Longboat Key
128) Marco Island
129) Naples
130) New Port Richey
131) North Port
132) Palmetto
133) Pensacola
134) Pinecrest
135) Plant City
136) Tarpon Springs
137) Tequesta
138) Wildwood

North Carolina

139) Black Mountain
140) Garner
141) Hendersonville
142) Jacksonville
143) Rocky Mount
144) Selma
145) Zebulon
146) Wilkesboro

South Carolina

147) Aiken
148) Beaufort
149) Cayce
150) Chapin
151) Charleston
152) Clemson
153) Clinton
154) Clover
155) Fountain Inn
156) Hanahan
157) Hardeeville
158) Hemingway
159) Hilton Head Island
160) Hollywood
161) Georgetown
162) Goose Creek
163) Johnsonville
164) Kiawah Island
165) Mount Pleasant
166) North Augusta
167) North Charleston
168) Orangeburg
169) Pamplico
170) Rock Hill
171) Seabrook Island
172) Seneca
173) Summerville
174) Winnsboro

Tennessee

175) Bristol
176) Clarksville
177) Jackson
178) Lebanon
179) Morristown
180) Spring Hill

Counties. Counties we have audited or are in the process of serving within the past three years:

Georgia
1) Athens-Clarke
2) Augusta-Richmond
3) Bacon
4) Barrow
5) Bryan
6) Butts
7) Camden
8) Charlton
9) Chatham
10) Clayton
11) Columbus-Muscogee
12) Crisp
13) DeKalb
14) Dougherty
15) Douglas
16) Emanuel
17) Floyd
18) Forsyth
19) Gwinnett
20) Henry
21) Irwin
22) Jackson
23) Jeff Davis
24) Jenkins
25) Jones
26) Lamar
27) Lee
28) Liberty
29) Long
30) Lumpkin
31) Macon
32) Macon-Bibb
33) McIntosh
34) Meriwether
35) Mitchell
36) Monroe
37) Morgan
38) Newton
39) Paulding
40) Pierce
41) Polk
42) Rockdale
43) Spalding
44) Stephens
45) Stewart
46) Sumter
47) Talbot
48) Tattnall
49) Taylor
50) Toombs
51) Troup
52) Turner
53) Walton
54) Whitfield
55) Wilkes

Florida
56) Alachua
57) Hernando
58) Union
59) Walton

North Carolina
60) Bertie
61) Buncombe
62) Columbus
63) Gates
64) Greene
65) Halifax
66) Madison
67) Montgomery
68) Moore
69) Orange
70) Wake

South Carolina
71) Aiken
72) Beaufort
73) Berkeley
74) Calhoun
75) Colleton
76) Darlington
77) Dorchester
78) Edgefield
79) Fairfield
80) Florence
81) Greenville
82) Hampton
83) Horry
84) Jasper
85) Lancaster
86) Laurens
87) Newberry
88) Oconee
89) Orangeburg
90) Richland
91) Sumter

Tennessee
92) Hamilton

Alabama
Jefferson

Business-type Special Purpose Governments. Please see the following for a listing of business-type stand-alone special purpose business-type governments we have served in the past three years:

Water/Sewer & Electric Utility
1) Albertville Municipal Utilities Board
2) Athens Electric Utility
3) Athens Water and Sewer Utility
4) Atlanta Watershed
5) Augusta Utilities (Water/Sewer Ops)
6) Barrow County Water & Sewer Authority
7) Beaufort Jasper Water & Sewer Authority
8) Berkeley County Water & Sanitation
9) Bristol Essential Services
10) Bristol Joint Sewer System
11) Broad Creek Public Service District
12) Brunswick - Glynn Joint Water & Sewer Comm.
13) Butts County Water & Sewer Authority
14) Cape Fear Public Utility Authority
15) Catawba River Water Supply Project
16) CDE Lightband
17) Charleston Water System
18) Chatsworth Water Works Commission
19) City of Sheffield Utilities
20) Clarksville Gas, Water & Wastewater
21) Clayton County Water Authority
22) Cobb County - Marietta Water Authority
23) Dutton Waterworks
24) Eatonton-Putnam Water & Sewer Authority
25) Edgefield County Water & Sewer Authority
26) Electric Power Board of Chattanooga
27) Englewood Water District
28) Gladeville Utility District
29) Grand Strand Water & Sewer Authority
30) Greenwood Commissioners of Public Works
31) Greenville Water System
32) Guntersville Water and Sewer Board
33) Gwinnett County Water and Sewerage Authority
34) Hamilton Co. Water & Wastewater Treatment
35) Henry County Water Authority
36) Huntsville Utilities
37) Limestone County Water and Sewer Authority
38) Lumpkin County Water & Sewerage Authority
39) Macon Water Authority
40) Middle Georgia Regional Water & Sewer Authority
41) Mount Pleasant Waterworks
42) Newton County Water & Sewerage Authority
43) North Charleston Sewer District
44) Onslow Water & Sewer Authority
45) Orangeburg Department of Public Utilities

46) Peace River/Manasota Reg. Water Supply Auth.
47) Peachtree City Water & Sewerage Authority
48) Polk County Water Authority
49) Susanville Sanitary District
50) Seabrook Island Utility Commission
51) Seacoast Utility Authority
52) Section Waterworks
53) Sheffield Utilities
54) Tampa Bay Water
55) Waterworks & Sewer Board of the Town of Parrish
56) Warren County Utility District
57) Crisp County Power Commission
58) Electric Power Board of Chattanooga, TN
59) Emerald Coast Utilities Authority
60) Greer Commission of Public Works

Airports

61) Atlanta Hartsfield-Jackson International Airport
62) Augusta-Richmond County Regional Airport
63) Charleston County Aviation Authority
64) Glynn County Airport Commission
65) Gwinnett Airport Authority
66) Halifax-Northampton Regional Airport Authority
67) Horry County Airport
68) Moore County (Pinehurst) Airport Authority
69) Paulding County Airport Authority
70) Walterboro-Colleton County Airport Commission

Transit

71) Chatham Area Transit Authority
72) Chattanooga Area Reg. Transportation Authority
73) Jackson Transit Authority, TN
74) Lakeland Area Mass Transit District
75) Lowcountry Regional Transit Authority
76) Macon-Bibb County Transit Authority
77) Pee Dee Regional Transit Authority
78) Santee Wateree Regional Transit Authority
79) South Florida Regional Transportation Authority
80) Waccamaw Regional Transportation Authority

Gas

81) Athens Gas Utility
82) Austell Natural Gas System
83) Natural Gas Acquisition Corp.

Certificates of Achievement & Excellence in Financial Reporting

Mauldin & Jenkins has served **over 700 governments** in the past several years, and **175** governmental units who obtain the GFOA's Certificate of Achievement for Excellence in Financial Reporting (and, or the ASBO's Certificate of Excellence in Financial Reporting).

Mauldin & Jenkins' clients have never failed to obtain the Certificate! Every Annual Comprehensive Financial Report submitted has received the award. The following are current clients:

Counties:

1) Aiken, SC
2) Athens-Clarke
3) Augusta-Richmond
4) Barrow
5) Beaufort, SC
6) Buncombe, NC
7) Butts
8) Camden
9) Cartersville
10) Chatham
11) Clayton
12) Colleton, SC
13) Columbus-Muscogee
14) Dekalb
15) Douglas
16) Edgefield, SC
17) Florence, SC
18) Floyd
19) Forsyth
20) Glynn
21) Greenville, SC
22) Gwinnett
23) Halifax, NC
24) Hamilton, TN
25) Henry
26) Horry, SC
27) Jackson
28) Lancaster, SC
29) Liberty
30) Macon-Bibb
31) Morgan
32) Moore, NC
33) Newton
34) Oconee, SC
35) Orange, NC
36) Paulding
37) Richland, SC
38) Rockdale
39) Spalding
40) Wake, NC
41) Walton
42) Whitfield

Cities:

43) Aiken, SC
44) Albany
45) Alpharetta
46) Americus
47) Apopka, FL
48) Austell
49) Ball Ground
50) Beaufort, SC
51) Black Mountain, NC
52) Bluffton, SC
53) Bradenton, FL
54) Bristol, TN
55) Brookhaven
56) Brunswick
57) Callaway, FL
58) Cartersville
59) Cayce, SC
60) Chamblee
61) Charleston, SC
62) Chamblee
63) Chapin, SC
64) Clarksville, TN
65) Clemson, SC
66) College Park
67) Conyers
68) Cooper City, FL
69) Covington
70) Decatur
71) Douglasville
72) Dunwoody
73) Fayetteville
74) Fairburn
75) Forest Park
76) Forsyth
77) Garden City

78) Garner, NC
79) Georgetown
80) Griffin
81) Gulfport, MS
82) Haines City, FL
83) Hallandale Bch, FL
84) Hapeville
85) Hardeeville, SC
86) Hendersonville, NC
87) Hinesville
88) Holly Springs
89) Huntsville, AL
90) Jacksonville, NC
91) John's Creek
92) Kennesaw
93) Kiawah Island
94) Kingsland
95) Marco Island, FL
96) Lagrange
97) Lawrenceville
98) Longboat Key, FL
99) Milledgeville
100) Milton
101) Monroe
102) Morristown, TN
103) Morrow
104) Mount Pleasant, SC
105) Naples, FL
106) N. Augusta, SC
107) N. Charleston, SC
108) North Port, FL
109) Palmetto
110) Peachtree City
111) Pensacola, FL
112) Perry
113) Pinecrest, FL
114) Plant City, FL
115) Pooler
116) Port Wentworth
117) Powder Springs
118) Prattville
119) Richmond Hill
120) Riverdale
121) Rockhill
122) Rockmart
123) Rocky Mount, NC
124) Rome
125) Roswell
126) St. Mary's
127) Sandy Springs
128) Savannah
129) Social Circle
130) Stockbridge
131) Suwanee
132) Thunderbolt
133) Tarpon Springs, FL
134) Thomasville
135) Tuscaloosa, AL
136) Union City
137) Valdosta
138) Villa Rica
139) Zebulon, NC

Boards of Education:

140) Atlanta Public Schools
141) Beaufort County Schools
142) Bibb County Schools
143) Cartersville City Schools
144) Cobb County Schools
145) Fayette County Schools
146) Fulton County Schools
147) Gwinnett County Schools
148) Horry County Schools
149) Lee County School District
150) Marietta City Schools
151) Richland Co. School District One
152) Savannah-Chatham County Schools

State Governmental Entities:

153) Ga. Environ. Fin. Auth. (GEFA)
154) Ga. Ports Authority

Other Governmental Entities:

155) Beaufort Jasper Water & Sewer Authority
156) Cape Fear Public Utility Authority
157) Central Savannah River Area Regional Comm.
158) Charleston Water System
159) Clayton County Water Authority
160) Cobb County - Marietta Water Authority
161) Emerald Coast Utilities Authority
162) Greenville Technical College
163) Greenville Water System
164) Greenwood Commissioners of Public Works
165) Greer Commission of Public Works
166) Henry County Water Authority
167) Lowcountry Regional Transportation Authority
168) Macon Water Authority
169) Mount Pleasant Waterworks
170) North Charleston Sewer District
171) Onslow Water & Sewer Authority
172) Port of Corpus Christi Authority
173) Public Building Authority of Knox Co. & Knoxville
174) South Florida Transportation Authority
175) Tampa Bay Water Authority

6. Mauldin & Jenkins' Quality Control Program

External Peer Review

In the mid-70s, the Private Companies Practice Section (PCPS) was founded by the American Institute of CPAs (AICPA) to establish a voluntary quality assurance program for CPA firms. There are requirements for membership in the section, which include mandatory continuing education for each member of the professional staff and a key element is a tri-annual independent review of a firm's quality control system in its practice of public accounting. Mauldin & Jenkins has been a member of the section from inception.

The peer review aspect has evolved from being voluntary to mandatory and Mauldin & Jenkins is in full compliance with the requirements of having a tri-annual review. In the peer reviewer's latest report dated November 12, 2020, our reviewing firm gave a rating of "pass" which is the highest form of assurance they can render on the system of quality control for our accounting and audit practice.

A copy of the report on our most recent external quality control review is provided on the next page. **The quality control review included a review of specific government engagements, including compliance audits under the Single Audit Act.** No letter of comment was received as a result of this review. We are quite proud to be one of the few Southeast based firms to have undergone this review and to have received such an excellent opinion from a large reputable national firm.

We would also like to note that our peer review has been completed for the Firm's fiscal year ended May 31, 2023 (the most recent tri-annual review). We have been provided with a draft report from our peer reviewer (PB Mares) which indicates that our report will have a rating of "pass" again. The report is with the National Peer Review Committee for final review before it can be released and as soon as it is, we will provide the City a copy along with the LGC in order to approve 2024 (and forward) audit contracts.

PBMares

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

November 12, 2020

To the Shareholders of Mauldin & Jenkins, LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 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. 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

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, audits performed under FDICIA, an audit of a broker-dealer and an examination of service organization's SOC 1 engagement.

As a 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.

PBMares, LLP | 725 Jackson Street, Suite 210 | Fredericksburg, VA 22401 | P 540.371.3566 | 1.800.296.3710 | F 540.371.3598

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 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*. Mauldin & Jenkins, LLC has received a peer review rating of *pass*.

PBMares, LLP

PBMares, LLP

We chose Mauldin & Jenkins and have continued with them, because of their deep understanding and accounting knowledge of our industry and they are an invaluable resource to us. The professionals on their team are easy to work with and pay close attention to our specific concerns. They provide exceptional expertise and service, responding to questions quickly and proficiently. Without question, our decision to use Mauldin & Jenkins for the past years was a sound business decision, delivering the expected results and then some.

David Smith, Henry County (GA), Chief Financial Officer

7. Professional Experience of Engagement Team

Tim Lyons, CPA, CGMA
Engagement Partner

Tim Lyons is a partner with Mauldin & Jenkins and is a certified public accountant as well as a chartered global management accountant. His experience covers a variety of clients throughout the Southeast, working mainly in North Carolina, South Carolina, and Georgia.

Tim spends 100% of his time serving clients in the governmental industry, working with all types of entities ranging from large state agencies and institutions of higher education to local counties, school districts, and municipalities. Tim also serves the firm as the partner-in-charge of the Raleigh and Columbia Offices and as a member of the Firm's Assurance Committee which oversees the entire audit practice of Mauldin & Jenkins.

Years of Professional Experience and Years with Firm

Tim has more than fourteen years of experience in public accounting – a year and a half with a firm based out of Charleston, South Carolina and over thirteen years with Mauldin & Jenkins serving a wide variety of clients in the public services industry.

List of Governmental Clients Served in the Last Three (3) Years

Counties:
Columbus County, NC
Darlington County, SC
Forsyth County, Ga.
Gates County, NC
Greene County, NC
Halifax County, N.
Jefferson County, AL
Laurens County, SC
Madison County, NC
Montgomery County, NC
Moore County, NC
Orange County, NC
Richland County, SC
Wake County, NC
Walton County, Ga.

Cities and Townships:
Atlanta, Ga.
Black Mountain, NC.
Bristol, Tennessee
Brookhaven, Ga.
Cartersville, Ga.
Decatur, Ga.
Douglasville, Ga.
Garner, NC
Hendersonville, NC
Jacksonville, NC
Johns Creek, Ga.
LaGrange, Ga.
Monroe, Ga.
Milton, Ga.
Rockmart, Ga.
Rocky Mount, NC
Sandy Springs, Ga.
Social Circle, Ga.
Selma, NC
Wilkesboro, NC
Zebulon, NC

School Districts:
Atlanta Public Schools
Beaufort County Schools
Clarendon County School District 1
East Point Academy of South Carolina
Florence School District 1
Florence School District 3
Forsyth County Schools
Horry County Schools
Marlboro County School District
Montessori School of Camden
Orangeburg County School District
Richland County School District 1
South Carolina Public Charter School District
Sumter County School District

State Agencies:
Georgia Environmental Finance Authority (GEFA)
Georgia Superior Court Clerks' Cooperative Authority (GSCCCA)
South Carolina Centers for Economic Excellence ("SmartState")
South Carolina Department of Transportation
South Carolina Transportation Infrastructure Bank

Higher Education:
Aiken Technical College
Central Carolina Technical College
Denmark Technical College
Francis Marion University
Northeastern Technical College
Tri-County Technical College
Trident Technical College

Other Governmental Units:
Austell Natural Gas System
Cape Fear Public Utility Authority
Cobb County-Marietta Water Authority
Cobb County-Marietta Water Authority Retirement Plan
Columbus County Tourism Development Authority
E.G. Fisher Public Library
Forsyth County Public Library
Fulton County School Employees' Pension Fund
Halifax-Northampton Regional Airport Authority
Jacksonville Tourism Development Authority
Moore County Airport Authority
Moore County/Southern Pines Convention and Visitors' Bureau
Halifax County Tourism Development Authority
Santee-Lynches Regional Council of Governments
Santee-Lynches Regional Development Corporation

Tim Lyons

Doug Moses, CPA
Engagement Quality Control Review Partner

Doug Moses is a member (i.e., partner) and a certified public accountant with Mauldin & Jenkins, LLC. He specializes in serving local and state governmental entities and is a partner who works exclusively in the governmental sector of the Firm's audit practice. Doug is a member of the Firm's Executive Committee, which governs the actions and direction of the Firm. Doug also heads up the Firm's Diversity and Inclusion Initiative Program and serves as a member of the Leadership and Career Development Committee, helping provide policy and procedural recommendations to establish and monitor a leadership, educational, and mentoring programs for the development of the Firm's human resources.

Years of Professional Experience and Years with the Firm

Doug has over 20 years of experience with the Firm. Doug serves both large and small governmental units and is involved in serving over 50 such governmental entities. Doug obtained his CPA certificate in 2001.

Doug brings a particular expertise to the team in two (2) main areas:

1. **Experience Serving Large Municipalities** – Doug serves as the engagement partner and main client contact for the City of Atlanta, Georgia where the Firm is engaged to provide external audit services to the City which includes auditing the City, the Hartsfield-Jackson Atlanta International Airport, the City of Atlanta Department of Watershed, and three (3) different defined benefit pension plans. Doug's experience is particularly useful and important and will bring value to the City.

2. **Experience Serving Governments with Utility Operations** – Doug works with approximately fifty (50) governmental entities throughout the Southeast on an annual basis with significant utility operations. In addition to the City of Atlanta, Doug also works with DeKalb County, Georgia and Jefferson County, Alabama.

For these reasons, we have dedicated Doug to the City of Hendersonville to serve as the quality control review partner.

Doug Moses

LeAnn Bagasala, CPA
Audit Service Director

LeAnn is a director and a certified public accountant with Mauldin & Jenkins, LLC specializing in serving local and state governmental entities. LeAnn joined the Mauldin & Jenkins in February 2022 with a significant amount of experience serving governments in North Carolina with two other large CPA firms.

With 12 years of progressive experience in public accounting, including time at a Big 4 firm, LeAnn provides comprehensive assurance and accounting services to a variety of governmental entities with a particular focus on counties and municipalities in North Carolina. LeAnn is a leader in her field, having presented seminars on a variety of topics. She has also been selected to lead instructional trainings both internally and externally.

Years of Professional Experience and Years with Firm

LeAnn has over twelve years of experience in public accounting and just joined Mauldin & Jenkins in February 2022. LeAnn holds active CPA licenses in both North Carolina and Virginia.

LeAnn has significant experience providing services governmental entities in North Carolina prior to joining Mauldin & Jenkins:

Counties:
Columbus County, NC
Cumberland County, NC
Durham County, NC
Forsyth County, NC
Gates County, NC
Greene County, NC
Guilford County, NC
Halifax County, NC
Moore County, NC
Montgomery County, NC
Onslow County, NC
Orange County, NC
Person County, NC
Randolph County, NC
Rockingham County, NC
Wake County, NC
Aiken County, SC
Calhoun County, SC
Greenville County, SC
Fairfield County, SC
Richland County, SC
Roanoke County, VA

Municipalities:
Angier, NC
Fuquay-Varina, NC
Garner, NC
Harrisburg, NC
Holly Springs, NC
Jacksonville, NC
Morganton, NC
Morrisville, NC
Raleigh, NC
Reidsville, NC
Salisbury, NC
Selma, NC
Wake Forest, NC
Warrenton, NC
Zebulon, NC

Cayce, SC
Chapin, SC
Clemson, SC
North Augusta, SC
Norfolk, VA
Selma, VA

Higher Education:
Francis Marion University
Central Carolina Technical College

School Systems:
Richland County (SC) School District One
Sumter County (SC) School District
Florence County (SC) School District One
Orangeburg County (SC) School District

Other Governmental Units:
Cape Fear Public Utility Authority
Charleston (SC) Water System
Triangle Transit Authority (GoTriangle)
Greenville (SC) Water System
Greenwood Commissioners of Public Works
Greer Commissioners of Public Works
Santee-Lynches Regional Council of Governments

Brian Nicholson, CPA
Senior Manager

Brian is a senior manager with Mauldin & Jenkins. His experience with the firm covers a variety of state and local governmental organizations. Such experience is very balanced between cities, counties, education and other special purpose entities, and he stays steady all year long.

Brian spends 100% of his time serving state and local governments all of which utilize the new reporting model. Brian works with local governments in Georgia and South Carolina, and also serves various entities within the State of South Carolina's reporting entity.

Brian is a senior manager with Mauldin & Jenkins. His experience with the firm covers a variety of state and local governmental organizations. Such experience is very balanced between cities, counties, education and other special purpose entities, and he stays steady all year long.

Brian spends 100% of his time serving state and local governments all of which utilize the new reporting model. Brian works with local governments in Georgia and South Carolina, and also serves various entities within the State of South Carolina's reporting entity.

Years of Professional Experience and Years with the Firm

Brian has almost seven (7) years of experience in public accounting, all with Mauldin & Jenkins, serving a wide range of clients in the governmental sector. Brian started in the Macon, Georgia office, but has since been in the Columbia, South Carolina office for the past 4+ years.

List of Audits Performed for Governments in the Last Two Years

Cities:
Aiken, SC
Brunswick, GA
Charleston, SC
Chapin, SC
Clover, SC
Goose Creek, SC
Hardeeville, SC
Hemingway, SC
Hendersonville, NC
Johnsonville, SC
North Augusta, SC
North Charleston, SC
Orangeburg, SC
Pamplico, SC
Rock Hill, SC
Summerville, SC
Wilkesboro, NC

Counties:
Beaufort County, SC
Berkeley County, SC
Calhoun County, SC
Colleton County, SC
Darlington, County, SC
Edgefield County, SC
Greenville County, SC
Henry County, GA
Lancaster County, SC
Laurens County, SC
Oconee County, SC

Higher Education:
Aiken Technical College
Central Carolina Technical College
Coker University
Denmark Technical College
Morris College
Northeastern Technical College
Tri-County Technical College
Trident Technical College
Williamsburg Technical College

State Government Entities:
South Carolina Department of Transportation
South Carolina Jobs-Economic Development Authority
South Carolina Insurance Reserve Fund
South Carolina Transportation Infrastructure Bank

Other Governmental Entities:
Charleston Water System
Catawba River Water Supply Project
Edgefield County Water & Sewer Authority
Georgetown County Water & Sewer Authority
Greer Commission of Public Works
Greenwood Commissioners of Public Works
Pee Dee Regional Transportation Authority
Santee Wateree Regional Transportation Authority
Waccamaw Regional Transportation Authority

Chad Jackson
Senior Associate

Chad is a Senior Associate with Mauldin & Jenkins. His experience with the firm covers a variety of state and local governmental organizations. Chad spends the majority of his time serving state and local governments all of which utilize the new reporting model. Chad works with local governments in North and South Carolina.

Years of Professional Experience and Years with the Firm

Chad has a total of 9 years of experience working with governments; almost 4 years of experience in public accounting, as well as 5 years working in state government with the State of South Carolina.

List of Audits Performed for Governments in the Last Two Years

Counties:
Gates County, NC
Orange County, NC
Wake County, NC
Greene County, NC
Columbus County, NC
Halifax County, NC
Moore County, NC
Montgomery County, NC
Lancaster County, SC
Fairfield County, SC
Edgefield County, SC

Municipalities:
Town of Zebulon, NC
Town of Wilkesboro, NC
Town of Selma, NC
Town of Garner, NC
Town of Black Mountain, NC
City of Jacksonville, NC
City of Hendersonville, NC

Other Governmental Entities:
South Carolina Department of Transportation
South Carolina Transportation Infrastructure Bank
Charleston Water System
SC Centers of Economic Excellence
Santee Lynches Regional Council on Governments
South Carolina Public Charter School District

8. Education and Training of Engagement Team

Tim Lyons, CPA
Engagement Partner

Degree/Certifications and Audit Training

Tim graduated in 2006 from Furman University in Greenville, South Carolina with a Bachelor of Arts in Accounting and subsequently, obtained his Master of Science in Accountancy from the College of Charleston (South Carolina) in 2009. Tim holds active CPA licenses in North Carolina, South Carolina and Georgia.

Tim has obtained and instructed a significant amount of continuing professional education over the last three years, including:

- Podcasts Hosted with LumiQ During 2023:
    - "GASB Updates for 2023 and Beyond" (Spring 2023)
    - "Audit Considerations and Risks for Government Financing (Summer 2023)
    - "GASB 94" (Fall 2023)
- 2023 Government Finance Officers Association of the US & Canada – Annual Governmental GAAP Update Webcast – Participant
- 2023 Government Finance Officers of South Carolina Annual Conference – Live Conference (Hilton Head Island, SC) – Instructor ("Auditing Standards and Yellow Book Updates for 2023")
- 2023 Mauldin & Jenkins Annual Governmental Conference – Live Conference (Chattanooga, TN) – Instructor and Participant
- 2023 UNC School of Government Local Government Auditor Conference – Virtual Conference – Instructor ("Auditing Standards and Yellow Book Updates for 2023")
- 2023 Mauldin & Jenkins Government Client CPE– Virtual Conference – Instructor ("Updates in the Debt Environment for State and Local Governments")
- 2023 South Carolina Association of School Business Officials – Spring Conference Myrtle Beach, South Carolina – Instructor ("New GASB Standards and Upcoming Changes in School District Accounting")
- 2022 Mauldin & Jenkins Government Client CPE– Virtual Conference – Instructor ("Implementing GASB Statement 87")
- 2022 Mauldin & Jenkins Government Client CPE– Virtual Conference – Instructor ("GASB Update")
- 2022 Mauldin & Jenkins Annual Governmental Conference – Virtual Conference – Instructor and Participant
- 2021 South Carolina Association of CPAs Fall Fest – Instructor ("Accounting for Debt in a Government")
- 2021 AICPA Webcast – Participant ("Navigating the New AICPA Ethics Interpretation: State and Local Government Client Affiliates")
- 2021 South Carolina Association of CPAs Virtual Webinar – Instructor ("Overview of the ACFR and Common Deficiencies in Seeking the GFOA Certificate")
- 2021 Mauldin & Jenkins Annual Governmental Conference – Virtual Conference – Instructor and Participant
- 2021 South Carolina Association of CPAs Spring Splash Virtual Conference – Instructor ("Reporting Issues with Component Units and Changes Brought on by GASBs 84 and 97")

- 2021 Mauldin & Jenkins Government Client CPE – Virtual Webinar – Instructor ("GASB Update and GASB 87")
- 2021 Mauldin & Jenkins Government Client CPE – Virtual Webinar – Panelist ("Ask the Auditor!")

Doug Moses, CPA
Quality Assurance Partner

Degree/Certifications and Audit Training

Doug graduated from Georgia Southern University in 1999 with a Master of Business Administration with emphasis in accounting and from Georgia Southwestern State University in 1997 with a Bachelor of Business Administration degree with a major in accounting (Magna Cum Laude). He has been a speaker at free quarterly CPE provided to our clients and several internal conferences.

Doug has obtained and instructed a significant amount of continuing professional education over the last three (3) years including:

- 2023 M&J Annual Governmental Accounting & Auditing Conference – Participant
- 2023 OCTANE Governmental Accounting Conference –Participant
- 2023 GGFOA Governmental Conference – Participant
- 2022 M&J Free Client CPE Classes – Coronavirus State & Local Fiscal Recovery Fund – The Final Rule is Here! – Participant
- 2022 M&J Advancing Advisory Lunch & Learn- Entrepreneurial Operating System - Participant
- 2022 M&J Annual Governmental Accounting & Auditing Conference, Virtual – Participant
- 2022 OCTANE Governmental Accounting Conference – Instructor and Participant
- 2022 GGFOA Governmental Conference – Participant
- 2021 Rainmaker Training – Participant
- 2021 GASB Update and GASB 87, Leases – Participant
- 2021 M&J Annual Governmental Accounting & Auditing Conference, Virtual - Participant
- 2021 OCTANE Governmental Accounting Conference – Instructor and Participant
- 2021 M&J Achieving Excellence in Financial Reporting – Ask the Auditor – Participant and Panelist
- 2021 Highlights of the 2020 Compliance Supplement, Webinar – Participant
- 2021 Provider Relief Fund Updated Reporting Requirements - Participant
- 2021 Coronavirus State & Local Fiscal Recovery Fund – What We Know Now – Participant
- 2021 GGFOA Governmental Conference – Participant

LeAnn Bagasala
Client Service Director

Degree/Certifications and Audit Training

LeAnn graduated from East Carolina University with a Bachelor of Science in Accounting and subsequently a Master of Science in Accountancy. Additionally, LeAnn has obtained and instructed a significant amount of continuing professional education over the last three years including:

- 2023 Managing People, Risk and IRS Requirements – Participant
- NCGFOA 2023 Fall Conference – Participant
- 2023 Advancing Advisory: Governmental – Participant
- 2023 Accounting and Auditing Potpourri – Participant
- 2023 Accounting and Auditing Potpourri – Instructor- "Detecting Fraud Before It's Too Late – Revenue"
- NCGFOA 2023 Summer Conference – Participant
- 2023 Governmental Conference – Participant
- 2023 Governmental Conference – Instructor-"Improving and Excelling in Client Service in a Remote Environment"
- 2023 Advancing Advisory: Nonprofit – Participant
- 2023 Yellow Book Update- Participant
- 2023 Accountants' Responsibility Regarding Fraud, Part I
- 2023 Octane Conference -Instructor- "Detecting Fraud Before It's Too Late – Revenue"
- 2023 Ethics for Virginia CPAs – Participant
- 2022 GAAS Update – Participant
- 2023 Not-for-profit Accounting and Auditing Update- 2023- Participant
- NCGFOA 2023 Spring Conference- Participant
- 2022 Internal Inspection Findings and Suggestions – Participant
- 2022 Internet Crime, Cybersecurity and Privacy Updates – Participant
- NCGFOA 2022 Fall Conference- Participant
- 2022 Governmental Conference
- 2022 GASB Update- Participant
- 2022 Managing a Virtual Team – Participant
- 2022 Audit Update- Participant
- 2022 Ethics and Professional Conduct for Virginia CPAs – Participant
- 2022 Independence Requirements for Auditors - Participant
- Elliott Davis February 2022 A&A Monthly Webcast – Participant
- Elliott Davis 2022 A&A Kickoff – Participant
- Elliott Davis December 2021 A&A Monthly Webcast – Participant
- NCGFOA 2021 Fall Conference – Participant
- Elliott Davis November 2021 A&A Monthly Webcast – Participant
- Elliott Davis October 2021 A&A Monthly Webcast – Participant
- Elliott Davis September 2021 A&A Monthly Webcast – Participant
- 2021 Galasso Learning Solutions GASB Update – Participant
- 2021 Virginia Society of CPAs Government Ethics Theory and Application – Participant
- 2021 NCGFOA Virtual Spring Conference – Participant
- Elliott Davis May 2021 A&A Monthly Webcast – Participant
- Elliott Davis February 2021 A&A Monthly Webcast – Participant

Brian Nicholson, CPA
Senior Manager

Degree/Certifications and Audit Training

Brian graduated from the Georgia College & State University with a B.B.A. in Accounting. He is a Certified Public Accountant. In addition, Brian has obtained a significant amount of continuing professional education over the last three years, as a participant in several seminars and courses including:

- 2023 Spring Mauldin and Jenkins Quarterly CPE
- 2023 SCACPA Fall Fest Accounting Conference
- 2023 Student Financial Aid Seminar - Online
- 2023 Mauldin and Jenkins Governmental Conference - Instructor
- 2022 Mauldin & Jenkins Government Client CPE– Virtual Conference –("Implementing GASB Statement 87")
- 2022 Mauldin & Jenkins Government Client CPE– Virtual Conference – ("GASB Update")
- 2022 Mauldin & Jenkins Annual Governmental Conference – Virtual Conference
- 2022 Mauldin & Jenkins LEAP Conference – Instructor
- 2022 Student Financial Aid Seminar – Online
- 2022 Mauldin & Jenkins ACFR Training - Instructor
- 2021 Compliance Supplement Addendum Webinar – Self Study
- 2021 Student Financial Aid Seminar - Online
- 2021 Thomson Reuters Audit Watch Level 6 – Online
- 2021 Mauldin & Jenkins GASB Update & GASB 87, Leases - Online

Chad Jackson, CPA
Manager

Degree/Certifications and Audit Training

Chad graduated from the University of South Carolina with a B.S. in Accounting, and a licensed CPA in the State of South Carolina. In addition, Chad has obtained a significant amount of continuing professional education over the last two years, as a participant in several seminars and courses including:

- 2023 Mauldin & Jenkins Annual Governmental Conference – Chattanooga, Tn.
- 2023 Single Audit Training
- 2022 Mauldin & Jenkins Annual Governmental Conference – Athens, Ga.
- 2022 Thomson Reuters Audit Watch Level 5 – Atlanta, Ga.

GASB Reporting and Training

Our proposed engagement team has obtained a significant amount of experience and education with all GASB reporting requirements over the last several years. Included with each proposed team member's bio (above) is a complete list of all CPE attended (and related certifications) over the last three years.

9. Keeping Staff Informed of Emerging Issues

As we've noted earlier, serving state and local governments is a major part of our Firm. As a result, we've invested significant resources into this industry as we work with governments year-round.

We take regular, proactive steps to keep our staff informed of emerging issues that governmental entities face. We accomplish this by doing the following:

- Your proposed engagement partner (Tim Lyons) is a member of the AICPA's State and Local Government Expert Panel (SLGEP). The SLGEP works directly with the standard setters (GASB, OMB, etc.) in reviewing and commenting on proposed guidance, serving on task forces to conduct research on emerging issues, etc. In the last few months, Tim led a task force in writing the comment letter to GASB on its proposed guidance involving Certain Capital Assets Disclosures and currently sits on a task force assisting with research into the GASB's project on Going Concern Uncertainty and Severe Financial Stress.

- To ensure this up-to-date knowledge is communicated regularly with our staff, Tim hosts a regular internal webinar for Firm personnel called "Technical Topics Tuesdays." On a monthly basis, Tim hosts a one hour Zoom meeting for all governmental personnel to discuss and review these emerging issues. Staff are afforded the opportunity to ask questions, present issues that they are hearing and seeing with their clients, etc.

- Annually, all Firm personnel who work in our governmental practice attend the Mauldin & Jenkins Governmental Conference. This three-day event brings all of our practice members together to review new accounting and reporting standards, new audit standards, emerging issues from OMB and the Comptroller General, etc. This training conference is geared towards making sure all personnel are updated and ready for the upcoming audit season.

- Finally, as it relates to North Carolina specifically, we have a great working relationship with the UNC School of Government (Tim has taught at the annual Local Government Auditors Conference the last 2 years) and the LGC. We serve on the NCACPA's Government Audit Committee and attend all NCGFOA conferences to ensure that any North Carolina specific items are communicated to all relevant personnel on a timely basis.

10. Professional Experience of Proposed Team Auditing Relevant Functions

Our proposed engagement team provides a combined over fifty years of experience providing financial and compliance audit services to local governments throughout the southeast. Each member of the engagement team spends 100% of their time providing these services to our governmental clients. Each member of the team has previous experience, including services provided in the most recent 2022 fiscal year audits, providing services to governments which provided the following services:

- Water & Sewer services
- Electric services
- Gas services
- Solid Waste/Garbage services
- Transportation services

Additionally, each of the proposed engagement team have served the following type of entities:

- Counties
- Municipalities
- School Districts (County and Municipal)
- State agencies
- Development Authorities
- Airport Authorities
- Convention and Tourism Bureaus
- Stand-alone Utility Authorities
- Libraries

11. Specialized Skills of Engagement Team

Tim Lyons, CPA
Engagement Partner

Professional and Civic Activities: Tim is involved in a variety of organizations to both support the governmental industry and to promote the CPA profession overall. At the national level, he is a graduate of the AICPA's Leadership Academy, Class of 2012 and is a current member of the AICPA's State and Local Government Expert Panel. As a part of this fifteen-member panel, Tim works on financial reporting, audit and attest matters relevant to audits of state and local government financial statements. The expert panel protects the public interest by bringing together knowledgeable parties in the state and local government industry to deliberate and come to agreement on key state and local government issues. It also plays a significant advocacy role through analysis and comment on exposure documents of the Governmental Accounting Standards Board and other proposals affecting state and local governments.

Also at the national level, Tim is a member of the Special Review Committee for the Government Finance Officers' Association (GFOA), reviewing Annual Comprehensive Financial Report submissions from all across the U.S. for governments seeking to obtain the Certificate of Achievement for Excellence in Financial Reporting.

At the state level, Tim is involved with the state GFOA organizations as a periodic presenter at the annual conferences as well as with the State CPA societies. Outside of the CPA profession, Tim was appointed by Governor Henry McMaster to the Board of Directors for Children's Trust of South Carolina. Children's Trust is the only statewide organization whose mission is the prevention of child abuse, neglect and injury throughout South Carolina by forming partnerships with local governmental and nonprofit organizations including many counties, school districts, and other governmental agencies.

Doug Moses, CPA
Quality Assurance Partner

Doug is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants, Georgia Society of Certified Public Accountants, Government Finance Officers Association, the National Association of Black Accountants, the Georgia Government Finance Officers Association and the Association of Government Accountants.

Doug is also an active member of the Georgia Southwestern's GSW Foundation, Inc., and the alumni board of trustees for Georgia Southwestern State University where he is the past-president of the Alumni Board and past-chair of the GSW Foundation. He has spoken at several graduation commencements which included the December 2005 Graduation Commencement at Georgia Southwestern State University in which the former President Jimmy Carter and his wife attended (the former President personally commended Doug on his speech during a private luncheon held on campus). Doug also serves on the Educational Foundation of the Ga Society of CPAs where he serves as the Chair for the College Outreach Committee.

LeAnn Bagasala, CPA
Client Service Director

Professional and Civic Activities: LeAnn is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants, and North Carolina Association of Certified Public Accountants. LeAnn frequently attends North Carolina Government Finance Officers Association conferences, events, etc. and is an active member of the Junior League of Greenville.

Brian Nicholson, CPA
Senior Manager

Professional and Civic Activities: Brian is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants, Georgia Society of Certified Public Accountants, and the South Carolina Association of Certified Public Accountants.

12. Mauldin and Jenkins' Independence Policies

We hereby affirm that Mauldin & Jenkins, LLC is independent with respect to the City of Hendersonville, North Carolina and related outside entities as defined by generally accepted auditing standards.

We meet the independence standards of Generally Accepted Auditing Standards and the U.S. General Accounting Office *Government Auditing Standards* (2018 revision). We are also independent with respect to the City within the meaning of Part 1.200 of the Code of Professional Conduct of the American Institute of CPAs and the applicable published rules and interpretations thereunder.

To further understand the above paragraph, we have not:

- Prepared or performed reconciliation services;
- Performed bookkeeping services; or,
- Provided other consulting services

for the City during the past year or any time prior. Independence is very important to the integrity of an audit, and we are independent with respect to the City. Further, we have no conflicts of interest or local bias.

We have had no business relationships or made payments to any officer or employee of the City Council or Board of Directors of the City of Hendersonville, North Carolina who is or has been in a policy making or significant management position relating to any aspect of the proposed work in the past five years. Our Firm, nor any partner or employee, has made any contributions to any political campaigns of any person serving as on City Council or as a Board of Director member of the City of Hendersonville, North Carolina. We have made no payments or commitments to make payments to any person, Firm or corporation for services rendered in soliciting business for the City of Hendersonville, North Carolina. Written notice will be provided to the City provided any professional relationships are entered into with the City during the period of this agreement.

We will conduct our audits objectively and will report findings, opinions, and conclusions objectively. As noted above, we are free from personal and external impairments to independence, are organizationally independent and will maintain an independent attitude and appearance so that opinions, conclusions, judgments, and recommendations are impartial and will be viewed as impartial by knowledgeable parties. There are no situations that might lead others to question our independence.

An excerpt from the Firm's Policy Manual on our policies and procedures is included in **Appendix A**.

13. Mauldin & Jenkins' Insurance Policies

Mauldin & Jenkins carries sufficient commercial insurance to cover the minimum requirements. Mauldin & Jenkins also agrees to have a Certificate of Insurance properly executed by our insurance company upon notice of award of audit contract, if so desired. Our insurance companies, Cincinnati Insurance Company and the Travelers Indemnity of America are licensed (admitted) in the State of North Carolina per review of the North Carolina Department of Insurance (NCDOI) website. The NCDOI website lists these Insurers with the "Company Type" of F&C.

14. Regulatory Actions

Mauldin & Jenkins has not had any disciplinary actions taken (nor are any pending) against the Firm during the past three years with any state or Federal regulatory bodies or professional organizations.

15. Why Mauldin and Jenkins

We believe that we are the right firm for the City of Hendersonville for three (3) main reasons:

1. **Large Firm Resources; Small Firm Feel**. Mauldin & Jenkins is a national leader in the governmental industry. A previous Firm partner is the current GASB Chair; a current Firm partner is a member of the AICPA's State and Local Government Expert Panel; another current Firm partner is a member of the AICPA's Government Audit Quality Center Executive Committee. We combine this level of leadership, presence, and knowledge with the feel of a small firm. You will have direct access to your engagement partner who is involved every step of the way in your audit process.

2. **A One Stop Shop for Governments**. The Governmental Practice of Mauldin & Jenkins has all of the resources and personnel to serve your needs. In addition to annual auditing services, we've performed the following for our governmental clients just in the last twelve (12) months:
    a. **Advisory Projects** that examine all aspects of government operations, budgeting, etc.
    b. **IT Consulting Projects** that assist with examining cybersecurity threats, policies, procedures, etc.
    c. **Tax Advocacy Projects** that have abated erroneously assessed IRS penalties.

No matter what needs arise, we have all of the resources and personnel to serve the City.

3. **Experience working with the City.**
    There are proponents in the governmental sector that believe in changing auditors periodically. The belief is that changing auditors improves audit quality of an audit by providing a "fresh look".

    Recognizing this proposal is a rebid of financial and compliance audit services currently provided by Mauldin & Jenkins to the City of Hendersonville, and the possibility that governing board members and evaluation team members may believe it to be prudent to rotate auditors on a periodic basis, we would like to offer the following actual headline and article which was posted on the AICPA's Center for Audit Quality website:

Accounting Today reports that a new academic paper calls mandatory audit firm rotation into question. Based on a complex experiment involving students who did not even know they were playing the role of auditors; **the study concludes that mandatory rotation could inhibit professional skepticism rather than encourage skepticism**.

"**Professional skepticism requirements are intended to elevate auditors' skepticism of their clients and, ultimately, audit quality**," the study says. "**This benefit disappears and even reverses when auditors rotate**. That is, rotation and a skeptical mindset interact to the detriment of audit effort and financial reporting quality."

The study argues that auditors who are subject every few years to mandatory rotation feel less confident about their ability to audit a new client. "Rotating auditors, aware that they will not be in a long-term relationship, will...likely perceive themselves to be less competent in evaluating the honesty or dishonesty of the [corporate] manager relative to auditors who do not rotate." As a result, "**rotating auditors would find it difficult to garner psychological support for the probability of manager dishonesty, leading them to be less likely to choose high levels of audit effort than non-rotating auditors**."

The above conceptual thoughts as researched and issued by ***Accounting Today*** and the AICPA Audit Quality Center are considered to be relevant to all certified public accounting firms. We tend to agree with the thoughts communicated herein by the AICPA's Center for Audit Quality. That being said, if you feel differently from the conceptual thoughts communicated above, and that a rotation of auditors is necessary, it is important to note that Mauldin & Jenkins has substantial people resources and can accommodate a change in: 1) lead partner, 2) quality assurance partner, 3) audit staff, and 4) office, should the City believe such changes are necessary.

16. References for Different Governmental Agencies

In Section #4 above, we've provided the City with five (5) client references. We are, of course, happy to provide any additional references that the City believes are necessary. We believe that we have satisfied this request earlier in our proposal but certainly if the City would like additional clients to contact, please let us know.

Closing

We appreciate the opportunity to serve City of Hendersonville, North Carolina. We believe Mauldin & Jenkins is the "right" Firm for the City. Our experience and knowledge in the governmental sector of accounting is vast and ever improving. We would be very pleased to share our experience and understanding of governmental accounting and operations for the benefit of the City.

We would greatly appreciate your recommending us for your continued audit, accounting, and financial reporting needs. Should you or anyone at the City have any questions with regards to this proposal or about Mauldin & Jenkins, please feel free to contact us.

Appendix A

Copy of Mauldin & Jenkins' Policy and Procedures Regarding Independence

RELEVANT ETHICAL REQUIREMENTS

It is the Firm's policy that all professional personnel be familiar with and follow relevant ethical requirements of the AICPA, contained in the *Code of Professional Conduct*, the Boards of Accountancy in States in which the Firm provides services, and the State CPA Societies in which the Firm provides services in discharging their professional responsibilities. Furthermore, it is the policy of our Firm that, for engagements subject to *Government Auditing Standards,* Public Company Accounting Oversight Board ("PCAOB") standards, and other applicable regulatory agencies, all professional personnel be familiar with and adhere to the relevant ethical requirements included in those standards, including any that may be more restrictive. Any transaction, event, circumstance, or action that would impair independence or violate the Firm's relevant ethical requirements policy on an audit, attest, review, compilation, or other service subject to the standards of the AICPA Auditing Standards Board or the AICPA Accounting and Review Services Committee (as required under the *General Standards and Compliance With Standards Rules*) 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 rule* of the AICPA *Code of Professional Conduct*, the situation will be evaluated by referring to the *Conceptual Framework for Independence* and applying professional judgment to determine whether an independence breach exists. The Firm will take appropriate action to eliminate threats to independence 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 an attest client's business during the period of a professional 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 attest client (or the client's officers or directors, an affiliate 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:
      i. evaluating the performance or recommending the compensation of the attest engagement partner/director,
      ii. directly supervising or managing the attest engagement partner/director and all of that partner's superiors,
      iii. consulting with the attest engagement team about technical or industry-related issues specific to the engagement, or
      iv. Participating in or overseeing quality control activities, including internal monitoring, with respect to the attest engagement.
   c. A partner, director 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:
      i. the Firm signs the report on the financial statements for the fiscal year during which those services were provided, or
      ii. 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/director in the office in which the lead attest engagement partner/director primarily practices with respect to the attest engagement.
   e. The Firm and its employee benefit plans.
3. Borrowing from or loans to a client, an affiliate, 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 or approved by the Managing Partner.

5. Certain family relationships between professional personnel and client personnel. (Consult Committee 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 personnel have ready access to the relevant ethical requirements to which the Firm is subject. Those requirements include the AICPA *Code of Professional Conduct*, the State Boards of Accountancy in states where we provide services, and the State CPA Societies ethical requirements in states where we provide services. The Firm provides access to those ethical requirements to all professional personnel. The Firm expects its personnel to be familiar with those relevant ethical requirements.
2. All professional personnel who work on attest engagements and are required to be independent sign an independence statement when hired (and annually thereafter) acknowledging their familiarity with the Firm's relevant ethical requirements policy and procedures, particularly with regard to independence. The independence statement also lists known circumstances and relationships, if any, that may create a potential threat to independence or violate the Firm's relevant ethical requirements policy. The Firm keeps a copy of the independence statements, which includes the professional standards of relevant ethical requirements that govern the Firm. Professional standards, including the AICPA's *Conceptual Framework for Independence*, and the advice of the Assurance Committee are consulted if an employee is unsure if a threat to independence should be reported to the Managing Partner.
3. All professional personnel review the Firm's current client list in conjunction with completing the annual independence statement for identification of threats to, or breaches of, independence. The current client list is maintained by Central Office and changes to the list are communicated on a timely basis by a memorandum from Central Office. When hired (and annually thereafter), all professional personnel are required to sign an independence statement, as stipulated in Procedure 2 above, that confirms this responsibility.
4. Ethics training is provided or obtained for professional personnel as required by relevant State Boards of Accountancy. Additional training is provided as needed (or required) that covers the Firm's relevant ethical requirements policy and procedures and the independence and ethical requirements of all applicable regulators.
5. To ensure that independence is properly addressed at the engagement level, as part of the acceptance and continuance decision, the engagement partner/director obtains and considers relevant information about the engagement and evaluates circumstances and relationships that could cause a potential threat to independence, if any. In addition, for audit and review engagements, the engagement partner/director forms a conclusion on compliance with independence requirements. In evaluating potential independence threats, 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 forms in the attest materials used by the Firm contain steps requiring an evaluation of independence on each new and recurring engagement. Furthermore, those materials contain reporting guidance for the types of engagements where a lack of independence is allowed. All professional personnel remain alert for any evidence of noncompliance with relevant ethical requirements during the engagement and are required to promptly notify the engagement partner/director and the Managing Partner or the Assurance Committee 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. For clients of whom the firm is not independent, the only attest service performed is a compilation, and the firm discloses its lack of independence in the related report.
6. If a potential threat to independence is identified, the Assurance Committee accumulates and the Managing Partner communicates relevant information to appropriate personnel so (a) Firm management and the engagement partner/director can determine whether they satisfy independence requirements, (b) the engagement partner/director can take appropriate action to address identified threats to independence, and (c) the Firm can maintain current independence information. For clients of whom the Firm is not independent, only compilation services are performed and the Firm discloses the lack of independence in its accountant's reports for those clients.

7. If performing a group audit, the Firm is required to obtain a written representation regarding the auditor's independence with respect to the client. The auditing materials used by the Firm contain examples of representation letters to use in such situations. Furthermore, in a review or attest 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 attest materials used by the Firm contain steps to ensure compliance with this procedure.
8. The engagement partner/director (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 or her 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/director's knowledge of unbilled fees should be considered in making this determination. In addition, the Managing 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/director has the primary responsibility to identify all nonattest services performed for an attest service client and for determining if such nonattest services threaten 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 (including how the firm was satisfied that client personnel had the skills, knowledge, or experience to oversee the nonattest services). The Firm will only provide nonattest services to an attest client when the client accepts its responsibilities. Where applicable, this includes determining whether such nonattest (nonaudit) services impair independence under the independence rules in *Government Auditing Standards*. Firm engagement work programs for all attest and compilation engagements include steps to ensure compliance with this procedure.
10. The engagement partner/director 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, non-major governmental and enterprise fund, internal service fund, fiduciary fund, or blended 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/director 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 Managing 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 Managing Partner is 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 checklists used by the Firm in attest engagements, include questions to help ensure compliance with this requirement.
14. The Managing Partner and the Assurance Committee are responsible for obtaining the annual employee independence statements, reviewing them for completeness, and accumulating relevant information relating to identified threats in relevant ethical requirements matters (including questions from the annual independence statements and those from other sources). In determining a resolution, the Managing Partner and the Assurance Committee consider the AICPA's Code of Professional Conduct, including the Conceptual Framework for Members in Public Practice and the *Conceptual Framework for Independence* and, when necessary, consults the AICPA or the State CPA Societies for assistance in interpreting independence, integrity, and objectivity rules. Documentation of the resolution of a relevant ethical requirements matter is filed in the client's workpaper files. The Managing Partner 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. The chairman of the Executive Committee will annually review all potential independence matters identified from the annual independence statements and report the resu

his/her review to the Executive Committee.

15. If a breach of independence is identified, the breach and the required corrective actions are promptly communicated to (a) the Managing Partner, (b) the engagement partner/director, who (along with the Firm) needs to address the breach, and (c) other relevant personnel in the Firm and those subject to the independence requirements who need to take appropriate action and (d) those charged with governance at the attest client. The engagement partner/director confirms to the Managing Partner when required corrective actions related to the independence breach and noncompliance with these policies and procedures have been taken.
16. At least annually, the Assurance Committee reviews the Firm's RELEVANT ETHICAL REQUIREMENTS policy and procedures to determine if they are appropriate and operating effectively. See the MONITORING section of this document for further information.

MAULDIN & JENKINS

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MAULDIN & JENKINS
mjcpa.com

City of Hendersonville, North Carolina
Cost Proposal to Provide Audit Services

Fiscal Years June 30, 2024 through 2026

Mauldin & Jenkins Certified Public Accountants
Contact Person: Tim Lyons, CPA, Partner
Phone: (833) 818-0406
Email: tlyons@mjcpa.com

4208 Six Forks Road, Suite 1000
Raleigh, NC 27609

Going Further.

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Transmittal Letter

January 25, 2024

City of Hendersonville, North Carolina
160 Sixth Avenue East
Hendersonville, NC 28792

Ladies and Gentlemen:

Mauldin & Jenkins is pleased to submit a qualifications package including cost estimates to provide annual financial and compliance auditing services for the City of Hendersonville, North Carolina (the "City"). It is our understanding that the City is requesting proposals from qualified firms of certified public accountants to establish a contract for the professional services of a Certified Public Accountant (the "auditor") for financial and compliance audits. The contract for such audit services will be for the fiscal year ended June 30, 2024 and ending with the fiscal year ended June 30, 2026, subject to annual review and the annual availability of an appropriation for audit services by the City.

As requested by the City, we have enclosed on the following pages an all-inclusive maximum fee for the financial and compliance audit services for the fiscal years noted above. This sealed cost proposal contains all pricing information relative to the performance of the audit. The total all-inclusive maximum price for the fiscal years ending June 30, 2024 through 2028 is as follows:

Fiscal Year Ending June 30,	All-Inclusive Fee
2024	$65,000
2025	$66,500
2026	$68,000

As a partner at Mauldin & Jenkins, LLC, I am certified and authorized to represent Mauldin & Jenkins, empowered to submit the bid, and authorized to sign a contract with the City. Our total all-inclusive maximum price for providing annual financial auditing services to the City is contained on the following pages. We appreciate the opportunity to propose and we look forward to hearing from you.

Sincerely,
MAULDIN & JENKINS, LLC

Tim Lyons, CPA, CGMA
Partner

1. Type of Audit Programs Used

After performing our review of your present accounting systems, we will use Firm manuals specifically designed for governments to develop audit programs tailored to the City which incorporate the requirements set forth above. **The programs we use are standard governmental audit program developed by Thompson Reuters Checkpoint. The Practitioner's Publishing Company, or PPC, programs are able to be tailored to each specific client, given the specific needs and services. The programs will then be used to develop the necessary audit procedures to conduct the City's audit.** We anticipate that these procedures will enable us to express our professional opinion that the financial statements of the City present fairly, in all material respects, the financial position and results of operations of the City in conformity with accounting principles generally accepted in the United States of America. If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities exist which might prohibit us from expressing an unqualified opinion or if any other circumstances are encountered that require extended services, we will promptly advise the City. No extended services will be performed unless they are authorized in contractual agreement or in an amendment to the agreement.

Upon completion of the above phase of planning the audit, we will prepare a letter of items we will need to conduct the final audit fieldwork. The requested items will be tailored to the City based on our understandings of the City's operations. This "letter" is provided through a workflow program called Suralink. This is a secure, cloud based interactive model which allows both sides to comment, upload attachments, and see progress of the files provided. This prevents the duplication of requests or instances where clients have been asked to provide the same item multiple times. We have been using the program over the past year and have received numerous comments from clients on how efficient this has made the process. The list can be modified to show only outstanding items, allowing the preparation listing to transform into a "live" open items list.

For final audit fieldwork, we will schedule our visits with the City's management. We will then begin an unfragmented process of auditing the City.

Upon completion of the audit fieldwork, we will draft copies of all respected reports. If the City would not mind, we like to prepare such reports while continuing to work at the City's offices. We find this process to be more efficient than returning to our office. This allows us to incorporate City officials in various deliberations that are important to the conclusion of the overall process. Meetings with various officials will probably be held at that time.

Formal meetings will be conducted with the various parties upon the drafting of all reports. We will meet as needed to everyone's satisfaction.

2. Use of Statistical Sampling

Our approach to auditing relies heavily on the use of audit sampling as provided in Statement on Auditing Standards No. 39, *Audit Sampling,* as amended by SAS No. 111. We would plan to utilize audit sampling whenever a decision is made to apply a specific audit procedure to a representative sample of items within the account balance or class of transactions with the objective being reaching a conclusion about the entire balance or class.

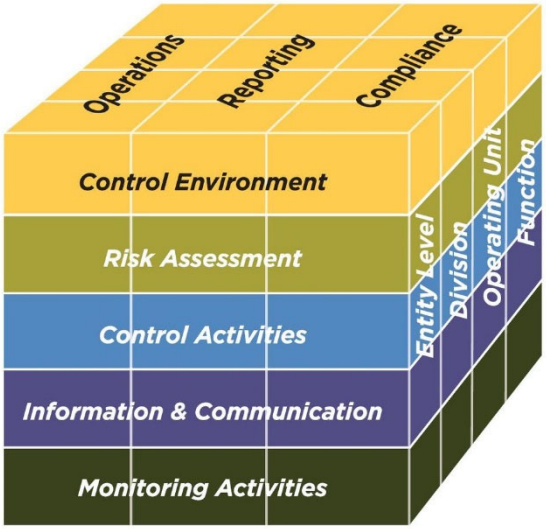
We anticipate using audit sampling on the following types of audit tests:

(1) Substantive tests of details of balance sheet account balances.
(2) Substantive tests of details of transactions.
(3) Tests of controls
(4) Tests of compliance with laws and regulations

Our use of audit sampling will be based on the guidance in SAS 39 and SAS 111 and the AICPA Audit and Accounting Guide - Audit Sampling.

3. Use of Automated Processes and Internal Control Testing Methods

For purposes of an audit of the financial statements and statutory, regulatory and contractual compliance, the City's control structure consists of the following five elements as they relate to the City's ability to conduct operations and use resources in accordance with management's authorization and consistent with laws, regulations, contracts and policies, and to record, process, summarize, and report financial data consistent with assertions embodied in the financial statements: the control environment; risk assessment, control activities, information and communication processes/systems, and monitoring.



The internal control structure and its policies and procedures are an important source of information about the types and risks of potential material misstatements that could occur in the financial statements and violations of statutory, regulatory and contractual requirements. This information is essential for effective audit planning and in designing effective and efficient audit tests.

In our understanding of City's internal control structure, we will obtain knowledge about:

- How internal control structure policies, procedures and records are designed;
- Whether internal control structure policies, procedures and records have been placed in operation, i.e., whether City is using them;
- Whether internal control structure policies, procedures and records are designed effectively, i.e., whether they are likely to prevent or detect material misstatements or compliance violations on a timely basis;
- Whether internal control structure policies, procedures and records are operating effectively.

Auditing standards generally accepted in the United States of America require the auditor to document our understandings of the internal control structure elements. The form and extent of documentation is flexible. Generally, the more complex an entity's internal control structure and the more extensive the procedures performed to obtain the understanding, the more extensive our documentation should be. In addition to memos, we plan to use specific designed forms and questionnaires to document our understanding of the internal control structure. Recent changes in auditing standards, known as the risk

assessment standards, denote that the auditor is not required to test internal control so as to rely on them to reduce other test work, but do not allow for only inquiry procedures related to internal control. We are required, and will perform, other procedures, such as walkthroughs and observation, related to controls over significant financial statement and audit assertions.

4. Use of Computer Audit Specialists

Artificial Intelligence (AI)

Mauldin & Jenkins is excited to be one the **first accounting firms in the Southeast to utilize an artificial intelligence tool as part of our audit process** – the Ai Auditor from Mindbridge. The Ai Auditor allows for us to scan 100% of your transactions and provide new risk-based insights during the audit (such as anomalous transaction patterns found). These risk-based insights can be opportunities to correct mistakes or point to areas where there may be malicious activity. As part of our audit methodology, Ai systems are becoming what sampling used to be. Sampling was a coping mechanism for big data; the new coping mechanism for big data is Artificial Intelligence (AI). As the amount of data in the City increases, tools like these are more and more necessary to ensure we can provide you the highest quality audits and advice.

The MindBridge Ai Auditor was selected as one of the top new products by Accounting Today Magazine.

The Achilles' heel of auditing has always been sampling —the inability to look at more than a portion of the information available to the auditor. Advances in artificial intelligence and advanced data analytics raise the possibility of incorporating more — and eventually all — of a company's data into the audit, and for pioneering that, MindBridge Auditor Analytics' Ai is a Top New Product this year."
- Accounting Today Magazine

At the start of the engagement during our planning phase, we will assess the computer systems used by the City and plan how to utilize the Ai Auditor along with our trial balance software. This knowledge and utilization of our trial balance software will decrease time spent in initial file setup, trial balance setup, and data integrity testing. This approach and utilization of both programs will allow for more effective audits resulting in a fast sort, filter and analysis of transactions in a population, and provide for drilling down on those items that have the highest risk. Examples of uses of extraction and data analysis in our audit approach are as follows:

- Full coverage, 100% transaction analysis;
- Use of transaction analysis to provide new risk based insights during the audit (such as anomalous transaction patterns found) and allow for directed audit effort of unusual or outlier transactions;
- Analyzing general ledger detail transactions and journal entries for effective and efficient testing of all activity for the fiscal year as compared to the prior year;
- Summarizing disbursements for a period by dollar range and compare to policy guidelines for complying with certain attributes (approvals and signature requirements, etc.);
- Searching check register listings for unrecorded items or checks written during the fiscal year;
- Converting bank or investment activity statements to Excel to provide for a quick listing of deposits for an entire period/year;
- Converting vendor file information to Excel and comparing employee files with addresses for any similar or unusual items related to vendor files;
- Downloading trial balances, detail journals, and selected transaction files into our software;

- Quick reporting and dashboards for the engagement team.

The trial balance downloaded will then be used to agree to the ultimate draft of the City's financial statements ensuring that all adjustments and balances are brought forward into the financial statements and providing a clean audit trail for review and support of the City's financial statements.

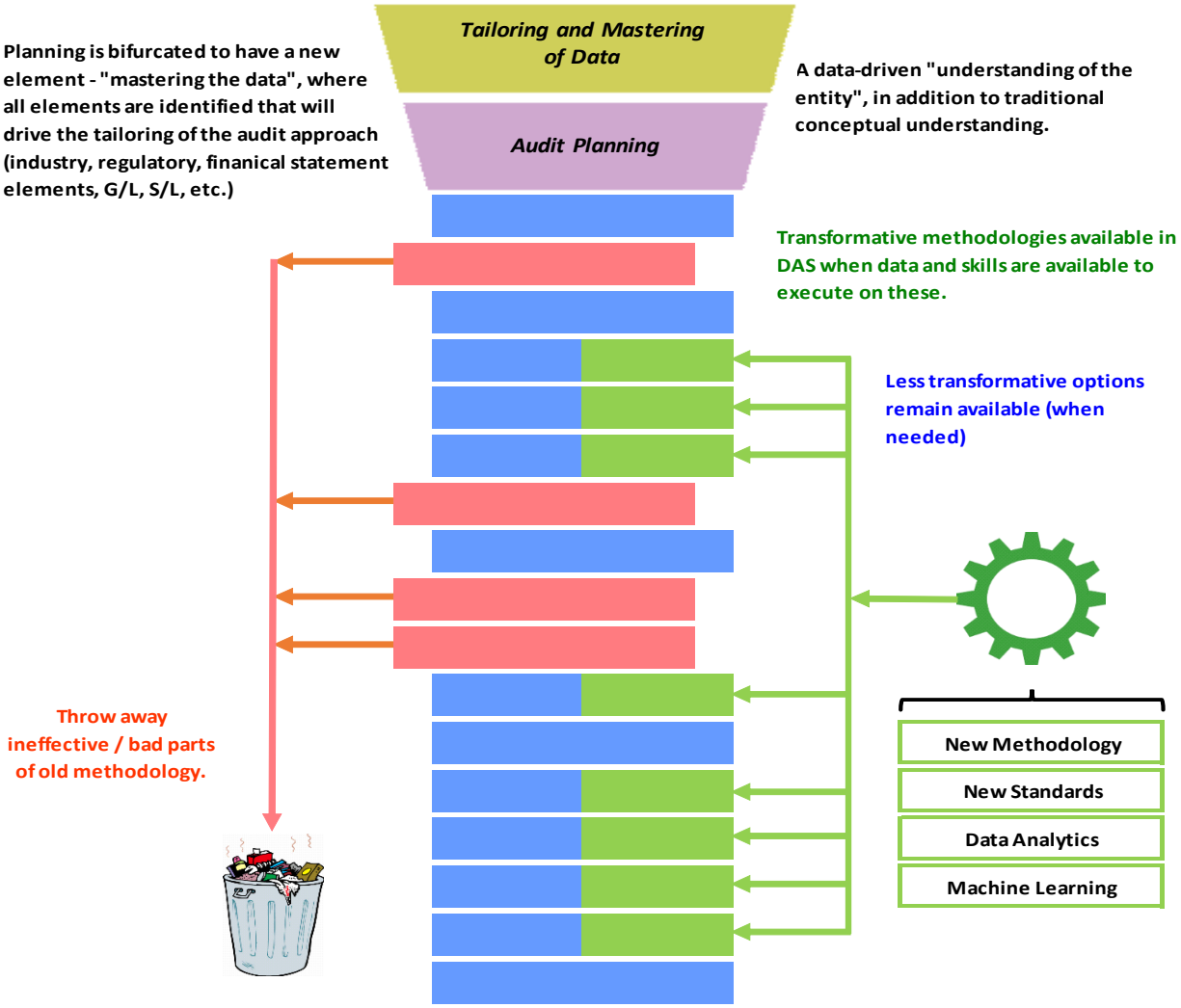
Should the City desire a need for our Ai Auditor software for non-audit purposes, we would be happy to assist management with our expertise in data analysis.

Dynamic Audit Solution in Development

Mauldin & Jenkins is one of only 38 of the top 100 CPA firms in the nation who have invested in the AICPA's new revolutionary audit tool and methodology – the Dynamic Audit Solution (DAS). The DAS is a transformational audit methodology brought to life through an innovative, cloud-based technology solution. It includes the AICPA evolving the auditing standards and creating new innovative audit methodologies to advance the financial statement audit using evolving technologies. This project is on-going and was started in 2018. It is estimated to be completed in the next one to two years. Below is a picture of how the audit methodology will involve: the addition of a step prior to or during the planning phase of the audit in which we will "tailor and master" the auditee's data, remove old, outdated audit procedures, and add transformational audit procedures (data analytics, AI, and Machine Learning).

The DAS will be an interactive tool with a "guided audit engagement process." The auditee and auditor will both have access to the tool with requests for information being made through the tool along with responses and uploaded data. The confirmation process, including the use of confirmation.com, will be integrated with the DAS tool. Both auditee and auditor would be able to see progress and status updates using the tool creating a collaborative environment for bringing the audit to conclusion. Many functions, forms, and even financial statements within the tool will be "smart" forms, with data being input only once and populating in many places throughout the audit documentation – making for an efficient and effective audit. Given the timeframe of the request for proposal, it is expected that this transformational new audit tool will be utilized on the audit of the City in later years of the initial contract period.

The diagram on the following page attempts to illustrate the above thoughts.


Tailoring and Mastering of Data
Audit Planning
Planning is bifurcated to have a new element - "mastering the data", where all elements are identified that will drive the tailoring of the audit approach (industry, regulatory, finanical statement elements, G/L, S/L, etc.)
A data-driven "understanding of the entity", in addition to traditional conceptual understanding.
Transformative methodologies available in DAS when data and skills are available to execute on these.
Less transformative options remain available (when needed)
Throw away ineffective / bad parts of old methodology.
New Methodology
New Standards
Data Analytics
Machine Learning

5. Organization of the Audit Team

Below is the proposed engagement team and the estimated percentage of the time each member will spend on the audit:

Engagement Partner	20%
Quality Assurance Partner	5%
Director / Senior Manager	35%
Staff	40%
Total Engagement	100%

6. Assistance from the City's Staff

The audit is an annual process that we know the City prepares for each year. However, we also know that the regular, on-going operations and day-to-day requirements do not stop just because the annual audit is occurring. The assistance that will be requested from the City staff will be clearly communicated by Mauldin & Jenkins during the preliminary / interim procedures to allow for maximum lead time so that our requests can be met with as little disruption to the City's operations as possible.

Our expectation for assistance from the City staff includes the following: preparation of cash, investment, debt, and other audit confirmations; provision of access to the City's system or response to requests to provide reports, reconciliations, queries, etc.; preparation of certain elements of the Annual Comprehensive Financial Report (transmittal letter, organization chart, etc.); and availability via telephone, video conference, and in-person to respond to various questions and inquiries.

Our Request List Management Software – Suralink

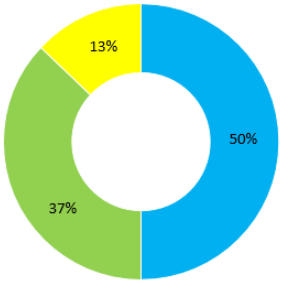
For all of our governmental audit engagements, we use Suralink. Suralink is the leader in PBC request list management software, helping all of our audit teams stay on track throughout the engagement and improving the overall client experience.

Prior to our visit to the City's offices for interim/planning work, we will create an account for the City. We can add as many people to the City's account as requested – and even have the ability to limit which people can see which items in the portal for security of sensitive information.

All requests for the audit will run through Suralink which our audit team members will update throughout fieldwork. Our periodic audit status meetings will start with a review of the Suralink portal and a general discussion of the progress to date. Suralink will provide a summary status that looks similar to the diagram below and will also include details of the specific items for each category.

Request Summary

- Outstanding - 50%
- Fulfilled - 13%
- Returned - 0%
- Accepted - 37%



Total Requests	
Accepted: 33	Returned: 0
Outstanding: 43	Fulfilled: 12

By using Suralink, we will (1) eliminate inefficient and unsecured email exchange of audit information; (2) ensure that all members of the Mauldin & Jenkins team as well as the City's team remain on the same page throughout the conduct of the audit; and (3) encourage the efficient assignment of audit tasks on both the audit team and client team for the engagement.

7. Expected Audit Timeline

Upon being notified of obtaining the audit contract with the City, we would schedule with management of the City the timing and scheduling of events as needed. At this time, we do not feel that specific scheduling should be considered fixed. All scheduling of the engagement would be conducted at the City's convenience. We are aware of the timetable set forth in the request for proposal and fully intend and expect to satisfy the City's time requirements.

Proposed Segmentation of Audit Engagement and Level of Staff Assigned

Our professionals, who are knowledgeable with respect to audit requirements for governmental entities, will be assigned based on their expertise with respect to each segment. Our audit is enhanced by our utilization of advanced technology tools. With those tools we continue to evolve and modernize our audit process. Our audit procedures, related documentation and quality review will be segregated by each segment as follows based on our review of the City's prior financial statements, budgets, request for proposal, and other information available:

The below time frames are estimates based on our understandings with the City as to its desires. We at Mauldin & Jenkins would be flexible in the timing of certain events as requested by the City. As noted in the table below, we want to work with City personnel in an effective manner. We intend to do a great deal of planning and tailoring of our approach from our initial visits. We do not want our clients to feel that they have to reinvent the wheel every time we ask for something. However, to make this process cost the City as little as possible (both in dollars and their individual time), it is important to start only when ready and avoid auditing a moving target. The following table attempts to depict the timing and key elements of the planned audit process:

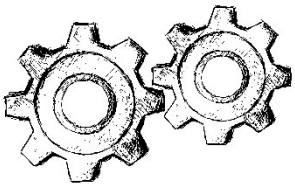
Timing of Audit Process & Procedures							
Segments	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Segment I - Planning and Interim Procedures							
Ongoing consultation on major issues & developments throughout the year, and greater discussions as year end approaches (such as new GASB standards).							
Meet management to discuss audit risks and scopes.							
Engagement team planning meetings and performance of interim audit procedures.							
Gain understanding of significant processes & key controls.							
Perform testing of key controls with goal of reducing substantive audit testing.							
Detemine nature, timing and extent of substantive tests to be performed.							
Finalize audit plan based on results to-date.							
Segment II - Final Audit Fieldwork Procedures							
Perform substantive tests (detail testing of respective general ledger/trial balance accounts, and final analytical procedures & key ratios & relationship of financial data).							
Conduct a final evaluation of risk assessments.							
Conduct of progress meetings with management as needed and as often as desired.							
Preparation and delivery of draft comprehensive annual financial report (CAFR), reports, findings, management letter comments, and any other deliverables.							
Meeting with management to discuss draft deliverables and final completion and presentation time frames.							
Segment III - Review, Completion & Delivery Procedures							
Upon management's review, delivery of ACFR, internal control reports, and management letter to management.							
Presentation of audit deliverables to the governing board.							

Segment I - Planning and Interim Procedures:

- Meet with the prior auditor to review prior year workpapers and obtain appropriate prior year information;
- Obtain a signed engagement letter for the financial and compliance audit;
- Prior to our planning visit, creation of an "Interim Procedures PBC" listing in Suralink, our request list management software (more information about Suralink in the section immediately following).
- Meet with County management to discuss the scope of the audit, timing of our work, and preparation of client schedules, and to address any concerns;
- Review previously issued and interim financial reports, comment letters, monitoring reports, and other supporting workpapers;
- Familiarize ourselves with the organizational structure of the City;
- Read minutes of County meetings;
- Review the City's current year budget, as adopted and revised;
- Review debt agreements, and other various documentation;
- Gain an understanding of the City's accounting policies and procedures, including the financial and other management information systems utilized by the City;
- Obtain an in-depth knowledge of the EDP equipment, software and systems in use;
- Obtain interim financial data from the general ledger for establishing the appropriate coding in M&J's trial balance software and Artificial Intelligence (Ai) program;
- Utilize Ai program and interim data to perform analytical reviews to determine critical areas and assess risks;
- Perform a preliminary evaluation of the internal control structure at the account and assertion level;
- Design and perform applicable tests of controls related to the financial statements and internal accounts;
- Make fraud inquiries and assessing the risks of material misstatement;
- Obtain a list of cash, investment, receivables, debt, and selected revenue accounts for confirmation purposes, as applicable;
- Determine audit strategies for balance sheet and operating statement accounts based on audit risk;
- Obtain a preliminary schedule of expenditures of Federal awards to initiate planning and internal control testing for the Single Audit;
- Prepare year-end audit programs;
- Meet with appropriate City personnel to discuss the results of our preliminary audit work; and,
- Finalize the "Final Fieldwork PBC Listing" and upload to Suralink.

Segment II - Final Audit Fieldwork Procedures:

- Utilize Ai program on final general ledger data and scan transaction for unusual transactions, data, or analytical relationships;
- Use data scanned above in various substantive analytical reviews of account balances (such as reasonableness tests, trend analysis, and predictive tests) to reduce other substantive tests of details;
- Test the valuation, restrictions and cut-offs of cash and investment balances, as applicable;



- Test receivable cut-offs and balances, including an analysis of subsequent receipts;

- Test cut-off and valuation of inventory;
- Review and testing supporting documentation for the allowance for doubtful accounts, any material prepaid items and other assets;
- Vouch capital asset additions and deletions, analyzing charges for appropriate accounting and testing depreciation;
- Test accounts payable cut-offs and balances, including an analysis of subsequent disbursements;
- Test accrued payroll, compensated absences, claims payable, and other accrued liability cut-offs and balances;
- Review actuarial methodologies, assumption, and census data and determine the appropriateness and accounting of the pension and OPEB liabilities;
- Test debt balances and debt covenant compliance;
- Test compliance with applicable laws and regulations;
- Test the classification of net position (unrestricted, restricted and net investment in capital assets) and fund balance (nonspendable, restricted, committed, assigned, unassigned);
- Perform analytical procedures and substantive testing of revenues and expenditures/expenses;
- Obtain and auditing the final schedule of expenditures of Federal awards;
- Complete compliance tests for the major programs selected for testing as required by the Uniform Guidance, as applicable;
- Review the PBC listins in Suralink for any outstanding items and hold and end of fieldwork exit conference with management.

Segment III - Review, Completion & Delivery Procedures:

- Review workpapers to ensure quality and thoroughness of audit procedures;
- Summarize the results of audit procedures;
- Obtain attorney letters;
- Evaluate commitments, contingencies and subsequent events;
- Propose audit adjustments;
- Summarize and evaluating passed audit adjustments;
- Evaluate compliance exceptions;
- Review draft financial statements and related note disclosures;
- Perform financial condition assessment procedures;
- Prepare drafts of audit reports and management letter;
- Deliver drafts of audit reports and letters to appropriate client officials;
- Finalize all reports and management letter;
- Obtain signed representation letter and the City's approval of the final financial statements;
- Draft the Data Collection Form and obtaining the City's approval;
- Prepare and provide the City a final PDF document of the audited financial statements;
- Hold final exit conferences and presentations with appropriate City officials.

Remote Audit Approach as Requested

Governmental organizations are choosing remote audits with increasing frequency, and Mauldin & Jenkins is very effective in working from a remote environment. The spring of 2020 brought an increasing demand for remote audits due to the spread of COVID-19 and the inability for work to be conducted on site. However, even before the complexities brought on by the spread of COVID-19, many organizations opted for remote audits for a variety of reasons. It will be the City's preference whether to conduct the audit remotely, but should you desire this service delivery option, Mauldin & Jenkins is trained to conduct remote audits while maintaining all professional standards.

Remote audit engagements offer significant advantages over those that follow a more traditional format: faster results, less disruption, and reduced stress for governmental finance personnel. Current technology allows our clients and their audit teams to stay in regular communication, securely share information, and collaborate effectively. Our staff professionals have grown accustomed to being provided read-only access to client systems to run reports, view purchase orders, invoices, reconciliations, etc. As a result, work that used to require extended on-site time can be performed anywhere, easing the burden on the audit process for both the auditor and auditee.

Though audits can still require some on-site time, reconfiguring the City's audit engagement to maximize efficiency and to take advantage of technological tools can dramatically reduce the amount of time spent on-site. While the remote audit can generate far less disruption for the organization undergoing the audit, it does not necessarily reduce client contact very much – or even at all. As we leverage the technological tools at our disposal (Suralink, Zoom, LeapFILE, Google Hangouts, etc.) we maintain consistent contact with our clients throughout the process and find that in many ways, communication between our teams and clients are as good, if not better, in the remote working environment than during traditional onsite engagements.

A successful audit experience requires careful planning, timely preparation and strong communication, regardless of where the work takes place. That is especially true for a remote engagement, so preparing for this type of audit sometimes helps organizations identify ways to improve their internal data management strategies – a welcome bonus! We are proud of the strong governmental practice we've built and it's upon that foundation that we can leverage these technological tools to conduct remote audits as the environment demands or the client chooses.

8. Audit Cost and Proposed Fees

CITY OF HENDERSONVILLE, NORTH CAROLINA
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE 2024 FINANCIAL STATEMENTS

	On-site Interim	On-site Fieldwork	M&J Office	Total	Hourly Rates	Total
Partners	16	16	40	72	$425	$ 30,600
Directors / Managers	16	40	24	80	340	27,200
Professional Staff	16	80	24	120	205	24,600
Subtotal	48	136	88	272		82,400
Out-of-pocket expenses:						
Meals and lodging						3,200
Transportation						1,600
Mauldin & Jenkins discount from standard fees and expense						(22,200)
Total all-inclusive maximum price for 2024 financial audit						$ 65,000

Year Ending	Estimated
June 30, 2025	$ 66,500
June 30, 2026	68,000

9. Important Notes to be Considered

Note (1) – Unlimited Correspondence: It is Mauldin & Jenkins' policy to not charge for simple discussions and conversations that occur between the governmental entity and Mauldin & Jenkins that are only simple discussions (i.e., a phone call to ask certain questions that do not require additional research).

Note (2) – Free Periodic/Quarterly Continuing Education: As noted in our technical proposal, we provide free quarterly continuing education classes to our clients. This could amount to approximately $3,000 of annual savings for the City's estimated finance department per person.

Note (3) – Additional Services: If it should become necessary for the City to request Mauldin & Jenkins to provide any additional services (such as bond issuance, etc.), then such additional work shall be performed only if set forth in an addendum to the contract between the City and Mauldin & Jenkins.

Note (4) – No Hidden Fees or Costs: The pricing schedules contain all pricing information relative to performance of the audit as required by the City including all reimbursement for travel, lodging, communications, etc. Our estimated number of hours and the associated fee estimate indicated are based on our professional judgment and experience with similar governmental entities. So long as there are no significant changes in the operations or the number of major programs of the City and or the scope of services requested or significant problems requiring additional time, our quoted fees will not change.

Note (5) – Single Audit: Based on our experience working with the City over the last three (3) years and our knowledge of the City's grant projects in progress, we've altered our pricing from the past. Our previous all-inclusive audit fees included only one (1) major program for the Single Audits. Rather than having to go through the process of amending the City's contracts for additional major programs, we have included up to three (3) major programs in our pricing. We would only need to do a contract amendment in the event the composition of the City's federal and/or state expenditures require more than three (3) programs to be audited as major.

10. Summary of Audit Cost Sheet – City of Hendersonville

Request for Proposal # 241008001
City of Hendersonville NC
Audit Services

SUMMARY OFAUDIT COSTS SHEET --FIRM NAME Mauldin & Jenkins

	FY24	FY25	FY26
	Binding	*Estimate*	*Estimate*
Base Audit Fee: Includes all personnel costs, travel, and on-site work, supplies and materials – provide separate detail as described below	$65,000	$66,500	$68,000
Financial Statement Preparation: Includes preparation and printing of ACFR	Included in above	Included in above	Included in above
Extra Audit Services (if needed)			
Other Costs: (Explain)			
TOTAL:	$65,000	$66,500	$68,000

Closing

We appreciate the opportunity to serve the City of Hendersonville, North Carolina. We believe Mauldin & Jenkins is the "right" firm for the City. Our experience and knowledge will allow us to work with management in the interim audit period to make sure the audit gets off to a great start and that items are available and ready to exceed the deadlines noted in the City's RFP. **We are committed to providing the resources and skills needed to ensure timely reporting in accordance with the State's policy as well as the City's RFP**. We would be very pleased to share our experience and understanding of governmental accounting and operations for the benefit of the City.

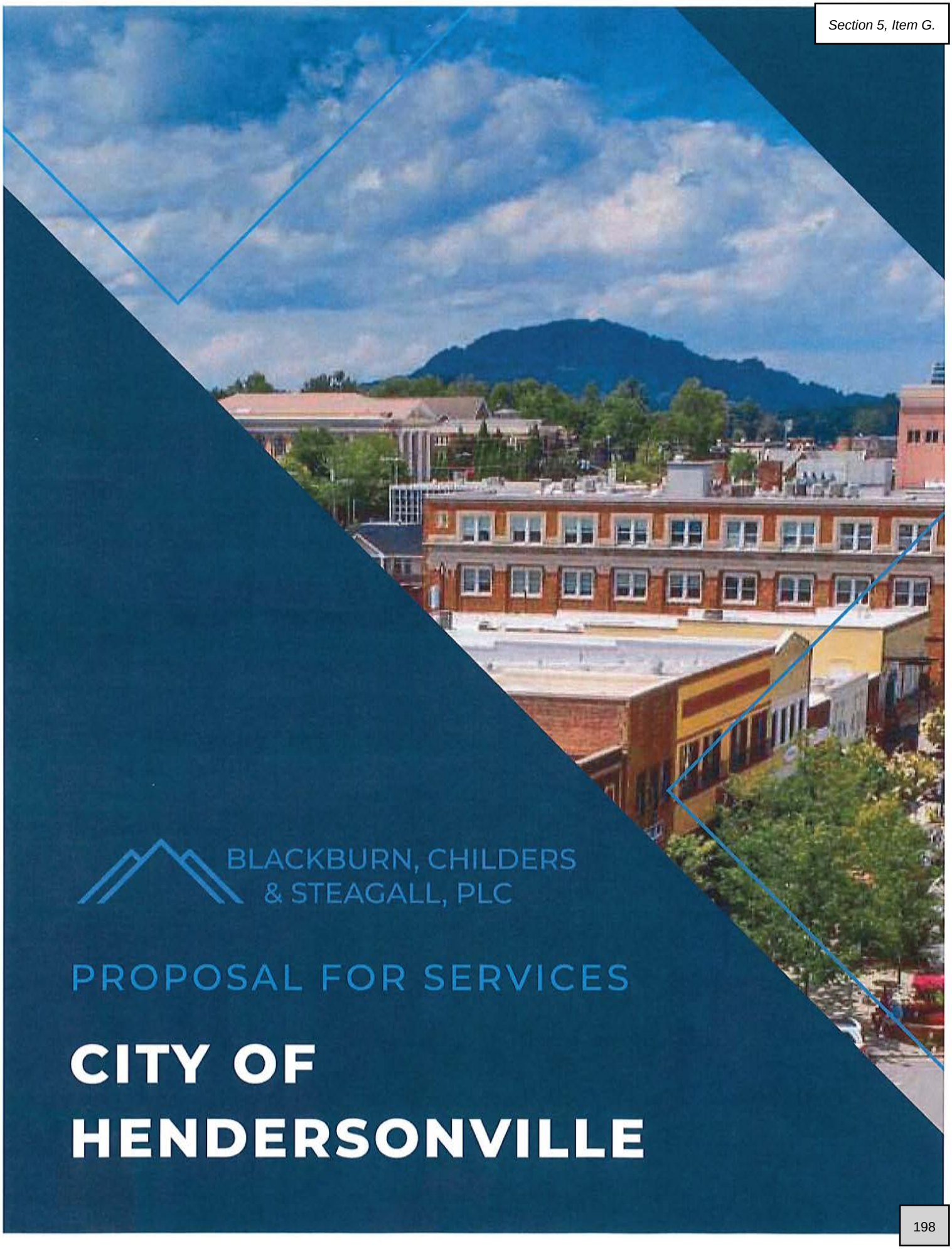
We would greatly appreciate you recommending us for your audit needs. Should you or anyone at the City have any questions with regards to this proposal or about Mauldin & Jenkins, please feel free to contact any of us.

MAULDIN & JENKINS

CPAs & ADVISORS

(833) 818-0406

www.mjcpa.com



BLACKBURN, CHILDERS
& STEAGALL, PLC

PROPOSAL FOR SERVICES

CITY OF HENDERSONVILLE

Section 1 – Qualifications

1. Blackburn, Childers & Steagall (BCS) is one of the oldest and most respected accounting firms in our region and is ranked as one of the largest accounting and consulting firms in Tennessee. Our growth has taken us to a staff of over 100 professionals who have diversified talents and experience. Since 1961, our small business has grown both in employees and location geographically. Starting in East TN with Johnson City, Kingsport and Greeneville locations, we expanded into Boone, NC in 2020. We have established our reputation in the region by consistently adhering to uncompromising standards of ethics and serving others.

   Our Boone office, located at 136 Furman Road, Suite 4 Boone, NC 28607, will primarily handle the audit if we are selected. One or more associates may be utilized from our TN location at 801 Sunset Drive, Johnson City, TN 37604. BCS is registered with the North Carolina State Board of CPA Examiners.

2. The engagement partner and one staff person utilized for this audit work in our Boone office. The supervisor assigned works in our Johnson City, TN office. In addition to the supervisor, other assurance staff could be utilized from our Johnson City, TN office, if needed.

Section 1 – Qualifications

3.

GFOA Certification	Local Government	Type of Service	Years Performing Work
	Washington County, Tennessee	Audit	50+
	City of Johnson City, Tennessee	Audit	50+
	Town of Mountain City, Tennessee	Audit	45+
	Town of Jonesborough, Tennessee	Audit	45+
	Johnson City Public Library	Audit	40+
	BrightRidge	Audit	40+
	Tri-Cities Airport Commission	Audit	40+
	Washington County School Activity Funds	Audit	40+
	Alliance for Business & Training	Audit	30+
	Washington County Emergency Communications (911)	Audit	25+
	City of Elizabethton, Tennessee	Audit	20+
	Sullivan County School Activity Funds	Audit	20+
	Elizabethton Board of Education	Audit	15+
	First Tennessee Human Resource Agency	Audit	10+
	First Tennessee Development District	Audit	10+
	Carter County Emergency Communications (911)	Audit	10+
	Town of Greeneville, TN	Audit	10+
	Washington County Economic Development Council	Audit	10
	Johnson City Development Authority	Audit	10
	Northeast Tennessee Cooperative	Audit	10
	Washington County-Johnson City Animal Shelter	Audit	5+
	Avery County, North Carolina	Audit	2
	Appalachian Student Housing Corporation (CU of ASU)	Audit	2

Section 1 – Qualifications

4.

City of Johnson City, TN
Director of Finance - Stephanie Laos
slaos@johnsoncitytn.org
423.434.6033

Avery County, North Carolina
Finance Officer - Caleb Hogan
caleb.hogan@averycountync.gov
828.733.8200

Johnson City TN School Board
Supervisor of Finance - Leia Valley
valleyl@jcschools.org
423.434.5212

Appalachian Student Housing Corporation (CU of ASU)
Matt Dull - Director and Secretary
dullmc@appstate.edu
828.262.2060

Town of Jonesborough, TN
Finance Director - Janet Jennings
jjennings@JonesboroughTN.org
423.753.1038

5.

Local Government	Type of Service	Years Performing Work
Washington County, Tennessee	Consulting	1962 - present
Lakeview Utility District	Consulting	2014 - present
City of Johnson City, Tennessee	Agreed-Upon Procedures	2018 - present
First Tennessee Human Resource Agency	Agreed-Upon Procedures	2018 - present
BrightRidge	Consulting	2020 - present
Town of Unicoi, Tennessee	Consulting	2020 - present
City of Church Hill, Tennessee	Consulting	2022 - present
Avery County, North Carolina	Consulting	2022
Bristol, VA Public Schools	Consulting	2022

Section 1 – Qualifications

6. BCS, in our continuing commitment to excellence and quality, are voluntary members of the AICPA GAQC (Governmental Audit Quality Center) and AICPA Employee Benefit Plan Quality Center. By joining these Quality Centers, BCS must adhere to certain membership requirements that are designed to promote quality practices. Membership in the GAQC allows BCS access to additional training, insight and resources in performance of not only governmental audits, but also audits performed in accordance with Government Auditing Standards and Uniform Guidance (Single Audits). We ensure ongoing quality by subjecting our audit and accounting practice to a regularly recurring peer review in connection with our membership in the AICPA's Private Company Practice Section and GAQC. We had our most recent external peer review in June 2021 and received a pass, which is the highest peer review mark that can be attained. Our 2021 peer review report is included as Appendix A.

7.

Engagement Partner – Tara Fenner, CPA, CMFO

Percentage of time on site: 17%

Tara's professional experience in governmental audits, including the most recent position held on each, is as follows:

- City of Johnson City, Tennessee, partner: 2006 - present
- Avery County, North Carolina, partner: 2022 - present
- Smithville Electric System, partner: 2022 - present
- Appalachian Student Housing Corporation, partner: 2022 - present
- Lakeview Utility District, partner: 2014 - present (consulting for audit)

Supervisor – Erik Stewart, CPA, CFE

Percentage of time on site: 17%

Erik's professional experience in governmental audits, including the most recent position on each, is as follows:

- City of Johnson City, Tennessee, supervisor: 2015 - present
- Smithville Electric System, supervisor: 2023 - present
- Johnson City Energy Authority dba Brightridge, supervisor: 2023 - present
- Washington County, Tennessee School Activity Funds, supervisor: 2008 - present
- Sullivan County, Tennessee School Activity Funds, supervisor: 2008 - present
- Bristol Virginia Utility Authority, supervisor: 2014 - present

8. Annually, our audit staff participate in a two-day, 16 hour CPE event sponsored by the National Association of State Auditors, Comptrollers and Treasurers (NASACT). At this event, speakers teach and train on topics including GASB updates, GASB implementation issues, best practices, internal control and fraud prevention and financial reporting.

Section 1 – Qualifications

For the past 6 years, BCS has contracted with Galasso Learning Solutions to conduct an 8 hour CPE event specific to BCS and our client base with topics such as GASB updates, financial reporting, and accounting standard implementation guidance.

CPE courses attended over the past three years related to governmental accounting and auditing include:

Tara	2023:	Appalachian State University 2023 Accounting Summit 12/1/23 (2 credits)
		Galasso Learning Solutions 2023 Audit update 4/25/23 (4 credits)
		Galasso Learning Solutions GASB & FASB update 5/3/23 (3 credits)
		NASACT 2023 TN Government Auditor Training Seminars 5/15/23 – 5/16/23 (16 credits)
	2022:	Appalachian State University 2022 Accounting Summit 10/28/22 (3 credits) – Instructor for Session on Uniform Guidance and NC State Single Audit
		NC Local Government Conference 6/8/22 (8 credits)
		Galasso Learning Solutions Accounting & Auditing update 5/2/22 (8 credits)
	2021:	Appalachian State University 2021 Accounting Summit 11/19/21 (2 credits)
		Instructed course on "Governmental Financial Statements" 7/30/21 (4 credits)
		NASACT 2021 TN Government Auditor Training Seminars 5/10/21 – 5/11/21 (16 credits)
		Galasso Learning Solutions Accounting & Auditing update 4/26/21 (8 credits)
Erik	2023:	Galasso Learning Solutions 2023 Audit update 4/25/23 (4 credits)
		Galasso Learning Solutions GASB & FASB update 5/3/23 (4 credits)
		NASACT 2023 TN Government Auditor Training Seminars 5/15/23 – 5/16/23 (16 credits)
	2022:	Appalachian State University 2022 Accounting Summit 10/28/22 (3 credits)
		Galasso Learning Solutions Accounting & Auditing update 5/2/22 (8 credits)
		NASACT 2022 TN Government Auditor Training Seminars 5/9/22 – 5/10/22 (16 credits)
	2021:	Appalachian State University 2021 Accounting Summit 11/19/21 (2 credits)
		NASACT 2021 TN Government Auditor Training Seminars 5/10/21 – 5/11/21 (16 credits)
		Galasso Learning Solutions Accounting & Auditing update 4/26/21 (8 credits)

Section 1 – Qualifications

9. The assurance department of our firm conducts regularly scheduled staff meetings once per month. As part of the meeting agenda, we include a discussion regarding accounting updates from various subscriptions that we maintain, such as the AICPA Center for Plain English (CPEA) reports and risk alerts and Thomson Reuters Practitioners Publishing Company's (PPC) monthly updates relating to Not-for-Profits, Accounting & Auditing, and Governmental Accounting. The purpose of this is to ensure staff at all levels are aware of relevant changes in the practice areas we serve. Additionally, each meeting includes a training portion, whereby we have one or more staff present on a new standard (GASB or FASB), topic of interest, or process. As partners and managers attend various CPE and trainings, we often send out summaries of new information that we have learned to our department to ensure information is shared throughout all assurance staff.

10. Tara and Erik both have experience with auditing various government fund types and sizes. Specific experience includes Single Audit/Uniform Guidance, all governmental fund types, food service, school activity funds, fiduciary funds, and business-type activities (including water/sewer, solid waste, stand-alone utility districts, and electric departments).

11. Tara Fenner is a licensed Certified Public Accountant in both TN and NC. She has been a Certified Municipal Finance Officer in TN since 2014. She holds a Bachelor of Business Administration and a Master of Accountancy from East Tennessee State University. She is a member of the AICPA, NCACPA and the TSCPA, and holds advanced accreditations in Employee Benefit Plan Audits and intermediate accreditations in Single Audits from the AICPA. Tara has 17 years of governmental auditing and accounting experience, specifically with the City of Johnson City, TN, and has taught continuing professional education sessions relating to GASB & Yellow Book, FASB & SAS, Uniform Guidance, and employee benefit plan compliance. She is familiar with requirements for obtaining the GFOA Certificate of Excellence in Financial Reporting and has worked on audits for many years with successful receipt of the award.

    Erik Stewart is a licensed Certified Public Accountant in TN. He is also Certified Fraud Examiner and has worked with governmental and private industry clients since he began his career with BCS. He is a graduate of ETSU with a Bachelors in Accounting and is a member of the AICPA and TSCPA. Erik works jointly in the BCS Tax and Audit Departments, and trains internally on technology, software and processes.

Section 1 – Qualifications

12. Please see attached Appendix B.

13. Yes, the firm is adequately insured to cover claims. We have professional liability insurance coverage through Continental Casualty Company with a limit of $3,000,000 per claim, $3,000,000 aggregate. The policy effective date is 12/17/2023 and renews 12/17/2024.

14. None.

15. The physical location of the City of Hendersonville, NC related to our Boone, NC and Johnson City, TN offices provide a unique opportunity for us to utilize talent and resources from both locations to provide premier audit services. The combined governmental experience of the partner and supervisor in areas such as Uniform Guidance, NC State Single Audit, water and other utility services, and GFOA Certification provide leadership for an audit team that is more than capable of meeting your deadlines and confidence that your audit team will have a solid foundation in governmental financial accounting and reporting. Additionally, through our other audit clients, we have familiarity with Oracle as an accounting software.

16. Please refer to the references provided in #4 above.

Appendix A - Peer Review Letter

SEK | Guidance You Can Count On.
CPAs & ADVISORS

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Partners of Blackburn, Childers & Steagall, PLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Blackburn, Childers & Steagall, PLC (the firm) in effect for the year ended December 31, 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. 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

Engagements selected for review included engagements performed under Government Auditing Standards, including a compliance audit under the Single Audit Act; audits of employee benefit plans, and an examination of service organizations [SOC 2 engagement].

As a 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 Blackburn, Childers & Steagall, PLC in effect for the year ended December 31, 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. Blackburn, Childers & Steagall, PLC, has received a peer review rating of pass.

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
June 10, 2021

Appendix B

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 Tennessee or State of North Carolina Board of Accountancy, and other States as applicable, 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, including any that may be more restrictive, and that personnel will always act in the public interest. Any transaction, event, circumstances, or action that would impair independence or violate the firm's relevant ethical requirements policy on 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 the *General Standards and Compliance with Standards Rules*) 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 exists. 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:

a. Investments by any owner or professional employee in a client's (or affiliate's) business during the period of a professional engagement, including a commitment to acquire any direct or material indirect financial interest in a client.

b. An investment in an entity or property by any of the following individuals and the attest client (or the attest client's officers or directors, or any owner 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:

   (1) An individual or an attest engagement team.

   (2) An individual in a position to influence the attest engagement by doing any of the following:

      (a) evaluating the performance or recommending the compensation of the attest engagement owner,

      (b) directly supervising or managing the attest engagement owner and all of that owner's superiors,

      (c) consulting with the attest engagement team about technical or industry-related issues specific to the engagement, or

      (d) participating in or overseeing quality control activities, including internal monitoring, with respect to the attest engagement.

(3) An owner 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:

(a) the firm signs the report on the financial statements for the fiscal year during which those services were provided or

(b) he or she no longer expects to provide ten or more hours of nonattest services to the attest client on a recurring basis; or

(4) An owner in the office in which the lead attest engagement owner primarily practices with respect to the attest engagement.

(5) The firm and its employee benefit plans.

c. Borrowing from or loans to an attest, an affiliate, or attest client's personnel during the period of a professional engagement by any of the individuals listed in items b(1)-(5) above, except as grandfathered or permitted.

d. Accepting or offering gifts or entertainment from or to an attest client unless reasonable in the circumstances and approved by the managing owner.

e. Certain family relationships between professional personnel and attest client personnel. (Consult the managing owner for a ruling on these.)

Notwithstanding the preceding policy and list of prohibited transactions and relationships, at the managing owner'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 personnel have ready access to the relevant ethical requirements to which the firm is subject. Those requirements include the AICPA *Code of Professional Conduct,* and respective State Boards of Accountancy. The firm maintains a current copy of those ethical requirements in the firm's library and personnel also have online access to the information. The firm expects its personnel to be familiar with those relevant ethical requirements.

2. 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. This will also include administrative staff, IT staff and employees of all entities. Independence training is given to all professionals at the time of employment and is continued to be emphasized with the notification of new clients. Ethics training is provided for CPAs in accordance with applicable regulators. Such training covers the firm's relevant ethical requirements policy and procedures. Professional standards, including the AICPA's *Conceptual Framework for AICPA Independence Standards,* and the advice of the managing owner are consulted if an employee is unsure if a threat to independence should be reported to firm management.

3. All professional personnel review the firm's current 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 by a memorandum from administrative staff. When hired (and annually thereafter), all professional personnel are required to sign a representation that confirms this responsibility.

4. The firm provides or makes available ethics training for all professional personnel, as covered in the relevant ethical requirements QC policy and procedures. Additional training is provided or made available as needed (or required) that covers the firm's relevant ethical requirements policy and procedures and the independence and ethical requirements of all applicable regulators.

5. To ensure that independence is properly addressed at the engagement level, as part of the acceptance and continuance decision, the engagement owner obtains and considers relevant information about the engagement and evaluates circumstances and relationships that could cause a potential threat to independence, if any. In addition, for audit engagements, the engagement owner forms a conclusion on compliance with independence requirements. In evaluating potential independence threats, any familiarity threat related to senior personnel recurring on an audit or attest engagement will be considered, including any other specific rotation requirements of regulatory agencies or other authorities. Additionally, the work programs and forms 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.

6. In addition, for audit engagements, all professional personnel are required to promptly notify the designated quality control director 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.

7. If a potential threat to independence is identified, the quality control director accumulates and communicates relevant information to appropriate personnel so (a) firm management and the engagement owner can determine whether they satisfy independence requirements, (b) the engagement owner can take appropriate action to address identified threats to independence, and (c) the firm can maintain current independence information. For clients of whom the firm is not independent, only financial statement preparation and compilation services are performed and the firm discloses the lack of independence in its accountant's compilation reports for those clients, in regard to services subject to the standards of the AICPA Standards Board or the AICPA Accounting and Review Services Committee.

8. If performing a group audit, the firm is required to obtain a written representation regarding the component auditor'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.

9. The engagement owner (or the accountant in charge under the owner'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 owner's knowledge of unbilled fees should be considered in making this determination. In addition, the managing owner has secondary responsibility to review the firm's accounts receivable listing on a periodic basis to identify potential independence problems.

10. The engagement owner has the primary responsibility to identify all nonattest services performed for an attest service client and for determining if such nonattest services individually or in the aggregate threaten independence with respect to that client (including obtaining and documenting an understanding of how the firm was satisfied that client personnel had the skills, knowledge, or experience to oversee the nonattest services). 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 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.

11. The engagement owner 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.

12. If the firm is engaged as principal auditor of the basic financial statements of a financial statement attest client and affiliates, all professional personnel must be independent of the financial statement attest client and affiliates. If the firm is engaged as principal auditor of a major fund, nonmajor fund, internal service fund, fiduciary fund, component unit of the financial statement attest client, affiliates, or other entity that should be disclosed in the notes to the basic financial statements of the financial statement attest client (but is not auditing the primary government), all professional personnel must be independent of the fund, component unit, or other entity the firm is auditing. 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.

13. The managing owner 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.

14. The managing owner is responsible for monitoring the firm's independence of attest clients at which owners 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 checklists used by the firm in attest engagements include questions to help ensure compliance with this requirement.

15. The engagement owner is responsible for obtaining the employee independence 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 *Code of Professional Conduct,* including the *Conceptual Framework for AICPA Independence Standards* and, when necessary, consults the AICPA or the applicable 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 general 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.

16. If a breach of independence is identified, the firm promptly communicates the breach and the required corrective actions to (a) the engagement owner, 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, and (c) those charged with governance at the attest client. The engagement owner confirms to the firm when required corrective actions related to the breach and noncompliance with these policies and procedures have been taken.

17. At least annually, the audit owner in charge of quality control reviews our independence, integrity, and objectivity policy and procedures to determine if they are appropriate and operating effectively. This review is performed and documented by completing the applicable section of the "Monitoring Questionnaire" in Chapter 7 of *PPC's Guide to Quality Control* {or in a separate memo]. Changes, if necessary, to the system are made based on the results of the review.

Request for Proposal # 241008001
City of Hendersonville NC
Audit Services

This RFP for Audit Services is submitted by:

Offeror/Firm Name: Blackburn, Childers & Steagall, PLC

Authorized Representative Name: Tara Fenner
(Print)

Authorized Representative Signature: Tara Fenner **Date:** 1/24/2024

Address: 136 Furman Road, Suite 4

City/State/Zip: Boone, NC 28607

Telephone: (828) 264-3595
(Area Code) Telephone Number

Facsimile: (828) 264-3586
(Area Code) Fax Number

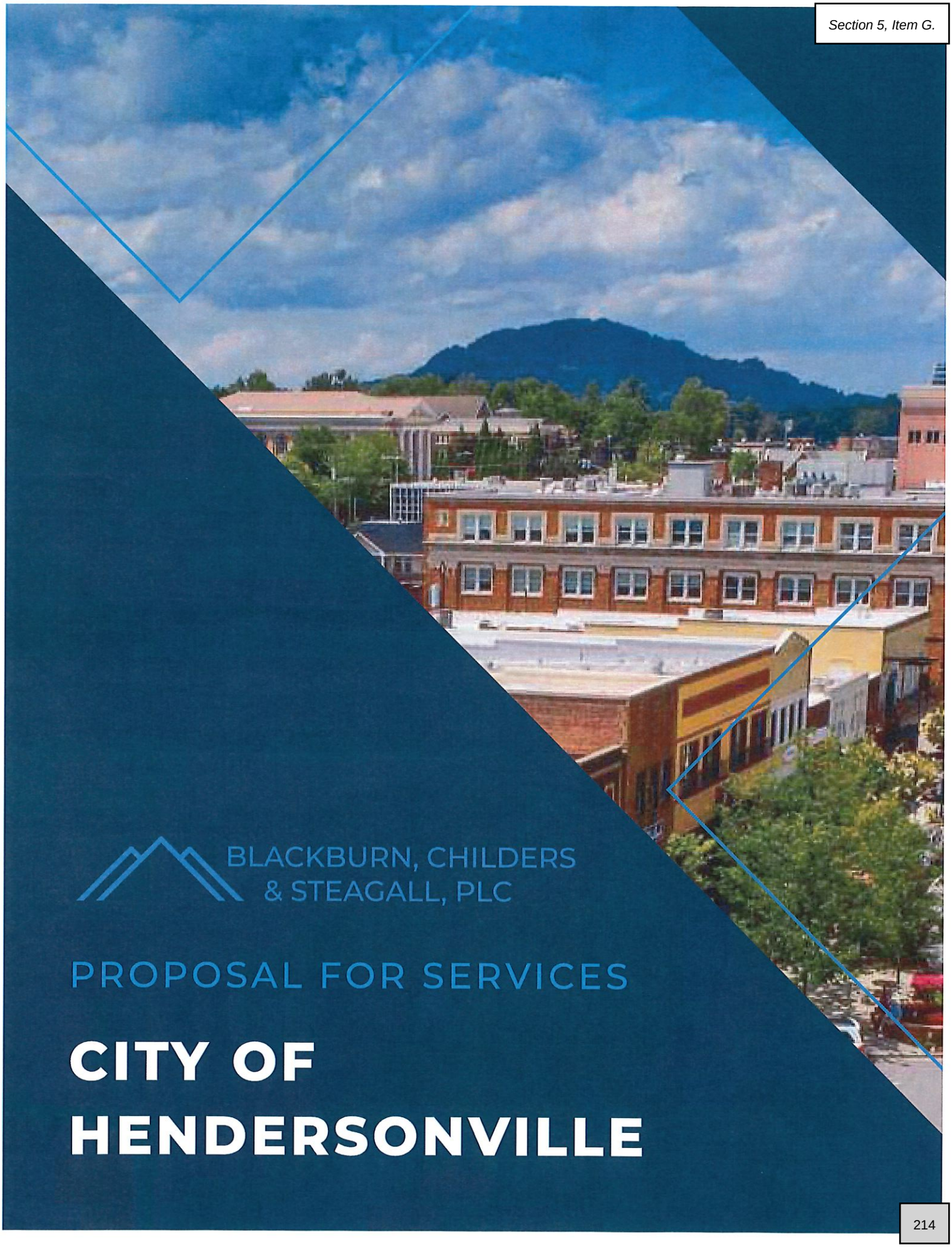
It is understood by the Offeror that The City of Hendersonville reserves the right to reject any and all Proposals, to waive formalities, technicalities, and to recover and rebid this RFP.

This RFP is valid for sixty (60) calendar days from the RFP due date.

A certificate of insurance and W9 must be received prior to any work being done.
No Business License is required in the City of Hendersonville or Henderson County, NC

THANK YOU

About BCS | BCS is one of the oldest, most respected firms in Upper East Tennessee and growing in Western North Carolina. They have a staff of over 100 with experts in accounting, taxes and consulting to cover areas such as auditing; personal financial planning; medical practice consulting; litigation support; business valuations and entrepreneurial ventures; estate services; employee benefits; and other specialized services. The goal of the firm has always been to provide quality professional and business services that meet and exceed their clients' expectations, without compromising sound professional or personal ethics.



BLACKBURN, CHILDERS
& STEAGALL, PLC

PROPOSAL FOR SERVICES

CITY OF HENDERSONVILLE

Section 2 – Audit Approach

1. Thomson Reuters Practitioners Publishing Company's (PPC) provides our assurance audit programs and referenced checklists. We utilize a combination of audits of Local Governments and Single Audits programs, if applicable, in our governmental audits.

2. Sampling is used often in our audit testwork, specifically with regard to testing of grants, inventory, cash receipts, cash disbursements, payroll, etc. BCS utilizes the PPC practice aids in determining appropriate sample sizes depending on the testing to be performed. We occasionally utilize ActiveData within excel to assist in sampling, when needed.

3. BCS will obtain an understanding of the city's internal control processes and develop procedures appropriate for testing those internal controls as deemed necessary. Our understanding of key controls will be based on client inquiries, policy reviews, and walkthroughs performed on significant audit areas.

4. A computer audit specialist is not expected to be necessary for this engagement. If the need arises, we have an audit partner, Chad Kisner, and audit supervisor, Kim Buckles, with the training and experience to assist. Chad has completed the Certified Information Systems Auditor (CISA) designation and the Certified Information Technology Professional (CITP) designation. Kim Buckles has a Bachelor of Science degree in Computer Information Systems.

5.

Name	Title	FY2024 % of time	FY2025 % of time	FY2026 % of time
Tara Fenner	Partner	26%	26%	26%
Siena Rambo (Technical Review)	Senior Manager	1%	1%	1%
Erik Stewart	Supervisor	29%	29%	29%
Jennifer Baxter	Staff	21%	21%	21%
To Be Determined	Intern	22%	22%	22%
Marti Vanthournout (Clerical)	Audit Coordinator	1%	1%	1%
	TOTAL	100%	100%	100%

6. None noted at this time.

7. Interim Onsite Work: During the week of June 10th
   Onsite Fieldwork: During the week of August 19th
   Wrap-Up: To be completed in our office prior to October 1st

8. See attached.

9. Pricing estimates include procedures associated with implementation of GASB statements effective for those years.
   a. See Attached
   b. See Attached
   c. N/A
   d. N/A

Section 2 – Audit Approach

10. Our firm is committed to staying current in the dynamic area of technology. Our audit teams operate in an almost paperless working environment and make full use of networking and remote access technologies. We use audit software that fully integrates trial balance data into the engagement management interface.

    Working in a paperless audit environment has proved to be efficient for our clients and BCS. The engagement software allows your data to be easily accessible to all members of the engagement team, and portability allows for data to be easily imported from or exported to other software. For our firm's research needs, we make full use of our online subscription to Checkpoint RIA from Thomson Reuters.

    Through the use of BCS's secure online portals, **you will have your own secure portal**. All final reports will also be prepared electronically and available to you through this portal. We utilize Suralink for electronic requests for audit information. It is unique to assurance engagements and integrates audit request lists and workflow features. You can also upload any audit documentation securely through Suralink. It helps streamline file sharing and provides greater transparency through real-time updates all while following strong security protocols and using enterprise banking encryption technology.

    Utilizing the technology that we have allows us to reduce the time spent on site while conducting some of the testing and audit procedures in our offices. This is dependent on your comfort level and ability to provide documentation in an electronic format. We can tailor our approach to fieldwork to what will work best for your staff.

11. See attached.

Title	FY2024 Estimated Hours: On-Site Interim Work	Yearend On-site Work	Work Performed in Auditors' Office	Total Hours	Billing Rate	FY2024 Total Personnel Costs	FY2024 Estimated Transportation	FY2024 Estimated Hotel	FY2024 Total (Not to Exceed)
Partner	16	32	24	72	$ 248	$ 17,856	$ 450	$ 350	$ 18,656
Senior Manager (technical review)	-	-	2	2	225	450	-	-	450
Supervisor	16	32	32	80	180	14,400	450	350	15,200
Staff (remote only)	-	-	60	60	158	9,480	-	-	9,480
Intern	16	32	16	64	90	5,760	-	-	5,760
Audit Coordinator (clerical)	-	-	2	2	117	234	-	-	234
	48	96	136	280		$ 48,180	$ 900	$ 700	$ 49,780

Title	FY2025 Estimated Hours: On-Site Interim Work	Yearend On-site Work	Work Performed in Auditors' Office	Total Hours	Billing Rate (~5% increase)	Estimated FY2025 Total Personnel Costs	FY2025 Estimated Transportation	FY2025 Estimated Hotel	FY2025 Estimated Total
Partner	16	32	24	72	$ 260	$ 18,720	$ 450	$ 350	$ 19,520
Senior Manager (technical review)	-	-	2	2	236	472	-	-	472
Supervisor	16	32	32	80	189	15,120	450	350	15,920
Staff (remote only)	-	-	60	60	166	9,960	-	-	9,960
Intern	16	32	16	64	95	6,080	-	-	6,080
Audit Coordinator (clerical)	-	-	2	2	123	246	-	-	246
	48	96	136	280		$ 50,598	$ 900	$ 700	$ 52,198

Title	FY2026 Estimated Hours: On-Site Interim Work	Yearend On-site Work	Work Performed in Auditors' Office	Total Hours	Billing Rate (~5% increase)	Estimated FY2026 Total Personnel Costs	FY2026 Estimated Transportation	FY2026 Estimated Hotel	FY2026 Estimated Total
Partner	16	32	24	72	$ 273	$ 19,656	$ 450	$ 350	$ 20,456
Senior Manager (technical review)	-	-	2	2	248	496	-	-	496
Supervisor	16	32	32	80	198	15,840	450	350	16,640
Staff (remote only)	-		60	60	174	10,440	-	-	10,440
Intern	16	32	16	64	100	6,400	-	-	6,400
Audit Coordinator (clerical)	-	-	2	2	129	258	-	-	258
	48	96	136	280		$ 53,090	$ 900	$ 700	$ 54,690

Request for Proposal # 241008001
City of Hendersonville NC
Audit Services

SUMMARY OFAUDIT COSTS SHEET --FIRM NAME Blackburn, Childers & Steagall, PLC

	FY24	FY25	FY26
	Binding	*Estimate*	*Estimate*
Base Audit Fee: Includes all personnel costs, travel, and on-site work, supplies and materials – provide separate detail as described below	$ 39,580	$ 41,498	$ 43,490
Financial Statement Preparation: Includes preparation and printing of ACFR	$ 10,200	$ 10,700	$ 11,200
Extra Audit Services (if needed) n/a at this time			
Other Costs: n/a at this time (Explain)			
TOTAL:	$ 49,780	$ 52,198	$ 54,690

Separately provide detail for the following components of the *Base Audit Fees:*

Personnel costs – See attached pricing breakdown

Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.

Estimated hours – categorize estimated hours into the following:
# of Hours -On-site interim work, #_____ Rate per hour_____

# of Hours -Year-end on-site work, #_____ Rate per hour_____

# of Hours -Work performed in the auditor's office #_____ Rate per hour_____

Total cost for each category of personnel and for all personnel costs in total.

Travel – itemize transportation and other travel costs separately.

Cost of supplies and materials – itemize.

Other costs – completely identify and itemize.

If applicable, note your method of determining increases in audit costs on a year to year basis.

RH CPAs PLLC

Accounting • Tax • Advisory

CITY OF HENDERSONVILLE

FIRST SECTION

Response to RFP for Financial Audit Services

Responsible Office and Contact Person:

Diana Hardy, CPA, CFE

AUDIT PARTNER

GOVERNMENTAL/NON-PROFIT AUDITS

629 Green Valley Road, Suite 201
Greensboro, NC 27408
Phone: (336) 481-0281
Email: dhardy@rh-accounting.com
Website: www.rh-accounting.com

This RFP for Audit Services is submitted by:

Offeror/Firm Name: RH CPAs, PLLC

Authorized Representative Name: Diana Hardy
(Print)

Authorized Representative Signature: Diana Hardy **Date:** 1/25/2024

Address: 629 Green Valley Rd, Ste 201

City/State/Zip: Greensboro, NC 27408

Telephone: 336-248-8281
(Area Code) Telephone Number

Facsimile: 336-248-2335
(Area Code) Fax Number

It is understood by the Offeror that The City of Hendersonville reserves the right to reject any and all Proposals, to waive formalities, technicalities, and to recover and rebid this RFP.

This RFP is valid for sixty (60) calendar days from the RFP due date.

A certificate of insurance and W9 must be received prior to any work being done.
No Business License is required in the City of Hendersonville or Henderson County, NC

Member:
North Carolina Association
of Certified Public Accountants

RH CPAs
PLLC
Accounting • Tax • Advisory

M
American Institute of
Certified Public Accountants

January 25, 2024

To Whom it May Concern:

RH CPAs, PLLC is pleased to submit this proposal in response to the City's request for proposal (RFP) for auditing services for the year ending June 30, 2024. Our response demonstrates our qualifications and professionalism in order to start a mutually beneficial auditor-client relationship.

RH CPAs has a thirty-year history of exceeding the expectations of our clients. Our Firm was founded on the premise that our clients should have high expectations of us and that we have even higher expectations of ourselves. We develop trusted, long-term relationships with our clients and provide them with the depth of services that larger accounting firms offer but at a significantly better value and cost. Our team is known for its responsive, dependable and personable service.

This proposal is a firm offer of our services for any and all periods indicated. We will service your account with expert staff based in our Greensboro and Lexington offices, with support from our other office as needed. We are available for further interview or verbal presentation for clarification of any part of this proposal. We appreciate your consideration of our proposal and look forward to your response.

Regards,

RH CPAs, PLLC

Diana Hardy, CPA, CFE
Audit Partner

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APPENDICES:

Appendix A – 2020 Peer Review Report

Appendix B – Independence Manual

FIRST SECTION

1 – 2. ENGAGEMENT STAFF AND FIRM PROFILE

The City's audit will be staffed by RH CPAs, PLLC as follows:

Level	Individual	Office	% time on-site
Partner in Charge	Diana Hardy, CPA, CFE	Greensboro	25% minimum
Senior Audit Manager	TD Hill	Lexington	50%
Staff	Steven Montesano	Lexington	100%
Staff	Will Southern	Lexington	100%

RH CPAs, PLLC is a professional limited liability company licensed by the North Carolina State Board of CPA Examiners and is engaged in the practice of public accounting with three offices in North Carolina. RH CPAs, PLLC evolved from Rives & Associates, LLP to accommodate the firm's growth and expanded leadership team to support all of its service lines. With a staff of more than forty, RH CPAs, PLLC (RH) has exceled in serving North Carolina clients for over twenty-five years.

We have a primary objective to provide high quality audit, accounting, tax, and advisory services to clients in the best professional manner. Our partners, managers, and staff are expected to comply with this statement of philosophy in order to achieve the desired objective. "Professionalism" in the accounting profession means integrity, objectivity, independence where required, adherence to professional standards and applicable laws and regulations, and a demonstrated will to maintain and improve the quality of professional services and to withstand all pressures competitive and otherwise, to not compromise on principles, standards, and quality. Particularly in the field of auditing, professionalism requires an understanding of and dedication to the public interest. The public interest in audited financial statements has placed the public accounting profession in a unique position of public trust. Moreover, there is also a significant public interest in the way in which the Firm carries out accounting, tax, and advisory services. Therefore, no client or Firm consideration is allowed to interfere with our ability to carry out our commitment to professionalism.

Our Non-Profit/Governmental Team takes audit and tax services beyond the basics by providing advice throughout the audit process to improve operations and ensure compliance with regulations and general statutes. We are a member of the American Institute of Certified Public Accountants Governmental Audit Quality Center, North Carolina Association of Certified Public Accountants, North Carolina Association of School Board Officials, the American Institute of Certified Public Accountants Private Practice Center, and the North Carolina Center for Nonprofits.

In prior years the Firm was named in the Top 5 North Carolina Small Businesses and the Top 50 Small Businesses in the South. The Firm was also awarded "FAST 50" status in the Triad Area and Best Places to Work in 2022 by the Triad Business Journal.

RH CPAs PLLC
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CORE VALUES

At RH CPAs we are:

Personable – We provide services with personality
Responsive – We set expectations and exceed them
Team Player – The total is greater than the sum of the parts
Can-Do Attitude – Mindset is everything
Dependable – We say what we will do, and do it

Our purpose is exceeding expectations with expertise and enthusiasm. We will build and maintain relationships with employees of the City. City staff will know that they can depend on us to provide quality audit, accounting, and advisory services.

3 & 5. GOVERNMENT CLIENTS

Below is a sample of a governmental audit clients RH CPAs, PLLC has served:

Client	Service	Years Served	GASB 34
Caldwell Community College	Financial statement audit	6	Yes
Town of Benson	Financial statement audit	3	Yes
Town of Pittsboro	Financial statement audit and Single Audit	6	Yes
City of Kinston	Financial statement audit and Single Audit	6	Yes
Town of Ayden	Financial statement audit	1	Yes
Town of Goldston	Financial statement audit Single audit	5	Yes
Davidson County Community College	Financial statement audit	3	Yes
Cape Fear Community College Foundation	Financial statement audit	5	No
Durham Tech Community College Foundation	Financial statement audit	3	No
Johnston County Community College Foundation	Financial statement audit	3	No
Beaufort Community College Foundation	Financial statement audit	2	No
Wake County Board of Education	Financial statement audit and Single Audit	6	Yes
Wayne County Board of Education	Financial statement audit	3	Yes
Jones County Board of Education	Financial statement audit	3	Yes

Various charter schools throughout NC	Financial statement audit and Single Audit	3 - 10	Yes
Duplin County	Financial statement audit and Single Audit	2	Yes
Anson County Schools	Financial statement audit and Single Audit	12	Yes
Davidson County Schools	Financial statement audit and Single Audit	3	Yes
Durham Public Schools	Financial statement audit and Single Audit	10	Yes
Duplin County	Financial statement audit and Single Audit	1	Yes
Rowan-Salisbury Board of Education	Financial statement audit and Single Audit	6	Yes
Thomasville City Schools	Financial statement audit and Single Audit	12	Yes
Wilkes County Schools	Financial statement audit and Single Audit	4	Yes
Yadkin County Schools	Financial statement audit and Single Audit	11	Yes
Town of Seagrove	Financial statement audit and Single Audit	7	Yes
Town of Wilkesboro	Financial statement audit	2	Yes
Town of Macclesfield	Financial statement audit	2	Yes
Town of Stanley	Financial statement audit	2	Yes
Town of Spencer	Financial statement audit	3	Yes

The experience and capabilities of our Non-Profit/Governmental Audit include:

- Financial Audits
- Single Audits
- Program Specific Audits
- Agreed-upon Procedures
- Forensic Audits
- Performance Audits
- Risk Assessment and Remediation
- Strategic Planning
- Internal Controls
- Efficiency Studies
- Staff Training Seminars
- Management Reviews

Our Uniform Guidance Single Audit experience, which we perform on a recurring basis, includes the following federal and state programs:

- FEMA Disaster Grants
- Community Development Block Grant

- Clean Water State Revolving Fund
- Home Investment Partnership Program
- Head Start and Early Head Start
- Child and Adult Care Food Program
- Special Education Cluster
- Weatherization Assistance Program
- Workforce Investment Act
- N.C. Pre-K (More At Four)
- School Improvement Grants
- Improving Teacher Quality
- Title II Immigrant & Youth
- National School Lunch Program
- School Breakfast Program
- Education Technology
- English Language Acquisition Grants
- N.C. State Public School Fund
- Public Building Capital Fund
- State Buses Appropriation
- Home Care Program
- Title 1, Part A Cluster Grants

As noted under our Firm Profile, the Firm has vast experience in auditing government agencies. That includes an array of Federal Single Audits and State Single Audits for various programs. Our governmental experience also includes:

- Municipalities
- Community College Foundations
- Community Colleges
- Boards of Education
- Various types of not-for-profits including charitable organizations and foundations, including federal and State single audits
- Charter Schools
- EMS units
- HUD properties
- Community Health Centers

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Accounting • Tax • Advisory

4. REFERENCES

We invite you to contact the below personnel of other current audit clients in regard to their experience with us.

Handy Sanitary District
Lisa Hedrick: lhedrick@handysanitary.com
(336) 859-2553
PO Box 987
Denton, NC 27239

City of Kinston
Donna Goodson: Donna.Goodson@ci.kinston.nc.us
252-939-3281
207 E King Street
Kinston, NC 28502

Caldwell Community College and Technical Institute
David Holman: dholman@cccti.edu
828-726-2222
2855 Hickory Blvd
Hudson, NC 28638

Visit Lake Norman
Sally Ashworth: ashworth@lakenorman.org
704-987-3300
19900 W Catawba Ave. Suite 102
Cornelius, NC 28031

Unity Classical Charter School
Sheila Goad: sheila.goad@unityclassical.org
980-202-5899
1929 W Arrowood Road
Charlotte, NC 28217

Additional references available upon request.

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6. PEER REVIEW

RH is a member of the American Institute of Certified Public Accountants (AICPA) and participants in the AICPA Peer Review Program. The AICPA Peer Review Program, administered by the North Carolina Association of Certified Public Accountants in North Carolina, requires enrolled firms to have a peer review conducted by an independent evaluator, once every three years, of their accounting and auditing practice. Such review assures that the services we provide to our clients meet the highest level of standards in the accounting profession. Our most recent peer review for the year ended March 31, 2020, received a "pass" rating, the highest rating of quality controls. See a copy of the peer review report in **Appendix A**.

It is the policy of our Firm that our quality control system be monitored on an ongoing basis to provide the Firm with reasonable assurance that the policies and procedures established by the Firm for each of the other quality control elements (including quality control elements and activities not formalized in writing) of quality control are suitably designed and are being effectively applied. The adequacy and effectiveness of the Firm's quality control system is monitored on an ongoing basis by the Firm's quality control partner. As an integral part of the monitoring process, our quality control system is inspected annually to determine whether the Firm has complied with its stated quality control policies.

7 – 8. STAFFING AND TEAM BIOGRAPHIES

RH employs approximately forty professionals over its three offices in North Carolina. The staffing needs are based on the complexity and nature of the organization, timing, and the extent of procedures which must be performed to meet the audit and tax objective, and the travel involved. We have designated specific associates to the engagement however, our associates are interchangeable between our offices and their assignments may change. There will be a minimum of two audit associates, one manager, and one partner designated to the engagement at all times. Each member of this team will be fully available to satisfy the needs of the engagement.

Our priority is making sure you are working with trusted professionals who have a clear understanding of your goals, strategies and reporting needs. Our partners and managers maintain a high degree of client involvement which minimizes the overhead and reduces the audit costs. This also provides the client a higher level of expertise that is always available.

All staff assigned to the City's audit will have previous governmental audit experience. All staff also have experience preparing financial statements under the GASB 34 model.

SUPERVISING AUDITOR

Diana Hardy will be the partner in charge for the audits. Additional information for partners and managers is as follows:

Diana Hardy, CPA, CFE - Partner

dhardy@rh-accounting.com
336-481-0281

Diana Hardy is the Greensboro office's partner and services the firm's governmental and non-profit clients. Diana joined RH in 2015 and brings over 15 years of experience in governmental and not-for-profit organizations. Her work experience includes working with a variety of Towns, Boards of Education, Community Colleges, not-for-profits, community health centers, HUD and affordable housing audits, charter schools, private schools, churches, foundations, manufacturing companies, and insurance companies.

In addition to her auditing experience, Diana performs forensic and fraud investigative services. She is a member of the Central Carolina Chapter of the Association of Certified Fraud Examiners.

Community Involvement

- Board Member, Vice Chair – Goodwill Industries of Central North Carolina
- Past Chair – North Carolina Captive Insurance Association.
- Captive Insurance Companies Association – NextGen Committee and Conference Planning Committee Member

Education and Licenses

- Bachelor of Science in Accounting – North Carolina State University
- Masters of Accountancy – North Carolina State University
- Licensed as a Certified Public Accountant in the State of North Carolina (license #36753).
- Licensed as a Certified Fraud Examiner

Professional Affiliations

- North Carolina Association of Certified Public Accountants (NCACPA)
- Association of Certified Fraud Examiners (ACFE)

Continuing Professional Education

Diana's continuing education includes attendance at courses concentrating on audit services for governmental industry clients, not-for-profits, and fraud topics. She has maintained the required CPE levels over the past three years, including annual ethics requirements. She has also led seminars on fraud and auditing.

A sample of relevant clients that Diana has worked on in the past include:

• Town of Pittsboro	Manager	1 year
• City of Kinston	Manager/Partner	6 years
• Caldwell Community College	Manager/Partner	6 years
• Wake County Board of Education	Manager	3 years
• Wayne County Board of Education	Manager	3 years
• Jones County Board of Education	Manager	3 years
• Durham County Board of Education	Manager	2 years
• Various charter schools (all under GASB 34)	Various	12+ years
• Town of Macclesfield	Partner	1 year
• Town of Stanley	Partner	2 years
• Duplin County	Partner	2 years
• Town of Spencer	Partner	3 years

TD Hill, Senior Audit Manager

tdhill@rh-accounting.com
336-248-8281

TD Hill, CPA, CFE, CIA, CFSA, CCSA is a Senior Manager in the Lexington office of RH CPAs, PLLC and serves a variety of clients – both not for profit and for-profit entities. TD joined RH CPAs, PLLC in 2023 and brings over 20+ years of experience in internal auditing, forensic accounting, and corporate ethics. TD's professional experience/expertise is in supply chain and distribution centers, control gap analysis and remediation, manufacturing, and fraud investigations. His not-for-profit and government experience includes working with service organizations, foundation entities, towns, cities, and counties.

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- North Carolina Association of Certified Public Accountants (NCACPA)
- Association of Certified Fraud Examiners (ACFE)
- Institute of Internal Auditors (IIA)

Education, Accreditations and, Licenses

- Master's degree in Financial Fraud Investigations (FFI) – Pfeiffer University
- Bachelor of Science in Accounting and Finance – Pfeiffer College
- Licensed as a Certified Public Accountant (CPA) in North Carolina
- Certified Fraud Examiner (CFE)
- Certification In Control Self-Assessment (CCSA)
- Certified Financial Services Auditor (CFSA)

A sample of relevant clients that TD has worked on in the past include:

• North Carolina Lions Association	Manager	1 year
• Town of Spencer	Manager	1 years
• Town of Robbinsville	Manager	1 years
• Duplin County	Manager	2 years
• Graham County	Manager	1 years

The Firm is fully committed to having the same staff on an annual basis on the City's audit engagements. We fully understand from previous experience with clients that staff continuity is one of the major reasons organizations become dissatisfied with their CPAs. It is beneficial to the Firm to have the same staff on an engagement on an annual basis as they will have previous knowledge with the client and will be more efficient.

9 – 10. EDUCATION AND EXPERIENCE

It is RH CPAs, PLLC's policy that all audit staff maintain at a minimum of 40 hours of CPE on an annual basis, whether or not that they have at their CPA license. This continuing professional education is accomplished through a combination of conferences, seminars, webinars, self-study course and internal CPE courses. Every staff assigned to the City's audit will have sufficient CPE and Yellow Book credit hours on an ongoing basis.

Some of the many seminars the Firm's staff has attended in recent years:

- The Firm sends many of its staff to the NCACPA LGC Conference annually.
- The Firm sends staff to the Annual UNC School of Government update.

Authorized Non-Profit/Governmental Courses and Seminars:

- UNC School of Government Annual Updates
- Local Government Conference.
- Understanding, Applying & Documenting, Governmental Compliance Requirements
- Fraud in non-profits.
- GASB Update
- Auditing & Accounting
- Governmental Accounting and Auditing - Preparation/Developing/Writing
- Auditing of School Districts
- Governmental/Non-Profit Accounting & Auditing Update
- Internal Controls and SAS 115
- A & A Concepts & Financial Disclosure
- Yellow Book Update and Risk Assessment
- Governmental Audit Sampling - Substantive & Compliance

In addition to the in-house courses and seminars, the Non-Profit/Governmental Audit Team members also attend courses and seminars conducted by other organizations such as NCACPA and AICPA. Below is a sample of courses and seminars attended by the Non-Profit/Governmental Audit Team conducted by other organizations:

- Applying A-133 to Non-profit and Governmental Organizations
- NC Accountancy Law, Ethics, Principles and Professional Responsibilities
- Compliance Auditing Workshop
- Non-For-Profit Conference
- Studies on Single Audit and Yellow Book Deficiencies
- Local Government Commission Update
- Economic Update
- The SBI and White Collar Crime
- Compliance Auditing School Districts
- Frequent Frauds Found In Governments and Not For Profits
- Professional Ethics and Conduct
- Employee Benefit Conference

All staff assigned to the City's audit will have previous experience with GASB 34 presentation. RH initiated its practice in the non-profit and governmental service industry in response to our observation that larger firms were devoting fewer and fewer resources to their smaller and mid-size clients. The collective and extensive experience of our Non-Profit/Governmental Team has developed one of the fastest growing service areas of RH. Ever-changing accounting standards, economic conditions and the continued rise in operating costs have propelled our Non-Profit/Governmental Team to help entities alleviate the pressures facing the industries. Our commitment to the non-profit and governmental industry is reflected in the significant growth of our practice and the retention of those clients.

11. SPECIALIZED SKILLS AND TRAINING

The following discusses some of the specialized skills and training for individuals that may be assigned to the City's audit.

Diana Hardy – In addition to her CPA license, Diana holds her certified fraud examiners license. She has also co-lead seminars in the past discussing fraud deterrence and detection methods. She is also a regular speaker at local and national insurance conferences.

TD Hill – TD has both domestic and international internal control and fraud/forensic accounting experience. He is a licensed CPA in the state of North Carolina and is a certified fraud examiner.

12. INDEPENDENCE

In accordance with the quality control document of RH CPAs, PLLC, all professional personnel must be familiar with and adhere to the independence, confidentiality integrity, and objectivity rules, regulations, interpretations, and Rulings of the AICPA, the State of North Carolina Board of Accounting, the State of North Carolina CPA Society, state statutes, and other State or regulatory agencies where applicable. Independence, Confidentiality, Integrity, and Objectivity Representation is required by all personnel when hired and annually thereafter.

Independence on all audit engagements is reviewed on an annual basis to ensure compliance with all rules that govern this topic. We have reviewed our independence in association with this proposed engagement and in all matters relating to the audit of the City, RH CPAs, PLLC is independent in fact and appearance. Please see **Appendix B** for a copy of our employee manual as it concerns independence.

13. INSURANCE COVERAGE

RH CPAs, PLLC presently carries the following insurance policies:

1. Worker's Compensation - The Firm maintains Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage.

2. Commercial General Liability –General Liability Coverage on a Comprehensive Broad Form on an occurrence basis.

3. Automobile - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the contract.

4. Professional Liability - Professional Liability Coverage on a Comprehensive Broad Form on an occurrence basis.

All insurance meets the laws of the State of North Carolina. Insurance coverage is obtained from companies that are authorized to provide such coverage and are authorized by the Commissioner of Insurance to do business in North Carolina. The Firm shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this contract. The limits of coverage under each insurance policy maintained by the Firm shall not be interpreted as limiting the contractor's liability and obligations under the contract.

If awarded the contract, we will be glad to provide a COI.

14. REGULATORY ACTIONS

No regulatory action has been taken against the Firm or any staff members that will be assigned to the audit. We are NOT debarred from performing work for any State or federal governmental agencies.

15. OTHER INFORMATION

Why Choose Us?

Service

We at RH pride ourselves on providing a service model that thrives on being more responsive to our clients. We want to serve our clients and work with them, not simply be a vendor that works for the client. We allow our clients access to our most experienced personnel. We believe we are the size of CPA firm that can give those personal services to the Organization. We understand that many CPA firms could perform an audit, but it is the personal service that makes the difference. We want all our clients to succeed, and we want to assist them in doing so.

Staff

As noted above, our service model calls for our most experienced personnel to be available to our clients. Technology and sophisticated auditing software systems are nice, but what makes the difference is the people. We believe the experience of our staff is a perfect fit for these engagements.

RH is an accounting firm that thrives on being different. There are no layers or gatekeepers when working with our Firm. You work with our most experienced experts.

Communication

In order to best serve you, we believe communication is an overriding factor. We will provide constant communication to management on the audit process through the engagement and be available for technical questions throughout the year.

16. GOVERNMENTAL AGENCY REFERRALS

City of Kinston
Donna Goodson: Donna.Goodson@ci.kinston.nc.us
252-939-3281
207 E King Street
Kinston, NC 28502

Town of Spencer
John Sofley: jsofley@spencernc.gov
704-633-2231
460 S Salisbury Ave.
Spencer, NC 28159

Duplin County
Chelsey Lanier: Chelsey.lanier@duplincountync.com
910-296-2104
P.O. Box 950
Kenansville, NC 28349

APPENDIX A

2020 Peer Review Report

duncanashe
AUDITORS | ACCOUNTANTS | CONSULTANTS

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Greensboro, NC
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duncanashe.com

Report on the Firm's System of Quality Control

June 2, 2021

To the Partners
RH CPAs, PLLC
and the Peer Review Committee of Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of RH CPAs, PLLC ("the firm") in effect for the year ended March 31, 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. 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

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities, 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 RH CPAs, PLLC in effect for the year ended March 31, 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*. RH CPAs, PLLC has received a peer review rating of *pass*.

Duncan Ashe, P.A.

Duncan Ashe, P.A.

APPENDIX B

Independence Manual

Excerpt from RH CPAS, PLLC Quality Control Document

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 Association of CPA's in discharging their professional responsibilities as well as those for any other state under whose jurisdiction may apply. 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 a professional engagement defined as an audit, attestation, review, compilation engagement, on other service subject to the independence standards of the AICPA, State Board of Accountancy on other applicable regulatory agencies, 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:
        i. evaluating the performance or recommending the compensation of the attest engagement partner,
        ii. directly supervising or managing the attest engagement partner and all of that partner's superiors,
        iii. consulting with the attest engagement team about technical or industry-related issues specific to the engagement, or

iv. participating in or overseeing quality control activities, including internal monitoring, with respect to the attest engagement.

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:

i. the firm signs the report on the financial statements for the fiscal year during which those services were provided, or

ii. 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 partners' 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 personnel have ready access to the relevant ethical requirements to which the firm is subject. Those requirements include the AICPA *Code of Professional Conduct*, the State of North Carolina Board of Accountancy, and the State of North Carolina Association of CPA's ethical requirements. The firm maintains a current copy of those ethical requirements in the firm's library and personnel also have online access to the information. The firm expects its personnel to be familiar with those relevant ethical requirements.

2. 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 at least every three years. Such training covers the firm's relevant ethical requirements policy and procedures and the independence and ethical requirements of all applicable regulators.

3. 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 QC partner and changes to the list are communicated on a timely basis by a memorandum from the QC partner. When hired (and annually thereafter), all professional personnel are required to sign a

representation that confirms this responsibility.

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 forms 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 designated QC 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. (Each individual keeps a copy of their representation letter, which includes cross references to the professional standards of relevant ethical requirements that govern the firm. Professional standards, including the AICPA's Conceptual Framework for AICPA Independence Standards, and the advice of the QC partner may be consulted if an employee is unsure if a threat to independence should be reported to firm management.).
6. If a potential threat to independence is identified, the QC 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. For clients of whom the firm is not independent, only compilation services are performed and the firm discloses the lack of independence in its accountant’s compilation reports for those clients.
7. If performing a group audit, the firm is required to obtain a written representation regarding the component auditor’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 managing partners have 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 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 managing partners have 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 QC 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 Association of CPA’s 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 QC partner is 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 checklists 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 QC partner reviews the firm's relevant ethical requirements policy and procedures to determine if they are appropriate and operating effectively.

RH CPAs PLLC

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CITY OF HENDERSONVILLE

SECOND SECTION

Response to RFP for Financial Audit Services

Responsible Office and Contact Person:

Diana Hardy, CPA, CFE

AUDIT PARTNER

GOVERNMENTAL/NON-PROFIT AUDITS

629 Green Valley Road, Suite 201
Greensboro, NC 27408
Phone: (336) 481-0281
Email: dhardy@rh-accounting.com
Website: www.rh-accounting.com

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SECOND SECTION

1- 6 TECHNICAL APPROACH

AUDIT APPROACH

Our audit approach is designed to maximize efficiencies, by leveraging staff and technology. We utilize automated processes, and have staff that specializes in certain areas of the audits, such internal control tests and high risk areas. We have found that we can complete more efficient audits by utilizing this approach, which also provides a high level of expertise, therefore improving service and recommendations to your organization. Our goal is to provide an efficient high-quality audit.

RISK ASSESMENT

We will perform a risk assessment of the financial reporting process. This assessment will evaluate both inherent and control risks. Based on this risk assessment, we will concentrate our audit procedures on higher risk areas.

AUDIT PROGRAMS

Our audit programs are combinations of programs made in house and programs which are issued by governmental authorities and private publishers such as Practitioners Publishing Company (PPC). We generate unique programs for each audit based on the client's industry and our risk assessment software. The use of this risk assessment software allows us to assess risk to each individual section of the financial statements and to generate additional tasks for higher risk areas. We are able to customize the programs as needed. We subscribe to the local government industry from PPC and CCH.

STATISTICAL SAMPLING

We will use a combination of statistical and non-statistical sampling in our audit approach. We will determine which method to use based on our professional judgment during planning and creation of procedures. Statistical sampling will include use of either simple random sampling using a random number generator or interval sampling. Non-statistical sampling will include use of judgmental selection and haphazard selection. Audit procedures performed on selected samples along with analytical procedures will be used to obtain sufficient appropriate audit evidence to afford a reasonable basis for an opinion regarding the financial statements under audit. When appropriate, we will also use Dual-Purpose Sampling to test the operating effectiveness of controls and tests of the recorded monetary amounts, minimizing the time spent on repetitive tasks, thereby saving audit costs. The sample sizes will be directly related to the assessment of the inherent risk and the control risk of the entity.

INTERNAL CONTROL

We will gain an understanding of internal controls through the use of internal control walkthroughs. We typically perform control testing over major areas such as cash disbursement, receipts and payroll. We prefer to conduct internal control testing during interim fieldwork and during the actual year under audit so we can gain an understanding of controls during the year.

MANAGEMENT LETTER COMMENTS

During compliance and substantive testing, we may note certain matters involving internal control and other operational procedures. Our job as your auditor will be to ensure that you understand where you have deficiencies or weaknesses so that you can make informed decisions on how best to respond to these risks. We may identify the following types of deficiencies:

- Control Deficiency: A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. This type of deficiency is communicated in the management letter.

- Significant Deficiency: A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

- Material Weakness: A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

We will communicate to you orally and in a letter, all deficiencies noted and recommendations for your consideration, intended to improve the internal control and/or the results of the operating efficiencies. The letters are solely for management, those charged with your Board's governance, others you deem appropriate within your organization, and any governmental authorities you need to share this information with.

Our Firm operates under a "NO SURPRISE MANDATE", any issues which arise during the audit will be brought to the attention of management for discussion and analysis. In addition, we will provide verbally any areas we observe for improvement to management. Our goal is to be a partner with all of our clients, and work together to make the audit a smooth, and value added process.

The City's audit will be staffed by RH CPAs, PLLC as follows:

Level	Individual	Office	% time on-site
Partner in Charge	Diana Hardy, CPA, CFE	Greensboro	25% minimum
Senior Audit Manager	TD Hill	Lexington	50%
Staff	Steven Montesano	Lexington	100%
Staff	Will Southern	Lexington	100%

Client Assistance Methodology

Our Firm uses state of the art technology in addition to e-mail and file sharing as much as possible, eliminating all unnecessary paper and removing geographic limitations. We customarily utilize paperless and electronic engagement software in the field to share data with staff working on the same engagement using Virtual Office and Prosystem Engagement. Therefore, the items requested are preferred in electronic format whenever possible. In addition to the environmental benefit, this can save significant amounts of time in calculations, sampling, procedures, and record keeping ultimately reducing audit costs.

We fully understand that minimizing costs is a high objective of both the Firm and the City. In order to accomplish this, we do expect complete cooperation from the City's staff during the performance of the audit. This includes preparing as many of the schedules and supporting documentation as possible and being available for questions and discussion. We understand the staff and management are very busy in their daily responsibilities. An audit can be a burden for a short period of time, but the better the cooperation, the more efficient the audit can be performed and the quicker the auditors will leave! We can designate specific time to ask questions of staff if needed.

In order to input the City's trial balances into our audit software, we would need the trial balance transmitted to us in an excel format or a format that could be converted to excel. We will provide a list of items needed ahead of fieldwork.

7. AUDIT TIMELINE

This is a tentative schedule. ***Actual dates will be determined in a preliminary meeting with management.***

February 2024	RH is awarded the audit.
February 2024	Engagement letter and contracts are prepared. Signed engagement letters and contracts are returned to RH and submitted to the LGC for approval. RH communicates with the predecessor auditors and sets up a time to review their working papers. RH sets a pre-planning conference with Finance Staff.

Engagement Fieldwork

June 2024	We will conduct preliminary fieldwork. This will include planning, risk assessment, procedures, internal control testing, compliance testing (if applicable) and Inventory observations (if applicable). We anticipate approximately three full days of preliminary fieldwork.
August/September 2024	RH will receive trial balances in advance of fieldwork so we can enter into our system and conduct preliminary analysis. RH will conduct final fieldwork. All issues we note during our audit will be discussed with staff before fieldwork is complete. We anticipate approximately one full week of fieldwork. A final trial balance will be provided by September 30th for approval by management.

Engagement Conclusion

October 2024	The Audit will be finalized once approved by the City and the LGC.
November 2024	We will present the audit to the City Council.

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8. FEES

A full cost breakdown can be found in **Appendix C**. The following is our summary fee proposal for the audit services for the City for the fiscal year ending June 30, 2024:

June 30, 2024	Audit Services	$ 53,015
June 30, 2025	Audit Services	$ 56,250
June 30, 2026	Audit Services	$ 59,805

We determine the fee by estimating the number of hours it would take to complete the audit multiplied by the billing rates of anticipated staff on the engagement. The estimate also includes any other estimated costs to perform the engagement. The firm recognizes that non-profits and governments are sensitive to costing in today's economic conditions. We have discounted our fees in response to this. We attempt to keep fees for governments and non-profits as flat as possible, but due to increases in operating costs or an increase in procedures (either due to new accounting pronouncements or additional accounting / compliance initiated by organizational growth), inevitably, fees may increase. We will discuss any fee increases with management. Billing is completed as time accrues throughout the audit engagement with 50% due at commencement of the audit up to 75% with a final bill produced after presentation to City Council.

Technical Questions

We understand management may seek consultation on various subjects throughout the year and we encourage our clients to contact us with questions. Routine questions are included in our fees above as part of our service and are encouraged. If management has questions or research topics that require extensive time, those services will be billed at our standard billing rates (discounted for governments). We will agree to the cost of this additional work with you before beginning any such requests.

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APPENDIX C

Cost Proposal

CITY OF HENDERSONVILLE
Cost Proposal
Audit Services - June 30, 2024

RH CPAs PLLC
Accounting • Tax • Advisory

The following is a summary of our cost proposal for the audit services of the City for the year ended June 30, 2024. This cost proposal is on a "**not-to-exceed**" basis.

Personnel Costs	Partner	Audit Manager	Senior Staff	Staff	Total	
Opening Balance Testing & Setup	-	1	4	9	14	*
Preliminary Fieldwork	8	16	16	8	48	
Fieldwork	24	40	44	45	153	
Work performed in auditor's office						
Planning and wrap up	5	20	15	15	55	
Total Hours	37	77	79	77	270	
Rates	$ 375	$ 330	$ 140	$ 110		
	$ 13,875	$ 25,410	$ 11,060	$ 8,470	$ 58,815	
Data Input Worksheet Preparation					$ 550	
Governmental Discount					$ (5,800)	
					$ 53,015	

COST PROPOSAL AUDIT FEES	June 30, 2024	$ 53,015	**
	June 30, 2025	$ 56,250	**
	June 30, 2026	$ 59,805	**

Travel estimate (to be billed at cost each year):	
Mileage	$ 1,725
Travel Time	$ 5,730
Overnight Accomdations & Meals	$ 5,000
Total	$ 12,455
Financial Statement Preparation, if required by RH	$ 12,000

*** Estimated non-recurring first year engagement hours and costs of $1,880**

**** This is a cost not to exceed for audit services. If the costs are less than the quoted amount, the City will be charged the lesser amount. We anticipate approximately a 10% increase in fees each year.**

Compliance testing will be billed at $4,500 per Federal and/or State program tested based on RH CPA Assessment of Draft SEFSA.

APPENDIX D

Summary of Audit Costs Sheet

SUMMARY OFAUDIT COSTS SHEET --FIRM NAME RH CPAs, PLLC

	FY24	**FY25**	**FY26**
	Binding	*Estimate*	*Estimate*
Base Audit Fee: Includes all personnel costs, travel, and on-site work, supplies and materials – provide separate detail as described below	$ 65,470	$ 68,705	$ 72,260
Financial Statement Preparation: Includes preparation and printing of ACFR	$ 12,000	$ 13,200	$ 14,250
Extra Audit Services (if needed)			
Other Costs: (Explain)			
TOTAL:	$ 77,470	$ 81,905	$ 86,510

Separately provide detail for the following components of the *Base Audit Fees:*

Personnel costs –

Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.

Estimated hours – categorize estimated hours into the following:

# of Hours -On-site interim work, #_____ Rate per hour_____

# of Hours -Year-end on-site work, #_____ Rate per hour_____

# of Hours -Work performed in the auditor's office #_____ Rate per hour_____

Total cost for each category of personnel and for all personnel costs in total.

Travel – itemize transportation and other travel costs separately.

Cost of supplies and materials – itemize.

Other costs – completely identify and itemize.

If applicable, note your method of determining increases in audit costs on a year to year basis.

REQUEST FOR PROPOSAL # 241008001
FOR AUDIT SERVICES

CITY OF HENDERSONVILLE, NORTH CAROLINA

Due Date: 1/25/2024 Time: 11:00 AM EST

Link to Submit Proposals:
https://www.hendersonvillenc.gov/bid-submission-form

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Background

The City Council of The City of Hendersonville (hereinafter called the "City") 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 City of Hendersonville 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 City of Hendersonville. The bidder consents to personal jurisdiction and venue in a state court of competent jurisdiction in Henderson County, North Carolina.

Type of Audit

The audit will encompass a financial and compliance examination of the City's Comprehensive Annual Comprehensive Financial Report (ACFR) in accordance with the laws and/or regulations of the State of North Carolina, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with generally accepted auditing standards; *Government Auditing Standards*, the Single Audit Act of 1984; the Single Audit Act Amendments of 1996; the provisions of OMB Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including revisions; the State Single Audit Implementation Act; and all other applicable laws and regulations.

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 City staff on the applicability of accounting and reporting standards as they become effective.

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.

The audit will also include the following:

a. Pre-planning conference with Finance staff 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 City Council meeting for presentation of the financial statements by Manager or Partner of the Audit Staff with comments and potential questions from Council as requested.

The audit should encompass all funds and entity-wide activities as reported in the City's Comprehensive Annual Financial Report (ACFR) at June 30, 2023 and any additional funds or entity-wide activities that may be added subsequent to that date.

If required, the audit firm will issue a management letter to the City Council after completion of the audit and assist management in implementing recommendations, as is practical. City 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.

The City 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 City's 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 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 City 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 City of Hendersonville audit engagement is subject to the standards for audit as defined in Government Auditing Standards, 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 City staff will prepare all standard year-end accruals and other adjusting journal entries. The Financial Statement Preparer will assist City staff prepare the government wide year-end adjusting journal entries as well as any necessary entries to allocate the state pension balances. The City shall designate an individual, such as the Finance Officer, 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 City management will ultimately be responsible for the preparation and fair presentation of the financial statements, which includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements. The City will need the assistance of the Financial Statement Preparer for the preparation, typing, proofing, printing, and copying of the Basic Financial Statements, supplementary information and compliance reports. The City of Hendersonville's Finance Officer will prepare the MD&A. A preliminary draft of the audit and required adjusting journal entries must be submitted to the Finance Officer no later than October 1 for proofing and reconciliation to the City's records to allow ample time for review and corrections before it is sent to the Local Government Commission. The City of Hendersonville's Finance Officer will return the draft to the Financial Statement Preparer with proposed revisions within 10 working days. The financial statement preparer will be ultimately responsible for the preparation, typing, proofing, printing, and copying of the Basic Financial Statement, supplementary information and all applicable compliance reports.

Meeting LGC deadlines is a high priority for the City. Therefore, the City of Hendersonville prefers interim fieldwork be completed in June. Year-end fieldwork should begin by or before mid-August and be completed by late September. While most documents can be shared electronically, the City 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 Officer 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.

Ten copies of each Audit report, management letter, and other applicable reports must be supplied to the Finance Officer 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 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 City 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 the first Thursday of the month following the audit completion.

Period

The City 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 City of Hendersonville reserves the right to request proposals at any time following the first year of this contract. Thus, prepare proposals for the following years, with Year one being the only obligated year:

July 1, 2023 to June 30, 2024
July 1, 2024 to June 30, 2025
July 1, 2025 to June 30, 2026

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 City may also execute an engagement letter and/or a City 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 City. 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.

Audit Contract & Payment of Audit Fees

The audit contract must be approved by the staff of the Local Government Commission. Invoices are subject to approval by the LGC staff and the appropriate Grantor Agency, if applicable, prior to processing by the City. Interim or progress billings will be accepted up to 75% of the total fee prior to submission of the audited financial statements to the staff of the Local Government Commission and their approval of the audited financial statements.

Description of Selection Process

The City requests that no City officials be contacted during this proposal process. Submit questions regarding the RFP in writing via email to purchasing@hvlnc.gov by 11 AM EST on Wednesday, January 17th, 2024. All answers to questions will be posted via an Addendum sometime thereafter.

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 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 City'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 SIGNFICICANTLY LOWER THAN OUR CURRENT FEES WILL RAISE CONCERN. THE LOWEST BID WILL NOT AUTOMATICALLY BE AWARDED PREFERENTIAL CONSIDERATION.

The City 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 City.

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.

First Section - Qualifications

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 local office that will handle the audit. Provide other resources available to your staff.

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

4. Provide names, addresses, and telephone numbers of personnel of current and prior governmental audit clients who may be contacted for a reference.

5. Indicate the experience of the firm 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.

6. 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.

7. 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.

8. 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.

9. Describe the efforts your firm makes to keep its staff informed of developments relevant to government issues.

10. Describe the professional experience of assigned individuals in auditing relevant government organizations, programs, activities, or functions for Municipal Water Utilities.

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

12. Describe the firm's Statement of Policy and Procedures regarding Independence under Government Auditing Standards (Yellow Book), July 2011 Revision. Provide a copy of the firm's Statement of Policy and Procedures.

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

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

15. Provide a brief summation of the reasons you believe your firm should be selected. In particular, the City is interested in the unique capabilities of your firm that distinguish it from other firms. Be specific and relate this discussion to how the City will benefit by choosing your firm as an auditor.

16. Provide at minimum three (3) references of different governmental agencies in which your company has worked with. Governmental references from agencies serving a similar population size of the City of Hendersonville NC are preferred.

Second Section

Proposals should include completed cost estimate sheets and any other necessary cost information ***submitted separate from the proposal*** , and titled– "Audit RFP Cost Estimate." The City plans to evaluate the qualifications of all firms submitting proposals before considering the Cost Estimate.

This second section should include the following information:

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

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

8. Provide total costs using the Summary of Audit Costs Sheet for the audit year July 1, 2024 to June 30, 2025. For the two audit years, which follow, list the estimated costs. The cost for the audit year ending June 30, 2025 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. If applicable, note your method of determining increases in audit costs on a year to year basis.

9. Details should be separately provided for the following:

A. 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 – categorize estimated hours into the following:
   On-site interim work,
   Year-end on-site work,
   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.

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

9. Summary of Audit Costs Sheet must be included with all proposals.

Time Schedule for Awarding the Contract

The RFP will be posted on the City website **www.hvlnc.gov** on 1/11/2024. Relevant audit firms listed in the audit vendor list provided by the LGC will be notified via email of the RFP on that same day.

No pre-proposal conference will be held. For any questions that might arise and for general background information on the City and its operations, please email **purchasing@hvlnc.gov** by 11AM EST on 1/17/2024.

Proposals signed by authorized officials will be received via the form at the following link (**https://www.hendersonvillenc.gov/bid-submission-form**) until 11 AM EST on Thursday, January 25th, 2024. Email subject should be clearly identified with the words "RESPONSE TO RFP # 241008001 FOR AUDIT SERVICES". City staff will review the proposals and make a recommendation to the City Council. The City Council will award the contract at its regularly scheduled meeting on February 7, 2024 or a meeting thereafter.

Evaluation Criteria
The review committee will make a recommendation based on criteria and the qualifications of Offerors. The evaluation of the Proposals by the Review Committee will be based on the scoring breakdown in the file entitled "Proposal Evaluation Directions for RFP # 241008001". Some factors that may be considered within the scoring– but are not limited to – are below.

- ***Team Knowledge, Unique Qualifications***
  - *Qualifications and experience of the firm in governmental audits*
    - Demonstration of the firm's commitment to governmental issues by knowledge of current issues and membership and participation in related organizations such as the Government Finance Officer's Association. In addition, the firm's ability to communicate to the City the changes in relevant regulations and the public financial/accounting environment.
  - *Qualification, experience and technical competence of key staff of the proposed team assigned to the City audit.*
    - Demonstrated experience, qualifications, and professional activities of the audit team, including technical expertise of supervisory staff available to perform "on-site" work as well as other resources readily available to the firm in key areas to assist the City. These key areas include such specialization as municipal government, municipal water utilities, and Federal funding auditing.
  - *Firm size and organization structure*
- ***Approach to Audit Quality***
    - *Compliance with the general bidding requirements and general submission of proposal requirements of the RFP***.**
      - Responsiveness of the proposal in clearly stating an understanding of the work to be performed; responsiveness to terms and conditions, including scheduling; completeness and thoroughness of the technical data and documentation.
    - *Overall approach to the audit proposal.*
    - *Ability to meet the RFP's priorities and outcomes.*
- ***Feedback of Offeror's References***
- ***Total Cost***

Proposal Evaluation and Offeror Selection
The evaluation and selection criteria and process contained in this RFP will be used by City staff to evaluate the Proposals. Staff will recommend their selection(s) to the City Manager, and after consensus between the City Manager and staff, the City Manager will recommend a prospective audit firm to the City Council and seek the Council's concurrence and authorization to consider entering into an agreement with the selected Prospective Auditing Firm.

Selection Process
The City may, in its discretion, require one or more offerors to appear before an evaluation committee for an interview or to make a presentation. During such interview, the offeror may be required to orally and otherwise present its proposal and to respond in detail to any questions posed. Additional meetings may be held to clarify issues or to address comments, as deemed appropriate. Offerors will be notified in advance of the time and format of such meetings. Since the City may choose to award a contract without engaging in discussions or negotiations, the proposal submitted shall define each offeror's best offer for performing the services described in this RFP.

The commencement of such discussions, however, does not signify a commitment by the City to execute a contract or to continue discussions. The City may terminate discussions at any time and for any reason. The City will have a period of up to (60) days, unless otherwise stated, to decide which proposal best meets the criteria outlined in the RFP. The City reserves the right to waive any minor informalities or irregularities which do not go to the heart of the proposal or prejudice other offers. The City may also reject, for good and compelling reasons, any and all proposals submitted.

Description of the Governmental Entity and Its Accounting System

Entity

The City of Hendersonville is a City in western North Carolina with a population of approximately 14,277. The City has operated under the "Manager-Council" form of government since January 1994. Policy making and legislative authority are vested in the City Council, which consists of a mayor and a four-member council.

The City is authorized by the *Machinery Act of North Carolina* to levy a property tax on both real and personal property located within its legal boundaries. The City contracts with Henderson County to bill and collect its property taxes.

A full range of services, including police and fire protection, street construction and maintenance and parks maintenance is provided. In addition, the City has three proprietary funds, the Water & Sewer Fund, which operates a Water Treatment Plant and a Wastewater Treatment system which provides services to more than 65,000 persons, The Environmental Services Fund, and Stormwater Fund. The City anticipates adding a fourth proprietary fund for parking services.

The City's budget may be accessed at https://www.hendersonvillenc.gov/budget

Governmental outstanding debt totaled $42,069,161 as of June 30, 2023 and Enterprise Debt outstanding was $67,205,598 for the same period. The City expects to issue additional debt in the following year.

The City has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada since 1988. The auditor is expected to assist the City in maintaining its certification through technical assistance and timely compliance with new reporting requirements. The Finance Department may require the auditor's guidance 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 for inclusion in the City's ACFR. Guidance will be required for new note disclosures, all approved GASB's as well as GASB implementations, and other reporting requirements. These services will be included in the base bid.

The City of Hendersonville Board of Alcoholic Control (ABC) a discretely presented component unit, maintains its own financial records. The ABC Board's audit as well as preparation of its financial statements is completed by another accounting firm and is not part of this proposal request.

Funds

The City of Hendersonville maintains the following funds:

Governmental Funds
- General Fund,
- Governmental Capital Project Fund
- Special Revenue Funds
  - Downtown Tax District Fund (MSD)
  - Seventh Ave. Tax District Fund (MSD)
  - Grants Fund
  - Special Revenue Fund

  - Permanent Funds:
  - None

Proprietary Funds
- Enterprise Funds:
  - Water and Sewer Fund
  - Environmental Services (Solid Waste) Fund
  - Stormwater
  - Parking Services
  - Water and Sewer Capital Project Fund
  - Stormwater Capital Project Fund

- Internal Service Fund:
  - Health and Welfare Fund

Fiduciary Funds:
- Utility Billing Custodial Fund- (Billing collections for other systems)

Grants, Entitlements, and Shared Revenues

A copy of the Schedule of Expenditures of Federal and State Awards for the year ended June 30, 2023 is shown in the Annual Comprehensive Financial Report posted on the City's website www.hvlnc.gov . Also included is a Summary of Auditor's Results showing the major programs for the prior year. The City has had no findings or question costs related to the audit of Federal and State awards for the preceding three fiscal years. .

Budgets

The City budgets all funds on the modified accrual basis of accounting as required by North Carolina law. Appropriations are made at the departmental level. The City also maintains an encumbrance system. All encumbrances, except for capital project ordinance funds, lapse at year end. Both the budgetary and encumbrance systems are integrated with the accounting system to provide easy comparison with actual expenditures.

Accounting Records

The City of Hendersonville maintains all its accounting records at the finance office located at 160 6th Ave. E, Hendersonville, NC. The City maintains its cash receipts journal, cash disbursements journal, general ledger, and accounts receivable ledger on a cloud based system, Oracle Fusion Cloud.

Assistance Available to Auditor

The City will make available to the auditor all records, and prepare and mail all necessary confirmations. A final trial balance with budgeted amounts will be made available via Excel by August 20, 2024. The following accounting procedures will be completed and documents prepared by the City's staff no later than September 3, 2024:

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 City'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.

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. Listing of unpaid tax bills in detail totaled by year as of fiscal year end.
2. Listing of outstanding receivables by account as of the fiscal year end.
3. Listing of outstanding receivables in detail as of the fiscal year end.
4. 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 City

Personnel/Payroll	
Number of employees	322 FTE
Frequency of payroll	bi-weekly
Number of payroll direct deposit advises	650 per month (all employees)
Property Tax	
Number of tax bills issued (without motor vehicles)	Billed by Henderson County
Number of motor vehicle tax bills issued	billed by State Tax & Tag
Total dollar amount of current year's GF collections	$6,867,424 49.28%
Total dollar amount of levy	$13,934,526
Water & Sewer Billing	
Total number of active accounts	31,366
Avg number of active delinquent accounts at month end	650
Avg number of payments accepted & processed in house	1700
Avg number of payments processed by lockbox	5200
Avg number of bank E-box payments processed	1750
Avg credit cards processed online	6,500
Avg ACH Direct Bank Draft	15,000
Purchasing	
Number of purchase orders issued to date for FY24	335
Bank Accounts	
Number of bank accounts	5
Number of escrow accounts	3
Average monthly activity in main accounts	
Number of deposits (Central Depository)	400
Number of ACH Payments	
Number of checks:	
Central Depository	380
Payroll	0
Management Information Systems:	
Number of PCs on the premises	155
Number of employed programmers capable of modifying the operating system and the applications programs	**1 (ERP Analyst)**

The City contracts with VC-3 for offsite, Cloud servers, backup & support, (Virtual Office) includes all servers, computers, software for all departments except Police and portions of Engineering GIS systems. Financial software and data is housed and supported on Oracle Cloud services.

The following financial applications are on the Oracle Fusion software computer system:

General Ledger
Accounts Payable
Payroll & Human Resources
Budgeting
Purchasing
Capital Assets

The following interrelated applications are on separate computer systems

Utility Billing and Collections- MuniLink
Inventory – Citi-works
Automated Meter Reading System – Sensus

Other Information:
The City's fiscal year ending June 30, 2023 audit has been submitted to the LGC and approved.

The City will issue debt in fiscal year 2024.

The City does not maintain an internal audit function.

Notification of Award:
The successful respondent will be notified of the award of contract following the favorable decision made by City Council. No other proposers will be personally contacted.

Contact information:

160 6th Avenue East
Hendersonville, NC 28792
828-233-3203
purchasing@hvlnc.gov
*****Please note that email is the preferred method of communication. Reminder that questions are due by 11AM EST 1/17/2024. Answers to questions will be posted via an addendum on the RFP's webpage.

Prior year ACFRs can be found on our website
www.hvlnc.gov
under Departments / Finance after March 1, 2016

SUMMARY OFAUDIT COSTS SHEET --FIRM NAME_____

	FY24	**FY25**	**FY26**
	Binding	*Estimate*	*Estimate*
Base Audit Fee: Includes all personnel costs, travel, and on-site work, supplies and materials – provide separate detail as described below	$	$	$
Financial Statement Preparation: Includes preparation and printing of ACFR	$	$	$
Extra Audit Services (if needed)			
Other Costs: (Explain)			
TOTAL:	$	$	$

Separately provide detail for the following components of the *Base Audit Fees:*

Personnel costs –

Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.

Estimated hours – categorize estimated hours into the following:

# of Hours -On-site interim work, #_____ Rate per hour_____

# of Hours -Year-end on-site work, #_____ Rate per hour_____

# of Hours -Work performed in the auditor's office #_____ Rate per hour_____

Total cost for each category of personnel and for all personnel costs in total.

Travel – itemize transportation and other travel costs separately.

Cost of supplies and materials – itemize.

Other costs – completely identify and itemize.

If applicable, note your method of determining increases in audit costs on a year to year basis.

This RFP for Audit Services is submitted by:

Offeror/Firm Name: _____

Authorized Representative Name: _____
(Print)

Authorized Representative Signature: _____ **Date:** _____

Address: _____

_____

City/State/Zip: _____

Telephone: _____
(Area Code) Telephone Number

Facsimile: _____
(Area Code) Fax Number

It is understood by the Offeror that The City of Hendersonville reserves the right to reject any and all Proposals, to waive formalities, technicalities, and to recover and rebid this RFP.

This RFP is valid for sixty (60) calendar days from the RFP due date.

A certificate of insurance and W9 must be received prior to any work being done.
No Business License is required in the City of Hendersonville or Henderson County, NC

Resolution#__-____

RESOLUTION BY THE CITY OF HENDERSONVILLE CITY COUNCIL TO

AUTHORIZE A CONTRACT WITH GOULD KILLIAN CPA GROUP

WHEREAS, the North Carolina General Assembly has enacted Chapter 159-34 of the North Carolina General Statutes which requires all local governments to have their accounts audited as soon as possible after the close of each fiscal year by a certified public accountant, or accountant certified by the Local Government Commission as qualified to audit local government accounts, selected by and reporting to the governing board; and

WHEREAS, City staff issued a Request for Proposal from qualified auditing firms on January 11, 2024 and four proposals were received; and

WHEREAS, staff reviewed the proposals based on the criteria outlined in the Request for Proposal; and
WHEREAS, Gould Killian CPA Group scored the highest among the four proposals reviewed by staff.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Hendersonville, North Carolina that:

1. City Council selects Gould Killian CPA Group as auditor for fiscal year 2024 for the amount of $49,950 plus $3,950 for each major Single Audit program.
2. City Council directs the Finance Director to submit the completed LGC-205 Contract to Audit Accounts to the Local Government Commission.
3. City Council authorizes the City Manager to sign the Gould Killian CPA Group Engagement Letter and the LGC-205 Contract to Audit Accounts for the fiscal year 2024 audit.

Adopted by the City Council of the City of Hendersonville, North Carolina on this 7th day of February 2024.

_____

Attest: Barbara G. Volk, Mayor, City of Hendersonville

_____

Jill Murray, City Clerk

Approved as to form:

_____

Angela S. Beeker, City Attorney

Proclamation

Observing Black History Month
February, 2024

WHEREAS, noted historian, Dr. Carter G. Woodson, announced the second week of February as "Negro History Week" in 1926 in order to increase public awareness and appreciation of the important role that African-Americans have played in shaping America's history; and

WHEREAS, the United States government officially recognized Negro History Week in 1976 as part of the U.S. Bicentennial, expanding it to Black History Month; and

WHEREAS, the observance of Black History Month calls our attention to the continued need to build a society that lives up to its democratic ideals. This Black History Month, lets us draw inspiration and courage from those who came before us as we continue the work toward full diversity, equality, inclusion and representation.

NOW, THEREFORE, the City of Hendersonville, NC has proclaimed the month of February as Black History Month in the City of Hendersonville and we urge all citizens to celebrate the history and contributions of African Americans in our community who have been vital to the growth and development and commit to becoming an inclusive community in which all citizens-past, present and future are respected.

PROCLAIMED this 7th day of February, 2024.

Barbara G. Volk

Barbara G. Volk, Mayor
City of Hendersonville

Seal

Attest: Jill Murray

Jill Murray, City Clerk

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: Matthew Manley

MEETING DATE: February 7, 2024

AGENDA SECTION: Presentation

DEPARTMENT: Community Development

TITLE OF ITEM: Presentation of Certificate of Membership to AARP Network of Age-Friendly Communities – *Rebecca Chaplin | Associate State Director, AARP NC Mountain Region*

SUGGESTED MOTION(S):

N/A

SUMMARY:

At the January 2024 City Council meeting, the Council moved to submit an application to join the AARP Network of Age-Friendly Communities. The application for membership was submitted and approved. Rebecca Chaplin, Associate State Director of AARP's NC Mountain Region will present the Certificate of Membership to City Council.

BUDGET IMPACT: N/A

ATTACHMENTS: N/A

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: Lu Ann Welter **MEETING DATE:** February 7, 2024

AGENDA SECTION: Presentation Only **DEPARTMENT:** Human Resources

TITLE OF ITEM, Presenter Name, Title: Quarterly MVP Recipients – *John Connet, City Manager*

SUGGESTED MOTION(S): None

SUMMARY:

The Service Excellence Design Team voted these employees as the MVPs for the October through December quarter of 2023.

BUDGET IMPACT: $

Is this expenditure approved in the current fiscal year budget? No

If no, describe how it will be funded.

PROJECT NUMBER: N/A **PETITION NUMBER:** N/A

ADDITIONAL PETITION NUMBER: N/A

PETITIONER NAME: N/A

ATTACHMENTS:

PowerPoint Presentation

Quarterly MVPs

October - December 2023

The Service Excellence Design Team voted on the 31 MVPs submitted and the following three received the highest votes.

Chris Conard (Engineering)

Chris went way outside his job duties to ensure the 11th annual Turkey Trot was safer than in the past. As a volunteer in 2022, he saw the need to close Church Street and on his own, contacted NCDOT for permission and stayed on City departments to be sure everything was in place. With 1400 plus participants, his actions made for a much smoother and safer event.

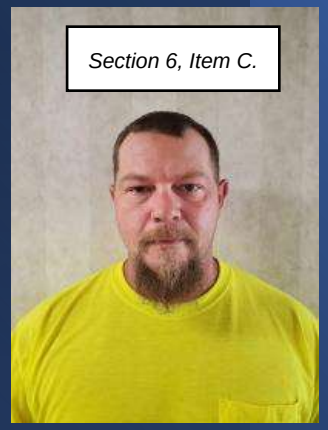
Garrett Gardin (Police)

A citizen wrote a handwritten letter commending Garrett for assisting her after she was assaulted. She expressed how he helped her more than he could possibly know. He went above and beyond the call of duty when he paid $30 to put gas in her car, so she could drive home. She called Garrett a "blessing from God," and she is forever grateful to him. Garrett exemplified the department's mission to "Serve with Excellence."

Brad Duncan, Jonathan Owen, James Clugh, Caleb Smathers, Brian McCall, Peyton Blackwell, Tommy Sheehan, and Chase Dowdy (Water & Sewer)

On the evening of 10/19/23, Brad Duncan was contacted by the Henderson County Sheriffs Dept about a ditch collapse in Edneyville and with two men trapped. He was asked to respond with personnel and equipment. Without hesitation, Brad had a crew ready to go with trucks and equipment to help.

They stayed on site until both men were rescued.



CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: Lu Ann Welter **MEETING DATE:** February 7, 2024

AGENDA SECTION: Presentation Only **DEPARTMENT:** Human Resources

TITLE OF ITEM, Presenter Name, Title: MVP of the Year – *John Connet, City Manager*

SUGGESTED MOTION(S): None

SUMMARY:
In 2023, 196 employees were nominated for MVP and each quarter three were chosen as Quarterly MVPs. From these, the Service Excellence Design Team selected the Water and Sewer crew of Brad Duncan, Jonathan Owen, James Clugh, Caleb Smathers, Brian McCall, Peyton Blackwell, Tommy Sheehan, and Chase Dowdy as MVP of the Year for 2023.

Each will receive $100 and their names added to the MVP of the Year plaque.

BUDGET IMPACT: $

Is this expenditure approved in the current fiscal year budget? No

If no, describe how it will be funded.

PROJECT NUMBER: N/A **PETITION NUMBER:** N/A

ADDITIONAL PETITION NUMBER: N/A

PETITIONER NAME: N/A

ATTACHMENTS: Word Document

MVP of the Year

On the evening of 10/19/23, a construction trench collapsed and entrapped two individuals. Knowing that Hendersonville Water and Sewer has a great deal of experience with trenches and has specialized equipment associated with that kind of work, the Henderson County Sheriff's department contacted Brad Duncan in Water and Sewer to lend assistance in the form of equipment and personnel. Understanding the gravity of the situation Brad immediately dispatched Jonathan Owen with the City's Vactor truck to meet deputies be escorted to the site. Additionally, Brad called in the other crew members to gather shielding and shoring equipment, as well as an excavator to have on site if needed. All crew members and assets were deployed with great haste to respond and lend any assistance necessary to save the lives of those involved. Fortunately, emergency personnel from Henderson County were able to perform the extremely difficult task of excavating the entrapped individuals and save both their lives.

Left to Right: Jonathan Owen, Tommy Sheehan, James Clugh, Brian McCall, Brad Duncan, Peyton Blackwell
Not pictured: Chase Dowdy and Caleb Smathers

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY
PLANNING DIVISION

SUBMITTER:	Matthew Manley	**MEETING DATE:**	February 7, 2024
AGENDA SECTION:	Public Hearing	**DEPARTMENT:**	Community Development

TITLE OF ITEM: Rezoning: Standard Rezoning –116 Stewart St (P23-96-RZO) –*Matthew Manley, AICP / Strategic Projects Manager*

SUGGESTED MOTION(S):

For Approval:	**For Denial:**
I move City Council **adopt** an ordinance amending the official zoning map of the City of Hendersonville changing the zoning designation of the subject property (PINs: 9577-19-7262) from R-15 (Medium Density Residential) to GHMU (Greenville Highway Mixed Use) based on the following: **1. The petition is found to be consistent with the City of Hendersonville 2030 Comprehensive Plan based on the information from the staff analysis and the public hearing, and because**: *The Development Guidelines and Primary Recommended Land Uses of the High Intensity Neighborhood designation align with the design standards and permitted uses outlined in the Greenville Highway Mixed Use Zoning District* **2. We [find] this petition to be reasonable and in the public interest based on the information from the staff analysis and the public hearing, and because:** 1. The proposed rezoning would align the zoning of the subject parcel with other parcels on Stewart St. 2. The proposed rezoning would allow an increase in residential density. 3. The size of the lot would constrain potential high intensity uses from entering the surrounding residential neighborhood. **[DISCUSS & VOTE]**	I move City Council **deny** an ordinance amending the official zoning map of the City of Hendersonville changing the zoning designation of the subject property (PINs: 9577-19-7262) from R-15 (Medium Density Residential) to GHMU (Greenville Highway Mixed Use based on the following: **1. The petition is found to be inconsistent with the City of Hendersonville 2030 Comprehensive Plan based on the information from the staff analysis and the public hearing, and because:** *The Secondary Recommended Land Uses of the High Intensity Neighborhood designation do not align with the permitted uses outlined in the Greenville Highway Mixed Use Zoning District.* **2. We [do not find] this petition to be reasonable and in the public interest based on the information from the staff analysis and the public hearing, and because**: 1. The proposed rezoning would not align with residential uses in the surrounding neighborhood. 2. The proposed rezoning would permit a range of commercial uses. **[DISCUSS & VOTE]**

SUMMARY: *The City of Hendersonville is in receipt of an application for a Standard Rezoning (Zoning Map Amendment) from Roger Grant, applicant / property owner. The applicant is requesting to rezone the subject property at 116 Stewart St (PIN: 9577-19-7262) totaling .44 acres (19,166.4 Sq Ft), from R-15, Medium Density Residential to GHMU, Greenville Highway Mixed Use.*

The Planning Board voted unanimously to recommend approval of the rezoning.

If rezoned, there will not be a binding site plan, list of uses or conditions placed on the site. All permitted uses within the GHMU district would be allowed on the site. The City of Hendersonville Zoning Ordinance states that, during a standard rezoning process, an applicant is prohibited from discussing the specific manner in which they intend to develop or use a site.

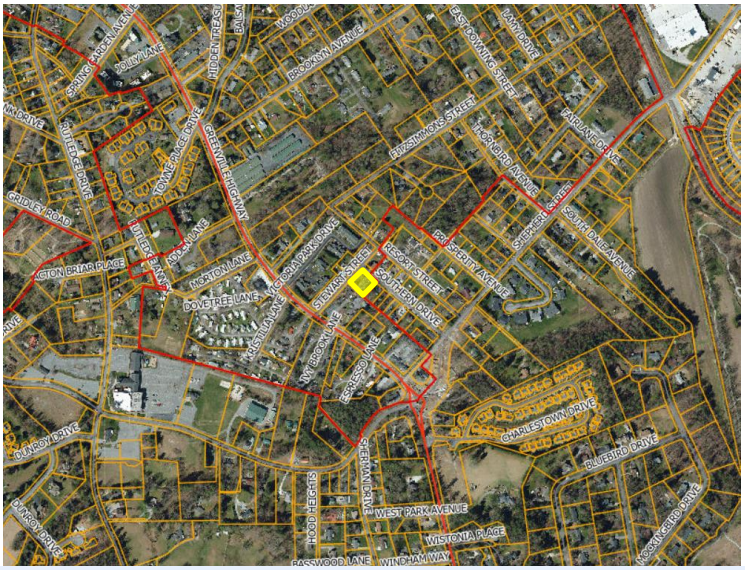
PROJECT/PETITIONER NUMBER:	P23-96-RZO
PETITIONER NAME:	1. Roger Grant [Applicant/Owner]
ATTACHMENTS:	1. Staff Report 2. Planning Board Summary 3. Zoning District Comparison 4. Draft Ordinance 5. Proposed Zoning Map 6. Application

STANDARD REZONING: 116 STEWART ST (P23-96-RZO)
CITY OF HENDERSONVILLE - COMMUNITY DEVELOPMENT STAFF REPORT

PROJECT SUMMARY 2
EXISTING ZONING & LAND USE 3
SITE IMAGES 4
SITE IMAGES 5
SITE IMAGES 6
FUTURE LAND USE 7
REZONING ANALYSIS – COMPREHENSIVE PLAN CONSISTENCY (ARTICLE 11-4) 8
REZONING ANALYSIS – GENERAL REZONING STANDARDS (ARTICLE 11-4) 10
DRAFT COMPREHENSIVE PLAN CONSISTENCY AND REZONING REASONABLENESS STATEMENT 11

PROJECT SUMMARY

- Project Name & Case #:
  - 116 Stewart Rezoning
  - P23-96-RZO
- Applicant & Property Owner:
  - Roger Grant [Applicant/Owner]
- Property Address:
  - 116 Stewart St
- Parcel Identification (PIN):
  - 9577-19-7262
- Project Acreage:
  - .44 Acres (19,166 Sq Ft)
- Current Parcel Zoning:
  - R-15 Medium Density Residential
- Requested Zoning:
  - GHMU Greenville Highway Mixed Use
- Future Land Use Designation:
  - High Intensity Neighborhood

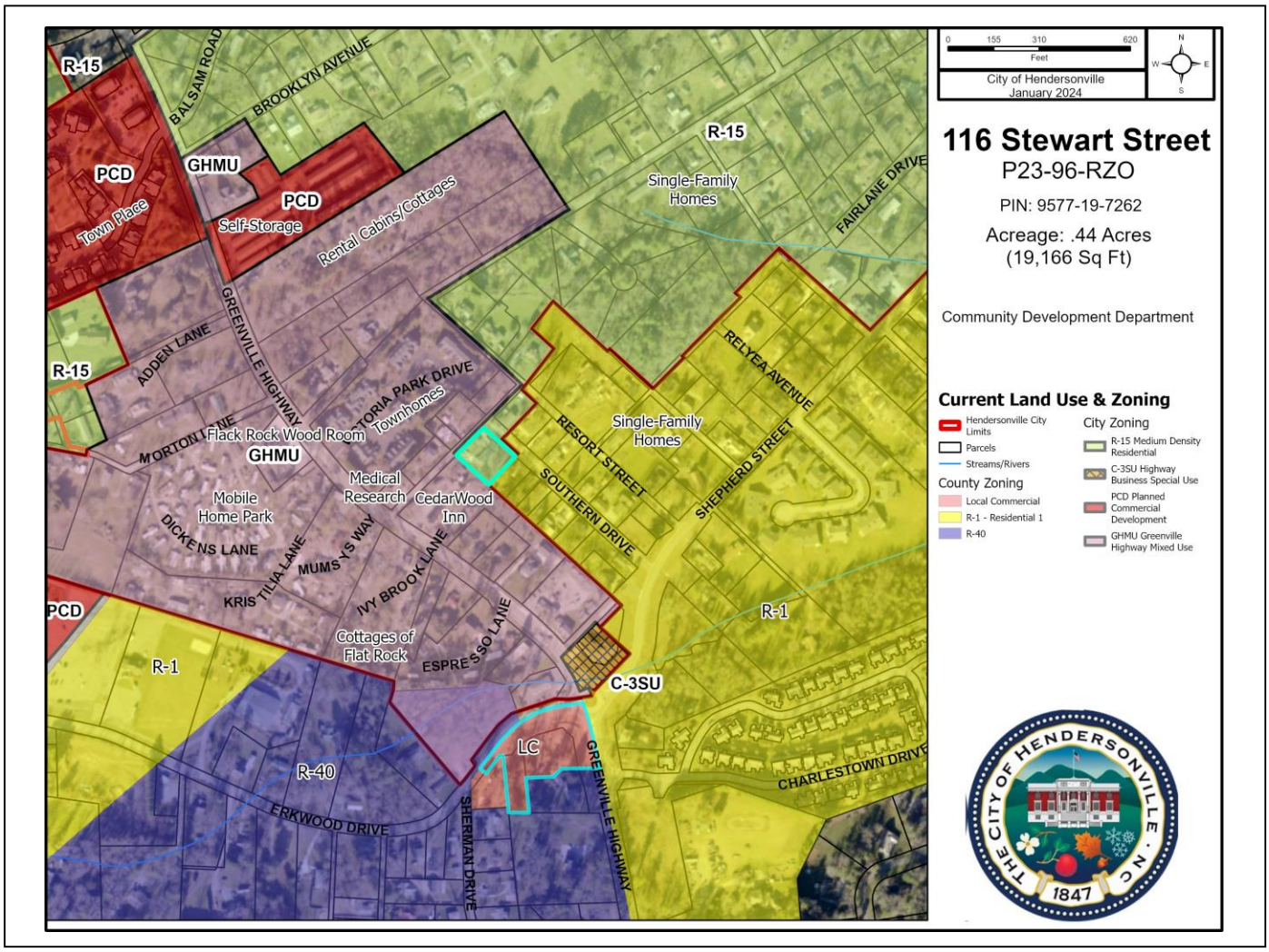


SITE VICINITY MAP

The City of Hendersonville is in receipt of an application for a Standard Rezoning (Zoning Map Amendment) from Roger Grant, applicant / property owner. The applicant is requesting to rezone the subject property at 116 Stewart St (PIN: 9577-19-7262) totaling .44 acres (19,166.4 Sq Ft), from R-15, Medium Density Residential to GHMU, Greenville Highway Mixed Use.

If rezoned, there will <u>not</u> be a binding site plan, list of uses or conditions placed on the site. All permitted uses within the GHMU district would be allowed on the site. The City of Hendersonville Zoning Ordinance states that, during a standard rezoning process, an applicant is prohibited from discussing the specific manner in which they intend to develop or use a site.

EXISTING ZONING & LAND USE



City of Hendersonville Current Zoning & Land Use Map

The subject property is located in a transition area. The parcels in proximity to the subject property are zoned GHMU with the exception of parcels zoned R-15 to the northeast of Southern Dr and parcels to the southeast which are zoned Henderson County Residential One (R1). The entire northwest side of Stewart St is zoned GHMU (from Greenville Highway to Resort St). Only two of the nine parcels on Stewart St are zoned R-15 - the subject property and 122 Southern Drive.

The property directly adjacent to the south of the subject parcel is CedarWood Inn (a motel/cottage court accessed from Greenville Highway). Other properties in the vicinity are residential in use ranging from condos and townhomes to single-family homes and accessory dwelling units to manufactured home parks.

SITE IMAGES

New Addition at Subject Property

Neighboring Motel/Cottage Court to south

SITE IMAGES

View along Stewart St from Southern Dr towards Greenville Hwy

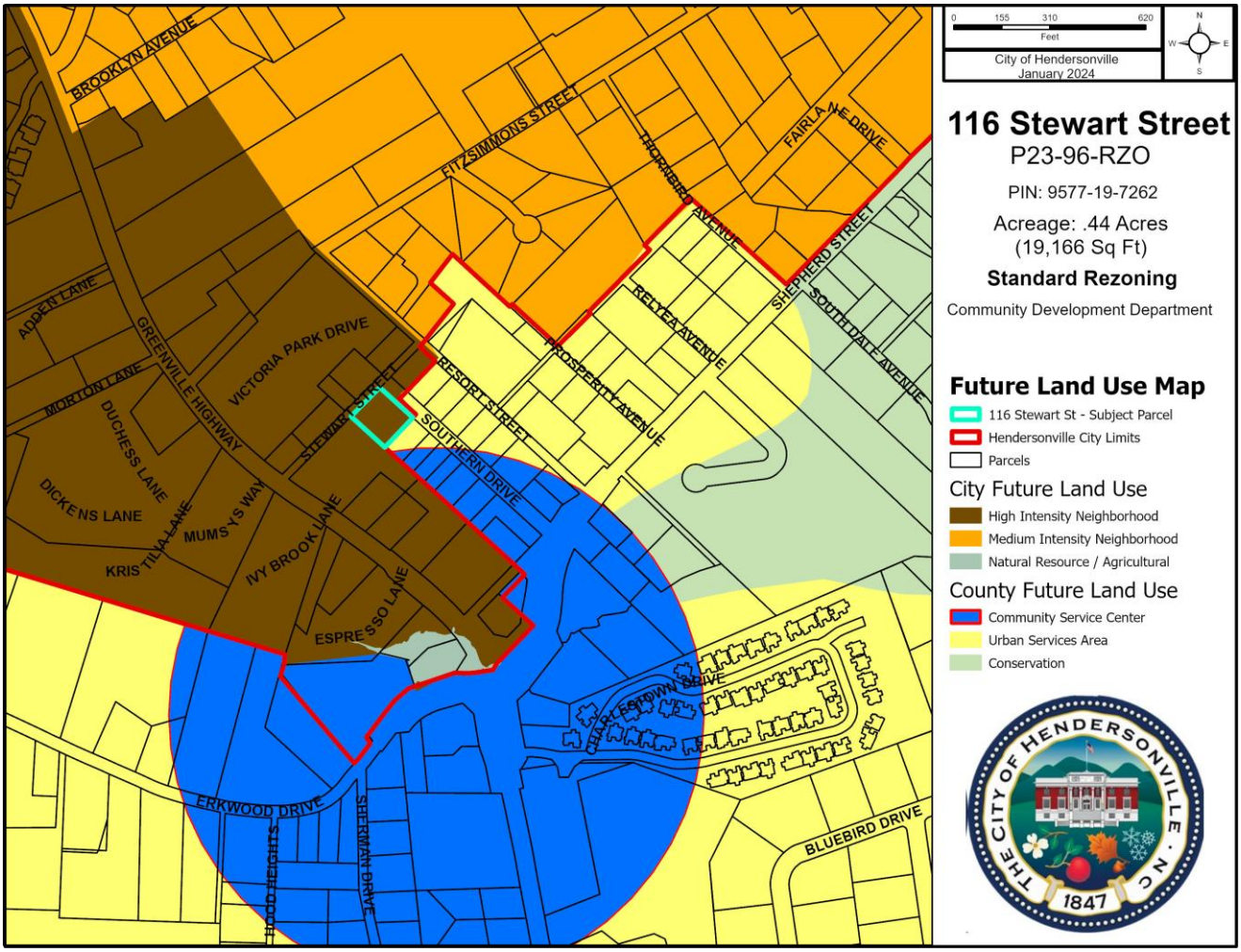
View along Southern Dr from Stewart St.

SITE IMAGES

View along Stewart St towards Southern Dr

View of nearby property on Stewart St

FUTURE LAND USE



City of Hendersonville Future Land Use Map

The 2030 Comprehensive Plan's Future Land Use Map designates the subject property as High Intensity Neighborhood. This designation is also representative of the parcels fronting either side of Greenville Highway from Chadwick Ave to Shepherd St. The subject property and its surroundings are also classified as a Priority Infill Area.

A district designated as Medium Intensity Neighborhood is located one block northeast of the subject property.

Properties adjacent to southeast of the subject property are located in the unincorporated county and have no City future land use designation. The County's 2020 Future Land Use Map designates this area as a Community Service Center / Urban Service Area where "a mix of commercial uses will be contained and residential densities are to be maximized where utilities are present".

Stewart St is classified as a Local Road.

COMPREHENSIVE PLAN CONSISTENCY	
Future Land Use	***Goal LU-7 - High Intensity Neighborhood:*** *Encourage low-maintenance, high density housing that supports Neighborhood and Regional Activity Centers and downtown and provides a transition between commercial and single-family development. Promote walkable neighborhood design that creates attractive and functional roadway corridors and multi-family residential neighborhoods*
	Strategy LU-7.1. Locations: *• Priority infill development areas where high-density development is desirable and/or expected, including:* *o Boulevard and Major Thoroughfare corridors near Neighborhood Activity Centers [CONSISTENT]*
	Strategy LU-7.2. Primary recommended land uses: *• Single-family attached [CONSISTENT] and multi-family residential [CONSISTENT]* *• Planned Residential Developments [CONSISTENT]* *• Open space [CONSISTENT]*
	Strategy LU-7.3. Secondary recommended land uses: *• Public and institutional uses [CONSISTENT]* *• Offices and retail along thoroughfares [INCONSISTENT]* *• Recreational amenities [CONSISTENT]*
	Strategy LU-7.4. Development guidelines: *• Eight or more units per gross acre [CONSISTENT ~ GHMU - No density limits]* *• Placement of higher-intensity uses (e.g. office or higher-density residential) close to Boulevards and Major Thoroughfares, and/or adjacent to Neighborhood and Regional Activity Centers [PARTIALLY CONSISTENT - close but not adjacent to Major Thoroughfare. GHMU does not require frontage on Thoroughfare for high intensity uses]* *• At least 60% open space in new residential developments greater than three acres [INCONSISTENT - GHMU requires 40%]* *• Architectural guidelines to encourage compatibility between different land uses (e.g. similarities in building height, massing, roof pitch, and rhythm of windows and façade detailing) [CONSISTENT]* *• Encouragement of walkable neighborhood design [CONSISTENT]*
Land Use & Development	***Growth Management*** *(Map 8.3a): Designated as a "Priority Infill Area" - Areas that are considered a high priority for the City to encourage infill development on remaining vacant lots and redevelopment of underutilized or underdeveloped properties*
	Goal LU-1. *Encourage infill development that utilizes existing infrastructure in order to maximize public investment and revitalize existing neighborhoods.*
	Strategy LU-1.1 Encourage infill development and redevelopment in areas planned for high-intensity development, as indicated by the "Priority Infill Areas" on Map 8.3a.
	Strategy LU-3.5 Minimize negative impacts from growth and land use changes on existing land uses

Population & Housing	*Strategy PH-1.1 – Promote Compatible infill development…*
	PH-1.4. Allow redevelopment and/or reuse of single-family homes that directly front on arterials into office or high-density residential uses in coordination with the Future Land Use Map.
	Goal PH-2 – Encourage a wide range of housing types and price points in order to meet the diverse and evolving needs of current and future residents, match the housing supply with the local workforce, and promote diverse neighborhoods. *Strategy 2.3- Allow housing arrangements in existing and new neighborhoods that provide affordable and/or multigenerational housing alternatives in single-family neighborhoods*
	Goal PH-3 – Promote safe and walkable neighborhoods. *Strategy PH-3.2 - Encourage mixed land use patterns that place residents within walking distance of services.*
Natural & Environmental Resources	*No Goals, Strategies, or Actions are directly applicable to this project.*
Cultural & Historic Resources	*No Goals, Strategies, or Actions are directly applicable to this project.*
Community Facilities	*No Goals, Strategies, or Actions are directly applicable to this project.*
Water Resources	*No Goals, Strategies, or Actions are directly applicable to this project.*
Transportation & Circulation	*TC-1.1. Encourage mixed-use, pedestrian-friendly development that reduces the need to drive between land uses.*

GENERAL REZONING STANDARDS	
Compatibility	The subject property is located in a transition area. It is adjacent to a commercial lodging business and single-family residential uses. The parcels in proximity to the subject property are zoned GHMU with the exception of parcels zoned R-15 to the northeast of Southern Dr and parcels to the southeast which are zoned Henderson County Residential One (R1). The entire northwest side of Stewart St is zoned GHMU (from Greenville Highway to Resort St). Only two of the nine parcels on Stewart St are zoned R-15 - the subject property and 122 Southern Drive.
Changed Conditions	A roundabout was installed at the nearby intersection of Shepherd St and Greenville Highway in 2022. The Greenville Highway corridor has seen multiple development request of varying scales within the last two years. The city's housing shortage continues to persist.
Public Interest	The rezoning will allow for both residential and commercial development. GHUM has no density cap. However, the parcel sits at .44 acres which would constrain high intensity uses from locating there.
Public Facilities	The subject property is currently served by City of Hendersonville Water / Sewer. The site is served by a City maintained street, which is classified as a "local street" in the comprehensive plan.
Effect on Natural Environment	The subject property is currently developed with 1 single-family home and an additional garage apartment is under construction. No specific future development is being considered as part of the standard rezoning, therefore there are no known environmental impacts at this time.

For Approval:

The petition is found to be **consistent** with the City of Hendersonville 2030 Comprehensive Plan based on the information from the staff analysis and the public hearing, and because:

The Development Guidelines and Primary Recommended Land Uses of the High Intensity Neighborhood designation align with the design standards and permitted uses outlined in the Greenville Highway Mixed Use Zoning District.

DRAFT [Rationale for Approval]

- *The proposed rezoning would align the zoning of the subject parcel with other parcels on Stewart St.*
- *The proposed rezoning would allow an increase in residential density.*
- *The size of the lot would constrain potential high intensity uses from entering the surrounding residential neighborhood.*

For Denial:

The petition is found to be **inconsistent** with the City of Hendersonville 2030 Comprehensive Plan based on the information from the staff analysis and the public hearing, and because:

The Secondary Recommended Land Uses of the High Intensity Neighborhood designation do not align with the permitted uses outlined in the Greenville Highway Mixed Use Zoning District.

DRAFT [Rational for Denial]

- *The proposed rezoning would not align with residential uses in the surrounding neighborhood.*
- *The proposed rezoning would permit a range of commercial uses*

PLANNING BOARD RECOMMENDATION
PROJECT #: P23-96-RZO
MEETING DATE: January 11, 2024

PETITION REQUEST: 116 Stewart St Rezoning - Standard Rezoning (R-15 to GHMU)

APPLICANT/PETITIONER: Roger Grant [Applicant/Owner]

PLANNING BOARD ACTION SUMMARY:

Staff gave a 12-minute presentation on the request - reviewing the guidance from the Comprehensive Plan as well as the criteria for considering a rezoning. The Planning Board asked questions related to Accessory Dwelling Units, Statewide Bills to address housing in all zoning districts, and identification of the other parcels zoned R-15 in vicinity of the subject property. In total Planning Board considered this item for 28 minutes.

PUBLIC COMMENT:

The applicant spoke in favor of the petition:

Roger Grant, owner – Spoke in favor of the petition. Stated he is simply attempting to align his zoning with the other zoning found on his street.

Other public comments include the following:

Lynne Williams, Chadwick Ave – spoke in opposition to the rezoning as a means of preserving existing housing stock and residential character from commercial uses. Also concerns related to stormwater and open space.

DELIBERATION:

The Planning Board deliberated about the zoning request aligning with zoning already found in the neighborhood and the increase in density aligns with need for additional housing. A question was asked about whether a variance would be appropriate.

MOTION:

Peter Hanley moved that the Planning Board recommend approval providing the following:

COMPREHENSIVE PLAN CONSISTENCY STATEMENT:

The Development Guidelines and Primary Recommended Land Uses of the High Intensity Neighborhood designation align with the design standards and permitted uses outlined in the Greenville Highway Mixed Use Zoning District

REASONABLENESS STATEMENT:

[Rationale for Approval]

1. The proposed rezoning would align the zoning of the subject parcel with other parcels on Stewart Street.
2. The proposed rezoning would allow an increase in residential density.
3. The size of the lot would constrain potential high intensity uses from entering the surrounding residential neighborhood.

BOARD ACTION

- **Motion/Second**: Hanley / Peacock
- **Yeas**: J. Robertson (Chair), Hanley, B. Robertson, Flores, Waters, Peacock
- **Nays**: N/A
- **Absent**: Cromar, Robinson
- **Recused**: N/A

Permitted / Special Uses Comparison | R-15 to GHMU

USES	R-15	GHMU	USES	R-15	GHMU
Accessory dwelling units	SS	P	Neighborhood community centers	-	P
Accessory uses and/or structures	P	P	Newspaper office & printing establishments	-	P
Adult care centers	-	SU	Offices, business, professional & public	-	P
Adult care homes	SS	SU	Parks	P	P
Banks & other financial institutions	-	P	Personal services	-	P
Bed & breakfast facilities	SU	P	Pet-sitting	-	-
Business services	-	P	Planned residential development (minor)	SS	-
Camps	P	-	Public & semi-public buildings	-	P
Cemeteries, mausoleums, memorial gardens, crematoriums	SU	-	Public utility facilities	SU	SU
Child care centers	-	SU	Religious institutions	SS	P
Child care home	SS	SU	Residential dwellings, single-family	P	P
Convenience stores without gasoline sales	-	P	Residential dwellings, multi-family	-	P
Cultural arts buildings	-	P	Residential dwellings, two-family	P	P
Dance & fitness facilities	-	P	Restaurants	-	P
Dry cleaning & laundry (≤2,000SF)	-	P	Retail stores	-	SS
Funeral homes	-	P	School, post secondary, business, technical & vocational	-	SU
Home occupations	P	P	Schools, primary & secondary	SU	SU
Hotels	-	P	Signs	SS	SS
Laundries, coin-operated	-	P	Telecommunications antennas	SS	SS
Lawn & garden centers	-	SU	Theaters, indoor	-	P
Microbreweries	-	SS	Veterinary clinics	-	P
Motels	-	P			
Music & art studios	-	P			

Dimensional requirements Comparison | R-15 to GHMU

R-15

Minimum lot area in square feet:	15,000
Lot area per dwelling unit in square feet:	15,000 for the first; 7,500 for one additional dwelling unit in one building.
Minimum lot width at building line in feet:	85
Minimum yard requirements in feet:	
Principal structure	Front: 30
	Side: 10
	Rear: 15
Accessory structures	Front: 30
	Side: 5
	Rear: 5
Maximum height in feet:	35

GHMU

Design Standards:	Yes, except single & two-family
Density:	No Density Cap
Minimum lot area in square feet:	None
Minimum lot width:	None
Open space ratio:	Greater than or equal to 0.40
Maximum footprint for any structure:	12,000 square feet. For structures with a footprint greater than 12,000 square feet see section 5-22-2 Special Uses above.
Nonresidential floor area allowance:	0.25 x area. Floor area devoted to residential use shall not count against this allowance.
Yard requirements:	Detached: Front - 15’; Side - 20% of Lot Width; Rear - 15’
	Townhomes: Front - 8’; Side - 0’; Rear - 15’
	Multi-Family: Front - 0’; Side - 15’ + 5’ for each floor above 2; Rear - same as side
	Commercial & Institutional: Front - 10’; Side - 15’ + 5’ for each floor above 2; Rear - same as side

Principal building separation:	Principal buildings on a lot shall be separated a minimum of 15
Building height:	Detached - 35’
	Townhomes - 42’
	Multi-Family: 42’
	Commercial & Institutional: 42’

Ordinance #

AN ORDINANCE OF THE CITY OF HENDERSONVILLE CITY COUNCIL TO AMEND THE OFFICIAL ZONING MAP OF THE CITY OF HENDERSONVILLE FOR PARCEL NUMBER: 9577-19-7262 BY CHANGING THE ZONING DESIGNATION FROM R-15 (MEDIUM DENSITY RESIDENTIAL) TO GHMU (GREENVILLE HIGHWAY MIXED USE)

IN RE: Parcel Number: 9577-19-7262
(File # P23-96-RZO)

WHEREAS, the City is in receipt of a Zoning Map Amendment application from Roger Grant [Applicant / Owner], and

WHEREAS, the Planning Board took up this application at its regular meeting on January 11th, 2024; voting 6-0 to recommend City Council adopt an ordinance amending the official zoning map of the City of Hendersonville, and

WHEREAS, City Council took up this application at its called meeting on February 7, 2024, and

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Hendersonville, North Carolina:

1. Pursuant to Article XI of the Zoning Ordinance of the City of Hendersonville, North Carolina, the Zoning Map is hereby amended by changing the zoning designation of the following: Parcel Number 9577-19-7262, from R-15 (Medium Density Residential) to GHMU (Greenville Highway Mixed Use)

2. Any development of the parcels shall occur in accordance with the Zoning Ordinance of the City of Hendersonville, North Carolina.

3. This ordinance shall be in full force and effect from and after the date of its adoption.

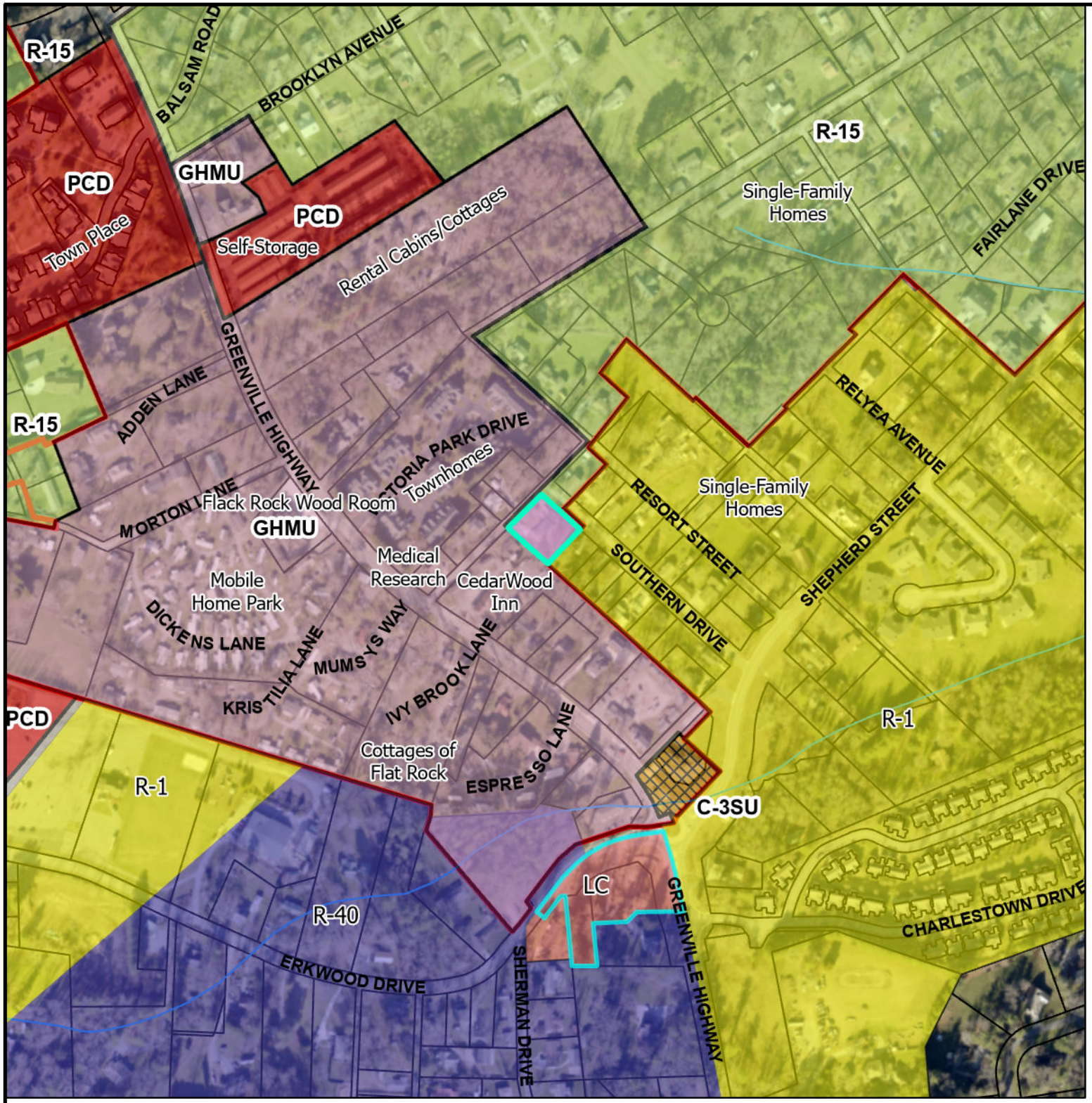
Adopted this Seventh day of February 2024.

Attest: _____
Barbara G. Volk, Mayor, City of Hendersonville

_____
Angela L. Reece, City Clerk

Approved as to form:

_____
Angela S. Beeker, City Attorney



0 155 310 620 Feet

N E S

City of Hendersonville
January 2024

116 Stewart Street

P23-96-RZO

PIN: 9577-19-7262

Acreage: .44 Acres
(19,166 Sq Ft)

Community Development Department

Proposed Zoning

- Hendersonville City Limits
- 116 Stewart St - Subject Parcel to GHMU
- Parcels
- Streams/Rivers

County Zoning

- Local Commercial
- R-1 - Residential 1
- R-40

City Zoning

- R-15 Medium Density Residential
- C-3SU Highway Business Special Use
- PCD Planned Commercial Development
- GHMU Greenville Highway Mixed Use

THE CITY OF HENDERSONVILLE · NC · 1847

Entry #: 10 - 11/22/2023 **Status:** Submitted **Submitted:** 11/22/2023 1:01 PM

Date:
11/22/2023

Address/Location of Property:
116 Stewart St

Current Zoning:
R-15

Proposed Zoning:
GHMU

List the adjacent property parcel numbers and uses.

PIN or PID #
9577196044

Adjacent Property Use:
Motel (GHMU)

PIN or PID #
9577198346

Adjacent Property Use:
RES-SINGLE FAMILY (R-15)

PIN or PID #
9577196364

Adjacent Property Use:
RES-SINGLE FAMILY (GHMU)

PIN or PID #
9577196218

Adjacent Property Use:
RES-SINGLE FAMILY (GHMU)

Applicant Name:
Roger Grant

Address
116 Stewart St, Hendersonville, North Carolina 28792

Phone
(407) 748-5282

Email
2rogergrant@gmail.com

Property Owner Name:
Roger Grant

Address
116 Stewart St, Hendersonville, North Carolina 28792

PIN or PID #
9577197262

Signature

Roger Grant

Printed Name:

Roger Grant

Official Use Only:

Date Recieved:

Received By:

Fee Received:

Section 11-4 Standards: The advisability of amending the text of thei Zoning Ordinance or the Official Zoning Map is a matter committed to the legislative discretion of the City Council and is not controlled by any one factor. In determining whether to adopt or disapprove the proposed amendment to the text of this Ordinance or the Official Zoning Map, the City Council shall consider the following factors among others:

a) Comprehensive Plan Consistency. Consistency with the Comprehensive Plan and amendments thereto.

Consistent with the plan to develop mixed use areas and to support additional residence.

b) Compatibility with surrounding uses. Whether and the extent to which the proposed amendment is compatible with exisiting and proposed uses surrounding the subject property.

This is consistent with the currentr mixed use zoning of properties adjacent to and across the street from the owner's property.

c) Changed Conditions. Whether and the extent to which there are changed conditions, trends or facts that require an amendment.

Homeowner wishes to add a rental apartment above the garage

d) Public Interest. Whether and the extent to which the proposed amendment would result in a logical and orderly development pattern that benefits the surrounding neighborhood, is in the public interest and promotes public health, safety and general welfare.

Provides additional housing within city limits.

e) Public facilities. Whether and to the extent which adequate public facilities and services such as water supply, wastewater treatment, fire and police protection and transportation are available to support the proposed amendment.

No impact

f) Effect on natural environment. Whether and the extent to which the proposed amendment would result in significantly adverse impacts on the natural environment including but not limited to water, air, noise, stormwater managment, streams, vegetation, wetlands and wildlife.

No impact

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY
PLANNING DIVISION

SUBMITTER:	Tyler Morrow	**MEETING DATE:**	February 7th 2024
AGENDA SECTION:	Public Hearing	**DEPARTMENT:**	Community Development

TITLE OF ITEM: Rezoning: Standard Rezoning–799 S. Grove Street (P23-95-RZO) –*Tyler Morrow, Planner II*

SUGGESTED MOTION(S):

For Approval:	**For Denial:**
I move City Council **adopt** an ordinance amending the official zoning map of the City of Hendersonville changing the zoning designation of the subject property (PIN: 9578-14-0598) from R-15 Medium Density Residential Zoning District to C-2 Secondary Business Zoning District based on the following:	I move City Council **deny** an ordinance amending the official zoning map of the City of Hendersonville changing the zoning designation of the subject property (PIN: 9578-14-0598) from R-15 Medium Density Residential Zoning District to C-2 Secondary Business Zoning District based on the following:
1. The petition is found to be consistent with the City of Hendersonville 2030 Comprehensive Plan based on the information from the staff analysis and the public hearing, and because:	**1. The petition is found to be consistent with the City of Hendersonville 2030 Comprehensive Plan based on the information from the staff analysis and the public hearing, and because:**
The subject property is designated as a "Priority Infill Area" in the comprehensive plan which are areas that are considered a high priority for the City to encourage infill development on remaining vacant lots and redevelopment of underutilized or underdeveloped properties. The High Intensity Neighborhood designation also calls for offices and retail along thoroughfares as a secondary recommended land use.	*The subject property is designated as a "Priority Infill Area" in the comprehensive plan which are areas that are considered a high priority for the City to encourage infill development on remaining vacant lots and redevelopment of underutilized or underdeveloped properties. The High Intensity Neighborhood designations also calls for offices and retail along thoroughfares as a secondary recommended land use.*
2. We [find] this petition to be reasonable and in the public interest based on the information from the staff analysis and the public hearing, and because: 1. C-2 zoning is present all along the Grove Street corridor north of the property until the zoning transitions to CMU at the intersection of S. Grove Street and E. Caswell Street.	**2. We [do not find] this petition to be reasonable and in the public interest based on the information from the staff analysis and the public hearing, and because**: 1. The proposed rezoning removes a piece of the remaining R-15 residential pocket along Hillview Blvd that is nestled between C-3 to the south and C-2 to the north.

2. The proposed rezoning to C-2 could lead to infill commercial development on a long vacant and underutilized property. **[DISCUSS & VOTE]**	**[DISCUSS & VOTE]**

SUMMARY: *The City of Hendersonville is in receipt of an application for a Standard Rezoning from Roy D. Neil, applicant/property owner. The applicant is requesting to rezone the subject property at 799 S. Grove Street (PIN: 9578-14-0598) totaling 0.52 acres, from R-15, Medium Density Residential to C-2 Secondary Business.*

If rezoned, there will not be a binding site plan, list of uses or conditions placed on the site. All permitted uses within the C-2 district would be allowed on the site. The City of Hendersonville Zoning Ordinance states that, during a standard rezoning process, an applicant is prohibited from discussing the specific manner in which they intend to develop or use a site.

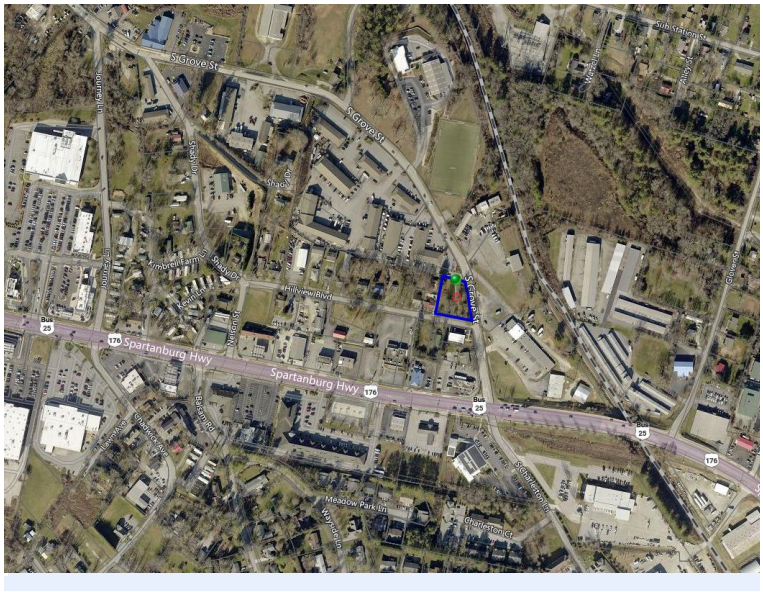
PROJECT/PETITIONER NUMBER:	P23-95-RZO
PETITIONER NAME:	1. Roy D. Neil
ATTACHMENTS:	1. Staff Report 2. Planning Board Summary 3. Permitted Use Comparison 4. Draft Ordinance 5. Proposed Zoning Map

STANDARD REZONING: 799 S. GROVE STREET (P23-95-RZO)
CITY OF HENDERSONVILLE - COMMUNITY DEVELOPMENT STAFF REPORT

PROJECT SUMMARY 2
EXISTING ZONING & LAND USE 3
SITE IMAGES 4
SITE IMAGES 5
SITE IMAGES 6
FUTURE LAND USE 7
REZONING ANALYSIS – COMPREHENSIVE PLAN CONSISTENCY (ARTICLE 11-4) 8
REZONING ANALYSIS – GENERAL REZONING STANDARDS (ARTICLE 11-4) 10
DRAFT COMPREHENSIVE PLAN CONSISTENCY AND REZONING REASONABLENESS STATEMENT 11

PROJECT SUMMARY

- Project Name & Case #:
  - 799 S. Grove Street Rezoning
  - P23-95-RZO
- Applicant & Property Owner:
  - Roy D. Neil [Applicant and Owner]
- Property Address:
  - 799 S. Grove Street
- Parcel Identification (PIN):
  - 9578-14-0598
- Project Acreage:
  - 0.52 Acres
- Current Parcel Zoning:
  - R-15 Medium Density Residential
- Requested Zoning:
  - C-2 Secondary Business
- Future Land Use Designation:
  - High Intensity Neighborhood



SITE VICINITY MAP

The City of Hendersonville is in receipt of an application for a Standard Rezoning from Roy D. Neil, applicant/property owner. The applicant is requesting to rezone the subject property at 799 S. Grove Street (PIN: 9578-14-0598) totaling 0.52 acres, from R-15, Medium Density Residential to C-2 Secondary Business.

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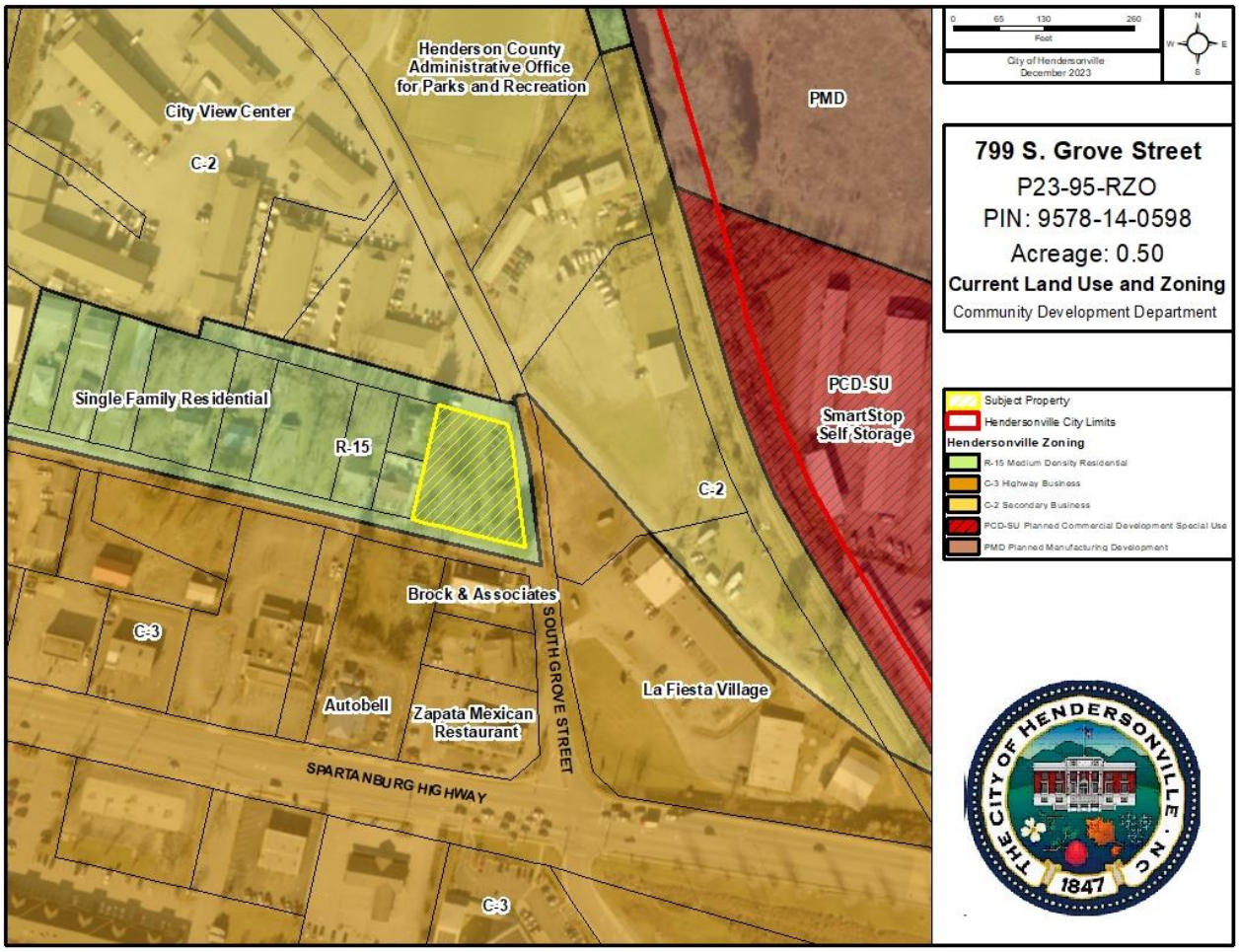
EXISTING ZONING & LAND USE



City of Hendersonville Current Zoning & Land Use Map

The subject property is the "endcap" of a residentially zoned area between two commercial districts. The parcels closer to Spartanburg Highway are zoned C-3 and contain uses that are found along our major commercial thoroughfares. The properties to the north along S. Grove Street are zoned C-2 and contain a variety of commercial land uses. The R-15 zoning, and single-family land uses located along Hillview Blvd represent the final remnants of what once was an entirely residential area (Hillview Subdivision originally platted July 12, 1946).

The subject property is adjacent to C-2 to the north and across the street from C-3 to the south and east. C-3 consists of highway focused businesses and is the prominent zoning district along all of our major corridors (4 Seasons Blvd., Spartanburg Highway, Asheville Highway). C-2 is less prominent around the city and is found more along the railroad corridors.

SITE IMAGES

View of the subject property from the "City View Center" plaza.

View of the subject property from the intersection of S. Grove Street and Hillview Boulevard.

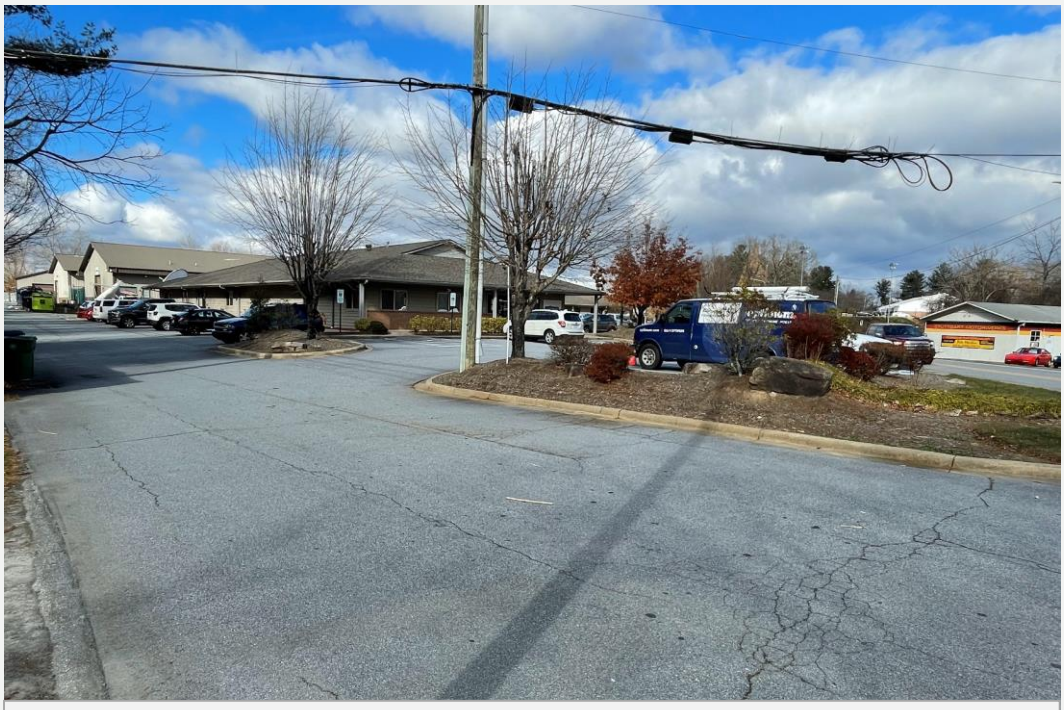
SITE IMAGES

Typical view within the subject property.

View from Hillview Boulevard to the subject property.

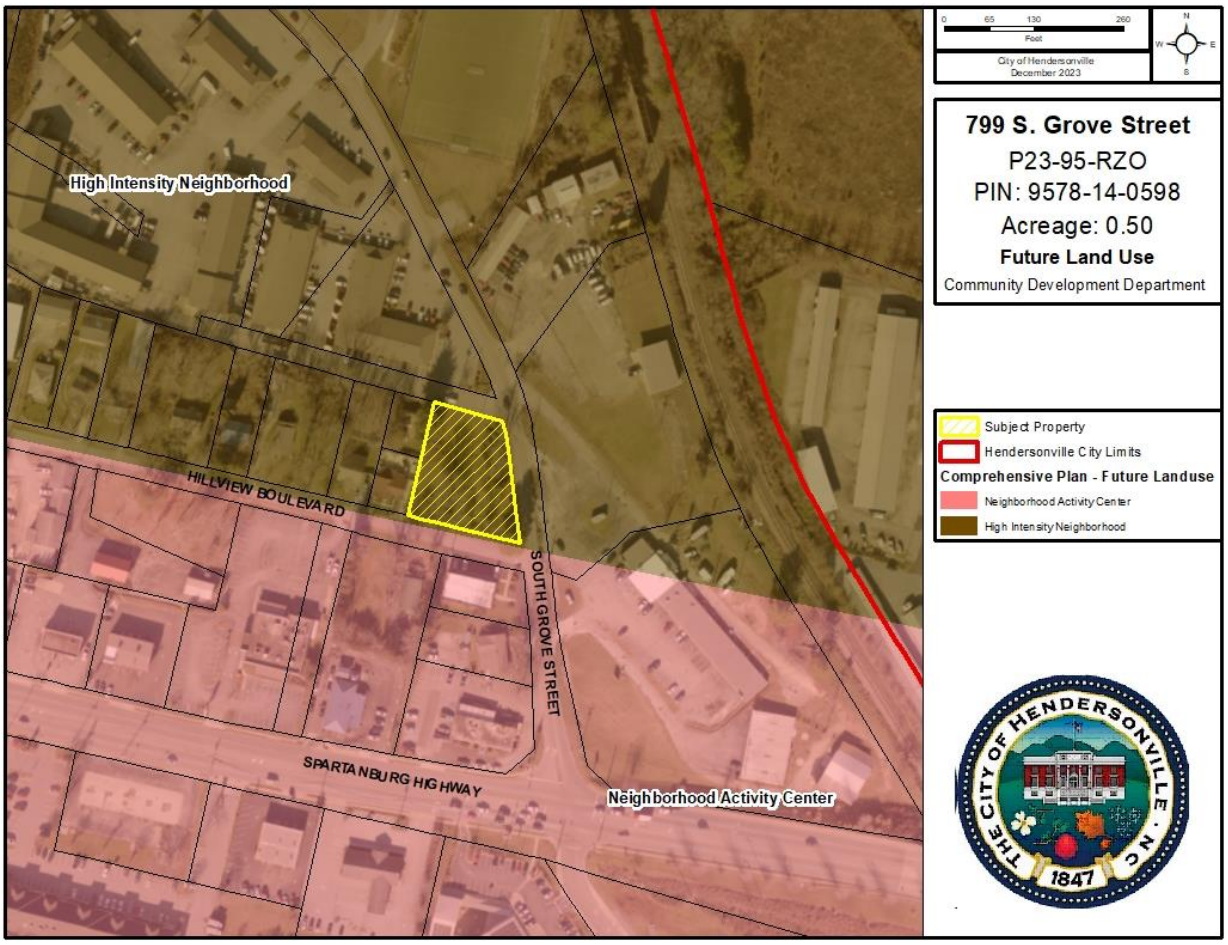
SITE IMAGES

View of Brock & Associates which is located across Hillview Blvd. from the subject property.



View of City View Center which is adjacent to the subject property.

FUTURE LAND USE



City of Hendersonville Future Land Use Map

Hillview Blvd serves as the transition line between High Intensity Neighborhood and Neighborhood Activity Center as established in the Comprehensive Plan.

The 2030 Comprehensive Plan's Future Land Use Map designates the subject property as High Intensity Neighborhood. This designation is also representative of the parcels north of Hillview Blvd, and those fronting either side of S. Grove St north of the subject property.

Properties to the south of Hillview Blvd are designated as Neighborhood Activity Center - as are all of the properties in the vicinity of Spartanburg Highway.

It should be noted that High Intensity Neighborhood designation calls for dense residential uses, but it does not recommend commercial uses along local streets. The commercial uses along S. Grove St that are designated as High Intensity Neighborhood would likely still be in alignment with the Comp Plan due to their location along a Minor Thoroughfare.

COMPREHENSIVE PLAN CONSISTENCY	
Future Land Use	***Goal LU-7 - High Intensity Neighborhood:*** *Encourage low-maintenance, high density housing that supports Neighborhood and Regional Activity Centers and downtown and provides a transition between commercial and single-family development. Promote walkable neighborhood design that creates attractive and functional roadway corridors and multi-family residential neighborhoods*
	Strategy LU-7.1. Locations: • *Neighborhoods between Jackson Park and US-176 [CONSISTENT]*
	Strategy LU-7.2. Primary recommended land uses: • *Single-family attached [CONSISTENT] and multi-family residential [INCONSISTENT]* • *Planned Residential Developments [INCONSISTENT]* • *Open space [CONSISTENT]*
	Strategy LU-7.3. Secondary recommended land uses: • *Public and institutional uses [CONSISTENT]* • *Offices and retail along thoroughfares [CONSISTENT]* • *Recreational amenities [CONSISTENT]*
	Strategy LU-7.4. Development guidelines: • *Eight or more units per gross acre [PARTIALLY CONSISTENT ~ C-2 Min. Lot Size = 7 units per acre; C-2 Minor PRD = 8.5 units per acre]* • *Placement of higher-intensity uses (e.g. office or higher-density residential) close to Boulevards and Major Thoroughfares, and/or adjacent to Neighborhood and Regional Activity Centers [CONSISTENT]* • *At least 60% open space in new residential developments greater than three acres [INCONSISTENT]* • *Architectural guidelines to encourage compatibility between different land uses (e.g. similarities in building height, massing, roof pitch, and rhythm of windows and façade detailing) [INCONSISTENT]* • *Encouragement of walkable neighborhood design [INCONSISTENT]*
Land Use & Development	*Growth Management (Map 8.3a): Designated as a "Priority Infill Area" - Areas that are considered a high priority for the City to encourage infill development on remaining vacant lots and redevelopment of underutilized or underdeveloped properties*
	Goal LU-1. Encourage infill development that utilizes existing infrastructure in order to maximize public investment and revitalize existing neighborhoods.
	Strategy LU-1.1. Encourage infill development and redevelopment in areas planned for high-intensity development, as indicated by the "Priority Infill Areas" on Map 8.3a.

Population & Housing	*Strategy PH-1.1 – Promote Compatible infill development…*
	Goal PH-3 – Promote safe and walkable neighborhoods. *Strategy PH-3.2 - Encourage mixed land use patterns that place residents within walking distance of services.*
Natural & Environmental Resources	*No Goals, Strategies, or Actions are directly applicable to this project.*
Cultural & Historic Resources	*No Goals, Strategies, or Actions are directly applicable to this project.*
Community Facilities	*No Goals, Strategies, or Actions are directly applicable to this project.*
Water Resources	*No Goals, Strategies, or Actions are directly applicable to this project.*
Transportation & Circulation	*TC-1.1. Encourage mixed-use, pedestrian-friendly development that reduces the need to drive between land uses.*

GENERAL REZONING STANDARDS	
Compatibility	**Whether and the extent to which the proposed amendment is compatible with existing and proposed uses surrounding the subject property –**
	The subject property fronts on S. Grove Street. Most of the parcels along this corridor have through time transitioned into commercial uses with very minimal S. Grove Street facing residences remaining. Judging by historical aerial photography, the property has been vacant since around 2009. Before this time, there was a single-family home located on the property. There are currently only 2 parcels with strictly residential zoning (R-15) along Grove Street (this one included).
Changed Conditions	**Whether and the extent to which there are changed conditions, trends or facts that require an amendment -**
	Through time, Grove Street has become a minor commercial throughfare that connects the major commercial corridors of US 64 and US 176.
Public Interest	**Whether and the extent to which the proposed amendment would result in a logical and orderly development pattern that benefits the surrounding neighborhood, is in the public interest and promotes public health, safety and general welfare -**
	The rezoning will allow for additional commercial development in an area that has transitioned from single-family residential to commercial zoning. It also creates the possibility of developing a long vacant parcel along a minor thoroughfare.
Public Facilities	**Whether and the extent to which adequate public facilities and services such as water supply, wastewater treatment, fire and police protection and transportation are available to support the proposed amendment**
	City water and sewer are both available to the site. The site will be served by a NCDOT maintained street (S. Grove) which is classified as a "minor throughfare" and a City maintained street (Hillview Blvd), which is classified as a "local street" in the comprehensive plan. The site would also be served by City police and fire.
Effect on Natural Environment	**Whether and the extent to which the proposed amendment would result in significantly adverse impacts on the natural environment including but not limited to water, air, noise, storm water management, streams, vegetation, wetlands and wildlife -**
	The subject property is currently vacant. There are a few mature trees on the property. If developed, these mature trees could potentially be removed.

DRAFT COMPREHENSIVE PLAN CONSISTENCY AND REZONING REASONABLENESS STATEMENT

The petition is found to be **consistent** with the City of Hendersonville 2030 Comprehensive Plan based on the information from the staff analysis and the public hearing, and because:

The subject property is designated as a "Priority Infill Area" in the comprehensive plan which are areas that are considered a high priority for the City to encourage infill development on remaining vacant lots and redevelopment of underutilized or underdeveloped properties. The High Intensity Neighborhood designations also calls for offices and retail along thoroughfares as a secondary recommended land use.

DRAFT [Rationale for Approval]

- *C-2 zoning is present all along the Grove Street corridor north of the property until the zoning transitions to CMU at the intersection of S. Grove Street and E. Caswell Street.*
- *The proposed rezoning to C-2 could lead to infill commercial development on a long vacant and underutilized property.*

DRAFT [Rational for Denial]

- *The proposed rezoning removes a piece of the remaining R-15 pocket along Hillview Blvd which is nestled between C-3 to the south and C-2 to the north.*

PLANNING BOARD RECOMMENDATION
PROJECT #: P23-95-RZO
MEETING DATE: January 11, 2024

PETITION REQUEST: 799 S. Grove Street- Standard Rezoning (R-15 Medium Density Residential to C-2 Secondary Business)

APPLICANT/PETITIONER: Roy D. Neil [Applicant/Property Owner]

PLANNING BOARD ACTION SUMMARY:

Staff gave an 8-minute presentation on the request - reviewing the guidance from the Comprehensive Plan as well as the criteria for considering a rezoning. The Planning Board asked questions related to the application and the potential implications of eventual development of the subject property. Questions revolved around tree removal requirements for residential parcels compared to commercial parcels and allowed residential density between the two zoning districts. In total Planning Board considered this item for 24 minutes.

PUBLIC COMMENT:

The following members of the public spoke:

Roy Neill, 131 Lyndale Street stated in the past decade Grove Street has changed dramatically. It is about 150 yards from the intersection of Spartanburg Highway and Grove Street. He feels this would be the best use of the property. There are only two residential properties on S. Grove Street at this time. He feels this would be an ideal commercial lot.

Ken Fitch (Zoom), 1046 Patton Street stated at a past Planning Board meeting there was concern about endangered residential zoned areas and one of the concerned areas was this location. There are only two residential properties on Grove Street but there are other residential properties in the area, and this could impact them.

Lynne Williams, 309 Chadwick Avenue stated like Mr. Fitch stated there were extensive conversations for other properties on Hillview Boulevard. This area is similar to the Chadwick Avenue area. The impact of living on a street that is half commercial causes impacts to the residential properties such as traffic and noise and even drilling like what happens on Chadwick Avenue.

DELIBERATION:

Discussions centered around the removal of trees and allowed residential density. Chair asked about tree removal for residential and commercial districts. Mr. Morrow stated there are no requirements currently to preserve trees, but this could change with the proposed tree ordinance that is being drafted. Chair asked about the requirements if this property was developed as residential. Mr. Morrow explained the requirements for R-15 which has a minimum lot size for single-family as 15.000 sq. ft. Realistically they could put one single-family dwelling and an accessory dwelling unit or one duplex and an accessory dwelling unit on the property. If someone did an R-15 minor PRD the allowance is 3.75 dwelling units per acre so the most they could get would be 3 principal units (but they would have to follow PRD standards which may be tough on this site). Chair stated this is if they developed it with the current zoning. Mr. Morrow stated yes.

Mr. Morrow stated the minimum lot size for the C-2 zoning is 6.000 sq. ft. for residential so they could get more units on the property under the C-2 zoning. For minor PRDs in the C-2 zoning it is 8.5 units per acre. Neither C-2 or R-15 allow for multi-family residential.

MOTION:

Tamara Peacock moved that the Planning Board recommend approval providing the following:

COMPREHENSIVE PLAN CONSISTENCY STATEMENT:

The subject property is designated as a "Priority Infill Area" in the comprehensive plan which are areas that are considered a high priority for the City to encourage infill development on remaining vacant lots and redevelopment of underutilized or underdeveloped properties. The High Intensity Neighborhood designation also calls for offices and retail along thoroughfares as a secondary recommended land use

REASONABLENESS STATEMENT:

[Rationale for Approval]

1. C-2 zoning is present all along the Grove Street corridor north of the property until the zoning transitions to CMU at the intersection of S. Grove Street and E. Caswell Street.
2. The proposed rezoning to C-2 could lead to infill commercial development on a long vacant and underutilized property.

BOARD ACTION

- **Motion/Second**: Peacock / Hanley
- **Yeas**: Robertson (Chair), Hanley, Robertson, Flores, Waters, Peacock
- **Nays**: N/A
- **Absent**: Cromar, Robinson
- **Recused**: N/A

R-15 Medium Density Residential	C-2 Secondary Business
Permitted in both districts. Not permitted in both districts.	
Permitted Uses: • Accessory dwelling units, subject to supplementary standards contained in section 16-4, below • Accessory structures • Adult care homes so long as the use is clearly incidental to the residential use of the dwelling and does not change the essential residential character of the dwelling • Camps • Child care homes so long as the use is clearly incidental to the residential use of the dwelling and does not change the essential residential character of the dwelling • Home occupations • Parks • Planned residential developments (minor), subject to the requirements of article VII, below • Religious institutions containing no more than 50,000 square feet of gross floor area • Residential dwellings, single-family • Residential dwellings, two-family • Signs, subject to the provisions of article XIII • Telecommunications antennas, subject to special use requirements contained in section 16-4. • **Special Uses:** • Bed and breakfast facilities • Cemeteries • Public utility facilities • Schools, primary and secondary, containing no more than 50,000 square feet of gross floor area	**Permitted Uses:** • Accessory dwelling units subject to supplementary standards contained in section 16-4, below • Accessory uses and structures • Adult care centers registered with the NC Department of Health and Human Services (DHSS) • Animal hospitals and clinics so long as the use contains no outdoor kennels • Automobile car washes • Automobile sales & service establishments • Banks and other financial institutions • Bed and breakfast facilities • Business services • Congregate care facilities, subject to supplementary standards contained in section 16-4, below • Construction trades facilities so long as the storage of equipment and materials is screened from view from public rights-of-way • Convenience stores with or without gasoline sales • Cultural arts buildings • Dance and fitness facilities • Dry cleaning and laundry establishments containing less than 6,000 square feet of floor area • Farm equipment sales and service • Food pantries, subject to the supplementary standards contained in section 16-4, below • Funeral homes • Golf driving ranges and par three golf courses • Greenhouses and nurseries, commercial • Home occupations • Hotels and motels • Laundries, coin-operated • Microbreweries, micro-distilleries, micro-cideries, and micro-wineries, subject to supplementary standards contained in section 16-4, below • Mobile food vendors, subject to supplementary standards contained in section 16-4, below • Music and art studios • Neighborhood community centers • Newspaper offices and printing establishments • Nursing homes subject to supplementary standards contained in section 16-4, below • Offices, business, professional and public • Parking lots and parking garages • Parks • Personal services

	• Planned residential developments (mi to the requirements of article VII, below • Private clubs • Progressive care facilities subject to supplementary standards contained in section 16-4, below • Public and semi-public buildings • Recreational facilities, indoors • Recreational facilities, outdoors, commercial • Religious institutions • Repair services, miscellaneous • Residential care facilities • Residential dwellings, single-family • Residential dwellings, two-family • Residential dwellings, multi-family, subject to supplementary standards contained in section 16-4, below • Rest homes, subject to supplementary standards contained in section 16-4, below • Restaurants • Retail stores • Schools, post-secondary, business, technical and vocational • Schools, primary and secondary • Service stations • Signs, subject to the provisions of article XIII • Small scale manufacturing, subject to the supplementary standards contained in section 16-4, below • Telecommunications antennas, subject to supplementary standards contained in section 16-4, below • Theaters, indoor • Wholesale businesses Special Uses: • Animal kennels • Automotive paint and body work • Bus stations • Child care centers • Civic clubs and fraternal organizations • Light manufacturing • Public utility facilities
Dimensional Requirements: Minimum Lot Area in Square Feet: 15,000 Lot Area per Dwelling Unit in Square Feet: 15,000; 7,500 (for one additional dwelling unit)	**Dimensional Requirements:** RESIDENTIAL Minimum Lot Area in Square Feet: 6,000 Lot Area per Dwelling Unit in Square Feet: 6,000; 4,000 (for one additional dwelling unit).

Minimum Lot Width at Building Line in Feet: 85 Minimum Yard Requirements in Feet: Principal Structure: Front: 30 Side: 10 Rear: 15 Accessory Structures: Front: 30 Side: 5 Rear: 5 Maximum Height in Feet: 35	Minimum Lot Width at Building Line in Feet: 50 Minimum Yard Requirements in Feet: Principal Structure: Front: 20 Side: 0 Rear: 10 Accessory Structures: N/A Maximum Height in Feet: 48 <u>NON-RESIDENTIAL</u> Minimum Lot Area in Square Feet: 8,000 Lot Area per Dwelling Unit in Square Feet: N/A Minimum Lot Width at Building Line in Feet: 0 Minimum Yard Requirements in Feet: Principal Structure: Front: 15 Side: 0 Rear: 0 Accessory Structures: N/A Maximum Height in Feet: 48

Ordinance #

AN ORDINANCE OF THE CITY OF HENDERSONVILLE CITY COUNCIL TO AMEND THE OFFICIAL ZONING MAP OF THE CITY OF HENDERSONVILLE FOR PARCEL NUMBER: 9578-14-0598 BY CHANGING THE ZONING DESIGNATION FROM R-15, (MEDIUM DENSITY RESIDENTIAL) TO C-2 (SECONDARY BUSINESS)

IN RE: Parcel Number: 9578-14-0598
(File # P23-95-RZO)

WHEREAS, the City is in receipt of a Zoning Map Amendment application from Roy D. Neil [Applicant/Property Owner].

WHEREAS, the Planning Board took up this application at its regular meeting on January 11th, 2024; voting 6-0 to recommend City Council adopt an ordinance amending the official zoning map of the City of Hendersonville, and

WHEREAS, City Council took up this application at its regular called meeting on February 7th, 2024, and

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Hendersonville, North Carolina:

1. Pursuant to Article XI of the Zoning Ordinance of the City of Hendersonville, North Carolina, the Zoning Map is hereby amended by changing the zoning designation of the following: Parcel Number: 9578-14-0598 from R-15, (Medium Density Residential) to C-2 (Secondary Business).

2. Any development of the parcels shall occur in accordance with the Zoning Ordinance of the City of Hendersonville, North Carolina.

3. This ordinance shall be in full force and effect from and after the date of its adoption.

Adopted this seventh day of February 2024.

Attest: _____
Barbara G. Volk, Mayor, City of Hendersonville

_____
Jill Murray, City Clerk

Approved as to form:

_____
Angela S. Beeker, City Attorney

0 65 130 260
Feet

City of Hendersonville
December 2023

N
E
S

799 S. Grove Street

P23-95-RZO

PIN: 9578-14-0598

Acreage: 0.50

Proposed Zoning

Community Development Department

Subject Property

Hendersonville City Limits

Hendersonville Zoning

R-15 Medium Density Residential

C-3 Highway Business

C-2 Secondary Business

PCD-SU Planned Commercial Development Special Use

PMD Planned Manufacturing Development

THE CITY OF HENDERSONVILLE · N.C.
1847

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: John Connet **MEETING DATE:** 02/7/2024

AGENDA SECTION: NEW BUSINESS **DEPARTMENT:** Administration

TITLE OF ITEM: Creation of an Affordable Housing Steering Committee – Lyndsey Simpson, Council Member

SUGGESTED MOTION(S):

NA

SUMMARY:

Council Member Simpson has approached staff about the creation of an Affordable Housing Steering Committee to guide the development of a Strategic Housing Plan. She discussed the idea with City Council at the January City Council meeting. She will ask City Council to appoint members to the committee.

BUDGET IMPACT: $ NA

Is this expenditure approved in the current fiscal year budget? NA

If no, describe how it will be funded. NA

ATTACHMENTS:

None

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: Matthew Manley

MEETING DATE: February 7, 2024

AGENDA SECTION: Consent Agenda

DEPARTMENT: Community Development

TITLE OF ITEM: Appointment of Alternate Member of Community Advisory Committee (CAC) for Comprehensive Plan – *Matthew Manley, AICP | Strategic Projects Planner*

SUGGESTED MOTION(S):

I move that Ben Smith be appointed as an alternate member of the Community Advisory Committee (CAC) for the Gen H Comprehensive Plan.

SUMMARY:

In an effort to provide community-driven feedback over the course of the Gen H Comprehensive Planning process, City Council established a Community Advisory Committee (CAC). This committee is made up of a wide range of citizens and leaders within various sectors. With the final phases of the Comprehensive Plan remaining, it has become apparent that an alternate member be appointed to the CAC to ensure sufficient representation.

Ben Smith, resident of the City's ETJ and Associate Pastor at Speak Life Community Church (400 1st Ave W), has expressed interest in serving as an Alternate Member of the CAC. Ben has lived in the community for 47 years having moved here when he was 3 years old. He is a graduate of Hendersonville High School and has been employed as a Service Provider at UPS for 26 years.

BUDGET IMPACT: N/A

ATTACHMENTS: N/A

CITY OF HENDERSONVILLE **INVESTMENT REPORT** **DEC 23**
FIRST CITIZENS CUSTODIAN ACCOUNT

Investment Name		Rating	Cusip	Price	Coupon	YTM	Purchased Date	Issued Date	Maturity Date	Callable	Cost Basis
TREASURY AND FEDERAL AGENCIES											
Federal Home Loan Bks Cons Bds	FHL		3130ALLN2	99.825	0.50%	0.50%	3/24/2021	3/24/2021	3/24/2026	NO	499,125.00
TOTAL TREASURY AND FEDERAL AGENCIES											**499,125.00**
COMMERCIAL PAPER/CASH EQUIVALENT											
TOTAL COMMERCIAL PAPER/ CASH EQUIVALENT											**0.00**
OTHER INVESTMENTS (MUNI/BABS/)											
TOTAL OTHER INVESTMENTS (MUNI/BABS)											**0.00**
Total Securities											**499,125.00**
NC Capt Management	Cash										10,594,093.91
									Total Security - Cost Basis		**11,093,218.91**

Portfolio Allocation - by Security Type

				% of Total Cash
Fannie Mae	FNMA		-	**0.00%**
Federal Home Loan bank	FHLB		**499,125.00**	**4.35%**
Freddie Mac	FHLMC		-	**0.00%**
Federal Farm Credit Bank	FFCB	$	-	**0.00%**
US Treasury Note	USTN		-	**0.00%**
US Treasury Note	USTN		-	**0.00%**
US Treasury Bill	USTB		-	**0.00%**
Total GOVERNMENT AGENCIES		$	**499,125.00**	
Commercial Paper	**Ing**		-	**0.00%**
	MUNI/OTHER		-	
	Cash		10,594,093.91	
		$	**11,093,218.91**	

Portfolio Allocation - by Maturity Date:

2023	$	-
2024	$	-
2025	$	-
2026	$	**499,125.00**
		$499,125.00
		-

CITY OF HENDERSONVILLE

Cash and Investment

9/30/2023

Cash and Investment Summary

	6/30/2023	9/30/2023
U.S. Treasuries	$0.00	$0.00
Agencies	1,498,225.00	1,498,225.00
Commercial Paper	0	0
NCCMT Mutual Fund	9,348,263.83	9,469,511.60
NCCMT Cash Fund	2,821,694.42	850,455.21
Wells Fargo H&W	76,137.44	53,568.53
Wells Fargo Operating Account	7,808,596.67	5,591,128.63
Total	$21,552,917.36	$17,462,888.97

Undisbursed Restricted Proceeds

2019 Revenue Bond	$230,561.76	$233,748.86
2022 Revenue Bond	$964,063.08	$740,687.85
2023 Revenue Bond	$7,753,701.38	$6,323,016.21
2021 LOB	$2,363,291.32	$2,098,205.33
2022 IFC Fire Station	$15,522,344.19	$11,862,255.88
2023 City Hall/Ops Construction	$6,273,082.22	$5,682,532.07
2024 Vehicle Loan		$1,789,222.34
2024 Powell Bill		$231,391.16

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: John Buchanan **MEETING DATE:** 2/7/24

AGENDA SECTION: Staff Reports **DEPARTMENT:** Finance

TITLE OF ITEM: Cash and Investment Report – *John Buchanan, Finance Director*

SUGGESTED MOTION(S):

None

SUMMARY:

	9/30/2023	12/31/2023
U.S. Treasuries	$0.00	$0.00
Agencies	1,498,225.00	499,125.00
Commercial Paper	0	$0.00
NCCMT Mutual Fund	9,469,511.60	10,594,093.91
NCCMT Cash Fund	850,455.21	842,249.25
Wells Fargo H&W	53,568.53	57,632.64
Wells Fargo Operating Account	5,591,128.63	7,687,833.55
Total	$17,462,888.97	$19,680,934.35
Undisbursed Restricted Proceeds		
2019 Revenue Bond	$233,748.86	$236,816.51
2022 Revenue Bond	$740,687.85	$750,962.14
2023 Revenue Bond	$6,323,016.21	$4,413,652.23
2021 LOB	$2,098,205.33	$2,125,759.94
2022 IFC Fire Station	$11,862,255.88	$9,787,637.88
2023 City Hall/Ops Construction	$5,682,532.07	$4,906,641.49
2024 Vehicle Loan	$1,789,222.34	$1,208,790.37
2024 Powell Bill	$231,391.16	$519,585.19
Fire Relief Fund Investments		406,809.36

First Citizen Firefighter Fund Account	22,267.57

BUDGET IMPACT: $

Is this expenditure approved in the current fiscal year budget? N/A

If no, describe how it will be funded. N/A

ATTACHMENTS:

First Quarter Cash and Investment Report

Investment Detail

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: Jennifer Floyd **MEETING DATE:** 02/07/2024

AGENDA SECTION: City Manager Report **DEPARTMENT:** Administration

TITLE OF ITEM: January 2024 Contingency and Adjustment Report – *John Connet, City Manager*

SUGGESTED MOTION(S):

N/A – Presentation Only.

SUMMARY:
In accordance with North Carolina General Statute (NCGS) 159-13(b) it is required that all expenditures resulting from a contingency appropriation budget be reported to the governing board at its next regular meeting and recorded in the minutes.

NCGS 159-15 permits the Budget Officer (City Manager), to transfer budget from one appropriation to another within the same fund, provided any such transfers are reported to the Governing Board. The City of Hendersonville refers to transfers of budget from one appropriation to another within the same fund as a "budget adjustment". City Council authorizes budget adjustments each year with the adoption of the annual budget ordinance (SECTION 4).

This agenda item serves to fulfill the reporting requirements of both NCGS 159-13(b) and 159-15 by providing City Council a summary of all amendments and adjustments occurring thus far in the fiscal year.

BUDGET IMPACT: Detailed Above

Is this expenditure approved in the current fiscal year budget? N/A

If no, describe how it will be funded. N/A

ATTACHMENTS:
Contingency and Adjustment Report

FISCAL YEAR 2023 - 2024 (FY24)

BUDGET AMENDMENTS

Completed	Corrected
Proposed	Denied

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	EXISTING BUDGET	INCREASE	DECREASE	REVISED BUDGET	DESCRIPTION	APPROVED	TYPE	AMENDMENT NUMBER
010-0000-534999	Contingency	58,820	-	9,857	48,963	W. Comp. Audit	yes	adjustment	1/4/2024
010-1002-502091	W. Comp.	8,292	9,857	-	18,149	W. Comp. Audit	yes	adjustment	1/4/2024
060-0000-534999	Contingency	107,394	-	6,051	101,343	W. Comp. Audit	yes	adjustment	1/4/2024
060-7002-502091	W. Comp.	-	6,051	-	6,051	W. Comp. Audit	yes	adjustment	1/4/2024
068-0000-534999	Contingency	23,690	-	1,382	22,308	W. Comp. Audit	yes	adjustment	1/4/2024
068-7855-502091	W. Comp.	-	1,382	-	1,382	W. Comp. Audit	yes	adjustment	1/4/2024
010-1002-519104	Prof Services-Engring	-	1,150		1,150	Midyear Adjustment	yes	adjustment	1/5/2024
010-1008-519104	Prof Services-Engring	-	50		50	Midyear Adjustment	yes	adjustment	1/5/2024
010-1010-519104	Prof Services-Engring	15,000		5,000	10,000	Midyear Adjustment	yes	adjustment	1/5/2024
010-1400-519104	Prof Services-Engring	27,000		5,000	22,000	Midyear Adjustment	yes	adjustment	1/5/2024
010-1014-519200	Contract Services	-	1,100		1,100	Midyear Adjustment	yes	adjustment	1/5/2024
010-1400-519200	Contract Services	55,000		10,000	45,000	Midyear Adjustment	yes	adjustment	1/5/2024
010-1521-519200	Contract Services	37,000.00		12000	25,000	Midyear Adjustment	yes	adjustment	1/5/2024
010-1560-519200	Contract Services	-	750		750	Midyear Adjustment	yes	adjustment	1/5/2024
010-1200-521001	Supplies & Materials	-	100		100	Midyear Adjustment	yes	adjustment	1/5/2024
010-1300-521001	Supplies & Materials	128,645		7,000	121,645	Midyear Adjustment	yes	adjustment	1/5/2024
010-1523-521001	Supplies & Materials	27,500		6,000	21,500	Midyear Adjustment	yes	adjustment	1/5/2024
010-1535-521001	Supplies & Materials	11,400		2,050	9,350	Midyear Adjustment	yes	adjustment	1/5/2024
010-1001-521010	Office Supplies	750	400		1,150	Midyear Adjustment	yes	adjustment	1/5/2024
010-1001-523003	Utilities - Telephone & Internet	3,000		1,000	2,000	Midyear Adjustment	yes	adjustment	1/5/2024
010-1002-523003	Utilities - Telephone & Internet	-	4,000		4,000	Midyear Adjustment	yes	adjustment	1/5/2024
010-1010-523003	Utilities - Telephone & Internet	66,000	30,000		96,000	Midyear Adjustment	yes	adjustment	1/5/2024
010-1200-523003	Utilities - Telephone & Internet	6,840		1,700	5,140	Midyear Adjustment	yes	adjustment	1/5/2024
010-1300-523003	Utilities - Telephone & Internet	38,900		4,000	34,900	Midyear Adjustment	yes	adjustment	1/5/2024
010-1400-523003	Utilities - Telephone & Internet	12,000		5,000	7,000	Midyear Adjustment	yes	adjustment	1/5/2024
010-1502-523003	Utilities - Telephone & Internet	3,600		900	2,700	Midyear Adjustment	yes	adjustment	1/5/2024
010-1523-523003	Utilities - Telephone & Internet	4,250		900	3,350	Midyear Adjustment	yes	adjustment	1/5/2024
010-1525-523003	Utilities - Telephone & Internet	9,000		3,000	6,000	Midyear Adjustment	yes	adjustment	1/5/2024
010-1535-523003	Utilities - Telephone & Internet	500		250	250	Midyear Adjustment	yes	adjustment	1/5/2024
010-1560-523003	Utilities - Telephone & Internet	6,000		1,500	4,500	Midyear Adjustment	yes	adjustment	1/5/2024
010-1002-523004	Cellphone Stipend	-	400		400	Midyear Adjustment	yes	adjustment	1/5/2024
010-1008-523004	Cellphone Stipend	-	150		150	Midyear Adjustment	yes	adjustment	1/5/2024
010-1010-523004	Cellphone Stipend	-	300		300	Midyear Adjustment	yes	adjustment	1/5/2024
010-1400-524010	R & M - Bulidings	24,075.00		5000	19,075	Midyear Adjustment	yes	adjustment	1/5/2024
010-1400-524020	R & M - Equipment	40,300		8,000	32,300	Midyear Adjustment	yes	adjustment	1/5/2024
010-1002-524030	R & M - Trucks	500	150		650	Midyear Adjustment	yes	adjustment	1/5/2024
010-1014-531100	Fuel	2,700	1,350		4,050	Midyear Adjustment	yes	adjustment	1/5/2024
010-1014-531200	Postage	200	150		350	Midyear Adjustment	yes	adjustment	1/5/2024
010-1008-531210	Permits, License And Fees	-	150		150	Midyear Adjustment	yes	adjustment	1/5/2024
010-1200-531210	Permits, License And Fees	100.00	9000	-	9,100	Midyear Adjustment	yes	adjustment	1/5/2024
010-1502-531210	Permits, License And Fees	13,600		5,000	8,600	Midyear Adjustment	yes	adjustment	1/5/2024
010-1001-531215	Dues & Subscriptions	28,000		5,000	23,000	Midyear Adjustment	yes	adjustment	1/5/2024
010-1555-531215	Dues & Subscriptions	2,000	6,000		8,000	Midyear Adjustment	yes	adjustment	1/5/2024
010-1523-531220	Travel	2,000.00		2000	-	Midyear Adjustment	yes	adjustment	1/5/2024
010-1525-531220	Travel	2,000.00		2000	-	Midyear Adjustment	yes	adjustment	1/5/2024
010-1010-531225	Training	4,200	500		4,700	Midyear Adjustment	yes	adjustment	1/5/2024
010-1002-531265	Drug Testing	2,000	150		2,150	Midyear Adjustment	yes	adjustment	1/5/2024
010-1001-531280	Employee Events	-	50		50	Midyear Adjustment	yes	adjustment	1/5/2024
010-1400-531700	Liab & Prop Ins & Bonds	104,798	40,000		144,798	Midyear Adjustment	yes	adjustment	1/5/2024
010-1502-531700	Liab & Prop Ins & Bonds	3,608	700		4,308	Midyear Adjustment	yes	adjustment	1/5/2024
010-1523-531700	Liab & Prop Ins & Bonds	3,503	500		4,003	Midyear Adjustment	yes	adjustment	1/5/2024
010-1525-531700	Liab & Prop Ins & Bonds	9,199	300		9,499	Midyear Adjustment	yes	adjustment	1/5/2024
010-1555-531700	Liab & Prop Ins & Bonds	17,492	2,600		20,092	Midyear Adjustment	yes	adjustment	1/5/2024
010-1400-531950	Pymt On Behalf-Firemen Pension	-	100		100	Midyear Adjustment	yes	adjustment	1/5/2024
010-1002-534000	Non-Capital Equipment	-	50		50	Midyear Adjustment	yes	adjustment	1/5/2024
010-1200-556001	Capital Outlay - Other/Intangible	25,000.00		7,850.00	17,150	Midyear Adjustment	yes	adjustment	1/5/2024

060-7035-519104	Prof Services-Engring	30,000		10,000	20,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-7055-519104	Prof Services-Engring	-	1,000		1,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-7135-519104	Prof Services-Engring	0	400		400	Midyear Adjustment	yes	adjustment	1/5/2024
060-1523-519200	Contract Services	0	2,000		2,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-7135-521001	Supplies & Materials	17,000		1,000	16,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-1010-521010	Office Supplies	15,750		1,000	14,750	Midyear Adjustment	yes	adjustment	1/5/2024
060-7155-521020	Janitorial Supplies	0	900		900	Midyear Adjustment	yes	adjustment	1/5/2024
060-7155-521100	Uniforms	4,000	100		4,100	Midyear Adjustment	yes	adjustment	1/5/2024
060-7002-523001	Utilities - Electricity	918,000		22,000	896,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-7135-523001	Utilities - Electricity	0	100		100	Midyear Adjustment	yes	adjustment	1/5/2024
060-7002-523002	Utilities - Gas	25,000		7,000	18,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-1008-523003	Utilities - Telephone & Internet	3,100	3500		6,600	Midyear Adjustment	yes	adjustment	1/5/2024
060-1010-523003	Utilities - Telephone & Internet	12,000	4,000		16,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-7050-523003	Utilities - Telephone & Internet	10,900	6,800		17,700	Midyear Adjustment	yes	adjustment	1/5/2024
060-1002-523004	Cellphone Stipend	0	500		500	Midyear Adjustment	yes	adjustment	1/5/2024
060-1008-523004	Cellphone Stipend	0	300		300	Midyear Adjustment	yes	adjustment	1/5/2024
060-7035-524010	R & M - Bulidings	45,000		7,000	38,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-7050-524020	R & M - Equipment	4,500		1,000	3,500	Midyear Adjustment	yes	adjustment	1/5/2024
060-7050-524030	R & M - Trucks	7,000	7,500		14,500	Midyear Adjustment	yes	adjustment	1/5/2024
060-7055-524030	R & M - Trucks	50,000	5,000		55,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-7132-524030	R & M - Trucks	0	400		400	Midyear Adjustment	yes	adjustment	1/5/2024
060-7135-524030	R & M - Trucks	2,500	1,000		3,500	Midyear Adjustment	yes	adjustment	1/5/2024
060-7155-524040	R & M - Streets/Sidewalks	0	1,500		1,500	Midyear Adjustment	yes	adjustment	1/5/2024
060-7135-524060	R & M - Lines	0	5,000		5,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-1008-531200	Postage	2,500	150		2,650	Midyear Adjustment	yes	adjustment	1/5/2024
060-1002-531210	Permits, License And Fees	0	3200		3,200	Midyear Adjustment	yes	adjustment	1/5/2024
060-1008-531210	Permits, License And Fees	0	150		150	Midyear Adjustment	yes	adjustment	1/5/2024
060-7135-531210	Permits, License And Fees	7,190	700		7,890	Midyear Adjustment	yes	adjustment	1/5/2024
060-7155-531210	Permits, License And Fees	4,000	500		4,500	Midyear Adjustment	yes	adjustment	1/5/2024
060-1002-531225	Training	0	1100		1,100	Midyear Adjustment	yes	adjustment	1/5/2024
060-1008-531225	Training	23,270		4300	18,970	Midyear Adjustment	yes	adjustment	1/5/2024
060-7035-531225	Training	10,000		1,500	8,500	Midyear Adjustment	yes	adjustment	1/5/2024
060-7050-531225	Training	5,800		1,000	4,800	Midyear Adjustment	yes	adjustment	1/5/2024
060-7055-531225	Training	7,000	4,000		11,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-7002-531265	Drug Testing	1,000	600		1,600	Midyear Adjustment	yes	adjustment	1/5/2024
060-7002-531270	Employee Assist Prog	3,000	1,200		4,200	Midyear Adjustment	yes	adjustment	1/5/2024
060-7055-531700	Liab & Prop Ins & Bonds	55,692	3,200		58,892	Midyear Adjustment	yes	adjustment	1/5/2024
060-7055-531705	Damage Claims	13,000	4,000		17,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-7155-531705	Damage Claims	7,000		1,000	6,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-7032-534000	Non-Capital Equipment	10,000		2,000	8,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-1001-540001	Special Appropriations	160,000		50000	110,000	Midyear Adjustment	yes	adjustment	1/5/2024
060-7002-540001	Special Appropriations	0	50,000		50,000	Midyear Adjustment	yes	adjustment	1/5/2024
010-1300-534000	Non-Capital Equipment	144,000	-	70,000	74,000	PD Active Shooter PPE	yes	adjustment	1/8/2024
010-1300-521110	Protective Clothing	35,000	6,000	-	41,000	PD Active Shooter PPE	yes	adjustment	1/8/2024
010-1002-519200	Contracted Services	85,000	64,000	-	149,000	PD Active Shooter PPE	yes	adjustment	1/8/2024
010-1002-519200	Contracted Services	149,000	-	6,000	143,000	Fire Software	yes	adjustment	1/17/2024
010-1400-531225	Training	74,000	-	3,000	71,000	Fire Software	yes	adjustment	1/17/2024
010-1400-531215	Dues & Subscriptions	33,000	9,000	-	42,000	Fire Software	yes	adjustment	1/17/2024

CITY OF HENDERSONVILLE

AGENDA ITEM SUMMARY

SUBMITTER: John Connet

MEETING DATE: February 7, 2024

AGENDA SECTION: CLOSED SESSION

DEPARTMENT: Administration

TITLE OF ITEM: Closed Session – *John Connet, City Manager*

SUGGESTED MOTION(S):

I move that City Council enter closed session pursuant to NCGS § 143-318.11 (a) (1) and (3) to prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes and to consult with an attorney employed or retrained by the public body in order to preserve the attorney-client privilege between the attorney and the public body and to discuss the case of Hendersonville Holdings, LLC v. City of Hendersonville, Henderson County Superior Court File 23-CVS 600.

SUMMARY:

City staff is requesting a closed session to prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes and to consult with an attorney employed or retrained by the public body in order to preserve the attorney-client privilege between the attorney and the public body and to discuss the case of Hendersonville Holdings, LLC v. City of Hendersonville, Henderson County Superior Court File 23-CVS 600.

BUDGET IMPACT: $ TBD

Is this expenditure approved in the current fiscal year budget? NA

If no, describe how it will be funded. NA

ATTACHMENTS:

None