Town of Pilot Mountain
Town Hall 124 West Main Street Pilot Mountain, NC 27041
Monday, March 11, 2019, 7:00 PM

BOARD OF COMMISSIONERS REGULAR MEETING AGENDA

Call to Order/Moment of Silence/Pledge of Allegiance

Adoption of Agenda

Public Comment
Anyone may speak on any issue. Before speaking, please state your name and address. Please limit comments to three minutes.

Consent Agenda

1. Approval of Minutes from the February 11, 2019 Regular and Special Meeting

Board & Committee Reports

Discussion and Possible Action

2. FY 2019 Audit Contract
3. Board Appointments
4. Resolution Opposing ABC Privatization
5. Main Street Coordinating Committee Appointments
6. Resolution Dis-solving PMABA

Town Manager & Finance Report

7. Staff Reports

Mayor and Commissioners Comments

Closed Session Pursuant to NCGS 143-381.11(a)(5) Establish the negotiating position for acquisition of real property

Other Business

Adjourn

Town of Pilot Mountain
Board of Commissioners Special Meeting
Monday, February 11, 2019 6:30 PM

Members Present: Mayor Evan Cockerham, Commissioner Hilda Willis, Commissioner Donna Kiger and Commissioner Scott Needham.

Staff Present: Town Manager, Michael Boaz, Town Planner, Andy Goodall and Town Clerk, Holly Utt

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Mr. Boaz explained that a company would like to locate at the old Just-Save building. Their plan is to open an indoor hydroponic hemp growing operation. In the table of uses, retail green houses and nurseries are permitted in that zoning district but this would be considered a farm. After discussion with planning staff, this is an issue that needs to be corrected in the table of permitted uses, which would require a text amendment. The 60 day moratorium would allow staff to craft text amendments to deal with this issue. Discussion ensued about location of the proposed business, possible smell, future growth and long term uses. The meeting adjourned at 6:50 PM.

Respectfully Submitted:

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Holly Utt
Town Clerk

Attest:

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Evan Cockerham
Mayor

State of North Carolina
County of Surry

Town of Pilot Mountain
Board of Commissioners

Town of Pilot Mountain
Board of Commissioners Meeting
Monday, February 11, 2019
Regular Meeting 7:00 PM

Members Present: Mayor Evan Cockerham, Commissioner Kimberly Quinn, Commissioner Donna Kiger, Commissioner Scott Needham and Commissioner Hilda Willis.

Staff Present: Town Manager, Michael Boaz, Town Attorney, Ed Woltz, Town Planner, Andy Goodall and Town Clerk, Holly Utt

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Call to order/Moment of Silence/Pledge of Allegiance – 7:00 PM
Mayor Cockerham called the meeting to order at 7:00 PM. All in attendance observed a moment of silence. Commissioner Quinn led all in attendance in reciting the Pledge of Allegiance.

Adoption of Agenda
Commissioner Needham made a motion to adopt the agenda as presented and it was unanimous.

Public Comment
No one present to speak.

Consent Agenda

- January 12, 2019 Regular Meeting Minutes
- January 15, 2019 Work Session Minutes
- January 22, 2019 Special Meeting Minutes
- January 31, 2019 Special Meeting Minutes

Commissioner Quinn made a motion to approve and adopt the consent agenda and the items there upon and it was unanimous.

ABC Board Report
Billy Pell stated that the ABC sales were up by 18.36% over January 2018. Total sales for the month was $95,514 compared to $78,996 in the previous year. He commended the staff for their hard work.

Unfinished Business

Rural Center Community Assessment
Mr. Boaz explained that the NC Rural Community Assessment would help determine if the micro-loan program would be a good fit for the community. This assessment would help the town achieve its goal of promoting small business development. This would help provide capital to entrepreneurs who are looking to start up or expand their business. The cost for the program is $5,000 for the assessment and the annual fee for administering the loan program would be $5,000 per year. Commissioner Kiger made a motion to approve the partnership with the NC Rural Center Community Assessment and it was unanimous.

New Business

Board & Committee Appointments
Commissioner Needham made a motion to appoint the following people to various boards and it was unanimous.

Christy Craig – Tourism Development Authority Chair
Harry Wilson – Tourism Development Authority
Steve Tilman – Planning Board
Les Bennett – ETJ member on the Planning Board
Scott Needham – Piedmont Triad Regional Council and NW Piedmont RPO
Donna Kiger – Surry County Economic Development Partnership

Water Agreement with Surry County
Mr. Boaz explained that the Board had previously approved an inter-local agreement with Mount Airy and they had agreed to pay 1/3 of the debt service for the water inter-connect. The agreement with the County is the stating that they will also pay 1/3 of the debt service. The LGC will require an agreement in order to fund the loan. The County approved this agreement at their February 4, 2019 meeting. Commissioner Needham made a motion to approve the Inter-local agreement with Surry County and it was unanimous.

Streetscape Project
Mr. Boaz explained that the Board had approved the concept plan prepared by Benchmark at a special meeting in December. Mr. Boaz issued a RFQ from interested firms. Two submittals were received and reviewed by staff and the Mayor. The recommendation is that the Board approve the Withers Ravenel proposal, the capital project ordinance and budget amendment. The total cost received from Withers Ravenel is $61,500. This would be funded by the $50K grant received from the NC Department of Commerce and the town can fund the additional $11,500 with available fund balance. Commissioner Needham made a motion to approve the Withers Ravenel proposal, the capital project ordinance and the budget amendment and it was unanimous.

Development Moratorium Public Hearing
Mr. Boaz explained that this public hearing would be to consider public comment about the proposed 60-day moratorium on commercial greenhouses and nurseries in the HB and GB zoning districts. By scheduling the public hearing, this would put a pause on development applications for that particular use until the hearing is held. Commissioner Needham made a motion to set the public hearing for March 11, 2019 at 6:30 PM and it was unanimous.

Resolution Establishing Check Signing Authority
Mr. Boaz explained that the LGC staff recommends that the town add a third person with the ability to sign checks. He stated that currently the finance officer and the Mayor sign the checks. He recommended adding the Mayor Pro-Tem as the third official with the ability to sign checks. Commissioner Needham made a motion to approve Resolution 2018/19-07 and it was unanimous.

Administrative Reports
Town Manager's Report

- Mr. Boaz reminded the Board of a conference call on Wednesday, February 13th at 9am to discuss a strategic planning session
- Phones will be down at Town Hall on February 22 for approximately 30 minutes due to changing the telephone provider. This will be a savings of $100-200 per month.
- The new agenda software is now being utilized

Financial Report

- General Fund revenues exceed expenditures by $35,809.27. The water and sewer fund expenditures exceed revenues by $29,182.93. This amount will even out by the end of the fiscal year.

Departmental Reports

Mayor and Commissioners Comments
Mayor Cockerham:
Mayor Cockerham thanked everyone that applied for the vacant seats. He also thanked the Board members that serve in different capacities for their time and commitment.

Commissioner Quinn:
No comments

Commissioner Kiger
Commissioner Kiger stated that she was excited about the decisions made at the meeting and looking forward to getting work done on Main Street and the streetscape plan.

Commissioner Needham:
Commissioner Needham thanked Karen Sumner and Holly Utt for what they do in the office. They are the front line for most citizens in the town.

Commissioner Willis:
Commissioner Willis stated that she felt good about the meeting; it was very informative.

Other Business
No other business to discuss

Adjourn or Recess
Commissioner Kiger made a motion to adjourn and it was unanimous.

Respectfully Submitted: Attest:

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Holly Utt Evan Cockerham
Town Clerk Mayor

FY 2019 Audit Contract	
Background Information:	
Each year the Town is required to have an audit conducted of its finances by an external auditor. Last year the Town went through an RFQ process and selected Bernard Robinson to conduct the audit. Each year the Board is required to approve a contract that covers that fiscal year with the selected audit firm. Our experience was mostly positive with BRC last year. They did a good job of conducting the audit and working with staff. There were some relatively minor issues regarding how expenditure categories were grouped that lead to some technical budget overages. We have worked through these issues with BRC staff and do not expect that to be an issue going forward.	
Staff Recommendation:	Staff recommends approval of the contract.
Possible Board of Commissioner Actions	
• Approve the Contract • Deny approval of the Contract • Take No Action	
Attachments	
• Proposed FY 2019 Audit Contract and Engagement Letter	

CONTRACT TO AUDIT ACCOUNTS

The	Governing Board Council
of	Primary Government Unit The Town of Pilot Mountain, North Carolina
and	Discretely Presented Component Unit (DPCU) (if applicable) Pilot Mountain Tourism Development Authority

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

and	Auditor Name Bernard Robinson & Company, LLP
	Auditor Address 1501 Highwoods Blvd., Suite 300 Greensboro, North Carolina 27410

Hereinafter referred to as Auditor

	Fiscal Year Ending	Audit Report Due Date
for	06/30/19	10/31/19
		Must be within four months of FYE

hereby agree as follows:

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

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

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

County and Multi-County Health Departments: The Office of State Auditor will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on eligibility determination as required by OSA and in accordance with the instructions and timeline provided by OSA.

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

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

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

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

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

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

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit- related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved 'with approval date shall be returned to

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

27. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx.

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

FEES FOR AUDIT SERVICES

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

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

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

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

PRIMARY GOVERNMENT FEES

Primary Government Unit	The Town of Pilot Mountain, North Carolina
Audit	$14,500.00
Writing Financial Statements	$4,000.00
All Other Non-Attest Services	$0
75% Cap for Interim Invoice Approval	$13,875.00

DPCU FEES (if applicable)

Discretely Presented Component Unit	Pilot Mountain Tourism Development Authority
Audit	$N/A
Writing Financial Statements	$N/A
All Other Non-Attest Services	$N/A
75% Cap for Interim Invoice Approval	$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm Bernard Robinson & Company, LLP	
Authorized Firm Representative (typed or printed) Victor Blackburn, Partner	Signature
Date 2-8-2019	Email Address vblackburn@brccpa.com

GOVERNMENTAL UNIT

Governmental Unit The Town of Pilot Mountain, North Carolina	
Date Primary Government Unit Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed) Evan Cockerham, Mayor	Signature
Date	Email Address

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

(Pre-audit certificate not required for charter schools)

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

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

Primary Governmental Unit Finance Officer (typed or printed) Michael Boaz, Town Manager/Finance Officer	Signature
Date of Pre-Audit Certificate	Email Address mboaz@pilotmountainnc.org

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU Pilot Mountain Tourism Development Authority	
Date DPCU Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed) Scott Needham, Chairman	Signature
Date	Email Address

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

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

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

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

DPCU Finance Officer (typed or printed) Michael Boaz, Town Manager/Finance Officer	Signature
Date of Pre-Audit Certificate	Email Address mboaz@pilotmountainnc.org

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

PRINT

Bernard Robinson & Company, L.L.P.

February 8, 2019

Town Council
Town of Pilot Mountain, North Carolina
124 West Main Street
Pilot Mountain, NC 27041

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

1. Management's Discussion and Analysis
2. Local Government Employees' Retirement System – Proportionate Share of Net Pension Liability (Asset)
3. Law Enforcement Officers' Special Separation Allowance – Schedule of Changes in Total Pension Liability
4. Law Enforcement Officers' Special Separation Allowance – Schedule of Total Pension Liability as a Percentage of Covered Payroll

We have also been engaged to report on supplementary information other than RSI that accompanies Town of Pilot Mountain's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

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P.O. Box 19608 | Greensboro, NC 27419
P: 336-294-4494 • F: 336-294-4495
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accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

1. Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:
   - General Fund
   - Capital Projects Fund (Non-GAAP) – Landfill Rehabilitation Project
   - Water and Sewer Fund (Non-GAAP)
   - Capital Projects Fund (Non-GAAP) – Water Meter
   - Capital Projects Fund (Non-GAAP) – Water/Sewer Interconnection/Regionalization Study
   - Capital Projects Fund (Non-GAAP) – Lola Lane Sewer Repair Project
   - Capital Projects Fund (Non-GAAP) – Water and Sewer Infrastructure
2. Combining Statement of Fiduciary Net Position
3. Statements of Changes in Assets and Liabilities:
   - Mount Pilot Now Agency Fund
   - Mount Pilot Area Business Committee Agency Fund
4. Schedule of Revenues, Expenditures - Budget and Actual (Non-GAAP) – Pilot Mountain Tourism Development Authority
5. Schedule of Ad Valorem Taxes Receivable
6. Schedule of Analysis of Current Year Tax Levy

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

1. Introductory section
2. Statistical section - detailed information (schedules) as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the Town's overall health

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Town of Pilot Mountain and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Town of Pilot Mountain's financial statements. Our report will be addressed to the Honorable Mayor and Members of the Town Council of Town of Pilot Mountain. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards.* The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose.

If during our audit we become aware that Town of Pilot Mountain is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States and America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

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

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

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

Audit Procedures—Internal Control

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

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

Audit Procedures—Compliance

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

Other Services

We will also assist in preparing the financial statements and related notes, supplementary information, maintain your fixed asset depreciation schedules, and perform a conversion from cash basis to accrual basis of accounting of the Town of Pilot Mountain in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards.* We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements and related notes, supplementary information, maintenance of your fixed asset depreciation schedules, and performing a conversion from cash basis to accrual basis accounting previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. Management is also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Town from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Town involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Town received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Town complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

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

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

You agree to assume all management responsibilities relating to the financial statements and related notes, supplementary information, maintenance of your fixed asset depreciation schedules, and performing a conversion from cash basis to accrual basis accounting, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes, supplementary information, maintenance of your fixed asset depreciation schedules, and performing a conversion from cash basis to accrual basis accounting and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

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

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

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

The audit documentation for this engagement will be retained for a minimum of five years after the report's release date or for any additional period requested by the regulatory agencies, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Victor Blackburn is the engagement partner and is responsible for supervising the engagement and signing the report, or authorizing another individual to sign it.

To ensure that Bernard Robinson & Company, L.L.P.'s independence is not impaired under the AICPA *Code of Professional Conduct,* you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for the services as described in this engagement letter will be $18,500.00 for the year ending June 30, 2019. Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, word processing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of personnel assigned. Our fees are based on anticipated cooperation from the Town's personnel, timely completion of all requested items, and the assumption that unexpected circumstances will not be encountered during the engagement. If circumstances occur and additional time is necessary to complete the audit, we will discuss this with management promptly to arrive at a new estimate before we incur the additional costs. The time related to any additional services we are required to perform in order to complete the audit will be billed separately. We will invoice you for these fees at the following intervals: 1) completion of our fieldwork; and 2) delivery of financial statements. Invoices are payable upon presentation. All costs relating to collection of these fees will also be the responsibility of Town of Pilot Mountain, North Carolina including, but not limited to, attorney fees and collection agency fees. Invoiced fees outstanding past 60 days will be subject to a 1½% monthly finance charge.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to Town of Pilot Mountain, North Carolina and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign a copy and return it to us.

Sincerely,

Bernard Robinson & Company, L.L.P.

BERNARD ROBINSON & COMPANY, L.L.P.

RESPONSE:

This letter correctly sets forth the understanding of Town of Pilot Mountain, North Carolina.

Management signature/Title:____________________________________

Governance signature/Title:____________________________________

Board Appointments	
Background Information:	
There are two Boards that have vacancies that the Commissioners are being asked to address. First, there is one vacant seat on the TDA. We have two applications for that seat and both are included with your packet. Mayor Cockerham has recommended Meka Price to fill that seat. The other vacancy is the unexpired term of Larry Cooke on the ABC Board. As you remember, Mr. Cooke recently passed away. The remaining members of the ABC Board have recommended Bill Hancock to fill out that term. There are also vacancies on the Main Street Executive Committee. Staff is recommending that the Board address the structure of that Board first, and then make appointments at a subsequent meeting.	
Staff Recommendation:	Staff recommends approval of the recommended appointments.
Possible Board of Commissioner Actions	
• Approve the appointments • Deny approval of the appointments • Make other appointments • Take No Action	
Attachments	
• Price Application • Hardy Application	

Verizon LTE 1:46 PM 50%
cdn.fbsbx.com

Pilot Mountain Town Hall
124 West Main Street
Pilot Mountain, NC 27041

(P) 336.368.2248
(F) 336.368.9532
www.pilotmountainnc.org

APPLICATION FOR APPOINTMENT TO A BOARD/COMMITTEE

The Town of Pilot Mountain appreciates your interests in serving on a Board/Committee and requests that you complete the following application. This application requests general information based on your interest in applying for a Board or Committee and assists in determining eligibility for appointment.

Contact Information:

Name: Meka Newman Price — Date of Application: 2/6/2019

Mailing Address: 210 S. Stephens Street, Pilot Mtn, NC 27041

Physical Address: 210 S. Stephens Street, Pilot Mtn, NC 27041

Phone Number: 276-692-6071 — Alternate Phone Number: Same

E-mail address: mekanewman@gmail.com

Residency

Do you reside in: ☒ Town Limits ☐ ETJ

Length of residence in Pilot Mountain: 3 Years 1 Months

Interest

Please indicate below the Boards or Committees you are interested in serving on:

☐ Planning & Zoning Board ☐ Board of Adjustment ☒ Tourism Development Authority ☐ Other________

Questionnaire (Please attach additional sheets if needed)

Why do you want to serve on this board/committee?

I think that it could help me grown my career in marketing and would also serve as an excellent learning experience. Plus, I daydream about one day turning my old house into a B&B and if the town has a better draw for tourists, I could potentially make more money in the future.

Why do you think you would be an asset to this board/committee?

I have killer graphic design skills.

What do you feel are your qualifications for serving on the board/committee requested?

I have a lot of experience in advertising and design. I have worked in some branch of it since my first job at the Elkin Tribune in 2006. I have spent the last three years working in the wine and/or beer industry so a lot of my efforts have been targeted towards tourists.

What areas of concern would you like to see the board/committee address?

Nothing specific. I think they're already doing a great job, especially with downtown events.

Prior Public Service Experience (Boards/Committees/Civic groups - Please include dates of service):

None really. I volunteered for a while at the Surry Arts Council helping them paint sets for local plays. I was a member of Winston Salem Associated Artists for a while and Art for Art's Sake.

Has any formal charge of professional misconduct ever been sustained against you? If yes, please explain.

No.

Is there any possible conflict of interest or other matter that would create problems or prevent you from fairly and impartially discharging your duties as an appointee of the Board of Commissioners? If yes, please explain.

Not that I can think of.

Additional Comments:

I have never been a part of a committee like this, but am willing to give it a try.

Ethics Guidelines for Town Boards

(Please check if you agree)
☑ Yes, if appointed, I pledge to comply with the following ethics guidelines for boards as adopted by the Town of Pilot Mountain.

Members of boards shall not discuss, advocate, or vote on any matters in which they have a conflict of interest or an interest which reasonably might appear to be in conflict with the concept of fairness in dealing with public business. A conflict of interest or a potential conflict occurs if a member has a separate, private, or monetary interest, either direct or indirect, in any issue or transaction under consideration. Any member who violates this provision may be subject to removal from the board.

If the board believes he/she has a conflict of interest, then the member should ask the board to be excused from voting. The board should then vote on the question on whether or not to excuse the member making the request. In cases where the individual member or the board establishes a conflict of interest, then the board member shall remove themselves from the voting area.

Any board member may seek the counsel of the Town Attorney on questions regarding the interpretation of these ethics guidelines or other conflict of interest matters. The interpretation may include a recommendation on whether or not the board should excuse himself/herself from voting. The board may request the Town Attorney to respond in writing. I understand that is application is a public document. Additionally, I understand that some committee appointments require a criminal background check.

Meka Price — Print Name

[signature] — Signature of Applicant

2/6/19 — Date

Pilot Mountain Town Hall
124 West Main Street
Pilot Mountain, NC 27041

(P) 336.368.2248
(F) 336.368.9532
www.townofpilotmountain.com

APPLICATION FOR APPOINTMENT TO A BOARD/COMMITTEE

The Town of Pilot Mountain appreciates your interests in serving on a Board/Committee and requests that you complete the following application. This application requests general information based on your interest in applying for a Board or Committee and assists in determining eligibility for appointment.

Contact Information:

Name: Laura Hardy

Date of Application: 2/18/19

Mailing Address: 2666 Shoals Road

Physical Address: "

Phone Number: 336-782-1133

Alternate Phone Number: 336-368-1133

E-mail address: pilotmountainart@gmail.com

Residency

Do you reside in: ☐ Town Limits ☒ ETJ

Length of residence in Pilot Mountain: 40 Years ____ Months

Interest

Please indicate below the Boards or Committees you are interested in serving on:

☐ Planning & Zoning Board ☐ Board of Adjustment ☒ Tourism Development Authority ☐ Other

Questionnaire (Please attach additional sheets if needed)

Why do you want to serve on this board/committee?

As a main street business owner, I have a vested interest in the success of our downtown & surrounding area.

Why do you think you would be an asset to this board/committee?

I bring branding and marketing services (25+ years) to the Committee - and have worked with several tourism events: Mount Airy TDA, Mayfest, Hot Nights, Vintage View Market, etc. I love this town.

What do you feel are your qualifications for serving on the board/committee requested?

Hands-on knowledge of marketing. Knowledge of the area + several aspects as special interest — schools, hospitals, etc. (having designed marketing campaigns for these entities).

What areas of concern would you like to see the board/committee address?

Promoting the wide variety of amenities in our area. Reaching the far Triad area is important - then beyond. Pilot Mtn. is a great day trip destination.

Prior Public Service Experience (Boards/Committees/Civic groups - Please include dates of service):

Volunteer of the Year for Surry Co. Schools 2013-2014
PTO president at PMES 2010-2015, Event Director Shoals Elem 2007-2010

Has any formal charge of professional misconduct ever been sustained against you? If yes, please explain.

no

Is there any possible conflict of interest or other matter that would create problems or prevent you from fairly and impartially discharging your duties as an appointee of the Board of Commissioners? If yes, please explain.

no

Additional Comments:

I appreciate any consideration for appointment to this Committee - I've been asked to apply before, but feel the time is right for me now to devote to the town in an official capacity as well as further commitment as a downtown business owner —

Ethics Guidelines for Town Boards

(Please check if you agree)
X Yes, if appointed, I pledge to comply with the following ethics guidelines for boards as adopted by the Town of Pilot Mountain.

Members of boards shall not discuss, advocate, or vote on any matters in which they have a conflict of interest or an interest which reasonably might appear to be in conflict with the concept of fairness in dealing with public business. A conflict of interest or a potential conflict occurs if a member has a separate, private, or monetary interest, either direct or indirect, in any issue or transaction under consideration. Any member who violates this provision may be subject to removal from the board.

If the board believes he/she has a conflict of interest, then the member should ask the board to be excused from voting. The board should then vote on the question on whether or not to excuse the member making the request. In cases where the individual member or the board establishes a conflict of interest, then the board member shall remove themselves from the voting area. Any board member may seek the counsel of the Town Attorney on questions regarding the interpretation of these ethics guidelines or other conflict of interest matters. The interpretation may include a recommendation on whether or not the board should excuse himself/herself from voting. The board may request the Town Attorney to respond in writing. I understand that is application is a public document. Additionally, I understand that some committee appointments require a criminal background check.

LAURA HARDY — *Print Name*

Laura Hardy — *Signature of Applicant*

Date 2/18/19

Resolution Opposing ABC Privatization	
Background Information:	
Recently the NC General Assembly Program Evaluation Division released a report on the potential effects of privatizing liquor sales in NC. There are interest groups that plan to pressure the NC General Assembly to privatize sales. The Pilot Mountain ABC Board has contributed significantly to the Town's Police Department since its inception and just this year made its first profit distribution to the Town. It would be hard to replace this revenue in our budget should we lose the profit distribution from the store. The local ABC Board has asked that the Commissioners approve a resolution opposing the privatization of liquor sales in NC. I have included the executive summary of the PED report below. If you would like to see the full report, here is a link: https://www.ncleg.net/PED/Reports/2019/ModernizingABC.html.	
Staff Recommendation:	Staff recommends approval of the resolution.
Possible Board of Commissioner Actions	
• Approve the resolution • Deny approval of the resolution • Make changes to the resolution and approve • Take No Action	
Attachments	
• Resolution No. 2018/2019-8 • Program Evaluation Division Executive Summary	

STATE OF NORTH CAROLINA **TOWN OF PILOT MOUNTAIN**

COUNTY OF SURRY **RESOLUTION NO. 2018/19-082**

RESOLUTION IN SUPPORT OF THE CURRENT ABC CONTROL SYSTEM FOR THE SALE OF LIQUOR

WHEREAS, the citizens of the Town of Pilot Mountain voted to permit the sale of liquor through the establishment of an ABC Board, which is a part of the North Carolina control system for the sale of spirituous liquors, and;

WHEREAS, North Carolina is a "control" state and private retail liquor stores are prohibited, and;

WHEREAS, the General Assembly's nonpartisan Program Evaluation Division (PED) was directed to examine whether other systems for alcohol control, including privatized systems, are appropriate for North Carolina, specifically to include the State of Washington, which recently changed its beverage control system from state government control of wholesale and retail control of spirituous liquor to a licensure model, and;

WHEREAS, the PED Report, "Changing How North Carolina Controls Liquor Sales Has Operational, Regulatory, and Financial Ramifications", released on February 11, 2019, (1) did <u>not</u> recommend privatization; (2) found that among the southeastern states, NC collects the most revenue per gallon, has the lowest outlet density and has the second lowest per capita consumption; and (3) the PED expects retail liquor consumption to increase by 20% with privatization, and;

WHEREAS, for fiscal year 2018, local ABC Boards distributed $430,635,861 including $80 million in City-County distributions, $323 million to the General Fund of NC; $13 million to Local Alcohol Education/Treatment; $8.8 million to local law enforcement agencies; $5 million to rehabilitation services; and $17.7 million to the operation of ABC Commission/Warehouse, and;

WHEREAS, North Carolina is unique as it allows communities to vote to establish local ABC Boards for the sale of liquor in their communities; with liquor profits distributed back to those communities, thereby reducing the need to increase local property taxes, and;

WHEREAS, the citizens of the Town of Pilot Mountain, in voting to permit the operation of ABC stores, did <u>not</u> vote to allow spirits to be sold in retail outlets where beer and wine are sold, and;

WHEREAS, No State funds are spent to distribute or sell liquor as the state and local operation of the ABC system is receipt supported, and;

WHEREAS, Of the 50 states, North Carolina ranks 44th lowest in consumption per capita and 7th highest in revenue per capita and NC's ABC system accomplishes both revenue and public health, welfare, and safety objectives, and;

WHEREAS, when Washington State privatized its liquor system the number of retail outlets increased from 328 to over 1,400, hours of sale per week increased from 73 to 140 hours, and Washington State received only 30.75 million from auctioning off the rights to apply for retail spirits permits at 167 stores, and;

WHEREAS, privatization will result in a marked increase in the number of outlets, longer hours of sale, greater advertising and more promotion and significantly more consumption, and the 9,000 outlets in NC that sell beer/wine off premises could be permitted to sell liquor in a privatized system, and;

WHEREAS, local revenue from ABC store operations is important to the Town of Pilot Mountain, and;

WHEREAS, local control over the sale of liquor is an important function.

NOW, THEREFORE, BE IT RESOLOVED by the Board of Commissioners that the Town of Pilot Mountain desires to retain North Carolina's current control system for the sale of liquor and believes that privatization of liquor will lead to many adverse effects.

ADOPTED by the Board of Commissioners of the Town of Pilot Mountain this the 11th day of March 2019.

Attest:

Evan J. Cockerham, Mayor

Holly Utt, Town Clerk

PROGRAM EVALUATION DIVISION
NORTH CAROLINA GENERAL ASSEMBLY

February 2019 Report No. 2019-03

Changing How North Carolina Controls Liquor Sales Has Operational, Regulatory, and Financial Ramifications

Summary

The Joint Legislative Program Evaluation Oversight Committee's 2018 Work Plan directed the Program Evaluation Division to examine whether North Carolina's alcohol beverage control (ABC) system needs further modernization and whether other systems are appropriate for the State.

Changing how North Carolina regulates liquor sales would require major regulatory adjustments. North Carolina could end government control of retail liquor sales or end government control of both wholesale and retail liquor sales. Both options require decisions related to dissolving local ABC boards and closing ABC stores, determining regulatory requirements for private retail businesses to sell liquor, and developing an implementation schedule. Ending government control of wholesale liquor sales would additionally require establishing regulatory requirements for a private liquor warehouse and distribution system.

Changing North Carolina's regulatory system would also affect state and local revenue received from liquor sales. The Program Evaluation Division identified three options that each assumed local ABC boards would be abolished and local governments would no longer be responsible for operating local ABC stores. These options have important financial ramifications for the State and would affect the ABC Commission, state and local government revenue, and liquor suppliers and consumers.

In lieu of overhauling North Carolina's system for regulating liquor sales, the State could choose to further modernize the current system. Streamlining local ABC board operations could increase efficiency and profitability. Local ABC boards and other stakeholders identified several ideas for modernizing the current system.

If the General Assembly wishes to change North Carolina's system for regulating liquor, it should appoint a joint legislative commission to determine how state and local government roles in regulating liquor sales would change. If it wishes to modernize the current system, the General Assembly should

- direct local ABC boards located in counties with multiple boards to form merged ABC boards;
- eliminate the purchase-transportation permit for liquor;
- monitor the selection of a new ABC warehouse contract; and
- provide local ABC boards with more flexibility to charge delivery fees, serve special order customers, open ABC stores on Sundays, and offer in-store tastings of liquor products.

Main Street Coordinating Committee Appointments	
Background Information:	
The Main Street Coordinating Committee at its last meeting asked that the Board of Commissioners consider amending the ordinance that created the committee to change the number of voting members of the committee from 9 to 6 and also to remove the representation requirements. In its original form, the ordinance creating this committee required that several named groups be represented on this Committee. The attached ordinance amendment would make these requested changes. In addition, we believe that all of the original appointments to this Committee will expire as of 1 May and therefore at that time the Board of Commissioners will need to appoint/reappoint members to this group. There are 3 vacancies on this committee as of today and so if the Board approves this ordinance, then no further changes will need to be made and no members of the committee will have their terms cut short.	
Staff Recommendation:	Staff recommends approval of the proposed ordinance amendment.
Possible Board of Commissioner Actions	
• Approve the ordinance • Deny approval of the ordinance • Make changes to the proposed ordinance • Take No Action	
Attachments	
• Ordinance 2019-01	

STATE OF NORTH CAROLINA
COUNTY OF SURRY

TOWN OF PILOT MOUNTAIN
BOARD OF COMMISSIONERS

ORDINANCE NO: 2019-1

ORDINANCE TO CHANGE THE STRUCTURE OF THE PILOT MOUNTAIN MAIN STREET COORDINATING COMMITTEE

WHEREAS, the Town of Pilot Mountain Board of Commissioners have created a Main Street Coordinating Committee to advise the Board of Commissioners on issues related to the economic development of downtown Pilot Mountain; and

WHEREAS, The Board of Commissioners wishes to make changes to the organization of this Committee; and

NOW, THEREFORE, be it ordained by the Board of Commissioners of Town of Pilot Mountain, that the ordinance creating the Pilot Mountain Main Street Coordinating Committee is amended as follows:

Paragraph I Membership shall be replaced with the following:

I. Membership: The Main Street Coordinating Committee shall be made up of 6 voting members and the Mayor as an Ex-Officio member who shall not have a vote. These members shall be appointed by the Board of Commissioners. All members shall be appointed for a 2 year term, with the exception of the first full group appointed after the adoption of this ordinance. For that group the Board of Commissioners shall designate 3 members to serve a 2 year term and 3 members to serve a 1 year term.

The Committee may have as many ex-officio members as it sees fit. The Committee may also appoint as sub-committees and workgroups as it deems necessary and may appoint both members and non-members to serve on these sub-committees and workgroups.

Adopted this the 11th day of March, 2019.

RESOLUTION R2011-10
Resolution Creating the
Pilot Mountain Area Business Association (PMABA) Committee

BY LAWS

ARTICLE I. ESTABLISHMENT OF PMABA COMMITTEE

Mission Statement:

The Pilot Mountain Board of Commissioners for the purpose of acting as a networking organization, giving full consideration to all areas of local and regional concern by gathering facts, establishing firm, positive positions, providing leadership, and acting as a salesperson of ideas, while working in concert with other organizations and government, established the PMABA Committee on _______________________.

ARTICLE II. OFFICE, BOOKS AND RECORDS

Section 1. Principal Office, Mailing Address:

The principal office of the PMABA Committee shall be determined by a majority vote of the active members of the PMABA. The mailing address shall be Post Office Box 1392, Pilot Mountain, NC 27041-1392.

Section 2. Books and Records:

All records of the Pilot PMABA Committee shall be kept at the principal office of the PMABA Committee. All records are public and may be inspected by authorized Town of Pilot Mountain employees at anytime with advance notification of the request.

ARTICLE III. PMABA COMMITTEE

Section 1. Appointment of Membership:

Any reputable person, firm, association, corporation or partnership may subscribe to membership in the PMABA Committee. Membership applications may be approved at any general meeting or meeting of the Officers and shall include membership investments (dues) as set forth by the Officers. Membership investment dues will be due and payable on January 1 of each calendar year and will run for the remainder of that calendar year.

Section 2. Tenure of Members:

Membership in the PMABA Committee may be renewed on an annual basis. Members desiring to resign from the Committee should submit their resignation in writing to the Chairman. Any person, firm, association, corporation or partnership eligible and receiving membership may designate an individual to represent such membership.

Section 3. <u>Qualification of Membership:</u>
All regular members must be committed to actively working towards the mission statement of the PMABA Committee.

Section 4. <u>Officers:</u>
The PMABA Committee shall appoint an initial slate of officers, consisting of a Chairperson, Vice-Chairperson, Secretary, Treasurer, at least one representative at large, and any customary officers if so desired. After the initial slate of officers is appointed, the Chairperson, Secretary and second Representative-at-Large (if tha position be filled) shall serve two year terms, with elections for those offices to be held during even-numbered years. After the initial slate of officers is appointed, the Vice-Chairman, Treasurer, and first Representative-at-Large shall serve two year terms, with elections for those offices to be held during odd-numbered years. The PMABA Committee shall fill vacancies occurring herein for the remainder of any unexpired term that becomes vacated.

Section 5. <u>Compensation of Membership:</u>
No compensation shall be paid for services as a member of the PMABA Committee.

Section 6. <u>Applications for Membership:</u>
Applications for membership shall be made in writing to the Officers, and the application shall be regarded as a guarantee on the part of the applicant of their interest in, and sympathy with, the purposes of the PMABA Committee and their adherence, if accepted, to its by-laws, rules, and regulations. Membership approval shall require a majority vote of the general membership present at any regular membership meeting, or an affirmative vote of three of the Officers at any Officer's meeting.

ARTICLE IV. RULES AND CONDUCT

Section 1. <u>Participation:</u>
Members shall make a concerted effort to attend all meetings of the PMABA Committee and conscientious performance of the duties required of the members of the PMABA Committee.

Section 2. <u>No Conflicts of Interest:</u>
No PMABA Committee member shall take part in the consideration and determination of any matter in which they have a direct personal or financial interest. This does not preclude the PMABA Committee from engaging in business dealings as long as an arms-length process takes place.

Section 3: Confidentiality:
Each member shall maintain the confidential nature of confidential material to which members may become privy as a member of the PMABA Committee.

Section 4: No Acceptance of Gifts:
No member of the PMABA Committee shall directly or indirectly solicit any gift, or accept or receive any gift, whether in the form of money, services, loan, travel, entertainment, hospitality, thing or promise, or any other form, under circumstances in which a reasonable person would believe that the gift was intended to influence them in the performance of their duties, or was intended as a reward for any official action on their part.

Section 5: Termination of Membership:
The PMABA Committee may suspend or expel any of its members for cause, and may terminate any membership by a majority vote of its members and the approval of the Town of Pilot Mountain Board of Commissioners.

Section 6: Responsibility of Treasurer:
The PMABA Committee Treasurer shall be responsible for tracking all financials and making that data available to the Town of Pilot Mountain for audits required to be performed, and cooperating in said required audits.

Section 7: Financial Responsibility:
The PMABA Committee may not enter into any agreement, debt or incur any liability for which it does not possess the capital or insurance to cover.

Section 8: Event Approval:
All events and dates that impact downtown Pilot Mountain must be approved in advance by the Pilot Mountain Board of Commissioners or their designated representative.

ARTICLE V. MEETINGS
Section 1. Regular and Special Meetings:
The PMABA Committee shall meet at least quarterly, or monthly if advance notice is provided to the membership. Officers of the Committee may meet in between regular membership meetings. All meetings except closed sessions are open to members and the public and will be held in accordance with Article 33C of Chapter 143 of the General Statutes of North Carolina, commonly referred to as the Open Meetings Law. The Secretary of the PMABA Committee shall keep a record of its members attendance and the minutes of the PMABA Committee

meetings.

Section 2. Quorum:
A quorum shall consist of the members present at any meeting of the PMABA Committee

Section 3. Voting:
All actions taken by the PMABA Committee at a general meeting are done so by a majority vote of the members present. Actions taken by the PMABA Committee Officers at an Officers meeting are done so by a majority vote of the Officers present and announced at the next meeting of the general membership.

ARTICLE VII. AMENDMENTS
Except as otherwise provided by law, these By-Laws, or any part thereof, may be amended, added to, altered or repealed at the pleasure of and by a majority affirmative vote of the PMABA Committee and with the approval of the Town of Pilot Mountain Board of Commissioners.

Adopted this the ___________ day of ____________________________, 2011

____
Chairperson, PMABA Committee

____
ATTEST: Secretary, PMABA Committee

____
APPROVED: Mayor, Town of Pilot Mountain Board of Commissoners

Resolution Dis-solving PMABA	
Background Information:	
In December 2011 the Board of Commissioners created the Pilot Mountain Area Business Association by adopting resolution 2011-09. On March 11, 2019 the officers of PMABA voted to discontinue the operations of the group. The officers also requested that any remaining PMABA funds to designated by the Commissioners for maintenance of the landscaping at the 268 roundabouts. Over the past several years the group's membership and attendance at meetings had dwindled and therefore there were very limited funds to use to promote the member businesses. In addition, the Town is now more active in promoting businesses and is willing to take over some of the responsibilities that PMABA had been in charge of. Therefore the group's leadership felt it would be best to discontinue operations. The attached resolution would rescind Resolution 2011-09 and disband the group. It would also designate any remaining funds to be used for maintenance of the landscaping at the roundabouts on NC 268.	
Staff Recommendation:	Staff recommends approval of the resolution.
Possible Board of Commissioner Actions	
• Approve the resolution • Deny approval of the resolution • Make changes to the resolution and approve • Take No Action	
Attachments	
• Resolution No. 2018/2019-9 • Resolution No. 2011-9	

Pilot Mountain Town Hall
124 West Main St.
Pilot Mountain, NC 27041

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www.pilotmountainnc.org

MEMORANDUM

TO:	**Mayor and Board of Commissioners**
FROM:	**Michael Boaz, Town Manager/Finance Officer**
DATE:	**March 4, 2019**
RE:	**March 2019 Town Manager's Report**

- The Town will likely be awarded $300,000 to conduct an asset inventory of our water and wastewater system by the NC State Water Infrastructure Authority. This money will conduct some detailed study of our existing water/sewer infrastructure; develop some improved mapping of the system, and to develop a more detailed plan for managing all of these assets. Staff is planning to start the process of hiring an engineering firm to handle this work for us.
- The Town will likely be awarded a $312,500 grant and $937,500 0% interest loan to conduct some work at our Wastewater Treatment Plant and several of our pump stations. This will replace some of the equipment at the plant and pumps at our lift stations. Staff will begin the process of hiring an engineering firm to handle this work for us.
- The Town has been accepted into the Downtown Strong program created by Governor Cooper. This is a program created by the Governor and the Department of Commerce to promote economic growth in downtowns. We are not yet sure exactly what this program entails, but we will share information with the Board as it becomes available. I want to thank Jenny Kindy, our Main Street Coordinator, who lead the efforts to apply for this program.
- The Local Government Commission approved our loan for the Sunset Sewer project on March 5. I expect that the Water Interconnect project will be on the LGC agenda in April and I would expect that it will be approved.

PROJECT UPDATES

1. Depot Street Stream Restoration Project: We have been awarded three grants, totaling $1,100,000 for this project. This is enough money to do most of the stream restoration work on project. We have signed easements from 20 of 40 property owners. We are still working with property owners to get signed easements.
2. Lola Lane Ponds/Dam: There is repair work that has been done to this area.
3. Water/Sewer Regionalization/Interconnection Study: The engineers are preparing the final written report so that we can close out the grant.
4. Landfill Rehabilitation Project: The engineers are continuing to work on a remediation plan for this old landfill project. This project is being completed funded by the State of NC.
5. Main Street National Register District: The survey work has been completed and submitted to the NC Historic Preservation Office.
6. Street Paving Project: We are waiting on some updated numbers from the NC DOT before we can complete the application process.
7. Sunset Sewer Sub-Basin Project: the PER has been reviewed and approved. The engineers are currently working on the formal designs which are due to the State by June 3.
8. Water Treatment Upgrade: The PER has been approved and the engineers are working on a formal design which is due to the State by June 3. We have had a meeting with NC DOT to discuss the plans and which routes would be best for crossing by US 52 and I-74.
9. Streetscape Project: We hope to have the staff level kickoff meeting for this project in the next couple of weeks. We anticipate that survey crews from WR will be in Town within a couple of weeks to do the survey work for this project. They will be painting markings on the street and sidewalks, doing survey work, taking pictures, etc. Staff will be communicating in the coming days with all downtown business owners to make sure they are aware of the work that this being done. .

Town of Pilot Mountain Budget Reports February 2019
10 - General Fund

Expenditures

	Department	Budget	Period Activity	Year to Date	Balance	% Spent
10-4110:	Governing Body	$55,280.00	$15,253.28	$67,365.17	-$12,085.17	122%
10-4120:	Administration	$301,510.00	$18,293.02	$186,368.36	$115,141.64	62%
10-4490:	Community & Economic Devpt	$32,600.00	$4,000.00	$18,554.00	$14,046.00	57%
10-4495	Downtown Revitilzation	$110,870.00	$8,266.95	$72,945.81	$37,924.19	66%
10-4510:	Public Safety	$689,670.00	$63,591.47	$507,324.38	$182,345.62	74%
10-4560:	Streets	$157,550.00	$4,415.97	$102,046.19	$55,503.81	65%
10-4570	Powell Bill	$145,000.00	$0.00	$141,298.04	$3,701.96	97%
10-4580:	Sanitation	$212,240.00	$18,015.48	$149,308.02	$62,931.98	70%
10-4620:	Pilot Center	$19,060.00	$1,619.80	$19,208.11	-$148.11	101%
10-4630:	Library	$44,140.00	$1,345.00	$5,674.75	$38,465.25	13%
10-4650:	Non Departmental	$43,050.00	$1,943.25	$17,390.40	$25,659.60	40%
10-9100	Debt Service	$49,620.00	$0.00	$38,370.53	$11,249.47	77%
Total Expenditures: (10) General Fund		$1,860,590.00	$136,744.22	$1,325,853.76	$521,233.92	71%

Revenues

Account	Account	Budget	Period Activity	Year to Date	Uncollected	% Collected
10-3010-2004	Prior Year Tax Collection	$6,000.00	$143.07	$1,775.28	-$4,224.72	30%
10-3010-2005	Ad Valorem Taxes (Current)	$758,190.00	$112,275.68	$625,509.40	-$132,680.60	83%
10-3010-9301	Motor Vehicles	$62,590.00	$8,635.92	$30,581.73	-$32,008.27	49%
10-3170-0000	Tax Penalties & Interest	$7,500.00	$903.87	$1,269.23	-$6,230.77	17%
10-3317-0000	Controlled Substance Tax	$0.00	$0.00	$0.00	$0.00	0%
10-3319-0000	Police Reports & Fees	$250.00	$10.00	$305.00	$55.00	122%
10-3319-0100	Civil Citations	$100.00	$0.00	$0.00	-$100.00	0%
10-3350-0000	Miscellaneous Revenue	$1,500.00	-$49,975.00	$2,860.74	$1,360.74	191%
10-3350-0200	Sale Of Fixed Assets	$3,300.00	$0.00	$0.00	-$3,300.00	0%
10-3350-0300	Downtown Contributions	$0.00	$0.00	$2,128.58	$2,128.58	#DIV/0!
10-3350-0400	Dinner on Main Street	$7,500.00	$0.00	$0.00	-$7,500.00	0%
10-3350-0500	Farmer's Market	$3,000.00	$0.00	$410.00	-$2,590.00	14%
10-3350-0600	Food Truck Festival	$2,500.00	$100.00	$5,048.50	$2,548.50	202%
10-3350-0800	Glow Party	$0.00	$0.00	$8,049.00	$8,049.00	#DIV/0!
10-3360-0000	Rental/Lease Income	$16,200.00	$2,000.00	$18,050.00	$1,850.00	111%
10-3350-0700	Bench Purchase	$0.00	$0.00	$1,800.00	$1,800.00	#DIV/0!
10-3370-0000	Franchise Tax - Utilities	$107,000.00	$0.00	$54,077.76	-$52,922.24	51%
10-3375-0000	Solid Waste Disposal Tax	$1,250.00	$277.99	$767.20	-$482.80	61%
10-3410-0000	Beer & Wine Tax Distribution	$7,500.00	$0.00	$110.00	-$7,390.00	1%
10-3412-4100	Copies	$0.00	$2.80	$4.30	$4.30	
10-3440-0000	Powell Bill Revenue	$43,970.00	$0.00	$43,899.90	-$70.10	100%
10-3450-0000	Local Option Sales Tax	$446,310.00	$41,022.50	$306,510.43	-$139,799.57	69%
10-3510-0000	Court Costs, Fees, & Charges	$200.00	$18.00	$198.00	-$2.00	99%
10-3550-0000	Planning/Zoning Fees	$2,000.00	$60.00	$1,845.00	-$155.00	92%
10-3590-0000	Solid Waste Fees	$68,000.00	$5,731.03	$46,163.18	-$21,836.82	68%
10-3610-0000	Cemetery-Plot Sales	$5,000.00	$5,850.00	$8,700.00	$3,700.00	174%
10-3650-0300	Facilities Rental	$0.00	$0.00	$25.00	$25.00	0%
10-3690-0000	Encumbered Fund Balance	$74,030.00	$0.00	$0.00	-$74,030.00	0%
10-3695-0000	Powel Bill Fund Balance Approp.	$144,000.00	$0.00	$0.00	-$144,000.00	0%
10-3370-0000	TDA - Administrative Cost	$500.00	$0.00	$686.38	$186.38	137%
10-3370-1000	TDA Project Contriubtions	$2,700.00	$0.00	$0.00	-$2,700.00	0%
10-3370-2000	County TDA Project Contributions	$2,600.00	$0.00	$2,666.67	$66.67	103%
10-3831-4910	Interest On Investments	$9,500.00	$498.75	$4,488.40	-$5,011.60	47%
10-3831-4915	Interest on Controlled Substance	$0.00	$0.01	$0.08	$0.08	
10-3831-4916	Interest on Powell Bill Investments	$1,500.00	$1.21	$558.90	-$941.10	37%
10-3831-4920	Contributions & Donations	$0.00	$0.00	$0.00	$0.00	0%
10-3837-1000	ABC Law Enforcement Cont.	$1,400.00	$0.00	$2,091.00	$691.00	149%
10-3837-1100	ABC Store Profit Sharing	$35,000.00	$0.00	$35,000.00	$0.00	100%
10-3837-2000	Donations Law Enforcement	$0.00	$0.00	$105.60	$105.60	0%
10-3837-3000	Grant Proceeds - Law Enforcement	$24,500.00	$0.00	$2,087.51	-$22,412.49	0%
10-3837-3000	Grants	$0.00	$0.00	$0.00	$0.00	0%
10-3838-4950	Reimbursement for Services	$15,000.00	$9.56	$5,968.01	-$9,031.99	40%
10-3850-0850	Misltetoe Market	$0.00	$0.00	$2,300.00	$2,300.00	
10-3900-0100	Loan Proceeds	$0.00	$0.00	$0.00	$0.00	0%
Total Revenues: (10) General Fund		$1,860,590	$127,565.39	$1,216,040.78	-$644,549.22	65%

10 Fund Status Summary	Budget	Period Activity	Year to Date
Total Expenditures: (10) General Fund	$1,860,590	$136,744.22	$1,325,853.76
Total Revenues: (10) General Fund	$1,860,590	$127,565.39	$1,216,040.78
Revenues Over/(Under) Expenditures	$0	($9,179)	($109,812.98)

Town of Pilot Mountain Budget Reports as of February 2019
60 - Enterprise Fund

Expenditures

	Department	Budget	Period Activity	Year to Date	Balance	% Spent
60-7000:	General	$137,720.00	$0.00	$84,150.20	$53,569.80	61%
60-7700	Water Administration	$115,680.00	$7,258.22	$85,501.30	$30,178.70	74%
60-7810:	Water Treatment	$212,090.00	$15,582.03	$148,214.58	$63,875.42	70%
60-7815:	WWTP	$205,550.00	$13,857.70	$125,656.88	$79,893.12	61%
60-7820	Line Maintenance	$264,150.00	$11,678.84	$194,766.85	$69,383.15	74%
Total Expenditures: (60) Enterprise Fund		$935,190.00	$48,376.79	$638,289.81	$296,900.19	68%

Revenues

	Account	Budget	Period Activity	Year to Date	Uncollected	% Collected
60-3290-0000	Interest on Investments	$0.00	$0.00	$0.00	$0.00	0%
60-3350-0000	Miscellaneous Revenue	$280.00	$0.00	$264.00	-$16.00	94%
60-3350-0001	Sale Of Fixed Assets	$0.00	$0.00	$6,306.00	$6,306.00	0%
60-3360-0000	Insurance Proceeds	$0.00	$0.00	$0.00	$0.00	0%
60-3361-0000	Bad Debt Recoveries	$0.00	$270.71	$343.64	$343.64	0%
60-3710-0000	Charges For Water	$485,000.00	$38,776.18	$308,343.82	-$176,656.18	64%
60-3710-0100	Charges For Sewer	$360,000.00	$26,955.30	$220,623.89	-$139,376.11	61%
60-3710-0200	Infrastructure Fee	$0.00	$0.00	$0.00	$0.00	0%
60-3710-0500	Returned Check Fee	$500.00	$0.00	$330.00	-$170.00	0%
60-3710-0600	Service Initiation Fee	$2,000.00	$225.00	$1,815.00	-$185.00	91%
60-3710-5100	Bulk Sale Of Water	$2,000.00	$0.00	$1,274.18	-$725.82	0%
60-3720-0000	Late Fee	$12,000.00	$1,140.00	$9,529.04	-$2,470.96	79%
60-3730-0000	Tap/Connection Fee	$7,500.00	$1,659.68	$1,659.68	-$5,840.32	22%
60-3750-0000	Delinquent Fees	$8,000.00	$680.00	$8,138.60	$138.60	102%
60-3890-9995	Transfer from General Fund	$0.00	$0.00	$0.00	$0.00	0%
60-3890-9996	Transfer from Capital Res.	$68,520.00	$0.00	$68,520.00	$0.00	100%
60-3900-0100	Loan Proceed	$0.00	$0.00	$0.00	$0.00	0%
60-3990-0000	Encumbered Fund Balance	$0.00	$0.00	$0.00	$0.00	0%
Total Revenues: (60) Enterprise Fund		$945,800	$69,706.87	$627,147.85	-$318,652.15	66%

60 Fund Status Summary	Budget	Period Activity	Year to Date
Total Expenditures: (60) Enterprise	$935,190.00	$48,376.79	$638,289.81
Total Revenues: (60) Enterprise	$945,800.00	$69,706.87	$627,147.85
Revenues Over/(Under) Expenditures	$10,610.00	$21,330.08	($11,141.96)

TOWN OF PILOT MOUNTAIN

Monthly Financial Dashboard

FISCAL YEAR ENDING June 30, 2019

Reporting Period: February 1-February 28 2019

OUR CASH AND INVESTMENTS

Balances on February 28, 2019, in whole dollars

CASH & INVESTMENTS BY FUND

GENERAL FUND	February 2018	February 2019
Central Depository	$ 365,811	$ 455,834
NCCMT	195,750	2,116
NCCMT-Powell Bill	137,224	474
NCCMT-Term Account	252,012	258,380
Police Drug Forfeiture	1,398	1,398
Centura Bank CD	25,031	25,031
Fiduciary Funds	42,885	50,095
TOTAL GENERAL FUND	**$ 1,020,111**	**$ 793,328**

OTHER FUNDS	February 2018	February 2019
Water & Sewer Fund	$ 59,898	$ (6,112)
NCCMT-Water/Sewer	$ 1,549	$ 2,178
Water Meter CP	$ 88	$ 9,059
Interconnection CP	$ (14,900)	$ (3,900)
Landfill Project CIP	$ 939	$ -
Lola Lane CP	N/A	$3,286
Water Treatment Upgrade	N/A	($75,375)
Streetscape Project		$61,500
Sunset Sewer Project	N/A	($79,832)
Street Resurfacing	N/A	$23,055
Capital Reserve	$ 46,996	$ 34,183
TOTAL OTHER FUNDS	**$ 94,570**	**$ (31,958)**

TOTAL CASH & INVESTMENTS TOWN-WIDE	February 2018	February 2019
ALL FUNDS	**$ 1,114,681**	**$ 761,370**

OUR CASH FLOWS...

			Comparison of FYTD %	
GENERAL FUND REVENUES & EXPENDITURES			**Prior FYTD %**	**Current FYTD %**
	Fiscal Year Budget		**$ 1,813,180**	**$ 1,869,590**
	Revenues Fiscal Year to Date		33.00%	71.00%
	Expenses Fiscal Year to Date		25.51%	70.92%
WATER & SEWER ENTERPRISE FUND				
	Fiscal Year Budget		**$ 964,700**	**$ 935,190**
	Revenues Fiscal Year to Date	$ 627,148	22.89%	66.31%
	Expenses Fiscal Year to Date	$ 638,290	26.01%	68.25%
LANDFILL REHAB PROJECT				
	Project Budget		**$ 10,000**	**$ 72,355**
	Revenues Project to Date	$ 77,657	11.34%	107.33%
	Expenses Project to Date	$ 77,657	11.34%	107.33%
Water Treatment Upgrade Project				
	Project Budget		**N/A**	**$ 3,978,000**
	Revenues Project to Date		N/A	0.00%
	Expenses Project to Date	$ 75,375	N/A	1.89%
Sunset Sewer Rehabilitation Project				
	Project Budget		N/A	**$ 2,528,784**
	Revenues Project to Date		N/A	0.00%
	Expenses Project to Date	$ 79,832	N/A	3.16%
WATER & SEWER INTERECONNECTION STUDY PROJECT			**$ 100,000**	**$ 100,000**
	Project Budget			
	Revenues Project to Date	$ 87,000	54%	87%
	Expenses Project to Date	$ 90,900	68%	91%

SPECIFIC REVENUE COLLECTIONS AT A GLANCE...

		Comparison of FY %	
		Prior	**Current**
AD VALOREM PROPERTY TAX		**FY %**	**FY %**
Fiscal Year Budget		**$ 812,500**	**$ 834,280**
Revenues this Month	$ 121,959	11.34%	14.62%
Revenues FYTD	$ 781,094	91.74%	93.62%
SALES & USE TAX			
Fiscal Year Budget		**$ 440,000**	**$ 446,310**
Revenues this Month	$ 41,023	8.70%	9.19%
Revenues FYTD	$ 306,510	65.64%	68.68%
UTILITY FRANCHISE TAX			
Fiscal Year Budget		**$ 117,500**	**$ 107,000**
Revenues this Month	$ -	0.00%	0.00%
Revenues FYTD	$ 54,078	45.78%	50.54%
REFUSE COLLECTION FEES			
Fiscal Year Budget		**$ 66,150**	**$ 68,000**
Revenues this Month	$ 5,731	8.63%	8.43%
Revenues FYTD	$ 46,163	67.44%	67.89%
SALES & SERVICES			
Fiscal Year Budget		**$ 27,700**	**$ 41,500**
Revenues this Month	$ 7,920	10.68%	19.08%
Revenues FYTD	$ 34,563	113.08%	83.28%
WATER & SEWER ENTERPRISE FUND REVENUES			
Fiscal Year Budget		**$ 972,770**	**$ 945,800**
Revenues this Month	$ 69,707	6.78%	7.37%
Revenues FYTD	$ 627,148	60.66%	66.31%

EXPENDITURES AT A GLANCE...

	Comparison of Monthly Expenses		
GENERAL FUND	**Fiscal Year**	**YTD Expenses**	
DEPARTMENTS	**2019 Budget**	**Prior FY**	**Current FY**
Governing Body	$ 66,780	$ 49,555	$ 67,365
Administration	299,010	187,401	186,368
Community & Economic D	32,600	15,717	18,554
Downtown Revitilization	110,870	4,038	72,946
Police Dept	689,670	424,316	507,324
Street Dept	157,550	78,622	102,046
Powell Bill	145,000	28,168	141,298
Sanitation	212,240	179,733	149,308
Pilot Center	19,060	52,016	19,208
Library	44,140	19,311	5,675
Debt Service	49,620	29,561	38,371
Non Departmental	43,050	20,600	17,390
	$ 1,869,590	$ 1,089,037	$ 1,325,854
Fiscal Year Budget		**$ 1,813,180**	**$ 1,869,590**
YTD % of Annual Budget Expended		60.06%	70.92%
WATER & SEWER ENTERPRISE FUND			
General	$ 137,720	$ 121,117	$ 84,150
Water/Sewer Administration	115,680	$ 70,817	85,501
Production	212,090	$ 158,805	148,215
WWTP	205,550	$ 117,445	125,657
Line Maintenance	264,150	$ 166,359	194,767
	$ 935,190	$ 634,543	$ 638,290
Fiscal Year Budget		**$ 970,711**	**$ 935,190**
YTD% of Annual Budget Expended		65.37%	68.25%

Date Exported	Work Type	Total	Complete	New Request
3/4/2019 16:47	AMI Coms Check	1	1	0
3/4/2019 16:47	Brush	8	6	2
3/4/2019 16:47	Cut Off	1	0	1
3/4/2019 16:47	Cut On	6	6	0
3/4/2019 16:47	Grave Marking	1	1	0
3/4/2019 16:47	Hydrant Flushing	1	1	0
3/4/2019 16:47	Junk	1	1	0
3/4/2019 16:47	Leaf/Grass	1	1	0
3/4/2019 16:47	Meter Check	1	1	0
3/4/2019 16:47	Misc. Repair	1	1	0
3/4/2019 16:47	Pet Waste Station	1	0	1
3/4/2019 16:47	Sewer Blockage City Main	1	1	0
3/4/2019 16:47	Sewer Investigate	1	1	0
3/4/2019 16:47	Water Leak	1	1	0
3/4/2019 16:47	Water Tap	1	0	1

Pilot Mountain Police Department
Monthly Report for January 2019

Accidents

1/6/2019	Old Westfield Rd Ramp
1/8/2019	650 S Key St
1/10/2019	S Key St @ Round A Bout
1/23/2019	703 E 52 Byp
1/24/2019	511 E 52 Byp
1/28/2019	W 52 Byp @ Old Westfield Rd

	TOTAL	AMOUNT	RECOVERED
Police Service	240		
Security Checks	5,361		
Wrecks Investigated	6	$ 10,500.00	
Assaults	0		
Larcenies	2	$ 330.00	
Disturbances/Domestic	7		
Burglar Alarms	**24**		
Breaking & Entering	0		
MIP & Property Damage	2	$ 3,520.00	
Traffic Citations	9		
Intoxicated Drivers	1		
Intoxicated Pedestrians	0		
Forgery	0		
Armed Robbery	0		
Drug Charges	7		
Other Crimes	7		
Total Arrests	7		
Totals:	**5,973**	**$ 14,350.00**	**$ -**

Other

1/4/2019	Resisting Officer
	Disorderly Conduct
1/5/2019	Served 4 OFA
	Drug Paraphernalia X 2
	Poss of Marijuana
1/16/2019	Poss with intent to manufacture,sell or deliver X 2
	Maintain Drug vehicle
	Poss of weapon
	Poss of drug paraphernalia

Notes:

01/1 thru 01/03/2019	All officers particpatied in the Govnors Highway Saftey Program
1/5/2019	PMPD assisted with Coach Hall's Memorial Service
1/10/2019	All officers attended CPR & NARCAN training
1/14/2019	Chief Bottoms and Captain Jackson attended the town board meeting
1/17/2019	Captain Jackson and Officer Chrismon spoke to senior citizens at the Civic Center
1/24/2019	Captain Jackson attended LEPC meeting
1/25/2019	Officer Livengood

Pilot Mountain Police Department
Monthly Report for February 2019

Accidents

2/4/2019	Old Hwy 52 Byp near N Key St (Fatality)
	647 S Key St
2/7/2019	805 S Key St
	801 W Main St (Hit & Run PD)
2/9/2019	873 W 52 Byp
2/20/2019	650 S Key St
2/22/2019	801 W Main St
	102 Heatherly Creek Dr
2/24/2019	540 Butler St
2/27/2019	650 S Key St

	TOTAL	AMOUNT	RECOVERED
Police Service	193		
Security Checks	5,104		
Wrecks Investigated	10	$ 12,300.00	
Assaults	0		
Larcenies			
Disturbances/Domestic	11		
Burglar Alarms	14		
Breaking & Entering	0		
MIP & Property Damage	1	$ 100.00	
Traffic Citations	16		
Intoxicated Drivers	1		
Intoxicated Pedestrians	0		
Forgery	1	$ 800.00	
Armed Robbery	0		
Drug Charges	0		
Other Crimes	3		
Total Arrests	5		
Totals:	**5,359**	**$ 13,200.00**	**$ -**

Other

2/5/2019	Served OFA
2/14/2019	Served OFA x 3
2/16/2019	Served OFA

Notes:

2/1/2019	Officer Livengood read to the PMMS kids
2/2/2019	All staff assisted with the Officers Memorial Walk
	All staff attended In-Service training
2/9/2019	All staff attended In-Service training
2/11/2019	Chief Bottoms and Capt Jackson attended the Town Board Meeting
2/25 thru 03/01/2019	Sgt Edmonds and Officer Chrismon attended First Line Supervisoion School

MONTHLY STATUS REPORT OF
OPERATION FOR THE PILOT MOUNTAIN
WASTEWATER TREATMENT PLANT

MONTH: January **YEAR: 2019**

OPERATIONS:

MILLION GALLONS OF WATER TREATED	6.541	PERMIT LIMIT MGD	.500
AVERAGE DAILY VOLUME TREATED	.211		
TOTAL RAINFALL INCHES	3.65		

CHEMICALS USED:

CHLORINE/BLEACH	80 Gallons
POLYMER	0 Gallons

CHEMICAL ANALYSIS:

Parameter	Permit Limits	Monthly Results
BOD	30 max. avg. monthly	3.06
TSS	30 max. avg. monthly	6.35
D.O.	5 minimum avg. daily eff.	10.09
Fecal Coliform	200 max. avg. monthly	1.0
Ammonia-Nitrogen	28.6 max. avg. monthly	1.84

We are in compliance with all permit requirements, including passing our quarterly Bioassay.