



**Wendell Town Board of Commissioners
Board Room
15 E. Fourth Street, Wendell, NC 27591
Town Board Meeting Agenda
Monday, March 11, 2019 @ 7:00 PM**

CALL TO ORDER

- Welcome by Mayor Virginia R. Gray
- Pledge of Allegiance by Gabrielle Buchanan student at East Wake High School
- Invocation by Wendell Council of Churches

1. ADJUSTMENT AND APPROVAL OF THE AGENDA

2. PUBLIC COMMENT PERIOD *[one-hour time limit in total]*

The Public Comment Period is your opportunity to share comments with the Town Board on any topic as long as it is not an item scheduled for public hearing. During Public Comment, the Town Board receives comments and refrains from speaking.

Thanks to everyone in the audience for respecting the business meeting by abstaining from speaking from the audience, applauding speakers, or other actions that distract from the meeting.

Anyone wanting to speak during Public Comment Period should do the following:

- *Sign up prior to the beginning of the meeting. The sign-up period will begin 20 minutes prior to the start of the meeting and will end when the meeting begins.*
- *When the Public Comment Period is announced, come to the podium and state your name and address for the record.*
- *Be concise and limit your comments to three minutes or less. Designate a spokesperson for large groups. Direct comments to the full Town Board and not to an individual Town Board member.*

3. CONSENT AGENDA

The Board of Commissioners uses a Consent Agenda to act on non-controversial items unanimously recommended for approval or have been discussed at previous meetings. The Consent Agenda is acted upon by one motion and vote of the Board. Any individual board member may pull items from the Consent Agenda for further discussion. Items pulled will be handled with the "OTHER BUSINESS" agenda topic.

- 3a. Approval of audit service contract with Petway Mills and Pearson PA for FY 2019.
- 3b. Approval of resolution directing the clerk to investigate a non-contiguous annexation for 11.67 acres [11.21 for parcel and .46 for r-o-w] located on

Wendell Boulevard behind Knott Square Shopping Center and identified by PIN Number 1784-17-7071.

4. RECOGNITIONS, REPORTS, AND PRESENTATIONS

- 4a. Recognition of East Wake High School teacher: Toni Vick Dupree
Speaker: Mayor Virginia Gray
- 4b. Recognition of Zackery Feick for his Eagle Scout project at the Wendell Police Department.
Speaker: Police Chief Bill Carter.

5. PUBLIC HEARINGS

Evidentiary (Quasi-Judicial) Hearing Guidelines:

- *Case is announced*
 - *Town Attorney provides rules of procedure for an evidentiary hearing*
 - *Disclosure*
 - *Town Clerk provides oath for persons wishing to present testimony*
 - *Staff presentation*
 - *Applicant presentation*
 - *Opposition presentation*
 - *Applicant rebuttal*
 - *Opposition rebuttal*
 - *Staff closing comments*
 - *Board inquiry*
 - *Board called into deliberation*
 - *Board discussion of the findings of fact:*
 - *Approve*
 - *Approve with conditions*
 - *Deny (must include reason)*
-

- 5a. **EVIDENTIARY HEARING:** Special use request by Maria Zarate and Filiberto Ramirez to permit a Neighborhood Manufacturing use to operate in the rear portion of property located at 36 N Main Street.
Speaker: Planning Director David Bergmark

6. ADMINISTRATIVE ITEMS

- 6a. Presentation of draft finance policies.
Speaker: Town Manager Marc Collins

7. OTHER BUSINESS (any item pulled from the CONSENT AGENDA [item 3 on this agenda] will be discussed during this portion of the agenda)

- 7a. Snap Shot.

- 7b. Update on board committee(s) by Town board members:
-  Triangle J Council of Governments Executive Roundtable Discussion
[Mayor Gray]
 -  Wendell Fire Board [Commissioner Joyner]

8. COMMISSIONERS' REPORTS / COMMENTS

9. MAYOR'S REPORTS / COMMENTS

10. CLOSED SESSION

Closed session will be called if necessary.

11. ADJOURN

Item Title:

Approval of audit service contract with Petway Mills and Pearson PA.

Board of Commissioners Meeting:

Monday, March 11, 2019

Specific Action Requested:

Board may take action.

Item Summary

At the February 12, 2018 meeting, the Board of Commissioners approved an extension of the audit contract with Petway Mills and Pearson PA for an additional three year period to include FY 2018, FY 2019 and FY 2020. The extension was for the original contract that started in FY 2008.

At this time, the Board of Commissioners are asked to approve the second year of the three year extension with Petway Mills and Pearson PA for FY 2019. Per the annual contract (see attached), the cost of service will be a total of \$13,800; an increase of \$200 from the prior year contract.

Once the audit contract is approved, staff will work with Petway, Mills and Pearson PA to schedule the audit and ensure that the audit report is completed and submitted to the LGC (Local Government Commission) by the October 31st deadline.

Attachments:

- A. Proposed contract for audit services



January 28, 2019

**PETWAY
MILLS &
PEARSON, PA**

CERTIFIED PUBLIC ACCOUNTANTS

C. Briggs Petway, Jr.
Phyllis M. Pearson

Zebulon Office
P.O. Box 1036
806 N. Arendell Ave.
Zebulon, NC 27597
919.269.7405
919.269.8728 Fax

Raleigh Office
9121 Anson Way
Suite 200
Raleigh, NC 27615
919.781.1047

www.pmpcpa.com

Members of the Board of Commissioners
Town of Wendell, North Carolina

We are pleased to confirm our understanding of the services we are to provide the Town of Wendell for the year ended June 30, 2019. We will audit the financial statements of the governmental activities, the business-type activities, and 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 Wendell as of and for the year ended June 30, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Wendell'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 Wendell's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Pension Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Wendell's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements]:

- 1) Budgetary Comparison Schedules
- 2) Combining individual fund financial statements
- 3) Property Tax Schedules
- 4) Schedule of Expenditures of Federal and State Awards

Audit Objectives

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

Memberships:

North Carolina
Association of
Certified Public
Accountants

American Institute
of Certified Public
Accountants

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 Wendell 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 Wendell's financial statements. Our report will be addressed to the governing board of the Town of Wendell. 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 on the financial statements 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 entity'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 entity'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 the Town of Wendell 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 U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes and potentially propose journal entries. 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*. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes 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.

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls, including internal controls over federal awards and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is a reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management 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. You are also responsible for the selection

and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

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

Your responsibilities include adjusting the financial statements to correct material misstatements and 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 government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants 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. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on July 1, 2019.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of

measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

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

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us 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 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 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, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

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 government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all

transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. 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 tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

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

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

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. 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 Wendell'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*.

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

Other Services

We will also assist in preparing the financial statements and related notes of Town of Wendell in conformity with U.S. generally accepted accounting principles 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 statement services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Engagement Administration, Fees, and Other

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

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

The audit documentation for this engagement is the property of Petway Mills & Pearson, PA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Office of the State Auditor 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 Petway Mills & Pearson, PA 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 seven years after the report release date or for any additional period requested by the Office of the State Auditor. 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.

We expect to begin our audit on approximately June 1, 2019 and to issue our reports no later than October 31, 2019. Phyllis M. Pearson, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be \$13,800. Our invoices for these fees will be rendered at the end of the engagement. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed

until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2018 peer review report accompanies this letter.

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

Petway Mills & Pearson, PA

Petway Mills & Pearson, PA

RESPONSE:

This letter correctly sets forth the understanding of the Town of Wendell.

By: _____

Title: _____

Date: _____



Report on the Firm's System of Quality Control

February 26, 2018

To the Partners of Petway Mills & Pearson, PA
and the Peer Review Committee of the North Carolina
Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Petway Mills & Pearson, PA (the firm) in effect for the year ended September 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

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

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

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

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



Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Petway Mills & Pearson, PA in effect for the year ended September 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Petway Mills & Pearson, PA has received a peer review rating of *pass*.

Bernard Robinson & Company, L.L.P.

BERNARD ROBINSON & COMPANY, L.L.P.

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

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

and	Auditor Name Petway Mills & Pearson, PA
	Auditor Address 806 N. Arendell Ave Zebulon, NC 27597

Hereinafter referred to as Auditor

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

Must be within four months of FYE

hereby agree as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
26. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).
27. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>.
28. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

FEEES FOR AUDIT SERVICES

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

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

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

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

PRIMARY GOVERNMENT FEES

Primary Government Unit	Town of Wendell
Audit	\$ 13,050
Writing Financial Statements	\$ 750
All Other Non-Attest Services	\$ 0
75% Cap for Interim Invoice Approval	\$ 9,787.50

DPCU FEES (if applicable)

Discretely Presented Component Unit	N/A
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 Petway Mills & Pearson, PA	
Authorized Firm Representative (typed or printed) Phyllis M. Pearson, CPA	Signature <i>Phyllis M Pearson, CPA</i>
Date 02/05/19	Email Address ppearson@pmpcpa.com

GOVERNMENTAL UNIT

Governmental Unit Town of Wendell	
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)	Signature
Date	Email Address

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

CONTRACT TO AUDIT ACCOUNTS

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

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

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

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

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

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

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

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

PRINT

Item Title:

Approval of resolution directing the clerk to investigate a non-contiguous annexation for 11.67 acres [11.21 for parcel and .46 for r-o-w] located on Wendell Boulevard behind Knott Square Shopping Center and identified by PIN Number 1784-17-7071.

Report to the Board of Commissioners:

March 11, 2019

Specific Action Requested:

- That the Board of Commissioners directs the Town Clerk to investigate annexation petition A19-03 by approving the attached resolution.

Item Summary:

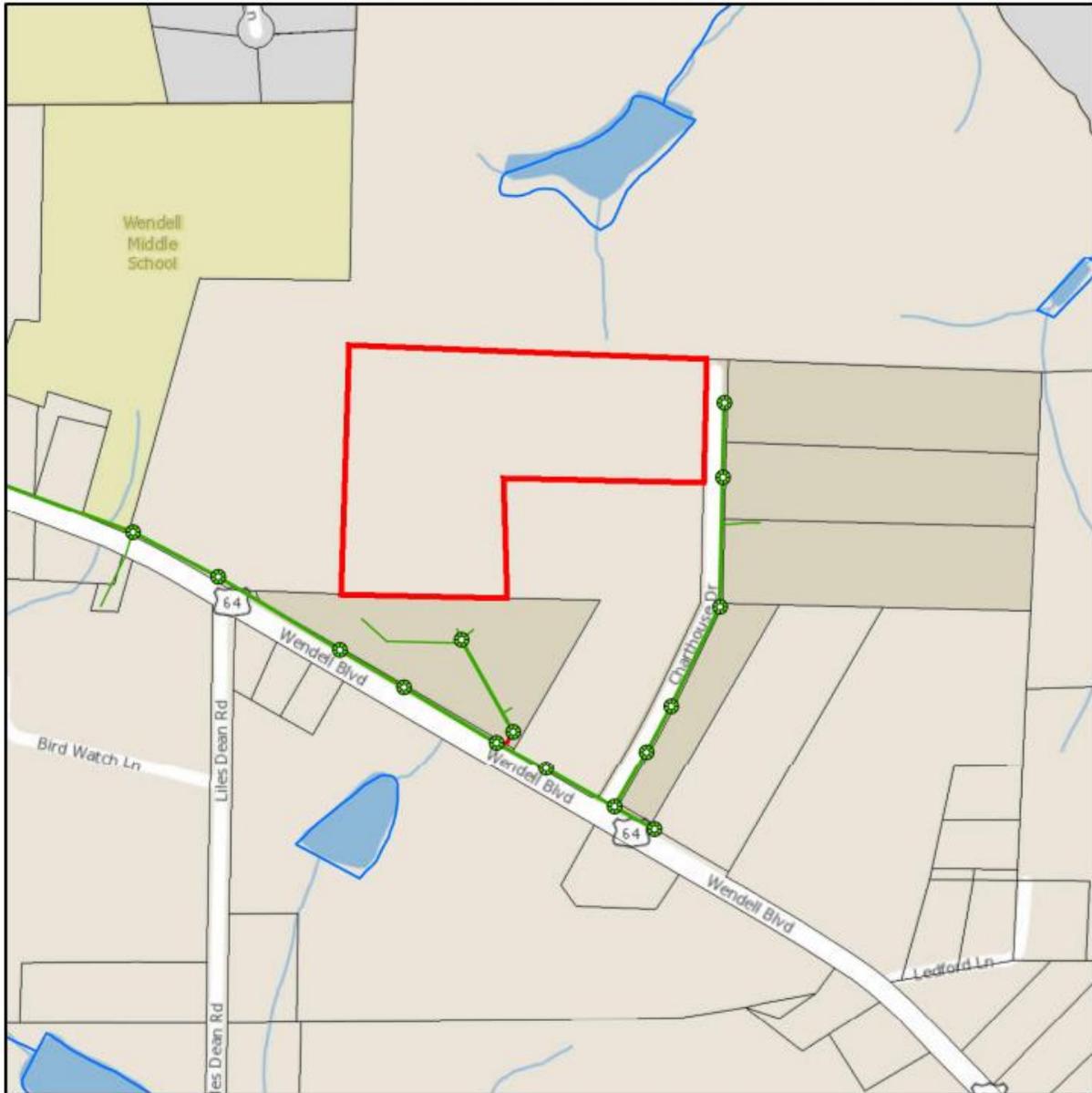
Berridge Properties Inc. has submitted an annexation request for 11.67 acres [11.21 for parcel and .46 for r-o-w] of property located behind Knott Square identified by PIN Number 1784-17-7071. The owner has submitted construction plans to develop a new manufacturing facility at this location, but in order gain access to needed utilities, annexation is required. This request is for land which is adjacent to an existing satellite annexation area (Knott Square) but is still considered non-contiguous.

A public hearing will be set by the Town Board for this item following the Town Clerk's certification of the petition's sufficiency.

Zoning District:

The property is located within the Highway Commercial (CH) zoning district. The Town Board rezoned this property from Manufacturing and Industrial (M&I) to Highway Commercial in March of 2018 at the request of the same applicant. The proposed use is permitted in the CH zoning district.

Location Map:



Berridge Manufacturing Annexation Site



Attachments:

- A. Resolution Directing the Clerk to Investigate



TOWN OF WENDELL

NORTH CAROLINA

**RESOLUTION DIRECTING THE CLERK TO INVESTIGATE
A PETITION RECEIVED UNDER NC G.S. 160A-58.1**

RESOLUTION NO.: R-07-2019

WHEREAS, a petition requesting annexation of an area described in said petition was received on February 28, 2019, by the Wendell Town Board of Commissioners; and

WHEREAS, NC G.S. 160A-58.2 provides that the sufficiency of the petition shall be investigated by the Town Clerk before further annexation proceedings may take place; and

WHEREAS, the Town Board of Commissioners of the Town of Wendell deems it advisable to proceed in response to this request for annexation.

NOW THEREFORE, BE IT RESOLVED by the Town Board of Commissioners of the Town of Wendell that:

The Town Clerk is hereby directed to investigate the sufficiency of the below described petition and to certify as soon as possible to the Town of Wendell the result of her investigation.

Duly resolved this 11th day of March 2019, while in regular session.

ATTEST:

Virginia R. Gray
Mayor

Sherry L. Scoggins, MMC
Sp. Asst. to Town Manager-Town Clerk

A-19-03:

0 Wendell Blvd [adj] to Knott Sq S/C]; 11.67 acres [11.21 for parcel and .46 for r-o-w; non-contiguous; Parcel: 1784-17-7071

Item Title:

Recognition of East Wake High School teacher: Toni Vick Dupree

Specific Action Requested:

Recognition.

Item Summary

Toni Vick Dupree is the Special Populations Coordinator and Varsity Girls Basketball Coach at East Wake High School. She attended East Wake High School from 1994-1998 and played varsity girls basketball all four years. During those four years, she scored over 1000 points. She was a starter on the East Wake 4A 1997 Girl Basketball State Championship Team and was the team MVP, All-Conference, and Wake County Player of the Year. Coach Dupree was a member of the 1998 Volleyball team her senior year. Participated in track and field all 4 years. In 1998, Regionals top 3 in throwing discus and advance to States to finish in the top 10.

Coach Dupree received a basketball scholarship to High Point University and graduated in 2002 with a Bachelor of Science in Computer Information Systems. She also has a master's degree from NC State in School Counseling. She started working and coaching at East Wake High in October 2002. Assistant track coach for 4 years and junior varsity girls' basketball coach for 7 years. She started coaching the varsity girls' basketball team in 2009. Coach Dupree's teams have made the State playoffs for 8 years. She was voted Greater Neuse River Coach of the Year in 2015, 2018, 2019. Coach Dupree was honored to be an Assistant Coach for the East team in the NC East-West All-Star game in 2014. She has a 162-71 coaching record. Coach Dupree has been working at East Wake for 16 years and enjoys working with the students.

Toni Dupree is married to Leon Dupree and has two daughters, Paige and Leah.

Attachments:

None

Item Title:

Recognition of Zackery Feick for his Eagle Scout project at the Wendell Police Department.

Report to the Board of Commissioners:

Monday, March 11, 2019

Specific Action Requested:

- To receive a presentation acknowledging Zackery Feick’s Eagle Scout Project and its benefit to the Town.

Item Summary:

Upon installing the basketball goal at the Police Department, it became apparent that there was a need to have a place for players to take a break. A variety of options were explored with the focus being solving the need through a community service type project. Communications with our local scout troop began and what started off as a good group service project morphed into the opportunity for an Eagle Scout candidate to complete a critical component necessary to reach that honor.

To quote from a Scout publication for Eagle project beneficiaries:

The Eagle Scout Rank and the Service Project: Service to others is an important part of the Scout Oath: “... to help other people at all times.” Each year tens of thousands of Scouts strive to achieve the coveted Eagle Scout rank by applying character, citizenship, and Scouting values in their daily lives. One of the rank requirements is to plan, develop, and give leadership to others in a service project helpful to any religious institution, school, or community. Through this requirement, Scouts practice what they have learned and gain valuable project management and leadership experience.

Zackery Feick is a sophomore at Wake Forest High School. He is a member of the Jr ROTC program and is part of its Saber Team. He enjoys playing basketball, baseball and video games with his younger brother Nolan.

Zackery has been involved in Scouting since the age of seven. He serves as an Assistant Patrol Lead in Wendell’s Troop 515 and in that capacity helps to lead the younger scouts. Zackery’s commitment to Scouting has been recognized over the years as he has been chosen to attend the Boy Scouts largest National High Adventure Base last summer for leadership training, National Youth Leadership Training and National Advanced Youth Leadership Training.

As noted above, the requirement to fulfill this rank requirement is extensive. Zachery was responsible for developing a plan which addressed the process from beginning to end, acquiring materials, coordinating volunteers and serving as the construction manager on the day of the “build”. Leading up to the “build”, Zachery had to meet with Chief Carter on several occasions with the final meeting including a review of the proposal and an implementation schedule. Once approved, a complete packet had to be submitted to the Awahili District Advancement Chair for their approval which occurred in mid-November 2018. Zachery’s goal was to create a safe and effective social area which could be used by community members using the basketball court.

After an early winter snow and holidays, Zachery’s plan was finally ready to take shape. On January 5, 2019, a cold and blustery day, Zachery along with a few people arrived however the work force quickly grew to almost two dozen of all ages. Zachery’s role changed from unloading trucks to coordinating the various team members helping that day. By day’s end, the project was essentially completed with the construction of a seating area with three benches, a mulched area on which the benches are located, the repurposing of sod removed to install the mulch, general landscaping in the area and as a bonus the construction of a trash can enclosure which was designed to complement the benches.

The project is not quite complete as Zachery and a smaller team will return in April to stain the benches and the trash can enclosure.

We are extremely proud to have the opportunity to help someone such as Zachery fulfill one of the many steps needed to attain Eagle Scout. We are equally proud of the contribution Zachery and his project have made to the Police Department facilities and are comfortable in saying that the goal of his project has been met in an outstanding manner.

Many thanks to Zachery and the team he led!







Item Title:

Evidentiary Hearing on a Special Use request by Maria Zarate & Filiberto Ramirez to permit a Neighborhood Manufacturing use to operate in the rear portion of that property addressed as 36 N Main Street (PIN # 1784700311).

Report to the Board of Commissioners:

- Monday, March 11, 2019

Specific Action Requested:

- The Board of Commissioners is asked to hold a public hearing and take action on a Special Use Permit request for property described herein.

Item Summary:

Maria Zarate and Filiberto Ramirez have requested a Special Use Permit to permit a Neighborhood Manufacturing use to operate in the rear portion of that property addressed as 36 N Main Street (PIN # 1784700311).

The proposed special use request would allow the tenant, who is starting a cabinet showroom, to do on-site assembly in the rear portion of their store. The total tenant space is approximately 1,940 sf and the rear portion that will be used for assembly is 448 sf. This tenant space was formerly occupied by a flower shop.

Applicant's Justification:

The applicant's justification and Special Use Permit responses are included within Attachment B. As can be seen in Attachment B, the cabinets that are to be assembled on site have been pre-cut by the manufacturer, but occasionally the applicant may need to cut boards or panels on site as well. The applicant would be subject to the Town's Noise Ordinance, which is contained in Sec. 10-80 of the Code of Ordinances. Furthermore, the applicant's hours of operation are limited to 8:00 am – 8:00 pm, per their application.

Project Profile:

PROPERTY LOCATION: 36 N Main Street
WAKE COUNTY PIN: 1784 70 0311
ZONING DISTRICT: DMX
CROSS REFERENCES:
PROPERTY OWNER: Len Properties, LLC (New Owner)
3614 Forward Way
Raleigh, NC 27614
APPLICANT: Maria Zarate and Filiberto Ramirez
2826 Rexford Lane
Cary, NC 27518
PROPERTY SIZE: .31 ac. (Portion)
CURRENT LAND USE: Commercial
PROPOSED LAND USE: Neighborhood Manufacturing Use

Existing Zoning Map:



Zoning District:

This site is located in the Downtown Mixed-Use (DMX) Zoning District. The majority of the tenant space will be used as a cabinet showroom, which would fall under the ‘General Retail’ use category. General Retail is permitted in the DMX district. The light assembly taking proposed in the rear of the premises is considered ‘Neighborhood Manufacturing’, which requires a Special Use Permit in the DMX district.

All adjacent properties fall within the DMX zoning district.

Off Street Parking:

Adjacent on street parking satisfies the tenant’s parking requirements for the DMX zoning district.

Site Improvements:

No improvements are planned or required related to lighting, landscaping, stormwater or public utilities.

Staff Comments:

- The primary use of this space (as a showroom) is permitted by right under current regulations.
- The assembly of cabinets in the rear of the tenant space does require a Special Use Permit in order to confirm it would not negatively impact adjacent uses. Given the applicant’s proposal, staff does not foresee any negative impacts related to noise, dust, or traffic from the proposed use. The Town’s noise ordinance would still apply should any noise complaints arise.

Attachments:

- A. Section 38-319 - When conditional or special uses may be granted.
- B. Application – SU17-01 (with the applicant’s responses to SUP questions)
- C. Building Layout

B. General Requirements:

- 1.** Only those uses enumerated as Special Uses in a zoning district shall be authorized by the Board of Commissioners.
- 2.** The evaluation and approval of the Special Use Permit shall be governed by quasi-judicial proceedings, which are based upon the sworn testimony and evidence presented at the hearing relevant to the following standards:
 - a.** That the proposed use does not affect adversely the general plans for the physical development of the town as embodied in this Ordinance and in any plan or portion thereof adopted by the Board of Commissioners;
 - b.** The proposed use will not be contrary to the purposes stated for these regulations;
 - c.** The proposed use will not adversely affect the health and safety of residents and workers in the town;
 - d.** The proposed use will not be detrimental to the use of development of adjacent properties or other neighborhood uses;
 - e.** The proposed use will not be affected adversely by the existing uses;
 - f.** The proposed use will be placed on a lot of sufficient size to satisfy the space requirements of the use;
 - g.** The proposed use will not constitute a nuisance or hazard because of the number of persons who will attend or use the facility, vehicular movement, noise, or fume generation or type of physical activity;
 - h.** The standards set forth for each particular use for which a permit may be granted have been met;
 - i.** The Board may impose or require such additional restrictions and conditions as may be necessary to protect the health and safety of works and residents in the community, and to protect the value and use of property in the general neighborhood;
 - j.** The proposed use shall be subject to the minimum area, setback, and other location requirements of the zoning district in which it will be located; and
 - k.** The proposed use shall be subject to the off-street parking and service requirements of these regulations.
 - l.** Wherever the Board shall find, in the case of any permit granted pursuant to the provisions of this chapter, that any of the terms, conditions, or restrictions, on which such permit was granted are not being complied, the Board shall rescind and revoke the permit after giving due notice to all parties concerned and granting full opportunity for a public hearing.



**TOWN OF WENDELL
SPECIAL USE PERMIT APPLICATION**

Date of Application: 2/04/2019 Application Number: SUP2019-01

Location of Property: 36 N Main St

Current Zoning District: DMX Wake Co. PIN: 1784700311

Applicant's Name: Maria Zarate - Filiberto Ramirez

Applicant's Mailing Address: 2826 REXFORD lane

City/State/ZIP: Cary N.C. 27518

Phone: 919-628 6651 Email: randspaintingllc@gmail.com.

Property Owner's Name: Len Properties, LLC

Property Owner's Address: 3614 forward way

City/State/ZIP: Raleigh, NC 27614

Phone: 919 269 6400 Email: Kennemur@nc.rr.com
Carter Kennemur

Type of Special Use/Reason for Special Use (cite the code section to which this Special Use applies):

Manufacturing Neighborhood
Supplemental Use Standard 3.3 AA

Intended use of property, building or structure as a Special Use (describe below):

Assemble prefabricated cabinets
and Show Room

Is this a modification of a previously-issued SUP? Yes No

Other information: _____

The following information MUST be included before the application will be accepted and processed:

- Attachment A – A list of adjacent property owners (including across public right-of-ways) and their mailing and physical addresses.
- Attachment B – write up with the following questions numbered, listed, and answered: (see Attached)
 1. Are there any variances being requested? If so, list each one. no
 2. Will utilities, fire, police, and other necessary public and private facilities and services be adequate to handle the proposed use? Please explain how they will or will not be Self land field
 3. How will the proposed use affect the health and safety of the residents and workers of Wendell? Dust Collector inside all time
WC insured
 4. Will the proposed use affect the use or development of adjacent properties or other uses?
 5. Will the proposed use constitute a nuisance or hazard because of the number of persons who will attend or use the facility, vehicular movement, noise, or fume generation or type of activity? Explain.
 6. What are the hours of operation? 8 to 8
 7. How many work shifts will there be? one
 8. How many employees will work per shift? 3 Full-time _____ Part-time

Handwritten notes:
 Dust Collector inside all time
 WC insured
 no complaint
 no noise
 no trucks
 large trucks

The undersigned property owner hereby authorizes the filing of this application and any subsequent revisions thereto. The filing of this application authorizes the Town of Wendell staff to enter upon the site to conduct relevant site inspections as deemed necessary to process the application.

DocuSigned by:
 Signature: David M. Dickman Date: 1/23/2019
 -73ECD5F015E8412...

As the applicant, I agree that this permit, if granted, is issued on the presentation made herein and that this permit may be revoked in the event of any breach of representation or non-compliance of conditions of the permit. It is further understood that if the Special Use as requested herein is not started within twelve (12) months from the date of issuance, that the permit shall become invalid. Fees are nonrefundable. The applicant is responsible for presenting their case to the town.

Signature: [Signature] Date: 1-31-19

OFFICE USE ONLY	
Fee Paid: <u>650.00</u>	Check # <u>1023</u> Recvd By: <u>[Signature]</u> Date: <u>2/4/2019</u>
BOARD OF COMMISSIONERS Date of Public Hearing: <u>3-11-19</u> Date Sign Erected: <u>2-27-19</u>	
Dates Public Hearing Advertised (#1) _____ in <u>Feb</u> (#2) _____ in <u>Feb time</u>	
Town Board Recommendation <input type="checkbox"/> Approval <input type="checkbox"/> Denial	
Conditions _____	
Town Clerk Signature _____	Date _____
Mayor's Signature _____	Date _____

1.No variances requested.

2.Standard office trash will be placed in bins. Additional larger amounts of trash will be taken to the landfill. The property is located within the service area for Wendell fire, police and trash services. Existing water, sewer and electric utilities serving the building are adequate for what we need.

3.Cabinets are pre-cut by the manufacturer. We will only piece them together on site. It is rare that we have to cut boards or panels for cabinets. If any dust is produced, then dust collector will be used as needed. We follow general safety rules and regulations. We have workers compensation and liability insurance.

4.The adjacent properties will be unaffected because no hazardous chemicals or substances are used, produced, or stored. The showroom has insulation and thick brick, so no noise will bother the neighbors.

5. No large trucks will be used to transport, unload, or deliver. Causes no extra vehicular traffic. No loud noise that would be heard outside the building.

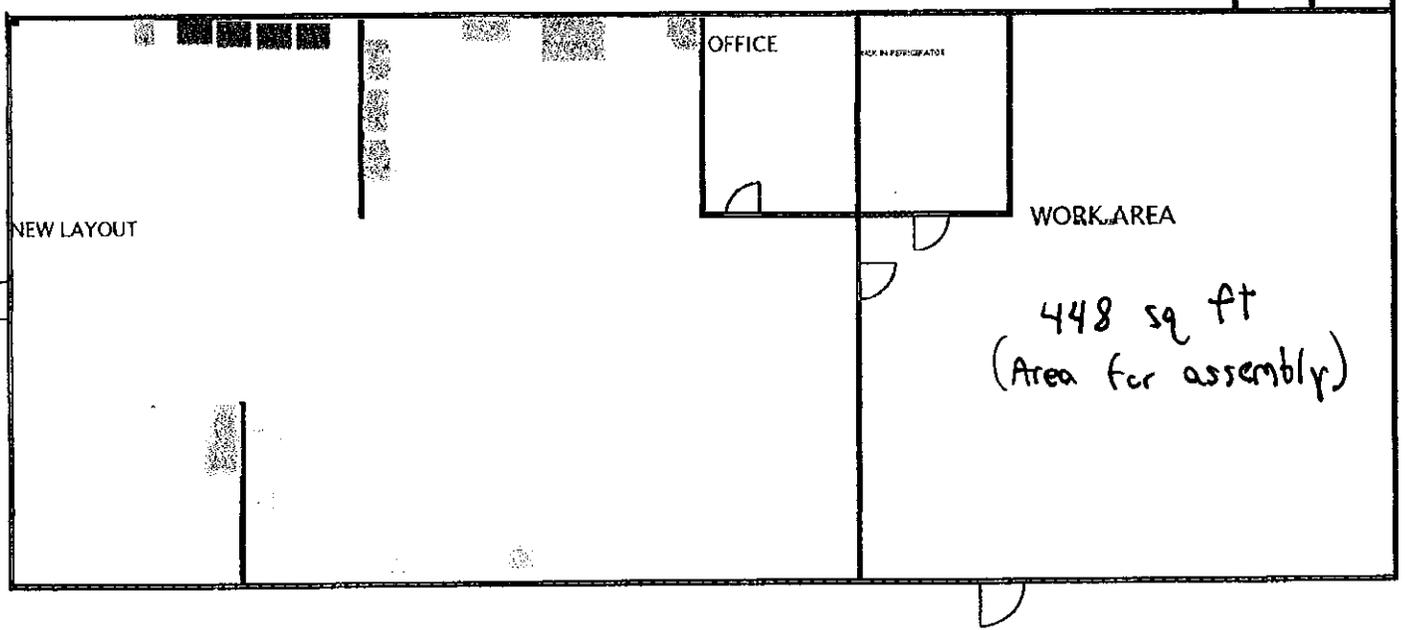
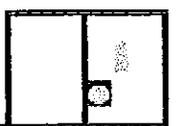
6. The standard hours will be from 9am to 5 pm. If needed for special projects, we may work from 8am – 8pm.

7. One shift

8. 3 full time employees.

Proposed Layout

Total sq ft = 1940



Item Title:

Presentation of Draft Finance Policies

Report to the Board of Commissioners:

Monday, March 11, 2019

Specific Action Requested:

Receive presentation on draft finance policies.

Item Summary:

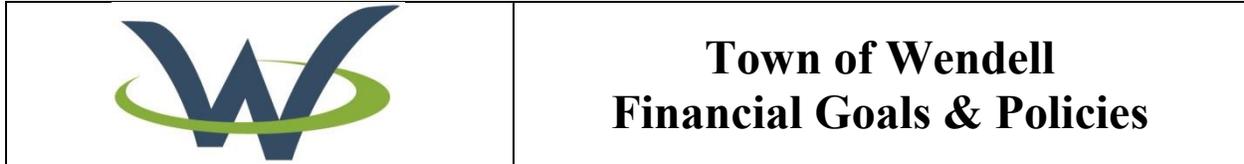
Staff will provide a brief presentation on proposed updates and additions to the *Town of Wendell Financial Goals & Policies* (Policy 107). The policy was last amended in March 13, 2017 and May 26, 2009. The updates will clarify existing policy and provide additional guidance based on Government Finance Officers Association (GFOA) best practices. All proposed policies remain consistent with the Local Government Budget and Fiscal Control Act.

The current Town of Wendell financial policies are attached for reference. Proposed changes and additions will be provided at the meeting on March 11, 2019.

Attachments:

- A. *Town of Wendell Financial Goals & Policies* – Current Policy

Effective Date: 3/13/2017
Supersede Date: 5/26/2009
Policy Number: 107



The Town of Wendell has an important responsibility to its citizens to carefully account for public funds, to manage municipal finances wisely, and to plan the adequate funding of services desired by the public, including the provision and maintenance of public facilities. The desires of the public in the provision of public services are imperative, and it is the role of the Board of Commissioners to communicate the public's desires.

In these economic times, the town needs to ensure that it is capable of adequately funding and providing those government services desired by the community.

The financial goals and policy statements set forth in this section are intended to establish guidelines for the continued financial strength and stability of the Town of Wendell and to maintain public trust and confidence by utilizing resources in the most efficient manner possible.

FINANCIAL GOALS

Financial goals are broad, fairly timeless statements of the financial position the town seeks to attain. The financial goals for the Town of Wendell focus on the following areas:

1. Accountability
2. Budget
3. Fund Balance and Reserves
4. Cash Management
5. Capital Improvement Plan
6. Tax Rate and Fees
7. Debt Management
8. Asset Replacement Schedule

1. Accountability

Goal: The town will insure the legal use of public assets through an effective system of internal controls.

- The town will strive to establish the lowest reasonable tax rate for its citizens without compromising the quality of municipal services.
- The town will maintain a budgetary control system to ensure compliance with the approved budget and will maintain adequate internal controls to safeguard public assets.
- Expenditures will be monitored through the accounting system with monthly reports to assure budgetary compliance.
- Reports demonstrating the status of financial activity and results (including an annual independent audit) will be prepared on a timely basis and in compliance with Generally Accepted Accounting Procedures (GAAP).
- The Town will prepare and submit a Comprehensive Annual Financial Report (CAFR) to the Government Finance Officers Association (GFOA).

2. Budget

Goal: A comprehensive annual budget will be adopted after careful consideration of public needs, their input, and availability of funding.

- During the budget development process, the town will strive to maintain the tax rate and fees at the lowest possible rate.
- During the budget development process, the town staff will strive to show and explain where areas of increased needs exist.
- After a thorough budget process, an annual comprehensive budget will be adopted by ordinance. A detailed budget document disclosing all anticipated revenues and authorized appropriations for operating and capital expenditures will be prepared and published. The budget will establish the level of services to be provided by each department with anticipated revenues and available resources.
- Where possible, grants or contributions of capital will be identified for proposed town expenditures. When grants are undertaken, the town will strive to be mindful of the long-term requirements and commitments involved in acceptance of such grants.
- If the presented balanced budget includes a tax rate increase, staff must also present a balanced budget showing a tax rate decrease in the same amount of the tax rate increase.

3. Fund Balance and Reserves

Goal: The Town will strive to maintain a General Fund fund balance of 40%.

- The purpose of the fund balance will be to provide sufficient operating reserves (working capital) to manage monthly and daily cash flow variability, as well as adequate liquidity to provide for limited interruptions in revenues (natural disasters, unexpected loss of revenue source, etc.).
- Contingency and reserve funds will be available for use in the event of emergency and/or unforeseen events.
- Cash balances in excess of the amount required to maintain strategic reserves can be used, with approval from the Board of Commissioners, to fund one-time or non-recurring costs. Preference will be given to uses that reduce ongoing expenses (for example - early retirement of debt).

4. Cash Management

Goal: The town's cash management policy will promote responsible, efficient and legal use of public funds and will optimize the management and earnings on the public funds.

- *Central Depository* – The town will maintain an interest-bearing account as its official central depository, as approved by the Board of Commissioners. The town also shall maintain a checking account for disbursements. Other accounts can be maintained as is necessary, with board approval.
- *Banking Relations* – To ensure the lowest fees, best services, and highest rates of interest, the town's banking services will be continuously monitored and reviewed. No more than every five years, the town will review banking services to get the most competitive services and rates available and a recommendation for services will be submitted to the Board of Commissioners for approval.

5. Capital Improvement Plan

Goal: The Capital Improvement Plan will be comprehensive and updated every year.

- The town will update a Capital Improvements Plan (CIP) every year and provide a copy to the Town Board. This plan will be a long-range plan that will forecast facility needs and requirements town-wide for each of the next five years.
- In the CIP, staff will attempt to forecast projected revenues and resources required to finance the capital improvement plans.

- In addition to facilities, the plan will include projections for equipment requirements valued in excess of \$5,000.
- Long-term borrowing will be confined to significant capital improvements (or similar projects) that have an extended life and to instances when it is not practicable to provide financing from the current revenues. All other available and appropriate sources of financing will be exhausted before long term borrowing is pursued.

6. Tax Rate and Fees

Goal: The town will establish a responsible tax rate and schedule of fees and will strive for public transparency in the establishment of these taxes and fees.

- The town will strive to maintain the tax rate and fees at the lowest possible level.
- The town will strive to educate the public concerning the fact that the Town of Wendell is the only town in Wake County that does not provide municipal fire service and for which fire service is provided through a county fire district and a county fire district tax.
- Whenever possible, fees will be established at rates that allow those using / benefitting from public services to pay for those services.
- The tax rates and fee schedule will be reviewed annually as part of the budget development process.

7. Debt Management

Goal: The Town will use a balanced approach to funding capital improvements, projects, and vehicle and/or equipment needs.

- The balanced approach will consist of various funding options to include utilizing debt financing, draws on fund balances in excess of policy targets, and current year (pay-as-you-go) appropriations.
- The general fund debt as a percentage of total assessed value of taxable property should not exceed 2.5%.
- The ratio of debt service expenditures as a percentage of total general fund expenditures should not exceed 15% with an aggregate ten-year principal payout ratio target of 55% or better.

8. Asset Replacement Schedule

Goal: The Town will set forth an outline/criteria for the replacement of Town owned vehicles and equipment in order to ensure that replacement is in the most efficient and cost effective manner.

- The criteria chart (see attached) takes into account age, mileage, condition, services, reliability, and maintenance costs to serves as the general indicator for initiating vehicles and equipment replacement.
- Each vehicle and piece of equipment accumulates points using the criteria chart. Once all points have been totaled for each vehicle and piece of equipment, a replacement rating will be assigned (Good, Poor, and Priority). The criteria chart (see attached) will provide descriptions of the replacement rating.

ADOPTED this the 13th day of March 2017.

Virginia R. Gray, Mayor

Attest:

Sherry L. Scoggins, Town Clerk

Date: March 11, 2019

Item # 7a

Item Title:

Snap Shot.

Specific Action Requested:

- Information. The Board may take action by directing staff to amend the Project/Punch List and/or Service Priorities.

Item Summary:

Snap Shot will be available in the first monthly meeting agenda packet.

**The Fund Balance and Debt Balance information is retrieved from the Town's audit. The auditor will deliver the audit information to the Board in November and the Fund Balance and Debt Balance posted on the Snap Shot will be updated at that time.*

Attachment:

- Attachment A – Snap Shot

Town Board Snap Shot

Where are we at financially?	Revenues	Expenditures
March 5, 2019	\$5,385,181.85	\$3,969,716.94

As of 4/03/2017, Town’s dashboard available at:

<https://broker.edmundsassoc.com/Dashboard/?municipalId=WENDNC>

Fund Balance				
Date	Allocated %	Available %	Allocated \$\$	Available \$\$
Audit report 6/30/2018 and Budget 2019	0.04% (\$245,800/\$6,309,570)	95.57% (\$6,030,012/\$6,309,570)	\$245,800	\$5,784,212

Debt Balance (Ratio)				
Date	Allocated %	Available %	Allocated \$\$	Available \$\$
Audit report 6/30/2018 and Budget 2019	7.24% (\$456,500/\$6,309,570)	88.25% (\$37,016,705/\$41,944,722)	\$456,500 (\$149,500 Powell Bill and \$307,000 General Fund)	\$41,944,722

*Any significant debt policy projection, if applicable

As a Board of Commissioners, we:

- **Strive for efficiency** in the way we handle business. We are hard-working, and attend all meetings.
- Keep the **best interests of the Town** uppermost in our minds.
- Consider all aspects of a situation and make **thorough, deliberate, and well-reasoned decisions**.
- **Explore all viewpoints**. We are open to hearing from others, learning from them and compromising, when needed.
- **Stay cohesive, collaborative, collegial, and connected** to the manager and to each other.
- **Demonstrate respect for all opinions**, especially in public. And we support the decisions of the board. Once decisions are made by the majority, we support that decision.
- Tackle **new and novel ideas** and processes.

Town Board Goals, Priorities & Strategies		
PROJECT / PUNCH-LIST	PROJECTED COSTS	STATUS OF C.I.P.
TRANSPORTATION FUNDS [Fee in lieu]		
Street Fee in Lieu (Berridge; 9/10/18)	\$204,000.00	<i>Pending; collected at time building permit issuance</i>
Sidewalk Fee in Lieu (4/9/18)	\$3,062.00	Prioritize potential sites. Sidewalk Petition Policy approved at the 1/14/2019 meeting.
Comprehensive report w/City of Raleigh for the water & sewer; progress on pro-forma		2-25-2019 – CORPUD staff presented merger options to the Town Board of Commissioners. The information was received, and staff was directed to continue working with CORPUD on the issue.
Review of Town Charter by Town Attorney	\$3,500	At its July 23, 2018 meeting, the Town Board approved the Town Attorney reviewing the Town’s Charter. Staff forwarded comments of Chapter 2 of the Town Code of Ordinances and Suggested Rules of Procedure of the Town Board to the Town Attorney for his review.

Capital Improvement Project (C.I.P.) Priorities –

Top projects as chosen by the Town Board; Include projected costs; One or two sentences on status of C.I.P; Include a date for every action

Service Priorities		
Staffing Components	Saving Options	Status
<p>Police provided employee comparisons 1-27-2018.</p> <p>Comparisons being compiled for other departments.</p>		

Service Information

Any options for savings (i.e. technology, equipment)

Short and to the point!

Items remain on the list until the Town Board takes action.

Date: March 11, 2019

Item # 7b

Item Title:

Update on board committee(s) by Town Board members.

Specific Action Requested:

None

Attachments:

None

Date: March 11, 2019

Item # 8

Item Title:

Commissioners' Reports.

Specific Action Requested:

None

Attachments:

None

Date: March 11, 2019

Item # 9

Item Title:

Mayor's Report.

Specific Action Requested:

None

Attachments:

None

Item Title:

Closed Session [NC GS 143-318.11].

Specific Action Requested:

Will be called if necessary for one or more of the following within NC GS 143-318.11(a):

- (1) To prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes.
- (2) To prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award.
- (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. General policy matters may not be discussed in a closed session and nothing herein shall be construed to permit a public body to close a meeting that otherwise would be open merely because an attorney employed or retained by the public body is a participant. The public body may consider and give instructions to an attorney concerning the handling or settlement of a claim, judicial action, mediation, arbitration, or administrative procedure. If the public body has approved or considered a settlement, other than a malpractice settlement by or on behalf of a hospital, in closed session, the terms of that settlement shall be reported to the public body and entered into its minutes as soon as possible within a reasonable time after the settlement is concluded.
- (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations, or to discuss matters relating to military installation closure or realignment. Any action approving the signing of an economic development contract or commitment, or the action authorizing the payment of economic development expenditures, shall be taken in an open session.
- (5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract.
- (6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or

grievance by or against an individual public officer or employee. General personnel policy issues may not be considered in a closed session. A public body may not consider the qualifications, competence, performance, character, fitness, appointment, or removal of a member of the public body or another body and may not consider or fill a vacancy among its own membership except in an open meeting. Final action making an appointment or discharge or removal by a public body having final authority for the appointment or discharge or removal shall be taken in an open meeting.

(7) To plan, conduct, or hear reports concerning investigations of alleged criminal misconduct.

(8) To formulate plans by a local board of education relating to emergency response to incidents of school violence or to formulate and adopt the school safety components of school improvement plans by a local board of education or a school improvement team.

(9) To discuss and take action regarding plans to protect public safety as it relates to existing or potential terrorist activity and to receive briefings by staff members, legal counsel, or law enforcement or emergency service officials concerning actions taken or to be taken to respond to such activity.

(10) To view a recording released pursuant to G.S. 132-1.4A.

Attachments:

None