A G E N D A

LINCOLNTON CITY COUNCIL

February 3, 2022

7:00 p.m.

Council Chambers

City hall

LINCOLNTON CITY COUNCIL
AGENDA
February 3, 2022
7:00 p.m.

CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

1. AGENDA APPROVALS

1a. Approval of REGULAR AGENDA

1b. Approval of CONSENT AGENDA

All items placed under Consent Agenda are considered routine, to be enacted by one motion without discussion. If a member of the Governing Body requests discussion of an item, the item will be removed from the Consent Agenda and considered separately.

- Approval of Minutes from the January 6th Regular Meeting
- R-01-22 – Resolution of Intent to Consider the Closing of a Street/Alleyway

2. SPECIAL RECOGNITION

2a. Special Recognition of City and County Employees – Fran Ave. Incident

Ryan Heavner, Fire Chief and Rodney Jordan, Police Chief

2b. Presentation of Advanced Law Enforcement Certificate – Detective Mamadou Diallo

Rodney Jordan, Police Chief

3. REGULAR AGENDA

3a. Lincolnton Steering Committee Update

Wayne Hoyle, Chair

3b. 2020-2021 Audit Presentation

Lowdermilk Church and Co., L.L.P.

(C-01-22)

3c. Consideration of contract between the City of Lincolnton and Lowermilk Church & Co. for the 2021 audit

Pamela McBryde, Finance Director

4. Regular Agenda – continued

(P-01-22)

4a. Consideration/Approval of proposed Conflict of Interest Policy for City staff and elected officials

Pamela McBryde, Finance Director

4b. Discussion/Consideration of revision to form used for the City Manager's annual evaluation

Ed Hatley, Mayor

(R-02-22)

4c. Resolution Authorizing the City of Lincolnton to Accept a Donation of Land

Ritchie Haynes, City Manager

5.. OTHER BUSINESS

5a. Quarterly Financial Report/Update

Pamela McBryde, Finance Director

5b. Manager's Report/Activity Update

Ritchie Haynes, City Manger

PUBLIC COMMENT

Speakers will be limited to three (3) minutes to address Mayor and City Council concerning non-agenda items. You must sign in with the City Clerk to be eligible to speak

NEWS MEDIA

ADJOURNMENT

ITEM

1

AGENDA

APPROVALS

ITEM

1a

APPROVAL

OF

REGULAR AGENDA

ITEM

1b

APPROVAL

OF

CONSENT AGENDA

Approval of Minutes for the January 6, 2022 Regular Meeting

The Mayor and City Council met in regular session on Thursday, January 6, 2022 at 7:00 p.m. in the Council Chambers of City Hall located at 114 West Sycamore Street, Lincolnton North Carolina.

Mayor Ed Hatley opened the meeting with a moment of silence and led the Pledge of Allegiance. The following members were in attendance:

WHITE EADDY JETTON

NOTE: ***Councilwoman Poinsette was absent***

Councilman Eaddy made a motion to approve the *REGULAR AGENDA as* amended, ***delaying item # 2a – Special recognition of City and County employees until the February 4th meeting, and adding a request from Chief Ryan Heavner to purchase fire truck.*** **Members voted 3-0 in favor of the motion**

Councilwoman White made a motion to approve the amended *CONSENT AGENDA* as follow:

- **Approval of Minutes from the December 2nd Regular Meeting**
- **Recognition of Upcoming Retirement – David W. Mocanu**
- **Approval to award the police departments "Medal of Valor" to Officer Dillon Wolf at the February 4th regular meeting**

Members voted 3-0 in favor of the motion

PUBLIC HEARING

CZ-12-2021
Application from Dynamo Holdings, LLC requesting the rezoning of 0.638 acres of land from Residential-10 (R-10) district to Residential Multi-Family Conditional District (RMF-CD) for the purpose of constructing two duplex units. The subject property is located on the west side of North Flint Street approximately 200 feet north of the intersection of North Flint Street and East McBee Street (Parcel ID 83747)

Mayor Ed Hatley opened the public hearing, recognizing Mrs. Laura Elam, Planning Director, who presented the request to council. Mrs. Elam gave a detailed explanation of the request and the identified site. Several maps and street views of the site were referenced. Mrs. Elam also referenced the

site plan submitted by the applicant to help further explain the applicants intensions for the lot.

Both Mrs. Elam and the applicant, Mr. Igor Shipper, the owner of Dynamo Holdings, LLC, offered to answer any questions regarding the request. Mr. Shipper briefly provided some background information about the company and their work in the area.

Ms. Cindy Friedeberg, property owner directly behind the property in question, requested to speak and expressed several of her concerns regarding the project. Ms. Friedeberg came asking council to include a number of conditions as stipulations if the rezoning is approved.

Some discussion was generated regarding the fact that the rezoning would be conditional and would only be for the identified site. In response to a question from Councilman Eaddy, Mrs. Elam informed that there was no opposition expressed at the Planning Board meeting regarding this request. After more discussion regarding potential vegetation barriers and water drainage, Planning Director Laura Elam suggested that this item be tabled until the end of the meeting to allow for a conference between the applicant and the concerned property owners.

Councilman Jetton made a motion to close the Public Hearing. Members voted 3-0 in favor of the motion.

Councilwoman White made a motion to table. Members voted 3-0 in favor of the motion.

REGULAR AGENDA

Request from Chief Ryan Heavner regarding the Purchase of a used Fire Apparatus

Ryan Heaver, Fire Chief, addressed Council to request consideration for the purchase of a used fire truck from the Denver Fire Department. Chief Heavner explained that per the insurance rating through the state of North Carolina, the City is required to have a certain amount of gallons of water that is movable. The current tanker is a 1990 model, with no safety features.

Chief Heaver informed that the Denver Fire Department has offered to sale the City a 2003 Smeal International for $50,000. He also stated this tanker will serve both the city and the rural district inherited due to the Boger City

consolidation. Chief Heavner also mentioned this being beneficial for airport use.

Councilman Eaddy made a motion to give Chief Heavner permission to purchase with funds coming out of the fund balance of the Boger City Fire Department. Members voted 3-0 in favor of the motion.

(BA-01-22)
Budget Amendment to amend the Annual Budget Ordinance for fiscal year ending June 30, 2022, General Fund and Powell Bill Fund

Finance Director Pamela McBryde presented the first budget amendment of 2022 as follows:

BA-01-22

BE IT ORDAINED by the Governing Board of the City of Lincolnton, North Carolina, that the following amendment be made to the Annual Budget Ordinance for the fiscal year ending June 30, 2022.

Section 1: To amend the General Fund, the expenditures are to be changes as follows:

General Expense	$	32,265
Planning/Zoning		10,125
Recreation		45,000
	$	87,390

Section 2: To amend the General Fund, the revenues are to be changed as follows:

Federal Grants-Brownfield	$	10,125
Grants - Other		45,000
Miscellaneous Other Revenue		32,265
	$	87,390

General Fund: Additional federal payments received for the Brownfield Grant. Grant ended October 2021. Donated property on Massapoag Road from the Catawba Lands Conservancy as a part of the Rail Trail Project filed 7/12/2019 but never put on the City's Books. LTDA donation to the Rail Trail Project (2022-030).

Section 5: To amend the Powell Bill Fund, the expenditures are to be changes as follows:

Powell Bill Construction/Other	$	43,276

Section 6: To amend the Powell Bill Fund, the revenues are to be changed as follows:

Powell Bill Allocation	$	43,276
	$	43,276

Powell Bill Fund: NC state budget passing the General Assembly and signed by Governor Cooper resulted in an increase in the second installment of the Powell Bill funding for FY2021-2022.

Section 16: Appropriations are authorized by fund totals. The City Manager is authorized to reallocate fund appropriations among line item objects of expenditures and revenues as necessary during the budget year.

Section 17: Copies of this Budget Ordinance shall be furnished to the Clerk to the Governing Board and to the Budget Officer and Finance Director to be kept on file by them for their direction in the disbursement of funds.

TOTAL AMENDMENT	$	130,666

Adopted this 6th day of January, 2022

Presentation of Certificate and lapel pin to Daphne Ingram, City Clerk, in recognition of earning the International Institute of Municipal Clerks' designation of Certified Municipal Clerk

Mayor Ed Hatley formally presented Daphne Ingram, City Clerk, with her certificate of completion and lapel pin in recognition of earning the Certified Municipal Clerk (CMC) designation through the International Institute of Municipal Clerks (IIMC) organization. Mrs. Ingram was also presented a City of Lincolnton lapel pen as a token of appreciation for her work.

OTHER BUSINESS

Manager's Report/Activity Update

Ritchie Haynes, City Manager, reported on several items, informing council of the work that has begun to kick off the budget process, with the city's budget retreat scheduled for March 18, 2022. Mr. Haynes mentioned several items he plans to discuss at budget retreat, and encouraged council members to notify him of any topics they would like to be added to the agenda.

Mr. Haynes gave a brief update on the Water Street parking lot project. He reported that the current plan is to create 45 to 50 parking spaces, with a two way entrance and exit. Mr. Haynes requested a consensus from Council in order to go back to Mr. Ledford and direct him to move forward with completing the design and the bidding process. Some discussion was generated regarding the issue of water run-off and drainage, as well as status of the demo, abatement and some additional legwork that will need to be done. **There was a consensus from council to move forward with the project.**

City Manager Ritchie Haynes concluded his report with an update on code enforcement and the status of several identified sites around the city. Council members expressed their approval with this issue being addressed and the progress being made.

Mayor Ed Hatley re-opened public hearing **CZ-12-2021**, which was tabled at the beginning of the meeting to allow for discussion between the applicant and several neighboring property owners. Laura Elam, Planning Director, reported that an agreement was reached, in that a berm with fast growing evergreen trees will be installed by the applicant. The berm will be 2ft to 3ft in height and will lie within a strip of 20ft minimum and the trees will be 5ft to 6ft apart. Mrs. Elam reported that the agreement is a compromise for each side.

Councilwoman White made a motion to close the public hearing. Members voted 3-0 in favor of the motion

Councilman Eaddy stated, "Given the compromise that has been worked out, I make a motion to approve." Members voted 2-1 to approve with Councilwomen White and Councilman Eaddy voting in favor of the motion and Councilman Jetton voting against.

Mayor Hately thanked both Mrs. Elam and the property owners for working with the developer.

PUBLIC COMMENT:

Four (4) individuals requesting to address Council during the public comment portion of the meeting were as follows:

Rex Rhyne – Issues regarding the homeless
Leah Gibbons – Clark Creek Landing development project

Jonathan Austin – Issues regarding the homeless and increasing police officer's Salaries

Terri Lawing – Questions regarding land development in an identified area

Mayor Ed Hatley announced the need for council to go into closed session after a five minute recess.

NEWS MEDIA:

No news media present

CLOSED SESSION:

Councilman Jetton made a motion to enter into closed session to discuss Personnel in accordance with NCGS 143-318.11(a)(6)

Upon returning to open session, Mayor Ed Hatley gave a summary of the City Manager's evaluation. Mayor Hatley announced Councils delight with Mr. Haynes' work and the progress of the City. Each member present was given an opportunity, and made comments, with everyone pointing out a number of the many positive attributes displayed by the manager.

Mr. Haynes announced the hiring of Mr. Chris Jones as the City's fulltime IT Director.

ADJOURNMENT:

Being no further business, Councilman Jetton made a motion to adjourn the meeting. Members voted 3-0 in favor of the motion

_____	_____
DAPHNE INGRAM, CMC	**ED HATLEY**
CITY CLERK	**MAYOR**

(R-01-22) Street/Alleyway Closing Resolution of Intent

CITY COUNCIL

Ed L. Hatley, Mayor
Martin A. Eaddy, Mayor Pro-Tem
Mary Frances White
Christine Poinsette
Roby Jetton

CITY MANAGER

Ritchie Haynes
rhaynes@lincolntonnc.org
CITY CLERK
Daphne Ingram
dingram@lincolntonnc.org
CITY ATTORNEY
Thomas J. Wilson, Jr.

(R-01-22)
Resolution of Intent

A RESOLUTION DECLARING THE INTENTION OF THE LINCOLNTON CITY COUNCIL OF THE CITY OF LINCOLNTON TO CONSIDER THE CLOSING OF AN ALLEYWAY BETWEEN ROSS STREET AND DALE AVENUE

WHEREAS, G.S. 160A-299 authorized the Lincolnton City Council to close streets and public alleys; and

WHEREAS, the Lincolnton City Council considers it advisable to conduct a public hearing for the purpose of giving consideration to the closing of the alleyway between Ross Street and Dale Avenue;

NOW, THEREFORE, BE IT RESOLVED by the Lincolnton City Council that:

(1) A meeting will be held at 7:00 p.m. on the 3rd day of March, 2022, in the City Hall Council Chambers to consider a resolution closing the alleyway between Ross Street and Dale Avenue.
(2) The City Clerk is hereby directed to publish this Resolution of Intent once a week for four successive weeks in the Lincoln Times News, or other newspaper of general circulation in the area.
(3) The City Clerk is further directed to transmit by registered or certified mail to each owner of property abutting upon that portion of said street a copy of this Resolution of Intent.
(4) The Clerk is further directed to cause adequate notices of this Resolution of Intent and the scheduled public hearing to be posted as required by G.S. 160A-299.

This the 3rd day of February, 2022

_____
Ed Hatley, Mayor

_____
Daphne Ingram, City Clerk

P.O. Box 2459
3638 N. Hwy 16
Denver, NC 28037
Phone 704.489.2491
Fax 704.489.2493

THE DEATON LAW FIRM PLLC

Wesley L. Deaton †
Attorney at Law
Timothy H. Wallace
Attorney at Law
† *Also Licensed in New York*

January 14, 2022

RECEIVED
JAN 20 2022
CITY OF LINCOLNTON, NC

City of Lincolnton
Attn: Richard Haynes, City Manager
PO Drawer 617
Lincolnton, NC 28093-0617

Re: Request for closure of certain streets and alleys in Boger City

Dear Ritchie:

I am writing to the City on behalf of my client, Goodsonville Properties, LLC, requesting that the City close certain streets and alleyways pursuant to N.C.G.S. § 160A-299. I've enclosed a GIS map and a newly prepared survey to help describe what my client desires.

The streets and alleyways are located on and off of E. Main Street between Dale Avenue and Ross Street. In the attached map, my client's properties are the following highlighted tax parcels: 55197, 00448, 90928 and 90929. The streets and alleyways are highlighted on the enclosed GIS map, but can be summarized as follows:

A. A street leading off of East Main Street between parcels 00448 and 90929 on one side, and parcels 02058, 55197, and 90928 on the other side.
B. An alleyway located between 55197 on one side, and parcel 90928 on the other side. The alleyway extends further to Dale Avenue, but my client did not want to petition for that closure without the affected owners' permission.
C. The intersection between the above-referenced street and alleyways.

The closure of this street and the alley would not deprive any affected property owner of reasonable means of ingress and egress to their respective properties.

I have enclosed, for the Council's review, the following:

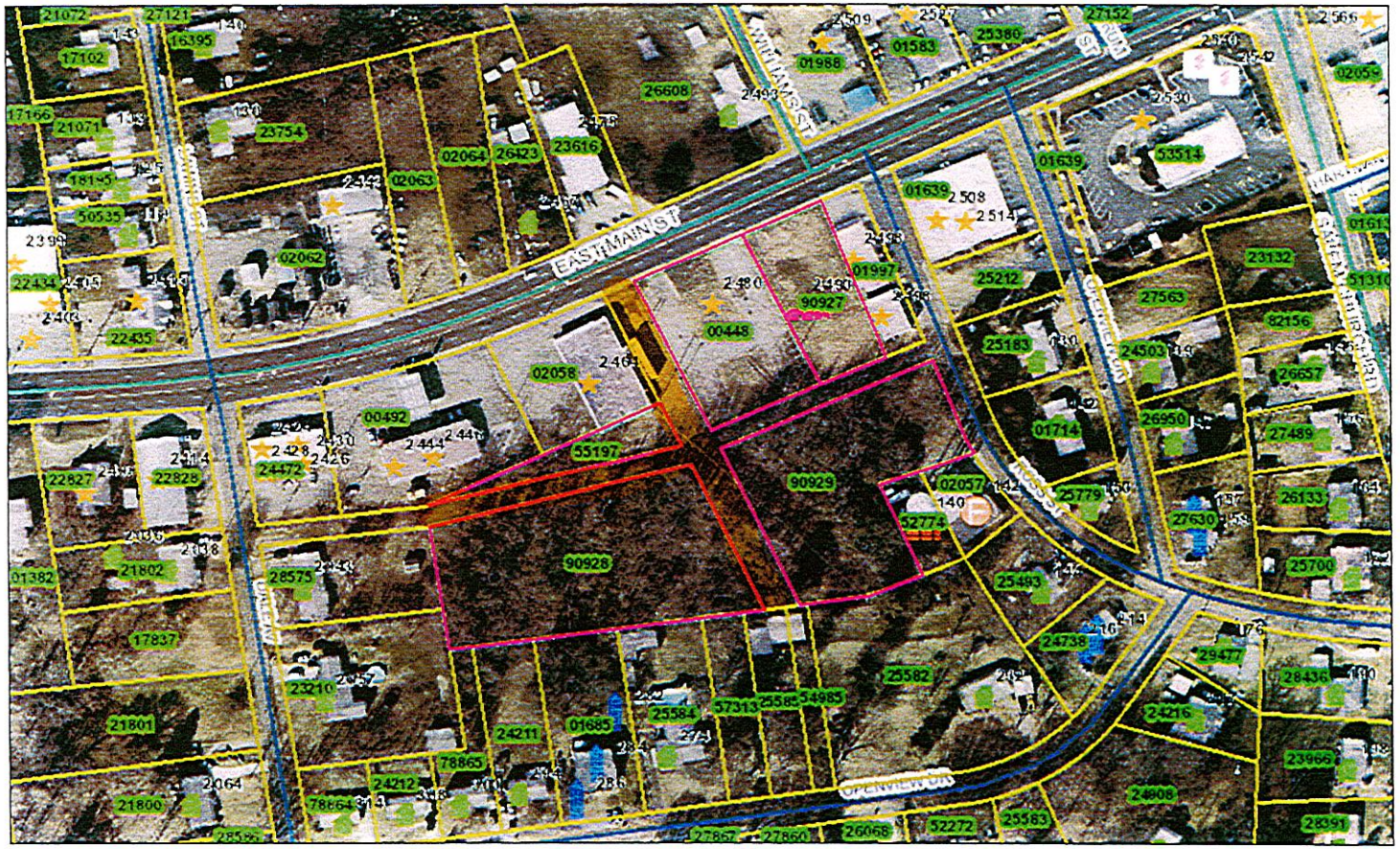
1. A GIS map with the relevant areas highlighted.
2. A survey dated December 18, 2021, by Forest E. Ross, Jr.
3. The relevant statute cited above.

I look forward to working with the City in this matter.

Very Truly Yours,
THE DEATON LAW FIRM, PLLC

Wesley L. Deaton

WLD/pbk
Enclosures

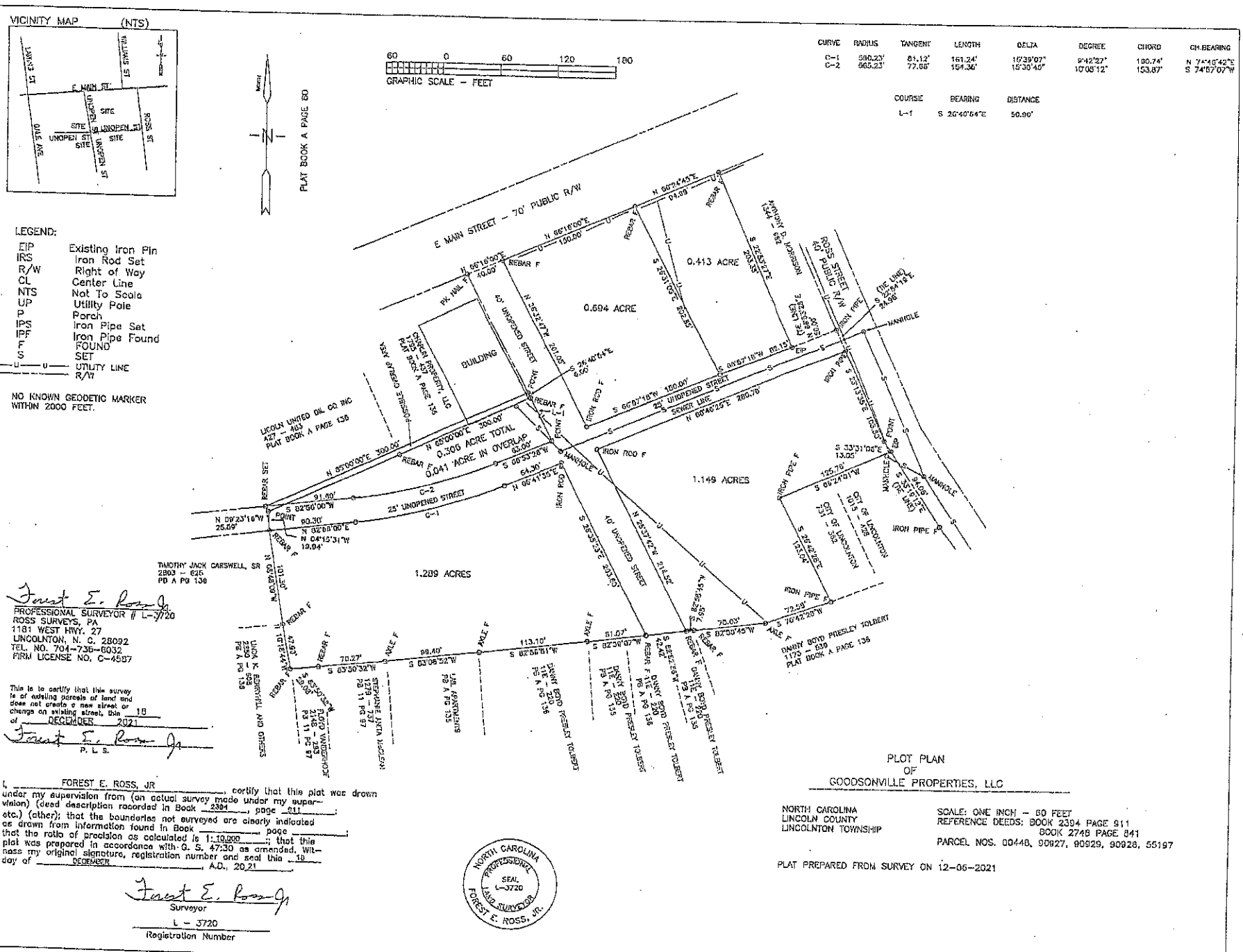


June 30, 2021

1:1,956

0 0.01 0.03 0.06 mi

0 0.03 0.05 0.1 km


VICINITY MAP (NTS)
E MAIN ST
LEWIS ST
WILLIAMS ST
ROSS ST
SITE
UNOPEN ST
GRAPHIC SCALE – FEET
60 0 60 120 180
PLAT BOOK A PAGE 60
E MAIN STREET – 70' PUBLIC R/W
ROSS STREET 40' PUBLIC R/W
0.413 ACRE
0.694 ACRE
1.149 ACRES
1.289 ACRES
0.300 ACRE TOTAL
0.041 ACRE IN OVERLAP
BUILDING
40' UNOPENED STREET
25' UNOPENED STREET
25' SEWER LINE
POSSIBLE CREEK AREA
LINCOLN UNITED OIL CO INC 427 – 403 PLAT BOOK A PAGE 130
TIMOTHY JACK CARSWELL, SR 2803 – 625 PD A PG 136
DANNY BOYD PRESLEY TOLBERT 1173 – 620 PLAT BOOK A PAGE 136
DANNY BOYD PRESLEY TOLBERT 1173 – 620 PD A PG 135
DANNY BOYD PRESLEY TOLBERT 1173 – 620 PD A PG 136
LINDA K ESSENTIAL AND OTHERS 2250 – 1 PD Y PG 136
STEPHANIE JANTA HAGLEN 1219 – 737 PD 11 PG 97
FLOYD VANDERHOOF 2148 – 283 PD 11 PG 97
LIN APARTMENTS PD A PG 135
ANTHONY R HORTON 1524 – 642
LOT 1 – 0.413 AC
LOT 2 – 0.736 AC
LOT 3 – 0.413 AC
LOT 4 – 0.736 AC
LOT 5 – 0.413 AC
LOT 6 – 0.736 AC
LOT 7 – 0.413 AC
LOT 8 – 0.736 AC
LOT

ITEM # 2

SPECIAL RECOGNITION

ITEM

2a

Fran Ave. Incident

ITEM

2b

Presentation of Advanced Law Enforcement Certificate – Detective Mamadou Diallo

Lincolnton NC
Near the City. Near the Mountains. Near Perfect.

CITY OF LINCOLNTON
POLICE DEPARTMENT

RODNEY JORDAN • CHIEF OF POLICE

TO: Ritchie Haynes, City Manager
FROM: Chief R. Jordan
SUBJECT: Presentation
DATE: January 20, 2022

The purpose of this memorandum is to request permission to present Detective Mamadou Diallo with his Advanced Law Enforcement Certificate at the February 3rd, City Council Meeting. Detective Diallo has logged hundreds of hours of training and worked several years to earn this certification. The Advanced Law Enforcement Certificate is the highest award issued by the North Carolina Training and Standards Commission.

Your Consideration is greatly appreciated.

PO BOX 617 • 701 EAST MAIN STREET
LINCOLNTON, NORTH CAROLINA 28093-0617
PHONE: (704) 736-8900 • FAX: (704) 736-8904

ITEM
3

REGULAR AGENDA

ITEM

3a

Steering Committee Update

NO BACK-UP

ITEM

3b

2020-2021 Audit Presentation

NO BACK-UP

ITEM

3c

(C-01-22)

Audit Contract

CITY COUNCIL
Ed L. Hatley, Mayor
Martin A. Eaddy, Mayor Pro-Tem
Mary Frances White
Roby D. Jetton
Christine Poinsette

Lincolnton NC
Near the City. Near the Mountains. Near Perfect.

CITY MANAGER
Ritchie Haynes
rhaynes@lincolntonnc.org
CITY CLERK
Daphne Ingram
dingram@lincolntonnc.org
CITY ATTORNEY
Thomas J. Wilson, Jr..

MEMORANDUM

TO: Mayor and Council

FROM: Ritchie Haynes, City Manager

SUBJECT: Audit Contract 2021-22

DATE: January 19, 2022

Please see the attached letter and a copy of the proposed contract for the fiscal year 2022 from Mr. Phil Church of Lowdermilk Church and Company.

The contract amount is for $37,600, which is a 5% increase due to the increase of costs and is only a 2.5% increase of the 2005 contract with Cherry, Bekaert and Holland of $36,700. The fee also includes the printing of 20 audits, which was an additional cost paid separately to a printing company in 2005 and prior years.

Single audits are completed for grant fund spending that exceeds the $500K threshold, such as Powell Bill funds and CMAQ (Rail-Trail) at no additional cost. In the past, other auditing firms charged extra for the completion of any single audits.

The Local Government Commission provides audit oversight and must approve all audit contracts and invoicing.

Lowdermilk, Church and Company performs the audit for the City's component unit, City of Lincolnton ABC Board; this information must be included in our audit. The Lincolnton Tourism Development Association will be added as a component unit as well. By utilizing the same auditing firm, this facilitates the completion of our audit on a timely basis, whereas in the past the City has experienced delays waiting for the information from another firm.

The staff and I are very pleased with the expertise and professionalism of their staff. They have always been available to address any questions that may arise throughout the year.

I am recommending that the City of Lincolnton accept the proposed auditing contract from Lowdermilk, Church and Company. Thank you for your consideration.

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

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

To the Honorable Mayor and Members of
the City Council
City of Lincolnton
Lincolnton, North Carolina

January 12, 2022

We are pleased to confirm our understanding of the services we are to provide for City of Lincolnton, North Carolina for the year ended June 30, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related disclosures, which collectively comprise the basic financial statements, of City of Lincolnton, North Carolina as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as the Management's Discussion and Analysis (MD&A), to supplement City of Lincolnton, North Carolina'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 City of Lincolnton, North Carolina's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 GAAP and will be subjected to certain limited procedures, but will not be audited:

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

We have also been engaged to report on supplementary information other than RSI that accompanies City of Lincolnton, North Carolina'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 GAAS, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1) Schedule of Expenditures of Federal and State Awards.
2) Individual Fund Financial Statements.
3) Budgetary Schedules.
4) Other Schedules.

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

1) Introductory Information
2) Statistical Information

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore in not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individual or in the aggregate, they would influence the judgement of a reasonable user based on the financial statements. The objective also includes reporting on:

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

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

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in the financial audit nor do they expect auditors to provide reasonable assurance of detecting waste or 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 an unavoidable risk that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. 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. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In connection with the engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically, disclaim, and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for reasonable period of time.

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. Our procedures will also include (1) an overview of the type of work to be performed on the financial information of components, including the basis for a decision to make reference to a component auditor in the auditor's report and (2) an overview of the engagement team's planned involvement in the work of component auditors on the financial information of significant components. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risk(s) of material misstatement as part of our audit planning.

Improper revenue recognition.
Management override of controls.

The significant risks above were identified in the prior-period audit and we believe they are still relevant. However, planning has not been concluded and modifications may be made.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

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

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

Audit Procedures—Compliance

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

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of City of Lincolnton, North Carolina's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on City of Lincolnton, North Carolina'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, the Schedule of Expenditures of Federal and State Awards, and the related notes of City of Lincolnton, North Carolina in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. We will also prepare the following based on information provided by you: AFIR, Data Collection Form and Unit Data Input Worksheet. These nonaudit services do not constitute an audit under *Government Auditing Standards*, and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, the Schedule of Expenditures of Federal and State Awards, and the related notes services previously defined. We, in our sole judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and State awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management 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, the Schedule of Expenditures of Federal and State Awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; 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.

You are also responsible for making drafts of financial statements, the Schedule of Federal and State Awards, all financial records and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledger). 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, such as records, documentation, identification of all related parties and all related-party relationships and transactions and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; the Schedule of Expenditures of Federal and State Awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

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 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. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements 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 September 30, 2022.

You are responsible for identifying all federal and State awards received and understanding and complying with the compliance requirements and for the preparation of the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received, and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the Schedule of Expenditures of Federal and State Awards in any document that contains, and indicates that we have reported on, the Schedule of Expenditures of Federal and State Awards. You also agree to include the audited financial statements with any presentation of the Schedule of Expenditures of Federal and State Awards that includes our report thereon OR make the audited financial statements readily available to intended users of the Schedule of Expenditures of Federal and State Awards no later than the date the Schedule of Expenditures of Federal and State 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 and State Awards in accordance with the Uniform Guidance; (2) you believe the Schedule of Expenditures of Federal and State Awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the Schedule of Expenditures of Federal and State Awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information 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 supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

You agree to assume all management responsibilities for the financial statements, the Schedule of Expenditures of Federal and State Awards, and the 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, the Schedule of Expenditures of Federal and State Awards and the related notes, and that you have reviewed and approved the financial statements, the Schedule of Expenditures of Federal and State Awards, and the 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.

Engagement Administration, Fees, and Other

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

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

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

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

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

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

Phillip E. Church is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately August 31, 2022.

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

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

Our fee for these services will be at our standard hourly rates, plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $37,600. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. We are required to inform you that we charge interest at a rate of 18% per annum on all invoices over 30 days old.

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Mayor and City Council of City of Lincolnton, North Carolina. We will make reference to the City of Lincolnton ABC Board and the Lincolnton Tourism Development Authority audit in our report on your financial statements. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add emphasis-of-matter or other-matter paragraph to our report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets which in our professional judgement prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue reports, or withdrawing from the engagement.

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

You have requested that we provide you a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2021 peer review report accompanies this letter.

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

Very truly yours,

Phillip E. Church
Partner

RESPONSE:

This letter correctly sets forth the understanding of City of Lincolnton, North Carolina.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

Bernard Robinson & Company, L.L.P.

Report on the Firm's System of Quality Control

November 2, 2021

To the Partners of Lowdermilk, Church & Co., L.L.P.
and the Peer Review Committee of the Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Lowdermilk, Church & Co., L.L.P. (the firm) in effect for the year ended May 31, 2021. 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 a compliance audit under the Single Audit Act.

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 Lowdermilk, Church & Co., L.L.P. in effect for the year ended May 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Lowdermilk, Church & Co., L.L.P. has received a peer review rating of *pass*.

Bernard Robinson & Company, L.L.P.

BERNARD ROBINSON & COMPANY, L.L.P.

1501 Highwoods Blvd., Ste. 300 (27410)
P.O. Box 19608 | Greensboro, NC 27419
P: 336-294-4494 • F: 336-294-4495
brccpa.com

Directory of Governmental Unit and Audit Firm Officials

City of Lincolnton
Governmental Unit

Lowdermilk Church & Co., L.L.P.
Auditor for the 2021-2022 Fiscal Year

GOVERNMENTAL UNIT

1. ELECTED OFFICIAL:
(Mayor for Municipalities and chairperson of governing board for all other units)

Edward L. Hatley
Name

Mayor
Title

2. MANAGER:
(Or person who serves in this capacity e.g. Administrator, Executive Director, etc.)

Ritchie Haynes
Name

City Manager
Title

3. FINANCE OFFICER:

Pamela McBryde
Name

Finance Director
Title

(704) 736-8980
Phone No.

(704) 736-8999
Fax No.

pmcbryde@lincolntonnc.org
E-Mail Address

AUDITOR

1. CONTACT PERSON:
Partner or other person with legal authority to contract for the firm)

Phillip E. Church
Name

Partner
Title

(828) 433-1226
Phone No.

(828) 433-1230
Fax No.

carol.avery@lowdermilkchurchcpa.com
E-Mail Address

2. AUDITOR ANTICIPATES PREPARING THE FOLLOWING TYPE OF REPORT:

(Check the appropriate box)

___ General Purpose Financial Statements with combining, individual fund, and account group financial statements, and schedules required by the LGC

_X_ Comprehensive Annual Financial Report (CAFR) including schedules required by the LGC

Notes:

1. Please type all information on this questionnaire.
2. The audit firm representative, the elected official, and the finance officer reported on this questionnaire should agree with the persons reported on the Contract to Audit Accounts.
3. The information on this questionnaire will be used in official correspondence from the Local Government Commission, and the Commission must be notified of any changes in the persons holding these positions.

LGC-205 **CONTRACT TO AUDIT ACCOUNTS** Rev. 11/2021

The Governing Board: City Council

of Primary Government Unit: City of Lincolnton, North Carolina

and Discretely Presented Component Unit (DPCU) (if applicable): Lincolnton Tourism Development Authority

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

and Auditor Name: Lowdermilk Church & Co., LLP

Auditor Address: 121 North Sterling St., Morganton, NC 28655

Hereinafter referred to as Auditor

for

Fiscal Year Ending	Audit Report Due Date
06/30/22	10/31/22

Must be within four months of FYE

hereby agree as follows:

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

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

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

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

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

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

If the audit engagement is not subject to *Government 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 the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

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

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. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.)[G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved 'with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

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

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

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

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

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

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

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

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

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

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

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

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

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

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

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

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

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

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;

b) the status of the prior year audit findings;

c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and

d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(c)(6).

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

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

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

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

FEES FOR AUDIT SERVICES

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

Financial statements were prepared by: ☑ Auditor ☐ Governmental Unit ☐ Third Party

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

Name:	*Title and Unit / Company:*	*Email Address:*
Pamela McBryde	Finance Director	pmcbryde@lincolntonnc.org

OR Not Applicable ☐ *(Identification of SKE Individual not applicable for GAAS-only audit or audits with FYEs prior to June 30, 2020.)*

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

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

PRIMARY GOVERNMENT FEES

Primary Government Unit	City of Lincolnton, North Carolina
Audit Fee	$ 37600.00
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	$
Writing Financial Statements	$
All Other Non-Attest Services	$
75% Cap for Interim Invoice Approval *(not applicable to hospital contracts)*	$ 28,200.00

DPCU FEES (if applicable)

Discretely Presented Component Unit	Lincolnton Tourism Development Authority
Audit Fee	$ 0
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	$
Writing Financial Statements	$
All Other Non-Attest Services	$
75% Cap for Interim Invoice Approval *(not applicable to hospital contracts)*	$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Lowdermilk Church & Co., LLP	
Authorized Firm Representative (typed or printed)* Phillip E. Church	Signature*
Date* 01/12/22	Email Address* phil.church@lowdermilkchurchcpa.com

GOVERNMENTAL UNIT

Governmental Unit* City of Lincolnton, North Carolina	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)* Edward L. Hatley	Signature*
Date	Email Address

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

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

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

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

Primary Governmental Unit Finance Officer* (typed or printed) Pamela McBryde	Signature*
Date of Pre-Audit Certificate*	Email Address* pmcbryde@lincolntonnc.org

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* Lincolnton Tourism Development Authority	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)* Angela Lovelace	Signature*
Date*	Email Address* angelalovelace37@gmail.com.

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

DPCU – PRE-AUDIT CERTIFICATE

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

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

DPCU Finance Officer (typed or printed)* Pamela McBryde	Signature*
Date of Pre-Audit Certificate*	Email Address* pmcbryde@lincolntonnc.org

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

PRINT

ITEM

4

REGULAR AGENDA

Continued

ITEM

4a

(P-01-22)

Conflict of Interest Policy

CITY OF LINCOLNTON

Conflict of Interest Policy

The purpose of the following policy and procedures is to prevent the personal interest of staff members and elected officials of the City of Lincolnton from interfering with the performance of their duties to the City of Lincolnton, or resulting in personal financial, professional, and/or political gain on the part of such persons at the expense of the City of Lincolnton.

Definitions: Conflict of Interest (also Conflict) means a conflict, or the appearance of a conflict between the private interests and official responsibilities of a person in a position of trust. Persons in a position of trust include staff members and elected officials of the City of Lincolnton. Governing Board (also council) means the Lincolnton City Council. Elected Official means an individual member of the Lincolnton City Council. Staff member means a person who receives all or part of his/her income from the payroll of the City of Lincolnton.

Policy:

1. Full disclosure, by notice in writing, shall be made by the interested parties to the Lincolnton City Council in all conflicts of interest, including but not limited to the following:
    a) An elected official is related to another elected official.
    b) An elected official is related to a staff member.
    c) An elected official is also a staff member.
    d) A staff member in a supervisory capacity is related to another staff member whom he/she supervises.
    e) An elected official or staff member receives payment from the City of Lincolnton for any contract, subcontract, goods, or services other than as part of his/her regular job responsibilities or as reimbursement for reasonable expenses incurred as provided in the bylaws and board policy.
    f) An elected official or staff member is a member of the governing body of a contributor to the City of Lincolnton.
    g) An elected official or staff member may have personal, financial, professional, or political gain at the expense of the City of Lincolnton.
    h) An elected official or staff member engages in activities that may cause a loss of public credibility in the City of Lincolnton or create a public impression of impropriety.

2. Following full disclosure of a possible conflict of interest or any condition listed above, the Lincolnton City Council shall determine whether a conflict of interest exists and, if so, the council shall vote to authorize or reject the transaction and/or condition. Both votes shall be by a majority vote without counting the vote of any interested elected official, even if the disinterested elected official are less than a quorum, provided that at least one consenting elected official is disinterested.

3. An interested elected official or staff member shall not participate in any discussion or debate of the Lincolnton City Council, or of any committee thereof, in which the subject of discussion is a contract, transaction, or situation in which there may be a conflict of interest.

4. No elected official or staff member shall participate in the selection, award, or administration of a procurement transaction in which federal or state funds are used, where to his/her knowledge, any of the following has a financial interest in that transaction: (1) the staff member or elected official; (2) any member of his/her immediate family; (3) his/her partner; (4) an organization in which any of the above is an officer, director, or employee; or (5) a person or organization with whom any of the above is negotiating or has any arrangement concerning prospective employment.

5. Existence of any of the above-listed conditions shall render a contract or a transaction voidable unless full disclosure of personal interest is made in writing to the Lincolnton City Council and such transaction was approved by the council in full knowledge of such interest.

6. The disinterested elected officials are authorized to impose by majority vote other reasonable sanctions as necessary to recover associated costs against an elected official or staff member for failure to disclose a conflict of interest as described in Paragraph 1 or for any appearance of a conflict.

7. Appeal from sanctions imposed pursuant to Paragraph 5 and 6 above shall be prescribed by law in those courts of the State of North Carolina with jurisdiction over both the parties and the subject matter of the appeal.

8. In the event that the City of Lincolnton has incurred costs or attorney fees as a result of legal action, litigation, or appeal brought by or on behalf of an interested elected official or staff member due to a conflict of interest and consequent sanctions and in the event that the City of Lincolnton prevails in such legal action, litigation, or appeal, the City of Lincolnton shall be entitled to recover all of its costs and attorney fees from the unsuccessful party.

9. A copy of this policy shall be given to all elected officials and staff members upon commencement of such person's relationship with the City of Lincolnton. Each elected official and staff member shall sign and date the policy at the beginning of his or her term of service or employment and each year thereafter. Failure to sign does not nullify the policy.

Signed:

_____ _____

(signature) (name printed)

_____

(date)

To ensure the policy is being regularly enforced and monitored for compliance, the Human Resource Director shall remind council and staff members of the policy annually by email and shall require council and staff members to disclose annually any interests that may give rise to conflict.

Use the section below to disclose any interests that may give rise to conflict:

ITEM

4b

Evaluation Form Revision

Annual Performance Evaluation
City of Lincolnton-City Manager

Evaluator Name _____

Date _____ **Evaluation Year** _____

PLANNING- ability to anticipate and analyze problems: maps effective solutions.

_____unacceptable _____poor _____acceptable _____good _____excellent

Comments:

COMMUNICATION SKILLS WITH GOVERNING BODY, PUBLIC, AND EMPLOYEES - accurately interprets the direction given by the governing body, and keeps governing body well informed with concise oral and written communication. Is open and available to the public, taking their concerns and problems seriously. Recognizes the public's right and need to be well informed and is visible in the community. Provides sufficient information to keep employees productive, motivated and part of the team. Understands the employees concerns.

_____unacceptable _____poor _____acceptable _____good _____excellent

Comments:

ETHICAL- demonstrates by word and action the highest standards of ethical conduct and integrity in all public, professional, and personal relationships in order to merit the trust and respect of the elected and appointed officials, employees, and the public.

_____unacceptable _____poor _____acceptable _____good _____excellent

Comments:

QUALITY OF MUNICIPAL SERVICES- how well do the direct services provided meet the needs of the community.

_____unacceptable _____poor _____acceptable _____good _____excellent

Comments:

OPERATIONAL EFFICIENCY- obtains the best possible end result for the money spent.

_____unacceptable _____poor _____acceptable _____good _____excellent

Comments:

APPENDIX 2

CITY OF LINCOLNTON, NORTH CAROLINA
EMPLOYEE PERFORMANCE EVALUATION REPORT
GOAL SETTING SUPPLEMENT

EMPLOYEE:

POSITION TITLE:

DEPARTMENT: **DIVISION:**

SUPERVISOR: **RATING PERIOD OF:** **TO:**

The performance evaluation system is first and foremost a communications process which provides the opportunity for employees and their supervisors to discuss the employee's performance. That process can be most fair and meaningful if the supervisor and employee establish goals for the next rating period. The goals should be specific, measurable, achievable (with some "stretch"), realistic and time-based. The goals should be consistent with City and departmental goals. Where appropriate, the goals should focus on performing as a contributing member of a team. At least one goal should be directed toward personal growth and development. Any previously identified weaknesses should be addressed through remedial goals. A separate page can be used for additional goals.

Goal # 1:

Means of Measurement:

Goal # 2:

Means of Measurement:

Goal # 3:

Means of Measurement:

Goal # 4:

Means of Measurement:

ITEM

4c

(R-02-22)

Land Donation

CITY COUNCIL

Ed L. Hatley, Mayor
Martin A. Eaddy, Mayor Pro-Tem
Mary Frances White
Christine Poinsette
Roby Jetton

CITY MANAGER

Ritchie Haynes
rhaynes@lincolntonnc.org
CITY CLERK
Daphne Ingram
dingram@lincolntonnc.org
CITY ATTORNEY
Thomas J. Wilson, Jr.

R-02-22

RESOLUTION AUTHORIZING THE CITY OF LINCOLNTON TO ACCEPT A DONATION OF LAND

WHEREAS, the City of Lincolnton is authorized, pursuant to G.S. 160A-240.1, to acquire by gift, grant, devise, exchange, purchase, lease, or any other lawful method, the fee or any lesser interest in real or personal property for use by the city or any department, board, commission or agency of the city; and

WHEREAS, Charles Banks and Gregory LLC, own parcel ID 00658 and Stephen and Jeanne Bailey, own parcel ID 82410, as recorded with the Lincoln County Register of Deeds; and

WHEREAS, the property owners have no use for this portion of property and wish to donate it to the City at no cost.

NOW THEREFORE BE IT RESOLVED, by the City of Lincolnton City Council:

1. The City Manager is hereby authorized to execute documents necessary to accept this donation of real property. In addition, the Manager is hereby authorized to execute all documents necessary to give effect to this resolution.

2. The City Attorney is hereby directed and authorized to perform a complete title search and review of said property and take any and all action necessary to carry out the transfer of the property to the City of Lincolnton.

3. The acceptance of the property will be effective only upon the signing of the parties and recording of the necessary documents with the Lincoln County Register of Deeds.

Adopted on the 3rd day of February, 2022

Attest:

_____
Ed Hatley, Mayor

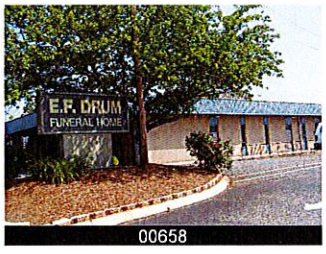
_____
Daphne Ingram, Town Clerk

Lincoln County, NC

Office of the Tax Administrator, GIS Mapping Division

Lincoln County and its mapping contractors assume no legal responsibility for the information contained on this map. This map is not to be used for land conveyance. The map is based on NC State Plane Coordinate System 1983 NAD.

Date: 1/26/2022



Parcel ID	00658	**Owner**	CHARLES BANKS AND GREGORY LLC C/O CHARLES J STEVENSON		
Map	3623	**Mailing**	210 N ACADEMY ST LINCOLNTON 470 STEVENSON FARM RD		
Account	0086945	**Address**	STATESVILLE, NC 28625-0000		
Deed	849 164	**Last Transaction Date**	11/18/1993	**Sale Price**	$400,000
Plat		**Subdivision**		**Lot**	
Land Value	$194,509	**Improvement Value**	$324,386	**Total Value**	$518,895
Previous Parcel					

-----All values for Tax Year 2021 -----

Description	FUNERAL HOME			**Deed Acres**	1.11
Address	210 N ACADEMY ST			**Tax Acres**	1.088
Township	LINCOLNTON		**Tax/Fire District**	LINCOLNTON	
Main Improvement	MORTUARY			**Value**	$307,511
Main Sq Feet	7296	**Stories**	1	**Year Built**	1966

Zoning District	Calc Acres	Voting Precinct	Calc Acres
R-O	1.09	LN11	1.09

Watershed		Sewer District	
1.09		1.09	

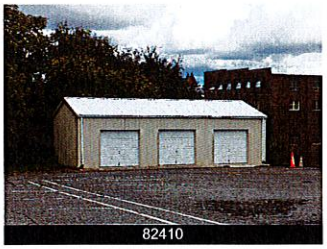
Census County	Tract	Block	
109	070100	3020	1.09

Flood	Zone Description	Panel	
X	NO FLOOD HAZARD	3710362300	1.09

Lincoln County, NC

Office of the Tax Administrator, GIS Mapping Division

Lincoln County and its mapping contractors assume no legal responsibility for the information contained on this map. This map is not to be used for land conveyance. The map is based on NC State Plane Coordinate System 1983 NAD.
Date: 1/26/2022



Parcel ID	82410	**Owner**	BAILEY STEPHEN D BAILEY JEANNE W		
Map	3623	**Mailing**	4556 NIGHTSHADE LANE		
Account	0188090	**Address**	VALE, NC 28168		
Deed	1742 34	**Last Transaction Date**	09/20/2005	**Sale Price**	$275,000
Plat		**Subdivision**		**Lot**	
Land Value	$92,317	**Improvement Value**	$33,333	**Total Value**	$125,650
Previous Parcel	00657				

-----All values for Tax Year 2021 -----

Description	N ACADEMY ST LOT	**Deed Acres**	0
Address	N ACADEMY ST	**Tax Acres**	0.399
Township	LINCOLNTON	**Tax/Fire District**	LINCOLNTON
Main Improvement			**Value**
Main Sq Feet	**Stories**		**Year Built**

Zoning District	**Calc Acres**	**Voting Precinct**	**Calc Acres**
C-B	0.4	LN11	0.4

Watershed	**Sewer District**
0.4	0.4

Census County	**Tract**	**Block**	
109	070100	3020	0.4

Flood	**Zone Description**	**Panel**	
X	NO FLOOD HAZARD	3710362300	0.4

ITEM

5

OTHER BUSINESS

ITEM

5a

Quarterly Financial Report/Update

Executive Summary
December 2021 Year-to-Date

Department	2021-2022 Budget	2021-2022 YTD Activity	Budget Remaining	Variance %	2020-2021 Budget	2020-2021 YTD Activity	Variance Favorable / (Unfavorable)
Fund: 10 - General Fund							
Revenue	$11,255,190.57	$6,924,816.77	$4,330,373.80	62%	$14,004,059.00	$6,314,529.93	$610,286.84
Total Revenue:	$11,255,190.57	$6,924,816.77	$4,330,373.80	62%	$14,004,059.00	$6,314,529.93	$610,286.84
Expense							
4110-City Manager/Clerk	$170,960.00	$21,715.11	$149,244.89		$239,520.00	$58,997.05	$37,281.94
4120-Human Resources	$333,015.00	$129,149.43	$203,865.57		$351,556.75	$142,532.74	$13,383.31
4130-Finance	$125,270.00	($165,772.41)	$291,042.41		$223,640.00	($88,468.17)	$77,304.24
4280-General Expense	$1,484,980.06	$794,439.25	$690,540.81		$1,736,756.49	$662,727.01	($131,712.24)
4285-General Debt Service	$293,924.00	$6,218.30	$287,705.70		$334,757.00	$8,705.62	$2,487.32
4310-Police	$3,363,786.02	$1,774,957.46	$1,588,828.56		$3,977,949.47	$1,757,496.84	($17,460.62)
4340-Fire	$2,216,589.00	$1,303,690.12	$912,898.88		$3,031,949.00	$1,173,426.26	($130,263.86)
4510-Public Works Administration	$44,080.00	($75,934.63)	$120,014.63		$86,300.00	($27,503.19)	$48,431.44
4520-Street and Maintenance	$778,105.00	$330,575.63	$447,529.37		$882,269.21	$292,376.11	($38,199.52)
4530-Equipment Services	$222,790.00	$98,825.85	$123,964.15		$268,789.04	$94,827.53	($3,998.32)
4710-Solid Waste	$521,595.00	$233,553.22	$288,041.78		$692,375.00	$241,651.14	$8,097.92
4740-IT Services	$32,500.00	$0.00	$32,500.00		$0.00	$0.00	$0.00
4910-Planning and Zoning	$389,733.49	$137,475.66	$252,257.83		$500,239.00	$183,115.02	$45,639.36
4930-Business & Community Dev.	$121,700.00	$37,106.91	$84,593.09		$639,145.04	$88,733.23	$51,626.32
6100-Recreation	$1,156,163.00	$482,102.97	$674,060.03		$1,038,813.00	$481,769.34	($333.63)
Total Expense:	$11,255,190.57	$5,108,102.87	$6,147,087.70	45%	$14,004,059.00	$5,070,386.53	($37,716.34)
Fund 10 Surplus (Deficit):		$1,816,713.90				$1,244,143.40	$572,570.50
Fund: 20 - Boger City Fire District							
Revenue	$1,004,920.00	$429,511.88	$575,408.12	43%	$1,373,152.00	$608,208.31	($178,696.43)
Total Revenue:	$1,004,920.00	$429,511.88	$575,408.12	43%	$1,373,152.00	$608,208.31	($178,696.43)
Expense							
4340-Fire	$1,004,920.00	$524,472.55	$480,447.45		$1,373,152.00	$316,625.84	($207,846.71)
Total Expense:	$1,004,920.00	$524,472.55	$480,447.45	52%	$1,373,152.00	$316,625.84	($207,846.71)
Fund 20 Surplus (Deficit):		($94,960.67)				$291,582.47	($386,543.14)

Executive Summary
December 2021 Year-to-Date

	2021-2022 Budget	2021-2022 YTD Activity	Budget Remaining	Variance %	2020-2021 Budget	2020-2021 YTD Activity	Variance Favorable / (Unfavorable)
Fund: 61 - Water and Sewer Fund							
Revenue	$8,475,950.00	$4,057,269.54	$4,418,680.46	48%	$11,577,450.00	$3,844,944.96	$212,324.58
Total Revenue:	$8,475,950.00	$4,057,269.54	$4,418,680.46	48%	$11,577,450.00	$3,844,944.96	$212,324.58
Expense							
7100-Water Treatment	$2,006,350.00	$784,347.40	$1,222,002.60		$1,945,700.00	$656,677.69	($127,669.71)
7110-Distribution & Collection	$2,053,220.91	$781,777.47	$1,271,443.44		$2,032,900.00	$799,136.58	$17,359.11
7120-Wastewater Treatment	$1,934,676.09	$716,019.32	$1,218,656.77		$1,644,150.00	$696,808.34	($19,210.98)
7130-Water/Sewer Intangibles	$2,481,703.00	$2,002,950.63	$478,752.37		$5,954,700.00	$908,105.85	($1,094,844.78)
Total Expense:	$8,475,950.00	$4,285,094.82	$4,190,855.18	51%	$11,577,450.00	$3,060,728.46	($1,224,366.36)
Fund 61 Surplus (Deficit):		($227,825.28)				$784,216.50	($1,012,041.78)
Fund: 63 - Electric Fund							
Revenue	$7,797,350.00	$3,752,401.15	$4,044,948.85	48%	$8,596,830.00	$4,503,935.58	($751,534.43)
Total Revenue:	$7,797,350.00	$3,752,401.15	$4,044,948.85	48%	$8,596,830.00	$4,503,935.58	($751,534.43)
Expense							
7200-Electric	$7,797,350.00	$3,852,180.34	$3,945,169.66		$8,596,830.00	$4,257,686.88	$405,506.54
Total Expense:	$7,797,350.00	$3,852,180.34	$3,945,169.66	49%	$8,596,830.00	$4,257,686.88	$405,506.54
Fund 63 Surplus (Deficit):		($99,779.19)				$246,248.70	($346,027.89)
Total Surplus (Deficit):		$1,394,148.76				$2,566,191.07	($1,172,042.31)

Overtime Report

December 2021 compared to December 2020 Year-to Date

Fund:	Description:	FY2122 OT Hours:	FY2122 Pay Amount:	FY2021 OT Hours:	FY2021 Pay Amount:	Variance Favorable / (Unfavorable) OT Hours:	Variance Favorable / (Unfavorable) Pay Amount:
Fund 10 - General	4110-City Manager/Clerk	11.00	$492.93	0.00	$0.00	(11.00)	($492.93)
	4120-Human Resources	2.50	$84.14	0.00	$0.00	(2.50)	($84.14)
	4130-Finance	3.00	$86.85	33.50	$1,090.65	30.50	$1,003.80
	4310-Police	815.15	$26,600.88	906.35	$27,091.05	91.20	$490.17
	4340-Fire	6,522.35	$142,538.56	5,000.65	$105,102.76	(1,521.70)	($37,435.80)
	4510-Public Works Administration	0.00	$0.00	5.00	$137.62	5.00	$137.62
	4520-Street and Maintenance	264.50	$6,530.62	226.00	$5,899.44	(38.50)	($631.18)
	4530-Equipment Services	37.00	$1,311.12	50.00	$1,891.45	13.00	$580.33
	4710-Solid Waste	174.50	$4,470.78	207.00	$5,309.06	32.50	$838.28
	4910-Planning and Zoning	0.00	$0.00	0.00	$0.00	0.00	$0.00
	4930-Business & Community Dev.	0.00	$0.00	0.00	$0.00	0.00	$0.00
	6100-Recreation	214.50	$6,522.86	39.00	$1,194.11	(175.50)	($5,328.75)
	10 - General Fund Total:	8,044.50	$188,638.74	6,467.50	$147,716.14	(1,577.00)	($40,922.60)
Fund 20 - Boger City Fire District							
	4340-Fire	2,861.10	$59,836.26	1,526.30	$33,830.72	(1,334.80)	($26,005.54)
	20 - Boger City Fire District Total:	2,861.10	$59,836.26	1,526.30	$33,830.72	(1,334.80)	($26,005.54)
Fund 61 - Water and Sewer							
	7100-Water Treatment	912.25	$21,719.71	1,143.25	$28,605.49	231.00	$6,885.78
	7110-Distribution & Collection	587.50	$17,303.75	886.00	$24,972.12	298.50	$7,668.37
	7120-Wastewater Treatment	937.00	$24,526.26	1,447.00	$44,473.32	510.00	$19,947.06
	61 - Water and Sewer Fund Total:	2,436.75	$63,549.72	3,476.25	$98,050.93	1,039.50	$34,501.21
Fund 63 - Electric							
	7200-Electric	224.00	$7,583.03	288.25	$9,616.09	64.25	$2,033.06
	63 - Electric Fund Total:	224.00	$7,583.03	288.25	$9,616.09	64.25	$2,033.06
	Total Overtime:	13,566.35	319,607.75	11,758.30	289,213.88	(1,808.05)	(30,393.87)

	7/1/2021-12/31/2021		7/1/2020-12/31/2020	
Special Events Hours and Costs:				
4310-Police	**199.00**	**$5,838.96**	**32.00**	**$960.00**

*** Special Event hours are not included in OT hours reported above.

*** The police department is the only department reporting any special event hours in the software.

ITEM

5b

MANAGER'S REPORT/ACTIVITY UPDATE