March 26, 2018
Council Work Session Meeting

Mayor Bryan Hough
Mayor Pro-Tem Perry Toomey
Councilwoman Carolyn Breyare
Councilman Charles McCorkle
Councilman Jeff Meadows
Councilman David Moore
Councilwoman Lauren Shoemaker
Kemp Michael, City Attorney
Danny Jackson, City Manager

CITY OF MOUNT HOLLY
MOUNT HOLLY CITY COUNCIL WORK SESSION
Location: Council Chambers

March 26, 2018
6:30 P.M.

CALL TO ORDER BY THE MAYOR

INVOCATION

SET THE AGENDA

CONSENT AGENDA

1. Approval of the Audit Contract
2. Call for a public hearing to consider amending Article 5.20 South Gateway Overlay District, C. Design Regulations, Subsection 3. Building Materials, concerning the use of EIFS building materials, and Section 5.20 D(C) Parking, to allow for frontage parking for a hotel use.

AGENDA

1. Consideration and Approval for Memorandum of Understanding for the Assistance to Firefighters Grant *Chief Ryan Baker*

2. Discussion of Support for the Gaston County School Bond Referendum *Danny Jackson*

3. Adjourn

City of Mount Holly
Action Agenda Item

To:	Mayor and City Council	**Date:**	March 21, 2018
From:	Africa Otis, Director of Finance	**Meeting Date:**	March 26, 2018

Agenda Item to be considered: Consent Agenda #1- Approval of 2018 Audit Contract

Will this require a public hearing? ☐ YES ☒ NO

Background/Purpose of Request: The City Council by process is being asked to approve the contract between audit firm Martin Starnes & Associates, CPA and the City of Mount Holly. Enclosed you will find a copy of the relative documentation.

Fiscal Impact:			
Will Item affect current budget	☐ YES	☒ NO	☐ N/A
Reviewed by Finance Director	☒ YES	☐ NO	☐ N/A
Preaudit Certification required	☒ YES	☐ NO	☐ N/A
Capital Project Ordinance required	☐ YES	☒ NO	☐ N/A
Budget Transfer required	☐ YES	☒ NO	☐ N/A
Total City Dollars:	***$***		
Budget Code			
Reviewed by City Attorney	☐ YES	☐ NO	☒ N/A

Manager/Staff Recommendation: *Motion to approve the 2018 Audit Contract with Martin Stames & Associates, CPA's, P.A.*

Result of City Council Decision:

Attachments: Copy of Audit Contract and other relative documentation

LGC-205 (Rev. 2018)

CONTRACT TO AUDIT ACCOUNTS

Of City of Mount Holly, NC
Primary Government Unit

Mount Holly Tourism Development Authority
Discretely Presented Component Unit (DPCU) if applicable

On this 28th day of February, 2018,

Auditor: Martin Starnes & Associates, CPAs, P.A. Auditor Mailing Address:

730 13th Avenue Dr. SE, Hickory, NC 28602 Hereinafter referred to as The Auditor

and City Council (Governing Board(s)) of City of Mount Holly, NC (Primary Government)

and Mount Holly Tourism Development Authority (Discretely Presented Component Unit): hereinafter referred to as the Governmental Unit(s), agree as follows:

1. The Auditor shall audit all statements and disclosures required by accounting principles generally accepted in the United States of America (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2017, and ending June 30, 2018. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).

2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with auditing standards generally accepted in the United States of America. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards,* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board). **County and Multi-County Health Departments:** The Office of State Auditor (OSA) will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on Eligibility Determination as required by OSA and in accordance with the instructions and timeline provided by OSA.

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

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

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he 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 their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract. **If the audit firm received a peer review rating other than pass,** the Auditor shall not contract with the Governmental Unit 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 GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment.

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 the SLGFD within four months of fiscal year end.
   Audit report is due on October 31, 2018. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's 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 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 records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit 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 invoices shall be sent via upload through the current portal address: http://nctreasurer.slgfd.leapfile.net Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date shall be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Government shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost 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. **(Note: Fees listed on Fees page.)**. This does not include fees for any Pre-Issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item #12).

10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall submit to the SLGFD 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 the SLGFD simultaneously with the Governmental Unit's audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit 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 as soon as practical after the close of the fiscal year end.

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

13. The Auditor shall electronically submit the report of audit to the SLGFD as a text-based PDF file when (or prior to) submitting the 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 SLGFD by any interested parties. **Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit report Reissuance form.** 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 without subsequent consent of the Auditor. If the SLGFD determines that corrections need to be made to the Governmental Unit's financial statements, those corrections shall be provided within three days of notification unless another deadline is agreed to by the SLGFD.

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

    The SLGFD's process for submitting contracts, audit reports and invoices is subject to change. Auditors shall use the submission process in effect at the time of submission. The most current instructions will be found on our website: https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

15. If an approved contract needs to be amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. 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 through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload the amended contract is http://nctreasurer.slgfd.leapfile.net No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit shall be attached to the contract, and by reference here becomes part of the 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 #23 of this contract. Engagement letters containing indemnification clauses shall not be accepted by the SLGFD.

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

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

19. The contract shall be executed, pre-audited, physically signed by all parties including Governmental Unit and the Auditor and then submitted in PDF format to the Secretary of the LGC. The current portal address to upload the contractual documents is http://nctreasurer.slgfd.leapfile.net. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of November 2017. These instructions are subject to change. Please check the NC Treasurer's web site at https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx for the most recent instructions.

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

21. 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.

22. **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.

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

____

____

SIGNATURE PAGES FOLLOW FEES PAGE

Contract to Audit Accounts (cont.) City of Mount Holly, NC

Primary Government Unit

Mount Holly Tourism Development Authority

Discretely Presented Component Unit (DPCU) if applicable

FEES – PRIMARY GOVERNMENT

AUDIT: $ See fee section of engagement letter

WRITING FINANCIAL STATEMENTS: $ See fee section of engagement letter

ALL OTHER NON-ATTEST SERVICES: $ N/A

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

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is $ 31,443.75

**** NA if there is to be no interim billing**

FEES – DPCU (IF APPLICABLE)

AUDIT: $ Included in City's audit fees

WRITING FINANCIAL STATEMENTS: $ N/A

ALL OTHER NON-ATTEST SERVICES: $ N/A

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

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is $ N/A

**** NA if there is to be no interim billing**

Contract to Audit Accounts (cont.) City of Mount Holly, NC

Primary Government Unit

Mount Holly Tourism Development Authority

Discretely Presented Component Unit (DPCU) if applicable

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

Audit Firm Signature:

Martin Starnes & Associates, CPAs, P.A.

Name of Audit Firm

By Amber Y. McGhinnis, Senior Audit Manager

Authorized Audit firm representative name: Type or print

Amber Y McGhinnis

Signature of authorized audit firm representative

Date February 28, 2018

amcghinnis@martinstarnes.com

Email Address of Audit Firm

Governmental Unit Signatures:

City of Mount Holly, NC

Name of Primary Government

By Bryan Hough, Mayor

Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date

By N/A

Chair of Audit Committee - Type or print name

N/A **

Signature of Audit Committee Chairperson

Date N/A

***** If Governmental Unit has no audit committee, mark this section "N/A"***

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

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.

By Africa E. Otis, Finance Officer

Primary Government Unit Finance Officer:

Type or print name

Primary Government Finance Officer Signature

Date

*(Pre-audit Certificate **must be dated**.)*

africa.otis@mtholly.us

Email Address of Finance Officer

Date Primary Government Governing Body Approved Audit Contract - G.S. 159-34(a)

*****Please provide us the most current email addresses available as we use this information to update our contact database*****

Contract to Audit Accounts (cont.) City of Mount Holly, NC
Primary Government Unit
Mount Holly Tourism Development Authority
Discretely Presented Component Unit (DPCU) if applicable

**** This page to only be completed by Discretely Presented Component Units If Applicable ****

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

DPCU Governmental Unit Signatures:

Mount Holly Tourism Development Authority
Name of Discreetly Presented Component Unit

By Wendy Foster, TDA Chair
DPCU Board Chairperson: Type or print name and title

Signature of Chairperson of DPCU governing board

Date

By N/A
Chair of Audit Committee - Type or print name

N/A **
Signature of Audit Committee Chairperson

Date N/A
*** If Governmental Unit has no audit committee, mark this section "N/A"*

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)
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.

By Africa E. Otis, Finance Officer
DPCU Finance Officer:
Type or print name

DPCU Finance Officer Signature

Date
*(Pre-audit Certificate **must be dated.**)*

africa.otis@mtholly.us
Email Address of Finance Officer

Date DPCU Governing Body Approved Audit Contract - G.S. 159-34(a)

*****Please provide us the most current email addresses available as we use this information to update our contact database*****

Steps to Completing the Audit Contract

1. Complete the header information – If a DPCU is subject to the audit requirements found in the Local Government Budget and Fiscal Control Act and a separate report is being issued for that DPCU, a separate audit contract for the DPCU is required. If a separate report is not being issued for the DPCU – it is being included in the Primary Government's audit – the DPCU shall be named with the Primary Government on the audit contract for the Primary Government. The Board Chairperson of the DPCU shall sign the audit contract in addition to the elected leader of the Primary Government.
2. Item No. 1 – Complete the period covered by the audit
3. Item No. 6 – Fill in the audit due date. For Governmental Unit (s), the contract due date can be no later than 4 months after the end of the fiscal year, even though amended contracts may not be required until a later date.
4. Item No. 8 – If the process for invoice approval instructions changed, the Auditor should make sure he and his administrative staff are familiar with the current process. Instructions for each process can be found at the following link. https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx
5. Item No. 9 –Please note that the new fee section has been moved to page 5.
6. Item No. 16 – Has the engagement letter been attached to the contract that is being submitted to SLGFD?
   a. Do the terms and fees specified in the engagement letter agree with the Audit 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."*
   b. Does the engagement letter contain an indemnification clause? **The audit contract shall not be approved if there is an indemnification clause – refer to LGC Memo # 986.**
7. Complete the fee section for BOTH the Primary Government and the DPCU (if applicable) on the fees page; please note:
   - The cap on interim payments is 75% of the current audit fee for services rendered if the contracted fee amount is a fixed amount. If any part of the fee is variable, interim payments are limited to 75% of the prior year's total audit fee. If the contract fee is partially variable, we shall compare the authorized interim payment on the contract to 75% of last year's actual approved total audit fee amount according to our records. There is a report of audit fees paid by each governmental unit on our web site: https://www.nctreasurer.com/slg/lfm/audit_acct/Pages/default.aspx select "audit fees"

     Please call or email Lorna Hodge at 919-814-4299 lorna.hodge@nctreasurer.com if you have any questions about the fees on this list.
   - For variable fees for services, are the hourly rates or other rates clearly stated in detail? If issued separately in an addendum, has the separate page been acknowledged in writing by the Governmental Unit?

- For fees for services that are a combination of fixed and variable fees, are the services to be provided for the fixed portion of the fee clearly stated? Are the hourly rates or other rates clearly stated for the variable portion of the fee? (Note: See previous bullet point regarding variable fees.)

- If there is to be no interim billing, please indicate N/A instead of leaving the line blank.

8. Signature Area – There are now 2 Signature Pages: one for the Primary Government and one for the DPCU. Please only send the page(s) that are applicable to your Unit of Government and do not include the instructions pages. Make sure all signatures have been obtained, and properly dated. **The contract shall be approved by Governing Boards pursuant to G.S. 159-34(a).** If this contract includes the audit for a DPCU that is a Public Authority that falls under the Local Government Budget and Fiscal Control Act, it shall be named in this contract and the Board Chairperson of the DPCU also shall sign the contract in the area indicated. If the DPCU is filing a separate audit, a separate audit contract is required for that DPCU.

9. Please place the date the Primary Government's Governing Board and the DPCU's Governing Board (if applicable) approved the audit contract in the space provided.

    a. Please make sure that you provide email addresses for the audit firm and finance officer as these will be used to communicate official approval of the contract.

    b. Has the pre-audit certificate for the Primary Government (and the DPCU if applicable) been signed and dated by the appropriate party?

    c. Has the name and title of the Mayor or Chairperson of the Unit's Governing Board and the DPCU's Chairperson (if applicable) been typed or printed on the contract and has he/she signed in the correct area directly under the Auditor's signature?

10. If the Auditor is performing an audit under the yellow book or single audit rules, has year-end bookkeeping assistance been limited to those areas permitted under the revised GAO Independence Standards? Although not required, we encourage Governmental Units and Auditors to disclose the nature of these services in the contract or an engagement letter. Fees for these services should be shown in the space indicated on the fees page.

11. Has the most recently issued peer review report for the audit firm been included with the contract? This is required if the audit firm has received a new peer review report that has not yet been forwarded to us. The audit firm is only required to send the most current Peer Review report to us once – not multiple times.

12. After all the signatures have been obtained and the contract is complete, please convert the contract and all other supporting documentation to PDF. **When submitting for approval combine and send the documents as one PDF file to include the Audit contract, any applicable addendums, the engagement letter and Peer Review Report.** Submit these documents using the most current submission process which can be obtained at the NC Treasurer's web site https://www.nctreasurer.com/slg/Audit%20Forms%20and%20Resources/Instructions%20for%20Contract%20Submission.pdf

13. If an audit cannot be completed by the due date, the Auditor or Governmental Unit shall file an Amended Contract form (Amended LGC-205). This form shall be signed by the Governmental Unit representative and the Auditor. The explanation for the delay in completing the audit is part of this contract amendment form and shall be provided. The parties that signed the original audit contract shall sign the amended contract form as well. If the signing representatives are unable to sign the amended contract, please include an explanation for this in the submitted amended contract form.

KWH

Koonce, Wooten & Haywood, LLP

CERTIFIED PUBLIC ACCOUNTANTS

SYSTEM REVIEW REPORT

To the Partners of Martin Starnes & Associates, CPAs, P.A.
and the Peer Review Committee of the North Carolina Association
of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2014. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2014, 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.* Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of *pass.*

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 21, 2015

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

919 782 9265
919 783 8937 FAX

Durham
3511 Shannon Road
Suite 100
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro
10 Sanford Road
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX

City of Mount Holly
Action Agenda Item

To:	City Council	**Date:**	March 22, 2018
From:	Greg Beal, Economic Development Coordinator, Planning Director	**Meeting Date:**	March 26, 2018

Agenda Item to be considered: **Call for a public hearing to consider amending Article 5.20 South Gateway Overlay District, C. Design Regulations, Subsection 3. Building Materials, concerning the use of EIFS building materials, and Section 5.20 D(C) Parking, to allow for frontage parking for a hotel use.**

Will this require a public hearing? ☒ **YES** ☐ **NO**

Background/Purpose of Request: **In 2006, the City established the South Gateway Overlay District. In 2008, this was the first district, outside of downtown, which had architectural requirements placed on it. We have gone nearly 10 years without any development in the area. With the attention that has be given to this area recently, staff has been meeting with developers that would like more flexibility in utilizing EIFS Stucco (Exterior Insulation Finish Systems) , as now the Ordinance only allows for its use as accent or trim but does not define what that is. Conversely, the Ordinance allows for an all stucco building and for the developer to match existing building materials in the area, which include EIFS Stucco on the Holiday Inn Express.**

In this particular case, we have been approached by a set of developers, who plan on building a brick, stone and EIFS Stucco constructed, 100-room hotel. We have been engaged with architects and with our Vision Plan consultants to carry a text amendment forward to help clarify this decade-old ordinance. EIFS Stucco had problems in the past with mold and water stains, and these issues seem to have been solved in recent years. Those past problems are the only reason that the City chose to limit EIFS Stucco use in 2008.

The hotel, being located on a side street, is asking for two-rows of parking with additional landscaping requirements placed on them along the street. We have worked with our Vision Plan consultants on this piece, and they recommend approval for this type of use in the South Gateway, as it meshes with the overall plan.

Fiscal Impact:

Will Item affect current budget	☐ YES	☐ NO	☒ N/A
Reviewed by Finance Director	☐ YES	☐ NO	☒ N/A
Preaudit Certification required	☐ YES	☐ NO	☒ N/A
Capital Project Ordinance required	☐ YES	☐ NO	☒ N/A
Budget Transfer required	☐ YES	☐ NO	☒ N/A
Total City Dollars:	*$*		
Budget Code			
Reviewed by City Attorney	☒ YES	☐ NO	☐ N/A

Manager/Staff Recommendation: **Staff recommends calling for a public hearing on this matter for April 2nd before the Planning Commission and April 9th before City Council.**

Result of City Council Decision:

City of Mount Holly
Action Agenda Item

To: Mayor and City Council Craig Spry, Deputy Fire Chief	**Date:** March 22, 2018 **Meeting Date:** March 26, 2018

Agenda Item to be considered:

Approval of a Memorandum of Understanding for the Assistance to Firefighters Grant

Will this require a public hearing? ☐ YES ☒ NO

Background/Purpose of Request :

Gaston County Public Safety Radio Committee has decided to pursue converting the County's emergency radio system to the North Carolina Viper radio system. In an attempt to lower the overall cost of this conversion, the Gaston County Firefighters Association is applying for the 90% federally funded Assistance to Firefighters Grant in the amount of $1,700,000. This grant would go towards purchasing the required radios for county firefighters and fire apparatus. If awarded the grant, 26 radios would be assigned to the Mount Holly Fire Department. The approximate cost for the 26 radios is $90,000. With the grant absorbing 90% of the cost, there will be an approximate $9,000 left to be paid. During the November 2017 Gaston County Commissioners Meeting the Commissioners approved a resolution to absorb the 10% cost for all county agencies. As a part of the Association's grant submittal, a Memorandum of Understanding (MOU) has been drafted for all applicable municipal fire departments, county fire departments, and the County of Gaston to sign. With the signing of this MOU, the City of Mount Holly would be stating that the City recognizes and agrees with the committee's recommendation of converting to the Viper radio system. The MOU's purpose is to show County wide unity to the Assistance to Firefighters Grant committee in regards to the support of the Viper radio system.

Fiscal Impact:

Will Item affect current budget	☐ YES	☒ NO	☐ N/A
Reviewed by Finance Director	☐ YES	☒ NO	☐ N/A
Preaudit Certification required	☐ YES	☒ NO	☐ N/A
Capital Project Ordinance required	☐ YES	☒ NO	☐ N/A
Budget Transfer required	☐ YES	☒ NO	☐ N/A
Total City Dollars:	0		
Budget Code			
Reviewed by City Attorney	☐ YES	☒ NO	☐ N/A

Manager/Staff Recommendation:

Result of City Council Decision:

Attachments:

Gaston County Regional 800 Megahertz Radio System AFG
Memorandum of Understanding

WITNESSETH:

THIS AGREEMENT, is entered into by and between the municipal fire departments, the non-profit volunteer fire department corporations, and the County of Gaston, through their duly authorized agents that execute this agreement, hereinafter referred to collectively as the "Members", as follows:

WHEREAS, the Members wish to collaboratively purchase and install a new county-wide 800 megahertz public safety communications radio system to replace its current obsolete UHF/VHF system; and

WHEREAS, through an extensive evaluation of multiple system options by a subcommittee of public safety officials a decision was made to designate the NC State Highway Patrol Voice Interoperability Plan for Emergency Responders (VIPER) system as the preferred system for implementation; and

WHEREAS, it is deemed to be in the public interest for the parties hereto to collaboratively seek a Federal Emergency Management Agency (FEMA) Assistance to Firefighters Grant (AFG) to more cost-effectively purchase and install the VIPER radio system; and

WHEREAS, the City of Cherryville Fire Department has agreed to serve as the host department to coordinate and manage a Joint – Regional FEMA AFG (Operations and Safety) application for the acquisition of P25 compliant communications equipment; and

WHEREAS, the Regional Grant Partners, being AFG eligible, NIMS (National Incident Management System) compliant fire departments that currently report either directly or through the County Fire Marshal's Office to the National Fire Incident Reporting System (NFIRS) desire to apply alongside the host for an AFG communications grant;

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein by and between the parties hereto, the Members agree as follows:

1. The Members of this Memorandum of Understanding shall include:
    - Agriculture Center Volunteer Fire Department
    - Alexis Volunteer Fire Department
    - Belmont Fire Department
    - Bessemer City Volunteer Fire Department
    - Cherryville Fire Department
    - Community Volunteer Fire Department
    - Cramerton Fire Department
    - Crowders Mountain Volunteer Fire and Rescue

- Dallas Volunteer Fire Department
- East Gaston Volunteer Fire Department
- Hugh's Pond Volunteer Fire Department
- Lowell Volunteer Fire Department
- Lucia Riverbend Volunteer Fire Department
- Mount Holly Fire and Rescue
- New Hope Fire Department
- North Gaston Volunteer Fire and Rescue
- Ranlo Volunteer Fire and Rescue
- Southpoint Volunteer Fire Department
- Spencer Mountain Road Volunteer Fire Department
- Stanley Volunteer Fire Department
- Tryonota Volunteer Fire Department
- Union Road Volunteer Fire Department
- Gaston County / Gaston County Fire Marshal's Office

2. The Members designate the City of Cherryville Fire Department to act as the host agency for the 2017 Assistance to Firefighters Grant program.

3. The Members choose to cooperate with each other in the filling and administration of the AFG program and agree to abide by all of its rules, regulations, and criteria for submission plus any follow-up reporting throughout the designated performance period.

4. Should the host agency be awarded a grant, the members agree to provide the one-time 10% matching funds as required by the AFG program. (See Appendix A for grant funding match analysis)

5. The host agency (Cherryville Fire Department) shall provide for the reception, inventory, and disbursement of all communications equipment awarded through the AFG program as well as to participate with the general management and accountability of all granted equipment throughout the program's performance period; participation by any members receiving said equipment shall be to cooperate as requested by the host agency and to offer up its (the equipment) inspection and verification as necessary.

6. The purchase and installation of repeaters, receivers, voters, and any other elements related to the radio system infrastructure are not an eligible part of the AFG program and that this grant request only includes the purchase of mobile and portable equipment determined necessary for the safe and effective response to fires and other emergencies throughout Gaston County and other surrounding automatic and mutual aid jurisdictions.

7. All grant funded assets and/or contracted services shall be distributed according to the final version of the "Apparatus and Radio Assignments 2017 Regional AFG" document created by the grant committee and maintained within the grant's supporting documents file.

8. This Memorandum of Understanding shall remain in force for the duration of the 2017 AFG program and any subsequent performance period.

9. If any term or condition of this agreement or any application thereof shall to any extent be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining terms and conditions of this agreement shall not be deemed affected thereby unless one or more parties would be substantially or materially prejudiced.

10. This agreement, including all documents incorporated herein by reference, constitutes the entire integrated agreement between the parties with respect to the matters described. This agreement supersedes all prior agreements, negotiations, and representations whether written or oral, and it shall not be modified nor amended except by a written document executed by the parties hereto.

MEMBER SIGNATORIES:

ATTEST:

Agriculture Center Volunteer Fire Department

______________________ ____________

Harold Pasour Date
Chairman, Board of Directors

______________________ ____________

Matt Kanupp Date
Fire Chief

ATTEST:

Alexis Volunteer Fire Department

______________________ ____________

Ron Sadler Date
Chairman, Board of Directors

______________________ ____________

Brad Presswood Date
Fire Chief

ATTEST:

Belmont Fire Department

Adrian Miller — Date
City Manager

George Altice — Date
Fire Chief

ATTEST:

Bessemer City Volunteer Fire Department

James Inman — Date
City Manager

Jamie Ramsey — Date
Fire Chief

ATTEST:

Cherryville Fire Department

Ben T. Blackburn — Date
City Manager

Jeff Cash — Date
Fire Chief

ATTEST:

Community Volunteer Fire Department

Bill Poole — Date
Chairman, Board of Directors

Gary Jackson — Date
Fire Chief

ATTEST:

Cramerton Fire Department

David Pugh — Date
Town Manager

Lance Foulk — Date
Fire Chief

ATTEST:

Crowders Mountain Volunteer Fire and Rescue

Chris Eason — Date
Chairman, Board of Directors

Eric Withers — Date
Fire Chief

ATTEST:

Dallas Volunteer Fire Department

Maria Stroupe Town Manager	Date
Steve Lambert Fire Chief	Date

ATTEST:

East Gaston Volunteer Fire Department

William S. Melton Chairman, Board of Directors	Date
Jeff Hovis Fire Chief	Date

ATTEST:

Hugh's Pond Volunteer Fire Department

Doug Mabry Chairman, Board of Directors	Date
Aaron Vance Fire Chief	Date

ATTEST:

Lowell Volunteer Fire Department

Harold D. Fulbright Chairman, Board of Directors	Date
Scott Moore Fire Chief	Date

ATTEST:

Lucia Riverbend Volunteer Fire Department

Michael Hoover Chairman, Board of Directors	Date
David Toomey Fire Chief	Date

ATTEST:

Mount Holly Fire and Rescue

Danny Jackson City Manager	Date
Ryan Baker Fire Chief	Date

ATTEST:

New Hope Fire Department

Charles Craig — Date
Chairman, Board of Directors

Matt Young — Date
Fire Chief

ATTEST:

North Gaston Volunteer Fire and Rescue

Terry Black — Date
Chairman, Board of Directors

Dennis Cash — Date
Fire Chief

ATTEST:

Ranlo Volunteer Fire and Rescue

Mike Rhyne — Date
Chairman, Board of Directors

Chip Carr — Date
Fire Chief

ATTEST:

Southpoint Volunteer Fire Department

Roy Smith Chairman, Board of Directors	Date
Barry Joye Fire Chief	Date

ATTEST:

Spencer Mountain Road Volunteer Fire Department

Jeff Beasley Chairman, Board of Directors	Date
David Flanary Fire Chief	Date

ATTEST:

Stanley Volunteer Fire Department

Heath R. Jenkins Town Manager	Date
William Keller Fire Chief	Date

ATTEST:

Tryonota Volunteer Fire Department

Clayton Ramsey Chairman, Board of Directors	Date
Mark Wright Fire Chief	Date

ATTEST:

Union Road Volunteer Fire Department

Larry Capps Chairman, Board of Directors	Date
Craig Huffstetler Fire Chief	Date

City of Mount Holly
Action Agenda Item

To:	City Council	**Date:**	March 23, 2018
From:	Danny Jackson, City Manager	**Meeting Date:**	March 26, 2018

Agenda Item to be considered: ***Agenda Item #2 – Consideration of support for the proposed Gaston County School Bond and Sales Tax Referendum***

Will this require a public hearing? ☐ YES ☒ NO

Background/Purpose of Request : ***The Gaston County Board of Commissioners will be holding referendums regarding a school bond and sales tax. The past two weeks via the weekly update I have provided documentation involving the mentioned matter. I am again providing all of the information involved with the matter including some new documents. The City of Gastonia City Council discussed the matter on Tuesday, March 20, 2018 and adopted a Resolution of Support for the school bond and sales tax. It's my understanding that the City of Gastonia is the first municipality to support the issue.***

Fiscal Impact:			
Will Item affect current budget	☐ YES	☒ NO	☐ N/A
Reviewed by Finance Director	☐ YES	☒ NO	☐ N/A
Preaudit Certification required	☐ YES	☒ NO	☐ N/A
Capital Project Ordinance required	☐ YES	☒ NO	☐ N/A
Budget Transfer required	☐ YES	☒ NO	☐ N/A
Total City Dollars:	***$***		
Budget Code			
Reviewed by City Attorney	☐ YES	☐ NO	☒ N/A

Manager/Staff Recommendation: To be discussed at the meeting on Monday night.

Result of City Council Decision:

Attachments: multiple documents provided regarding the school bond and sales tax proposal

Gaston County
Board of Commissioners
www.gastongov.com

GASTON COUNTY, NORTH CAROLINA

Mission Statement
Gaston County seeks to be among the finest counties in North Carolina. It will provide effective, efficient and affordable services leading to a safe, secure and healthy community, an environment for economic growth, and promote a favorable quality of life.

March 9, 2018

The Honorable Bryan Hough, Mayor
Members of the Mount Holly City Council
P.O. Box 406
Mt. Holly, NC 28120

Dear Mayor Hough and Council members:

The Gaston County Board of Commissioners respectfully requests the Mount Holly City Council to consider the adoption of a resolution in support of the $250,000,000 School Bond Referendum (for new classroom space, improvements and other critical school infrastructure needs) and the Quarter-Cent Sales Tax Referendum (proceeds to be earmarked solely for servicing school bond debt and other educational capital needs). Both Referendums will appear on the Gaston County ballot for the primary election, to be held May 8, 2018. A sample resolution is enclosed for your urgent consideration.

We appreciate your Council's endorsement and quick action on these two important initiatives and kindly ask that a copy of your adopted resolution be delivered to the Chairpersons for the Gaston County School Board and the Gaston County Board of Commissioners as soon as possible.

On behalf of the Board of Commissioners, thank you for your leadership and support. Please feel free to contact me or any member of the Board if you have any questions.

Very Sincerely,

Chad Brown

Chad Brown, Chairman
Gaston County Board of Commissioners
(704) 516-8017

Enclosures: Resolution; Commission Contact Information

cc: Mount Holly City Manager
Gaston County Board of Commissioners (via email)
Earl Mathers, County Manager (via email)
Charles Moore, County Attorney (via email)
Gaston County Board of Education (via email)
Jeff Booker, School Superintendent (via email)

128 West Main Avenue, PO Box 1578, Gastonia, NC 28053-1578
Phone: 704-866-3196 - Fax: 704-866-3482
E-mail: donna.buff@gastongov.com

WHEREAS, the Gaston County Board of Education has identified over Six Hundred and Fifty Million ($650,000,000) of school facility needs that must be addressed in the near future in Gaston County; and,

WHEREAS, a School Bond Referendum will appear on the Gaston County Ballot for the primary election to be held May 8, 2018, requesting authority to issue Two Hundred Fifty Million Dollars ($250,000,000) in new school bonds; and,

WHEREAS, in addition to the aforementioned bonds, the citizens of Gaston County have approved and the County has issued educational bonds since 2000 totaling Two Hundred Fifty Three Million Ninety Five Thousand Dollars ($253,095,000); and,

WHEREAS, the debt service for repaying the proposed 2018 school bonds will add an additional ten and one quarter cents (10.25¢) over the next five years to the county's existing ad valorem tax rate, unless an additional one-quarter (1/4 ¢) local sales and use tax is approved; and,

WHEREAS, a one-quarter cent (1/4 ¢) local sales and use tax would be earmarked for application solely to repaying the existing, newly approved, and future school bonds and other educational capital needs, and could generate approximately Six Million Dollars ($6,000,000) in additional revenues above the current property tax receipts per year helping to reduce the tax burden on homeowners while providing for the educational needs of the children of Gaston County and meeting the demands for new classroom space, classroom improvements and other critical school infrastructure needs; and,

WHEREAS, a Sales Tax Referendum will appear on the Gaston County Ballot for the primary election to be held on May 8, 2018, requesting authority to add one-quarter cent (1/4 ¢) to the current sales taxes collected within Gaston County, which sales tax will not apply to unprepared food (groceries) and gas; and,

WHEREAS, the Gaston County School physical facilities are over-crowded with student population and, the present facilities are inadequate to meet the student population needs, now or in the future; and,

WHEREAS, the Gaston County School facilities are not only over-crowded, but are also in critical need of maintenance and repair, which creates difficult conditions for the student population using those facilities; and,

WHEREAS, the [Town/City] Council has a compelling and continuing concern for the impact of the condition of school physical facilities and the educational progress of the children of [Town/City], specifically, and the children of Gaston County generally; and,

WHEREAS, the [Town/City] Council understands that education is crucial to the prospects for economic development in [Town/City]; and,

WHEREAS, the [Town/City] Council, by adoption of this Resolution, elects to favorably support and endorse the passage of the upcoming Sales Tax and School Bond referendums and urges the citizens of the [Town/City] of [Town/City] to vote the favorable passage of same; and,

NOW THEREFORE BE IT RESOLVED, by the [Town/City] Council that:

1. the [Town/City] Council for [Town/City] hereby supports the Sales Tax and School Bond Referendums set for May 8, 2018, for the building and improvements of schools for the students and citizens of [Town/City] specifically and Gaston County generally. The [Town/City] Council encourages [Town/City] citizens to vote in favor of the Sales Tax and School Bonds referendums.

2. that a copy of this Resolution be delivered to the Chairpersons for the Gaston County School Board and the Gaston County Board of Commissioners.

GASTON COUNTY BOARD OF COMMISSIONERS
(EFFECTIVE DECEMBER 12, 2017)

Chad Brown, Chairman PO Box 1578 Gastonia, NC 28053-1578	Riverbend Twp	704-516-8017 (C) E-Mail: **chad.brown@gastongov.com**
Tom Keigher, Vice-Chairman 925 Ramsgate Drive Gastonia, NC 28056	Gastonia Twp.	704-718-8747 (C) 704-864-2797 (H) E-Mail: **tomkcom@aol.com**
Allen R. Fraley PO Box 399 Cherryville, NC 28021	Cherryville Twp.	704-813-4830 (C) E-Mail: **allen.fraley@gastongov.com**
Don Grant 1321 W Franklin Blvd. Gastonia, NC 28052	Gastonia Twp.	704-865-3878 (O) 704-865-3704 (H) 704-867-6803 (F) E-Mail: **don.grant@gastongov.com**
Bob Hovis 1102 Crowders Mountain Road Bessemer City, NC 28016	Crowders Mtn. Twp.	704-616-3766 (C) E-Mail: **bob.hovis@gastongov.com**
Tracy L. Philbeck PO Box 1578 Gastonia, NC 28053-1578	Dallas Twp.	704-617-3087 (C) E-Mail: **tracy.philbeck@gastongov.com**
Ronnie Worley 3013 Greenmont Circle Belmont, NC 28012	South Point Twp.	704-913-5476 (C) E-Mail: **ronnie.worley@gastongov.com**
Earl Mathers, County Manager PO Box 1578 Gastonia, NC 28053-1578	S T A F F	704-866-3101 (O) 704-866-3147 (F) E-Mail: **earl.mathers@gastongov.com**
Donna S. Buff, Clerk to the Board PO Box 1578 Gastonia, NC 28053-1578	S T A F F	704-866-3196 (O) 704-866-3407 (F) E-Mail: **donna.buff@gastongov.com**
Charles L. Moore, County Attorney PO Box 1578 Gastonia, NC 28053-1578	S T A F F	704-866-3194 (O) 704-866-3972 (F) E-Mail: **charles.moore@gastongov.com**

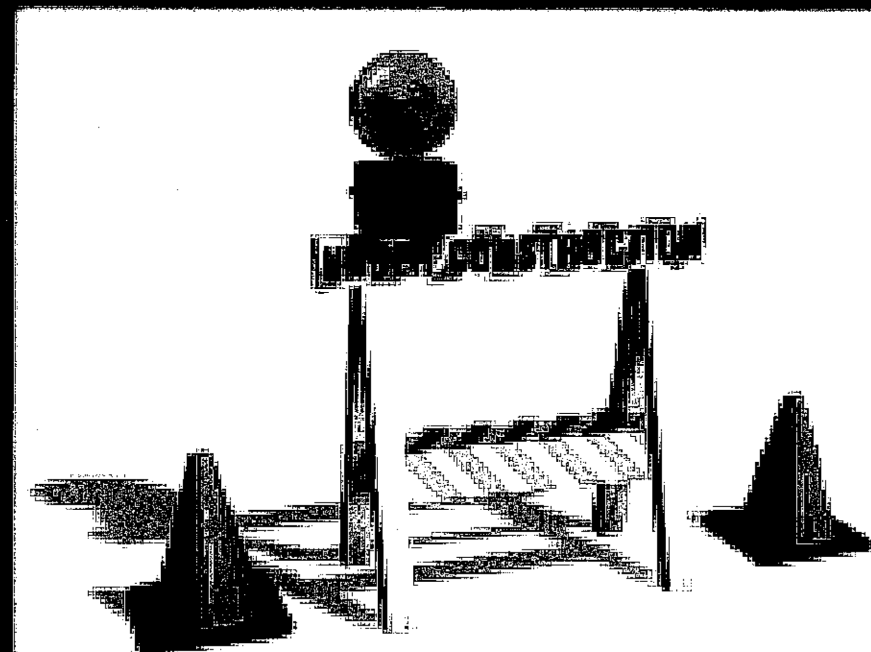
Lottery

- Prizes – 50%
- Lottery Administration – 15%
- Other – 35%
- Supports lower class size,
  Pre-K programs, scholarships & construction
- Gaston County receives
  $2.1 million for paying bond debt

shaping our future

we are Gaston County Schools

Board of Education Retreat
January 20, 2018



Capital Overview
Rader Staff Development Center

Agenda

- School Capacity
- Age of Facilities
- Capital Needs
- Conclusion

School Capacity

Instructional Capacity is generally defined as the *number of available seats in regular classrooms within a school*. However, other rooms are considered such as gymnasiums, band, chorus, and art class rooms in the final calculations. The instructional capacity levels differ from grade to grade based on State law and recommendations from DPI.

School Capacity

High School Capacity:

High school capacities are calculated based on 20 students for each regular classroom.

Middle School Capacity:

Middle school capacities are calculated based on 26 students for each regular classroom.

School Capacity

Elementary School Capacity (pre 2017-18):

Prior to this year, elementary school capacities were calculated using a State recommended average of 21 students for grades K-3 and 26 students for grades 4-5. Four elementary classrooms were dedicated as instructional spaces for computer lab, exceptional children, music and art.

School Capacity

Elementary School Capacity (current year):

Beginning this year, elementary school capacities for K-3 were changed by State law. The new K-3 capacities will be calculated using the average of 20 students. There were no changes to the 4-5 capacities.

School Capacity

Elementary School Capacity (next year):

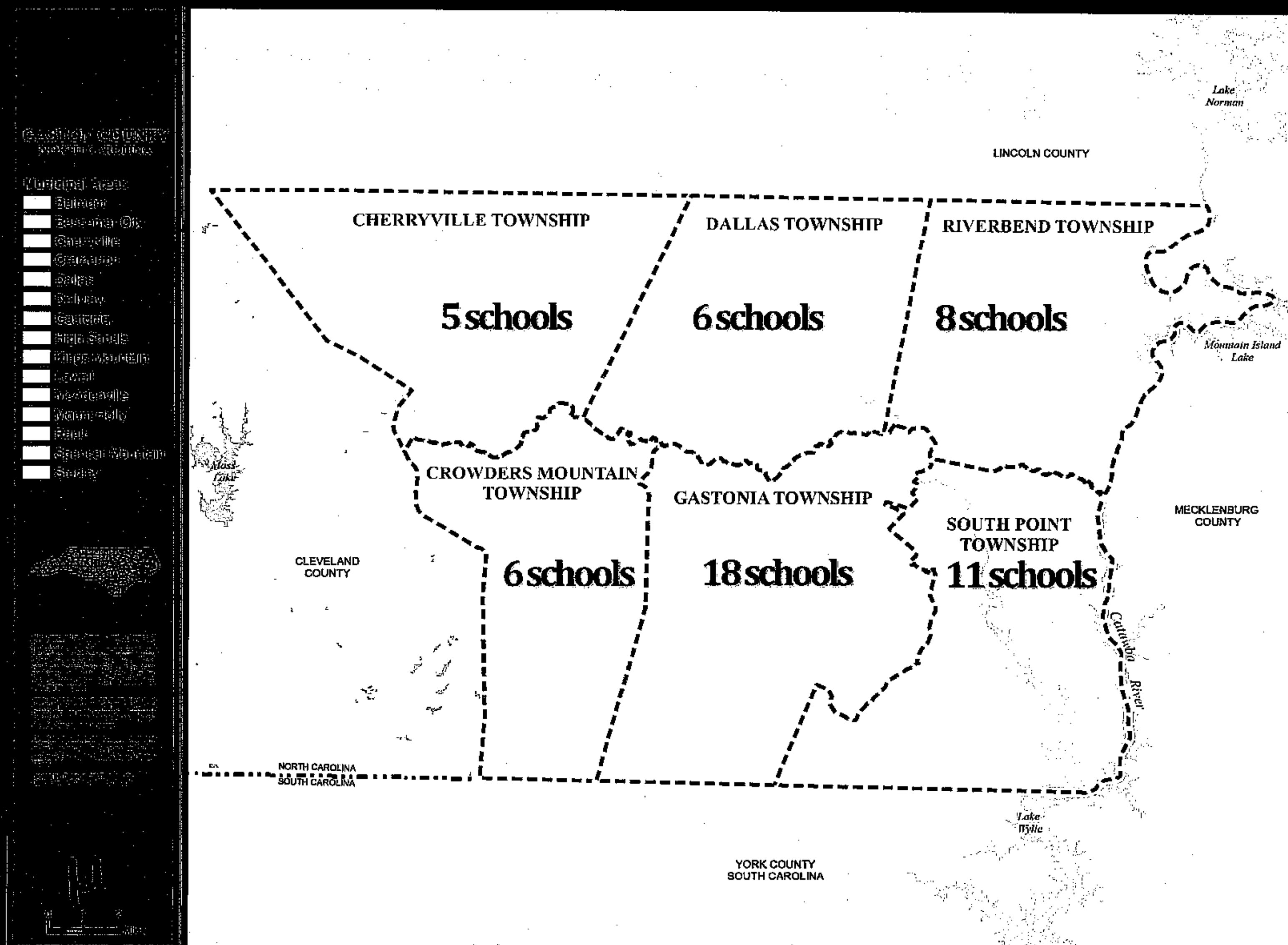
Next year, the capacities will be reduced to an average of 18 students for kindergarten, 16 students for 1st grade and 17 students for grades 2-3.

Class Size Requirements

Phase in class size requirements over two years

Grade Level	Funded Allotment Ratio	Max Avg Class Size	Max Individual Class Size
2016-17 Class Sizes			
Kindergarten	1:18	1:21	1:24
Grade 1	1:16	1:21	1:24
Grades 2-3	1:17	1:21	1:24
2017-18 Class Sizes			
Kindergarten	1:18	1:20	1:23
Grade 1	1:16	1:20	1:23
Grades 2-3	1:17	1:20	1:23
2018-19 Class Sizes			
Kindergarten	1:18	1:18	1:21
Grade 1	1:16	1:16	1:19
Grades 2-3	1:17	1:17	1:20

Township Map



Celebrate! Gaston County Schools

School Capacity by Township

Township	% of Capacity	% of Students	Student Capacity
Cherryville	7.6%	6.0%	69.8%
Crowders Mountain	9.9%	9.5%	85.2%
Dallas	11.1%	11.9%	95.5%
Gastonia	33.9%	34.6%	90.2%
Riverbend	15.3%	14.3%	82.7%
South Point	22.3%	23.7%	94.2%
DISTRICT	100.0%	100.0%	88.5%

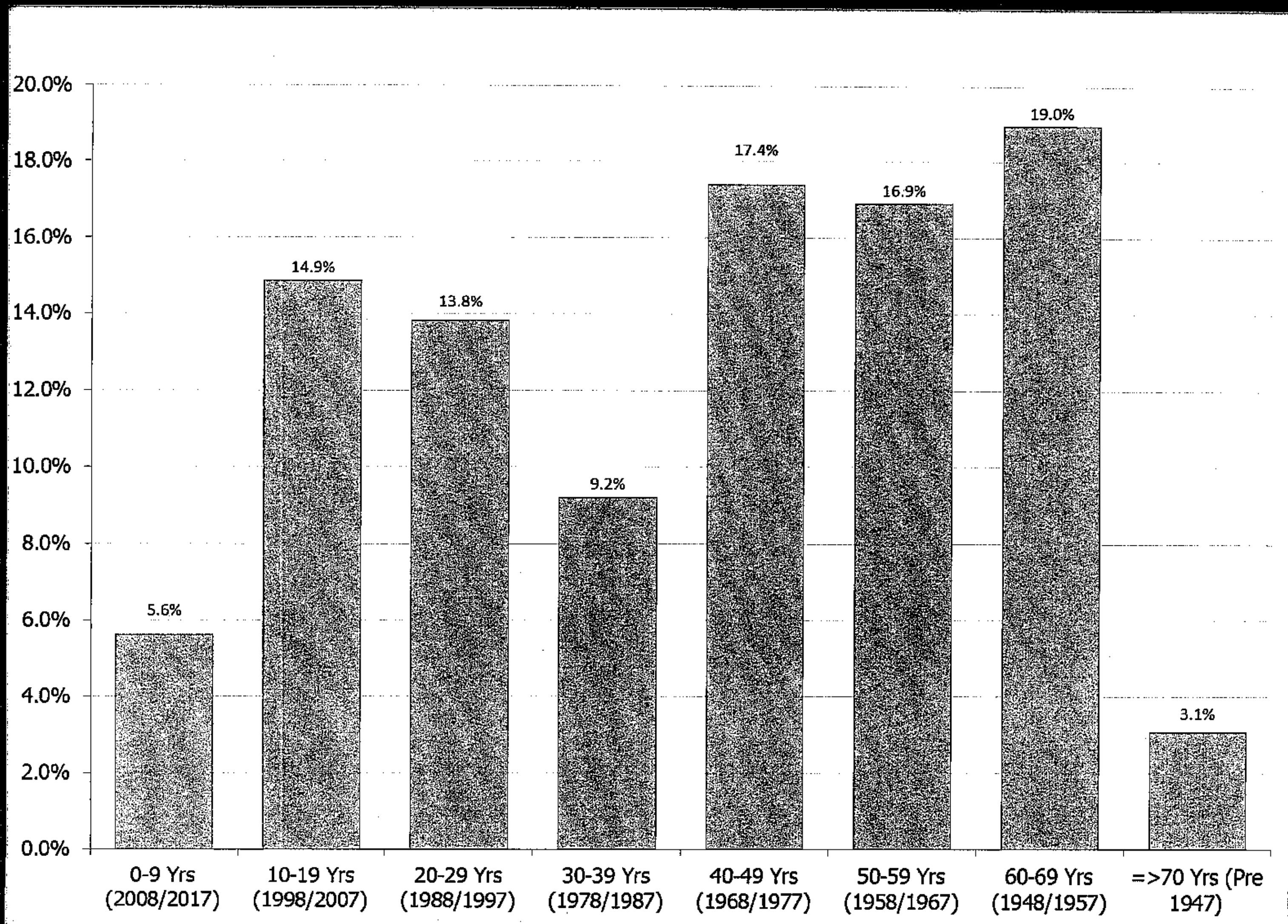
Based on student population after month 3 in the 2017-18 school year

School Capacity

Five Schools with Highest Capacity:

School	Capacity	Size	Age
Belmont Central	116.2 %	64,713 sf	48 yrs
Brookside ES	111.0 %	63,126 sf	23 yrs
Forestview HS	105.1 %	197,500 sf	19 yrs
Page ES	102.1 %	46,373 sf	35 yrs
Woodhill ES	101.3 %	65,530 sf	50 yrs

Facilities Age



Weighted Average Age

Weighted average age is in years and is reflective of both the size and age of all buildings on each campus.

Example:	Building A – 10,000 sf	40 years
	Building B – 10,000 sf	50 years
Total	20,000 sf – wtd avg age = 45 years	

Facilities Age

Township	% of Schools	% of Sq. Feet	Wtd. Avg. Age
Cherryville	9.3%	7.0%	44.1
Crowders Mountain	11.1%	8.7%	36.6
Dallas	11.1%	10.3%	45.8
Gastonia	33.3%	31.5%	42.3
Riverbend	14.8%	15.2%	36.8
South Point	20.4%	22.8%	29.7
Central Offices/Support	0.0%	4.4%	53.1
DISTRICT	100.0%	100.0%	39.1

School Age

Five Oldest Schools:

School	Avg. Age	Size	Capacity
York-Chester	75.5 yrs	84,723 sf	73.0%
Kiser ES	68.8 yrs	66,110 sf	71.1%
McAdenville	68.0 yrs	38,708 sf	86.0%
Belmont MS	65.0 yrs	116,006 sf	99.7%
Warlick	62.8 yrs	44,172 sf	NA

Capital Needs

Total School District Capital Needs

New Construction	$	245,000,000
Additions to Schools		115,000,000
Renovations & Repairs		290,000,000
Total	$	650,000,000

Based on 2015-16 DPI Facility Needs Study adjusted for inflation and other unknown influences on the cost of construction and repairs.

Bond Request

School Bond Issues

1st Issuance	$	250,000,000
2nd Issuance		200,000,000
3rd Issuance		200,000,000
Total School Bonds	$	650,000,000

Bond Referendum

Tuesday, May 8, 2018

Celebrate! Gaston County Schools

Gaston County Schools

Bond Request

School Bond Request

New Construction	$	110,000,000
Additions to Schools		25,000,000
Renovations & Repairs		115,000,000
School Bond Request	$	250,000,000

Bond Request

New Construction - $110 million

Belmont MS	$	40,000,000
Replacement MS		40,000,000
New Elementary School		30,000,000
New Construction	$	110,000,000

The replacement middle school will likely be one of the converted high schools.

The new elementary school will be located in an area where high growth is expected.

Bond Request

Additions to Schools - $25 million

- Classroom Additions
- Media Center Expansion and Renovation
- Cafeteria Expansion and Renovation

Bond Request (update)

Renovations and Repairs (R&R) - $115 million

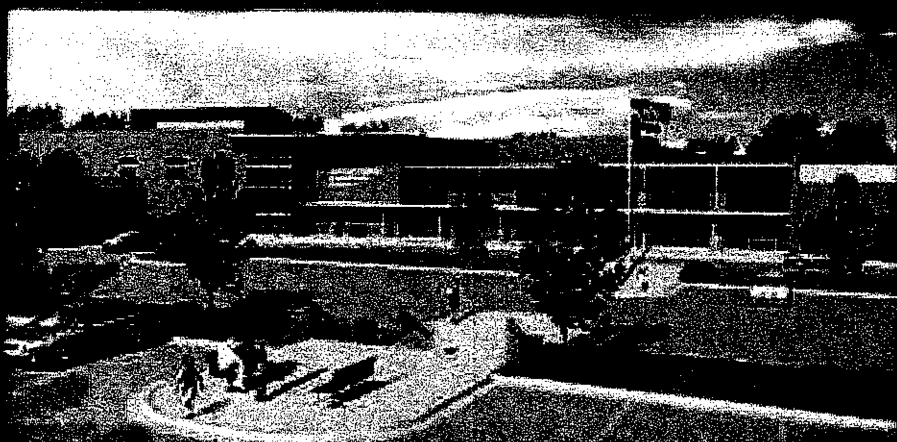
(dollars in thousands)

Township	% of Schools	Total R&R	% of Total R&R	Prelim. - R&R	% of Prelim. R&R
Cherryville	9.3%	$ 21,460	7.4%	$ 5,290	4.6%
Crowders Mountain	11.1%	28,420	9.8%	12,455	10.8%
Dallas	11.1%	24,070	8.3%	15,065	13.1%
Gastonia	33.3%	95,990	33.1%	38,905	33.8%
Riverbend	14.8%	44,950	15.5%	21,735	18.9%
South Point	20.4%	45,110	15.6%	19,550	17.0%
Central Office/Support	0.0%	30,000	10.3%	2,000	1.7%
DISTRICT	100.0%	$ 290,000	100.0%	$ 115,000	100.0%

Conclusion

- Need an independent School Bond Marketing Committee to educate the public about the benefits of the school bonds
- Continue to work with County Commissioners and Staff to ensure that the school bonds are placed on the May 8th ballot
- School capital projects should have a positive impact on the entire County

Discussion



School Age

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Riverbend	14.8%	15.8%	36.8
South Point	20.4%	23.9%	29.7
Gastonia	33.3%	33.0%	42.3
Crowders Mountain	11.1%	9.2%	36.6
DISTRICT	100.0%	100.0%	38.4

Weighted average age is in years and is reflective of both the size and age of all buildings on each campus.

For Your Information

SCHOOL BONDS 2018

On Tuesday, May 8, the citizens of Gaston County will have the opportunity to vote on a $250 million school bond referendum.

If approved by voters, the funds will be used to address critical needs in three categories:

- **New School Construction:** $110 million
- **School Additions:** $25 million
- **Renovations and Repairs:** $115 million

New School Construction: $110 million

- **$30 million** to build a **new elementary school** in the southeast Gastonia area to accommodate future growth and alleviate the potential for overcrowding. The southeast quadrant of the county has been identified as an area for significant population growth.
- **$40 million** to build a **new middle school** in Belmont (the new school will replace the old Belmont Middle School building).
- **$40 million** to build a **new middle school** that would replace one of our old middle schools and be built to accommodate growth.

School Additions: $25 million

- Classroom additions
- Expansion and renovation of media centers and cafeterias

For More Information

More information about the School Bond Referendum is available on the Gaston County Schools website, www.gaston.k12.nc.us – click the 'School Bonds' link.

Renovations and Repairs: $115 million

Funds designated for schools in all six townships based on the critical facility needs in each township:

- Cherryville Township – $5.8 million
- Crowders Mountain Township – $12.1 million
- Dallas Township – $14.5 million
- Gastonia Township – $38.7 million
- Riverbend Township – $21.6 million
- South Point Township – $20.3 million

($2 million is allocated for department office buildings)

The funds would address the most critical renovations and repairs in the following areas:

- Life Safety (cameras, intercoms, and alarms)
- HVAC (heating, ventilation, and air conditioning)
- Electrical/Lighting
- Water/Sewer/Gas Lines
- Plumbing
- Roof Replacement
- Structural Repairs
- Athletic Facilities
- Doors/Windows
- Parking Lots/Driveways
- Environmental
- Elevators
- Restrooms
- ADA Compliance

GASTON COUNTY SCHOOLS

Schools in the

Cherryville Township

Repairs and Renovations

$5.8 million

The funds would be used for the most critical repairs/renovations in the following areas:

	Life Safety (Cameras, Intercoms, Security, and Fire Alarms)	Electrical	Lighting	HVAC (Heating, Ventilation, and Air Conditioning)	Water Lines	Sewer Lines	Gas Lines	Plumbing	Roof Replacement	Structural Repairs	Gym Floor	Doors	Windows	Parking Lot	Driveway	Environmental	Elevator Installation (ADA Compliance)	Restrooms (ADA Compliance)
Cherryville Elementary	✓	✓	✓		✓	✓		✓										
Cherryville High	✓	✓			✓	✓	✓	✓						✓	✓		✓	✓
John Chavis Middle	✓		✓							✓	✓							
Tryon Elementary	✓	✓	✓		✓			✓										
W.B. Beam Intermediate	✓					✓												

Schools in the

Crowders Mountain Township

Repairs and Renovations

$12.1 million

The funds would be used for the most critical repairs/renovations in the following areas:

	Life Safety (Cameras, Intercoms, Security and Fire Alarms)	Electrical	Lighting	HVAC (Heating, Ventilation, and Air Conditioning)	Water Lines	Sewer Lines	Gas Lines	Plumbing	Roof Replacement	Structural Repairs	Athletic Facilities	Doors	Windows	Parking Lot	Driveway	Environmental	Elevator	Restrooms (ADA Compliance)
Bessemer City Central	✓		✓															
Bessemer City High	✓	✓	✓	✓		✓		✓	✓			✓				✓		
Bessemer City Middle	✓	✓	✓	✓				✓	✓							✓	✓	✓
Bessemer City Primary	✓		✓					✓	✓							✓		
Chapel Grove Elementary	✓	✓	✓	✓	✓			✓	✓							✓		
Sadler Elementary	✓		✓															

Schools in the

Dallas Township

Repairs and Renovations

$14.5 million

The funds would be used for the most critical repairs/renovations in the following areas:

	Life Safety (Cameras, Intercoms, Security and Fire Alarms)	Electrical	Lighting	HVAC (Heating, Ventilation, and Air Conditioning)	Water Lines	Sewer Lines	Gas Lines	Plumbing	Roof Replacement	Structural Repairs	Athletic Facilities	Doors	Windows	Parking Lot	Driveway	Environmental	Elevator	Restrooms (ADA Compliance)
Brookside Elementary	✓		✓					✓	✓									
Carr Elementary	✓	✓	✓					✓	✓			✓				✓		
Costner Elementary	✓	✓	✓	✓	✓	✓		✓	✓			✓				✓		
Highland School of Technology	✓		✓	✓		✓		✓	✓		✓			✓	✓			
North Gaston High	✓	✓	✓	✓	✓			✓	✓		✓	✓				✓	✓	
W.C. Friday Middle	✓		✓					✓	✓	✓		✓				✓		

Schools in the

Gastonia Township

Repairs and Renovations

$38.7 million

The funds would be used for the most critical repairs/renovations in the following areas:

School	Life Safety (Cameras, Intercoms, Security, and Fire Alarms)	Electrical	Lighting	HVAC (Heating, Ventilation, and Air Conditioning)	Water Lines	Sewer Lines	Gas Lines	Plumbing	Roof Replacement	Structural Repairs	Gym Floor	Doors	Windows	Parking Lot	Driveway	Environmental	Elevator	ADA Compliance
Ashbrook High	✓	✓	✓	✓		✓		✓	✓	✓		✓				✓	✓	✓
Gardner Park Elementary	✓		✓		✓	✓		✓	✓					✓	✓	✓		
Grier Middle	✓	✓	✓					✓	✓	✓		✓		✓	✓	✓		✓
H.H. Beam Elementary	✓					✓		✓	✓									
Hawks Nest STEAM Academy	✓		✓	✓							✓							
Holbrook Middle	✓	✓	✓	✓					✓			✓				✓		✓
Hunter Huss High	✓							✓						✓	✓	✓		
Lingerfeldt Elementary	✓		✓	✓		✓		✓	✓			✓				✓		
Lowell Elementary	✓	✓	✓	✓		✓		✓	✓			✓		✓	✓	✓		
Robinson Elementary	✓	✓	✓	✓	✓	✓		✓				✓				✓		
Sherwood Elementary	✓	✓	✓	✓	✓	✓		✓	✓							✓		

Schools in the

Gastonia Township

Repairs and Renovations

$38.7 million

The funds would be used for the most critical repairs/renovations in the following areas:

School	Life Safety (Cameras, Intercoms, Security, and Fire Alarms)	Electrical	Lighting	HVAC (Heating, Ventilation, and Air Conditioning)	Water Lines	Sewer Lines	Gas Lines	Plumbing	Roof Replacement	Structural Repairs	Athletic Facilities	Doors	Windows	Parking Lot	Driveway	Environmental	Elevator	ADA Compliance
Southwest Middle	✓	✓	✓	✓		✓		✓	✓			✓				✓	✓	
Warlick Academy	✓	✓	✓	✓		✓		✓	✓			✓		✓	✓	✓	✓	✓
Webb Street School	✓	✓	✓	✓		✓		✓						✓	✓	✓		
Woodhill Elementary	✓			✓					✓	✓								
York Chester Middle	✓	✓	✓					✓		✓		✓		✓	✓	✓	✓	✓

Schools in the

Riverbend Township

Repairs and Renovations

$21.6 million

The funds would be used for the most critical repairs/renovations in the following areas:

	Life Safety (Cameras, Intercoms, Security and Fire Alarms)	Electrical	Lighting	HVAC (Heating, Ventilation, and Air Conditioning)	Water Lines	Sewer Lines	Gas Lines	Plumbing	Roof Replacement	Structural Repairs	Athletic Facilities	Doors	Windows	Parking Lot	Driveway	Environmental	Elevator	Restrooms (ADA Compliance)
East Gaston High	✓	✓	✓	✓				✓				✓				✓	✓	
Rankin Elementary	✓	✓	✓	✓		✓		✓	✓							✓		
Kiser Elementary	✓		✓		✓	✓		✓	✓			✓						
Mount Holly Middle	✓		✓	✓	✓	✓			✓			✓				✓		
North Belmont Elementary	✓		✓	✓					✓			✓				✓		
Pinewood Elementary	✓	✓	✓	✓				✓	✓			✓						
Springfield Elementary	✓	✓	✓			✓		✓	✓			✓				✓		

Schools in the

South Point Township

Repairs and Renovations

$20.3 million

The funds would be used for the most critical repairs/renovations in the following areas:

	Life Safety (Cameras, Intercoms, Security, and Fire Alarms)	Electrical	Lighting	HVAC (Heating, Ventilation, and Air Conditioning)	Water Lines	Sewer Lines	Gas Lines	Plumbing	Roof Replacement	Structural Repairs	Athletic Facilities	Doors	Windows	Parking Lot	Driveway	Environmental	Elevator	ADA Compliance
Belmont Central Elementary	✓	✓	✓			✓		✓								✓		✓
Catawba Heights Elementary	✓	✓			✓		✓	✓	✓			✓		✓	✓	✓		
Cramerton Middle	✓		✓	✓				✓	✓			✓						
Forestview High	✓		✓	✓				✓	✓			✓				✓		
McAdenville Elementary	✓	✓	✓	✓				✓				✓				✓		✓
New Hope Elementary	✓		✓	✓				✓				✓	✓	✓	✓			
Page Primary	✓	✓	✓	✓				✓	✓			✓						
South Point High	✓	✓			✓			✓	✓	✓		✓				✓		✓
W.A. Bess Elementary	✓	✓		✓			✓	✓	✓			✓		✓	✓			

SCHOOL BONDS 2018

GASTON COUNTY SCHOOLS

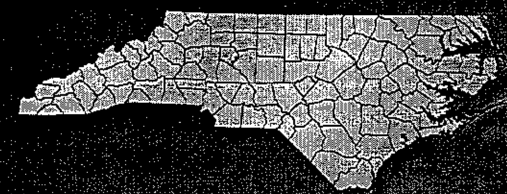
10 FACTS ABOUT THE LOTTERY

North Carolina has had a state lottery now for 10 years, marking its 10th anniversary on March 30th, 2016. Here are 10 things to know about the Education Lottery:

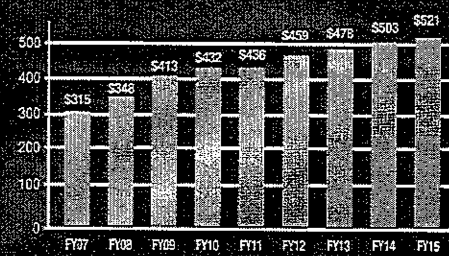
1. With $2 billion in revenues, the lottery has grown into one of the state's most successful sales organizations.
2. Ticket sales have increased every year, averaging $5.4 million a day.
3. More than 6,850 retail locations across North Carolina sell lottery tickets.
4. Money raised for education has increased every year, averaging $1.4 million a day.
5. Six North Carolinians have won Powerball or Mega Million jackpots, ranging from $12 million to $188 million.
6. The lottery awarded a prize of $1 million or more 55 times last year.
7. Players win on average $3.4 million a day in prizes.
8. Marketing programs support North Carolina community festivals and fairs as well as the state's professional and collegiate sports teams.
9. The only source of funds for the state's problem gambling program – $1 million a year – comes from the lottery.
10. Independent auditors have issued "a clean opinion" – the highest available – in every audit of lottery finances.

HALF A BILLION DOLLARS A YEAR FOR EDUCATION

The Education Lottery now raises more than half a billion dollars a year for education. Since the start of the lottery 10 years ago, that's more than $4.2 billion. The money benefits education programs in every county in North Carolina.



The money raised by the lottery has increased every year and provides funds that wouldn't be available otherwise.

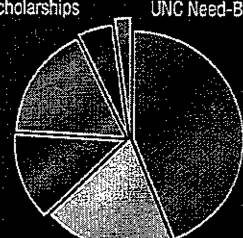


(in millions)

Lottery dollars provide an important source of funding for education, but represent only a small part of the overall investment made by counties and the state. State legislators decide the best use of lottery dollars. Here is the FY2015 allocation:

EARNINGS FOR EDUCATION

(in millions)



NCLOTTERY.COM

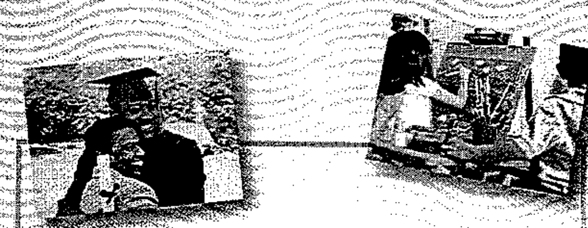
Visit the "For Education" section to see how lottery funds have benefited all North Carolina counties.

199,375 copies of this public document were printed at a cost of $15,072.75 or $.0756 per copy.

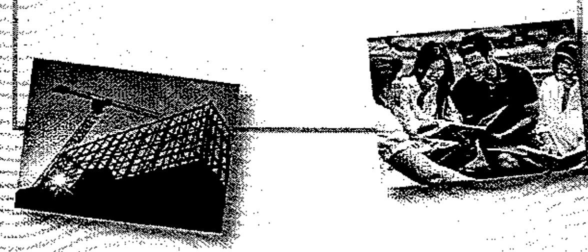
$88,612,670

in lottery funds supporting education in

GASTON COUNTY

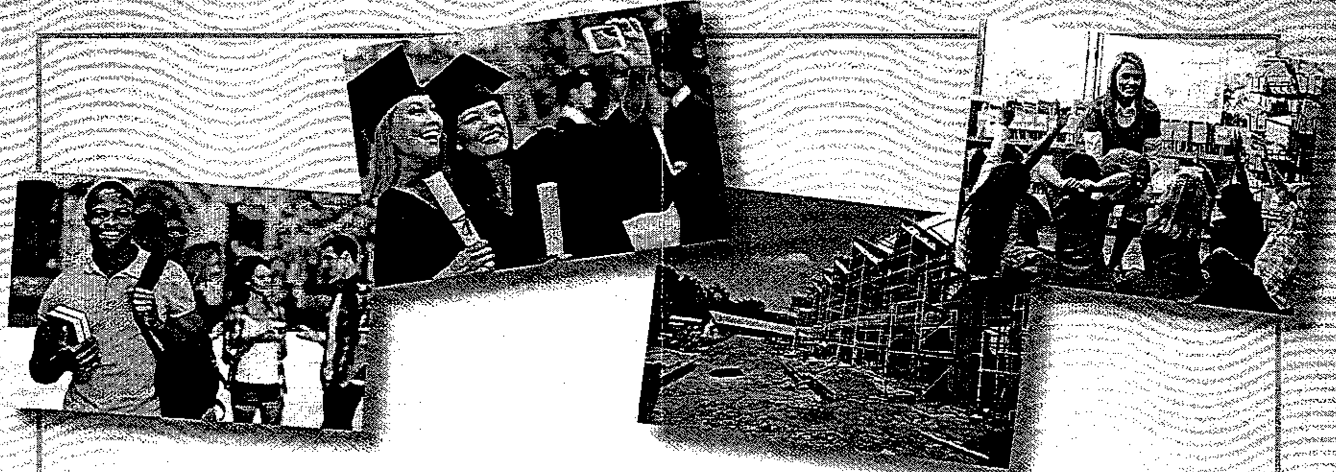


10 YEARS OF MAKING A DIFFERENCE



NORTH CAROLINA Education LOTTERY 10th anniversary

PLEASE TAKE ONE & SHARE



LOTTERY FUNDS SUPPORTING EDUCATION IN GASTON COUNTY

Since 2006, more than $88,612,670 in lottery funds have helped educators, students and schools in Gaston County. As the lottery celebrates its 10th Anniversary this year, let's take a closer look at how the funding is making a difference.

Keeping teachers teaching

A teacher's day starts early and ends long after the bell rings. Their valuable work has been supported by enough lottery funding to pay the annual salary of more than 581 teachers in Gaston County.

Building a solid future

Students need space to learn. And more than $26,256,309 in lottery funds have been made available for school construction and repairs in Gaston County. Every dollar raised by the lottery is one less that has to come from taxes.

Giving kids a smart start

Being ready to learn helps kids get the most out of school. To help those who might fall behind, lottery funds have paid for more than 4,214 four-year-olds to attend an academic prekindergarten program in Gaston County.

Education for a lifetime

A college education can boost success for life. More than 10,777 need-based college scholarships and UNC need-based grants have helped college students in Gaston County with the cost of attendance.

NORTH CAROLINA Education LOTTERY 10th anniversary

NCLOTTERY.COM

Visit the "For Education" section to see how lottery funds have benefited all North Carolina counties.

NORTH CAROLINA Education LOTTERY 10th anniversary

HOW LOTTERY FUNDS WERE USED IN GASTON COUNTY

Program	Fiscal Year 2015	Cumulative
Teachers' Salaries	$5,125,260 87 Positions	$31,004,283 581 Positions
Teachers' Assistants	$2,279,911	$2,279,911
School Construction	$2,116,833	$26,256,309
Prekindergarten	$2,443,393 416 Slots	$20,614,595 4,214 Slots
College Scholarships	$666,648 606 Scholarships	$5,824,507 5,279 Scholarships
UNC Need-Based Grants	$200,594 939 Grants	$1,957,845 5,498 Grants

FY15 was the only year to date that lottery funds have been allocated to fund teacher assistant pay. In fiscal year 2014, $335,111 in lottery funds were allocated to Gaston County for digital learning initiatives. For fiscal year 2013, $340,109 in lottery funds were allocated to Gaston County to partially offset how much state funding a local education agency had to return to the state. This is also known as an LEA Adjustment.

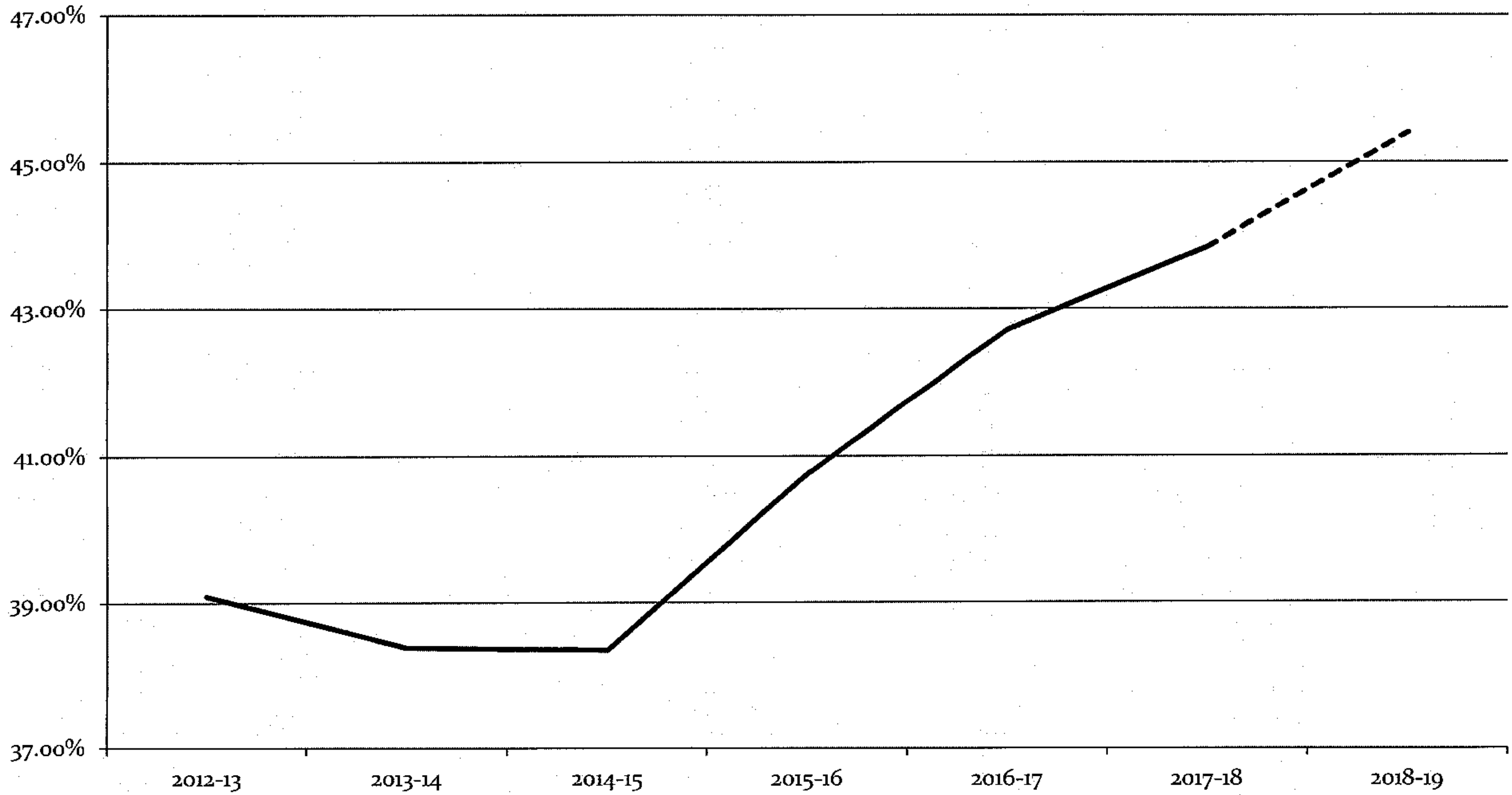
County totals to education are from March 30, 2006 through the end of FY15 on June 30, 2015. Total to education statewide is through December 2015. Beneficiary data is sourced from reports issued by the Fiscal Research Division of the North Carolina General Assembly.

School Funding

	FY 2015	FY 2016	FY 2017	FY 2018
Operating	$ 42,841,194	$ 44,918,460	$ 46,469,818	$ 48,999,014
Capital	$ 2,227,000	$ 1,227,000	$ 1,227,000	$ 1,227,000
Debt	$ 15,475,561	$ 15,791,048	$ 18,808,677	$ 20,997,308
Total	**$ 60,543,755**	**$ 61,936,508**	**$ 66,505,495**	**$ 71,223,322**

- School funding has increased over 17.6% since 2015.
- Debt alone has increase by over 35% over the same time period.

% Property Tax Appropriated for Schools



Danny Jackson <dannyjackson@mtholly.us>

Fwd: Gaston County School Funding History

Peoples, Michael <michaelp@cityofgastonia.com> Thu, Mar 15, 2018 at 5:55 PM
To: "danny.jackson@mtholly.us" <danny.jackson@mtholly.us>

Sent from my iPad

Begin forwarded message:

From: "Peoples, Michael" <michaelp@cityofgastonia.com<mailto:michaelp@cityofgastonia.com>>
Date: March 15, 2018 at 12:40:53 PM EDT
To: "djackson@mtholly.us<mailto:djackson@mtholly.us>" <djackson@mtholly.us<mailto:djackson@mtholly.us>>, "bhough@mtholly.us<mailto:bhough@mtholly.us>" <bhough@mtholly.us<mailto:bhough@mtholly.us>>
Subject: Fwd: Gaston County School Funding History

My phone made all the errors. I wasn't driving, I promise.

-------- Original message --------
From: "Peoples, Michael" <michaelp@cityofgastonia.com<mailto:michaelp@cityofgastonia.com>>
Date: 3/15/18 9:24 AM (GMT-05:00)
To: wreid3@carolina.rr.com<mailto:wreid3@carolina.rr.com>
Subject: FW: Gaston County School Funding History

From: Matthew Rhoten [mailto:Matthew.Rhoten@gastongov.com]
Sent: Thursday, March 15, 2018 8:33 AM
To: Peoples, Michael
Cc: Bryant Morehead; Earl Mathers
Subject: Gaston County School Funding History

Mr. Peoples,

Currently, we receive approximately $2.0 million for lottery proceeds to help finance school debt, this number has been roughly cut in half by the state since we first started to receive funding. The $2.0 million is earmarked to pay debt that the county issued in 2006 in the amount of $56.5 million. The debt payments for that $56.5 million exceeds the $2.0 million from the lottery proceeds; therefore, there are no additional funds left for new debt payments. I have attached a PDF that outlines how much school funding has increased over the past few year and what percentage of property tax goes to fund schools. The figures are for the schools only and do not include the college. The (1/4) cent will go a long way toward the county's funding new debt that is drastically needed for schools. Without the (1/4) cent the county will not be able to absorb additional debt for schools without a tax increase, which would be a far greater burden on citizens as opposed to the (1/4) cent. The (1/4) cent is paid by all citizens regardless of whether they own property or not, and roughly 30% of the revenue will be from visitors from outside the county. The (1/4) cent does not apply to groceries or medication and only equates to one quarter on a $100 dollar purchase. Please let me know if you need any additional information or would like to discuss anything further.

Thanks,
Matt

Matthew Rhoten
Budget Director
Gaston County